

IMPACT OF CONFLICT ENVIRONMENT ON TOURISM INDUSTRY OF KASHMIR

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Abstract

Tourism plays a crucial role in the economic development throughout the globe. Kashmir which is popularly known as 'paradise' on earth throughout the world has been a place of attraction for tourists since centuries. Because of its natural beauty and cultural heritage it attracts tourists from every corner of the world. Bubbling streams, snow covered mountains, pleasant climate, cool water, ever green forests, lush green meadows and lilly laden lakes are unparallel and unmatched throughout the world. However, the geo-political status of Kashmir has become one of its greatest handicaps. Kashmir which witnessed the birth of turmoil in 1989 too witnessed its consequences in different spheres of life. Tourism sector which is considered as economic bonanza of Kashmir has suffered badly and this is a sector that has unquestionably been the worst casualty of this continued political instability and social turbulence. Besides this, it affected not only tourism but also indirectly the socio-economic activities related to tourism. The present paper aims to examine and investigate that how tourism sector of Kashmir declines since the onset of political turmoil and disturbance and unfortunately that could not come out of the shocks through half-hearted efforts were made by the political dispensation. More emphasis has been laid on combining and comparing the ups and downs of both the issues of turmoil and tourism in Kashmir. The present study is based on secondary sources of data which has been collected from various organisations in order to gain fruitful results.

Key Words: Insurgency, Tourism, Paradise, Foreign exchange, Employment, Impact.

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Introduction

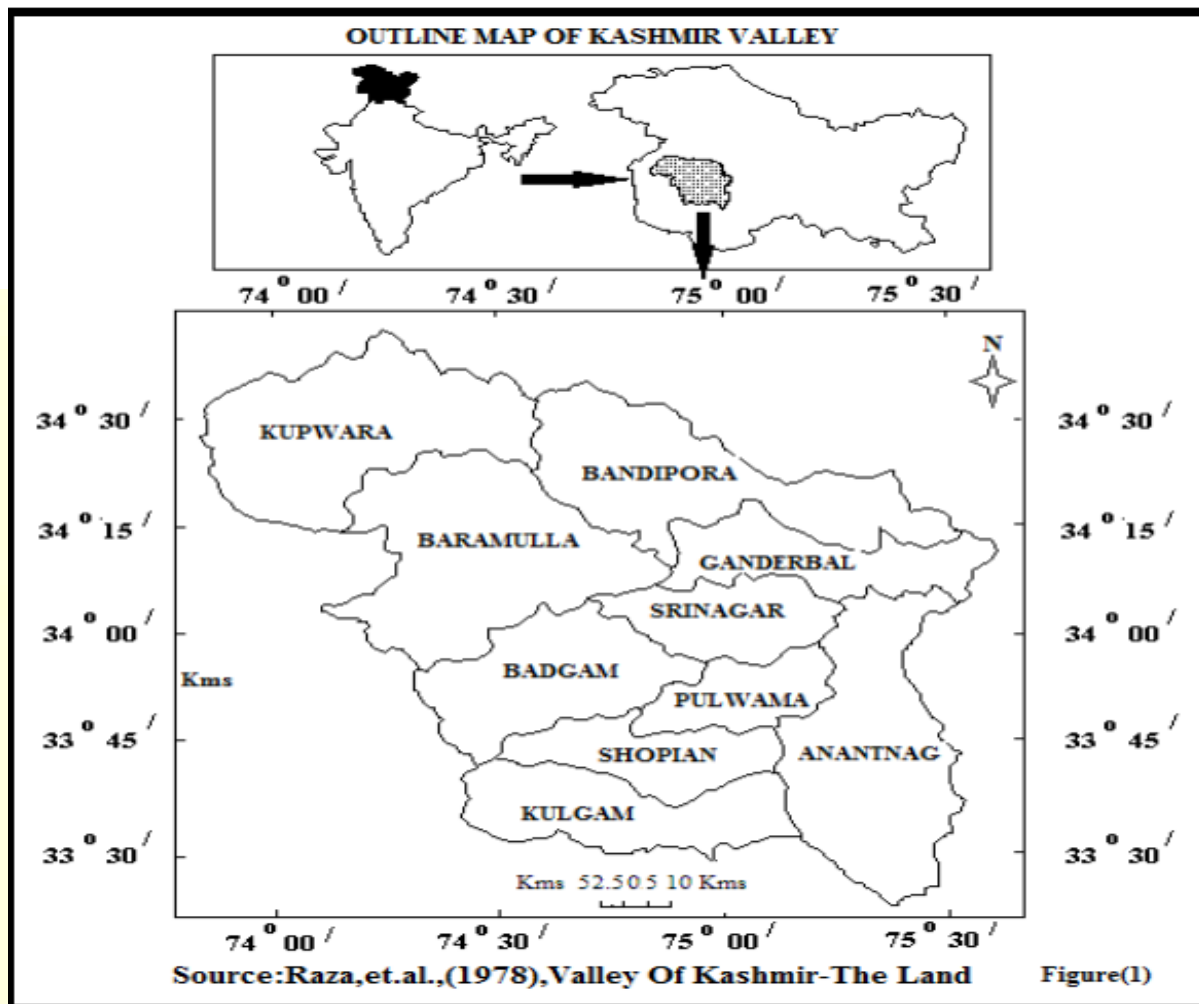
Tourism denotes the temporary, short term or prolonged movement of people to destinations away from their normal habitat and work or under takes their regular activities. The valley of Kashmir has been a place of attraction to the tourists from the very beginning. Because of its natural beauty and cultural heritage it attracts tourists from every corners of the world. The bubbling streams, snow covered peaks, evergreen forests, lush green meadows, cool and sweet water, pleasant climate and lily laden lakes are unparalleled and unmatched throughout the world and offers good attraction to the tourists. The Mughals aptly called Kashmir 'The Paradise on Earth'. The tourism industry accounts for approximately 15 percent of the total Net Domestic state product and is a main source of income to a large number of local Kashmiris. Especially due to the industry's service oriented nature it helps to fight against the state's high unemployment rate.

However with the beginning of insurgency in the state in 1989, the tourist trade and tourism sector completely collapsed. All the hotspots of tourism in Kashmir like Gulmarg, Songmarg, Phalgam, Dal lake, Mughal Gardens which used to witness thousands of tourists, all of changed into not less than any ghost place. The previous two years, before the insurgency started in 1989 had respectively recorded an overwhelming number of 721,650 and 722,035 tourists (Directorate of Tourism J&K Govt.). This figure came down to 557,977 in 1989 and in the year 1990, it substantially declined to 10,722 and continued to remain below 10,000 till the year 1996 except in 1992 when the number of tourists visiting Kashmir was 10,324. Hundreds of hotel owners, boat owners and thousands of tradesmen at the different tourist destinations left their jobs as the tourism business freaked off. The impact of turmoil was so much that the western countries issued travel advisories for their citizens and advised them to avoid visit

Kashmir. The Academic of Art Culture and Language, which was used to organise cultural Programmes in the Valley but under the turmoil conditions it had to cease its operation. Tourism and its related sectors were battered causing not only the creation of a negative image of Kashmir but also loss of livelihood to those dependent on it directly or indirectly.

Study Area

Kashmir Valley, a separate geographical entity- popularly known as “Paradise on Earth” is one of the three Meso regions (Jammu, Kashmir and Ladakh) of the state of J&K which are separated by the Himalayan mountain ranges from one another. It is nested in North West folds of the Himalayas and is transverse valley surrounded from all sides by high mountain ranges, characterized by snow covered lofty peaks scenic spots, beautiful valleys, rivers with ice-cold water, attractive lakes and springs green fields, dense forests and beautiful health resorts. Therefore, the state also earned names such as “the Switzerland of the East” and “Paradise on Earth”. The oval shaped valley (figure-1) extending between latitudes 33°20' N to 34°40' N and longitudes 73°45'E to 75°35'E stretches over an area of 15,853 km² (out of 1, 12,387 km² area of J&K), giving the appearance of an old lacustrine bed. Kashmir Valley occupies a special place in India, because of its geographic location, its scenic splendour and its great contributions to the arts and culture of India.



Objectives of the Study

The present study is based on the following objectives:

1. To evaluate the impact of political disturbance on tourism and socio-economic status of Kashmir.
2. To identify the major problems faced by the tourism sector since the onset of turmoil.

3. To provide feasible suggestions for the revival and sustainable tourism development in Kashmir.

Methodology

The methodological principles adopted for the present analyses is based on secondary data obtained from published and unpublished sources such as Department of Tourism J&K, Economic Survey J&K 2013-2014, United Nations World Tourism Organisation, World Travel and Tourism Council, Ministry of Tourism-GOI etc.

Impact of Conflict Environment on Tourism Industry of Kashmir

Tourism in Kashmir plays a key role in the socio-economic development of Kashmir. This sector accounts for approximately 15 percent of the total Net Domestic state product and is a main source of income to a large number of local Kashmiris. Especially due to the industry's service oriented nature it helps to fight against the state's high unemployment rate. But this sector had suffered badly since the onset of political disturbance in the state. This turmoil and disturbance in Kashmir laid a havoc impact on the tourism industry. The health resorts of the valley gave shabby outlook. The charming and scenic beauty of the resorts was no more seen in a manner of the days of its glory. All the hotspots of the valley like Gulmarg, Phalgam, Songmarg, Dal lake and Mughal gardens, which once were used to witness thousands of tourists, all of sudden changed into not less than any ghost places. Neither these engaged with the maintenance and beautification of these resorts discharged their duties nor had it the priority with the government to look after these spots.

The paramount consideration with government was the maintenance of law and order rather taking care of these resorts. Before the advent of insurgency a separate budget was kept for the development and beautification of tourist resorts which latter on had been diverted and invested on such ventures to stop the impact and influence of the turmoil in the valley. As a result, the once beautifully maintained gardens turned into bushes, thorns and other kinds of weeds that engulfed the resorts.

Due to this conflict environment many tourist attractions such as Bangus and Lolab valleys in Kupwara district, Gurez valley in Bandipora, Boosi in Baramulla and Tosa maidan in Budgam district etc remained untapped. These are most beautiful areas but the conflict environment has prevented the tourists to visit these areas because the tourist feels insecure to visit these spots. These tourist spots remain unexplored and were not brought under the lines of tourism. Due to the political turmoil many of the tourist spots were totally or partially under the occupancy of security forces. Many historical sites were occupied by military personnel including the world famous Mughal Inns. Frisking environment kept the local excursionists away from visiting various tourist destinations especially far flung ones. It is estimated that around 180 historical structures were gutted in ashes during insurgency in the valley. In various violence related incidents many tourists also lost their lives.

Table 1: Tourist arrival to Kashmir Valley from 1988 to 2010

Year	Domestic Tourists	Foreign Tourists	Total Tourists
1987	664081	57537	721654
1988	662097	59938	722035

1989	490212	67762	557977
1990	6095	4627	10722
1991	1400	4887	6287
1992	1175	9149	10324
1993	450	8026	8476
1994	500	9314	9814
1995	332	8198	8520
1996	375	9592	9967
1997	7027	9111	19131
1998	99636	10247	109883
1999	200162	17130	217292
2000	277347	7575	284922
2001	185735	5859	191594
2002	135686	2694	138380
2003	182205	8959	191164
2004	358095	18234	376729
2005	585702	19680	603582
2006	412879	20009	432888
2007	417260	24576	441836
2008	550100	22000	572100
2009	520454	20809	541263
2010	698564	24376	722940

Source: Directorate of Tourism Kashmir (2010)

It can be clearly seen from the table 1. that conflict environment had a multi-dimensional impact on Tourism industry of Kashmir and its related sections. It is estimated that the state had lost 27 million tourists from 1989-2002 leading to revenue loss of \$ 3.6 billion. It can be clearly observed from the above table that till late 1980's, the valley used to attract huge number of national as well as international tourists, but the tourism sector received a serious jolt with the outbreak of insurgency in the year 1989. Tourism arrival was remarkable 7.2 lakh in 1988 but saw a drastic dip in 1991 when it was negligible 6287. This was the peak militancy period which hindered the tourists to visit Kashmir. The tourist influx declined considerably up to 2002 during which Kashmir suffered heavily in this sector due insurgency.

Although with the improvement in the security scenario the influx of tourists from 2003-2007 has registered an improvement to some extent. The flow of tourists started increasing steadily and in 2003 near about 191164 tourists visited the valley. This figure increased in 2004 and approximately 376729 tourists came to Kashmir and enjoyed the beauty of nature. In 2005, 2006 and 2007, the influx of tourists was higher than previous years and 603582 (2005), 432888 (2006), 441836 (2007) of tourists were registered in Kashmir. But after 2007 there was again a serious jolt to the tourism sector in Kashmir, because in 2008 and 2010 the whole Kashmir was under violence and valley remained shut down and under curfew mostly during peak tourist seasons which hindered the tourists to visit the Kashmir.

Fig (1) Bar Diagram Representing Decline of tourists in Kashmir Valley (1971-2003)

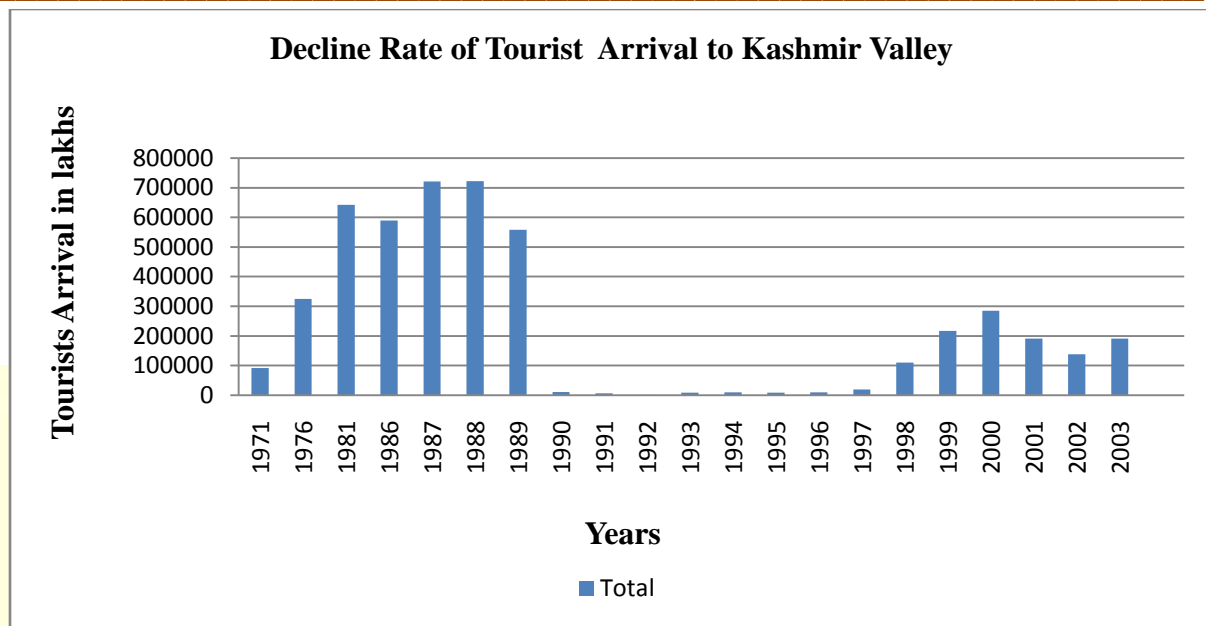
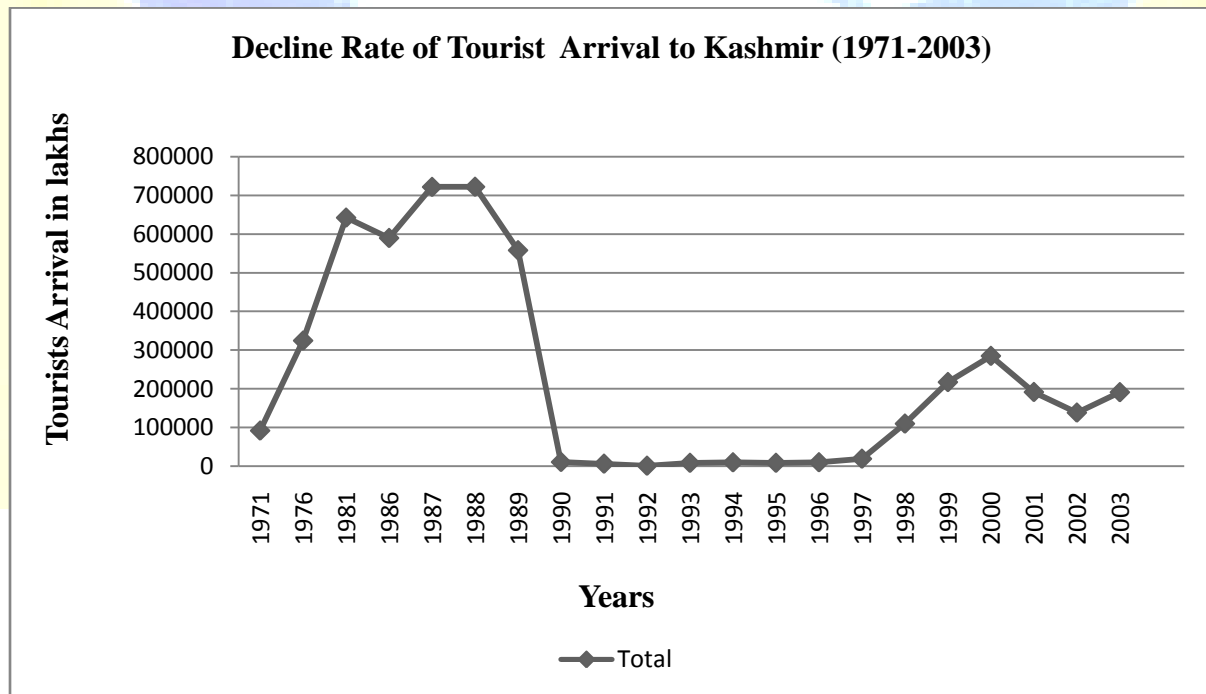


Fig (2) Line Graph showing Decline of tourists in Kashmir Valley (1971-2003)



Substantial Decrease in Foreign Exchange

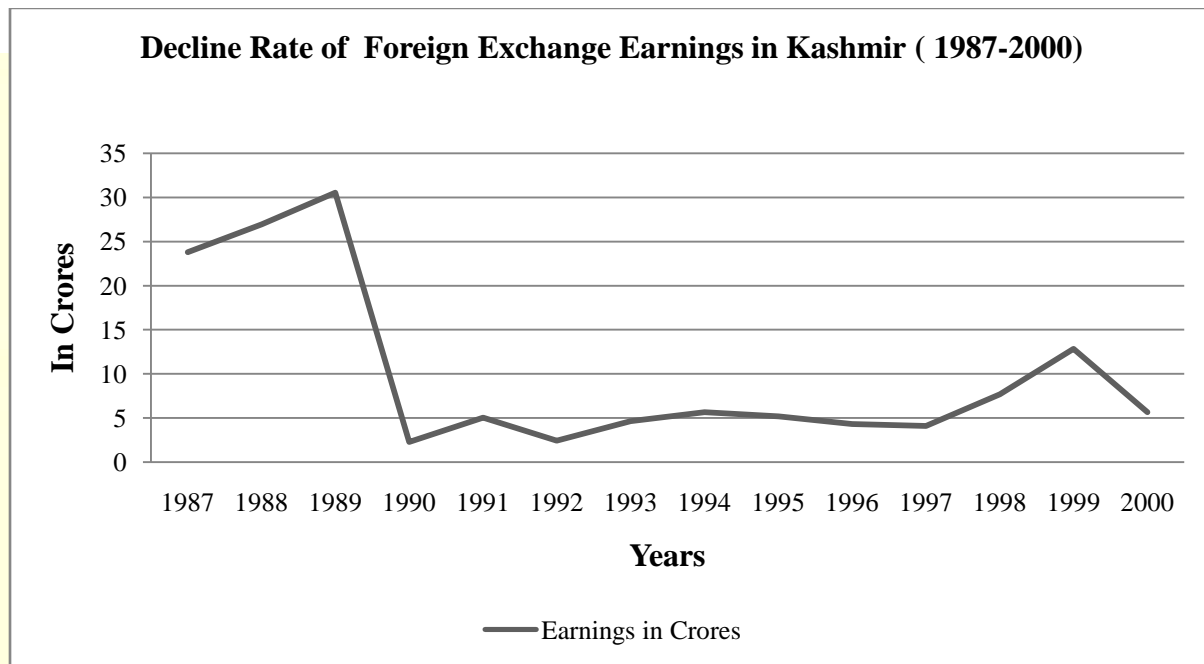
It is seen that tourism has now emerged as an important contributor to the foreign exchange earnings at an international scale. In the state of J&K the foreign exchange earnings from tourism had increased continuously up to 1989 as shown in table 2. The foreign exchange earnings has increased from 23.81 crores in 1987 to 30.56 crores in 1989 but in 1989 when the militancy gained momentum and insurgency was at its peak in the valley, there was a strong havoc to the tourism sector resulting in the decrease in the number of domestic as well as foreign tourists, which in turn affected foreign exchange of Kashmir. The foreign exchange earnings has drastically declined from 30.56 crores in 1989 to just 2.29 crores in 1990, thus there was a sharp decrease of 28 crores in 1990. This was the peak and birth period of conflict in Kashmir which causes a serious damage to tourism sector which in turn affected the foreign exchange earnings of Kashmir. During nineties the figure of foreign exchange almost came down to a standstill there by giving the economy of Kashmir a great jolt.

Table 2: Foreign Exchange Earnings through Tourism in J&K (1987-2000)

Year	Earnings in Crores	Year	Earnings in Crores
1987	23.81	1994	05.66
1988	26.96	1995	05.21
1989	30.56	1996	4.32
1990	02.29	1997	4.10
1991	05.05	1998	7.68
1992	02.42	1999	12.84
1993	04.66	2000	5.68

Source: Mirza, N. A, "Management of Tourism in Jammu and Kashmir" Dilpreet Publishing House, New Delhi, 2000

Fig (3) Line Graph Representing Decline of foreign exchange earnings through tourism in Kashmir Valley (1987-2000)



Impact on Employment Opportunities

The outbreak of insurgency in Kashmir in 1989 created a negative impact on employment opportunities. Unemployment has emerged as one of the major challenges to the economy of Kashmir. During the two decades, a large number of youths got education in general, higher, professional and technical education. However, a lesser number of youths were employed by the state, leaving a major skilled chunk of youths as unemployed. There are around 550,000 youth unemployed in the state at present, as registered in different employment exchanges or boards.

Kashmir being essentially a non-industrial economy and deficient in natural resources and thus depends mostly on the tourism sector next to agriculture. A large section of the population of Kashmir

directly or indirectly is engaged in tourism industry. e.g. house boat owners, shikara owners, artisans, photographers, travel agents and craftsmen etc. But when the militancy broke out in Kashmir in 1989, these people suddenly found themselves without an occupation and no means of livelihood because there was a sharp decline in the tourist arrival to the valley. Near about 1094 houseboats operating in different lakes and all those people employed in their running became jobless. The fate of 2,000 shikarawalas in different lakes was no better. Hotels and guest houses which once were used to do rosy business now were without tourists and the business of this sector reached the lowest ebb. The approximate employment provided by the tourism related units in times of normalcy is shown in table 3.

Table 3: List of Tourism related units of Kashmir valley and the approximate Employment provided by these units.

Name of unit	Total no. of registered units in Kashmir	No. of Employees attached per unit	Total no. of Persons
Houseboats	1094	5	5470
Hotel A Category	59	25	1475
Hotel B Category	71	15	1065
Hotel C Category	113	10	1130
Hotel D Category	29	6	174
Travel Agents	202	5	1010
Guest Houses	154	8	1232
Restaurant Dhaba	306	8	2448

Tourist Guides	94	1	94
Photographers	341	1	341
Hawkers	2500	2	5000
Bathing Boats	81	1	81
Motor Boats	113	1	113
Tour Operators	5276	1	5276
Pony Keepers	209	8	1672
Boat Shops	11	1	11
Ski Shops	650	1	650
Golf Professional	1	2	2
Total	11304	101	27289

Source: Directorate of Tourism, J&K-2003

Table 4: Relation between Conflict Environment- Tourism and Employment (In %age).

Impact of Turmoil on Tourism	Houseboat owners	Hotel owners	Shikara owners
Change in occupation during turmoil	70	50	40
Average level of occupancy by tourists before Unrest	80	70	70
Average level of occupancy by tourists during Unrest	5	5	10

Source: Directorate of Tourism Kashmir

The table 4 shows that the average level of occupancy before insurgency was 80% for house boat owners, 70% for hotel owners and 70% for shikara owners. This figure declined to 5%, 5% and 10% respectively. About 70% of house boat owners, 50% hoteliers and 40% shikara owners changed their occupation during insurgency. Similarly all tourism related occupations and personnel such as taxi-transport operators, retail-sellers, footpath vendors; handicraft etc had face to face the same situation.

Impact of conflict situation on Economic setup of Kashmir

The tourism sector is considered as backbone for the economy of Kashmir. It absorbs large section of population and provides them jobs in different fields. But from the onset of conflict environment the economy of Kashmir did not grow, because of decline of tax base, increase in expenditure, depletion of infrastructure and so many factors related to law and order, the economy of Kashmir has received a terrible setback. The conflict situation has left behind a track of destruction danger and depression. The two decade long Armed Conflict in Kashmir has debased its economy and rendered the people poor. This can be seen by looking at the BPL ratio in Jammu and Kashmir with rest of the states.

Kashmir is largely dependent on governmental financial assistance and subsidies. The basic infrastructure like power supply, roads, communication systems and drinking water facilities remains far behind, because the resources of the valley are diverted and utilized for counter terrorism activities. The armed conflict has affected the developmental programmes, thereby not only lead to destruction to the tourism industry but also create different hindrances in the effective implementation of the developmental policies initiated by the government. It can be inferred that only 1752.16 crores used to be per capita plan investment in 2002/ 2003 for

Kashmir division which has now risen to 4060.48 crores in 2008-09. This reflects the pathetic condition of the planning for Kashmir during the last decade of 20th century.

The state of J&K had been lagging behind most of the states of the Union of India in regard to the growth of Net Domestic Product (NSDP) at current prices. The average annual growth of Net State Domestic Product (NSDP) at current prices during 1980-1981 to 199-2000 was 12.45 % for J&K against 15.01%, 14.28%, 13.83% and 14.3% for A.P, Gujarat, W.B, and Kerala respectively (Planning Commission of India 2006). As a matter of fact, J&K's economy could not keep up with the national level and can exhibit only 5.5 percent annual growth during the first four years of the tenth five year plan in the comparison to the national average of 7 percent (Finance and planning commission 2007).

According to president, Federation of Chambers and Commerce industries Kashmir, the total number of shutdowns including curfew period since September 1989 is more than 1800 days and the minimum loss of incurred amounts of 1,80,000 crores (Business Edition, Greater Kashmir, Srinagar). He also calculated the loss of per day contribution to GDP as 66 crore rupees during this conflict period. In the year of 1987, 1988, 1989 the total expenditure by tourists was 15252, 15322 and 12399 lakhs which gradually fell down to 324, 247 and 435 lakhs during the year 1990, 1991 and 1992 respectively. Thus there was a decrease of 97.66% in the expenditure by tourists which pushes the economy of Kashmir far behind. The economic cost of the conflict cannot be confined to a particular sector of industry or investment prospect, but it had affected all the important sources of live hood of local people such as tourism, horticulture, agriculture, handicraft industries etc.

Impact of conflict Climate on Handicraft Industry of Kashmir

The handicraft industry of Kashmir is well known and has enjoyed worldwide fame and name. This sector makes a significant contribution in sustaining export trade of the Kashmir. The total export from this sector is about Rs. 20 crore per annum. It occupies an important position in the economic structure of J&K and near about 3 lakh people are dependent on it for employment opportunities and it has great potential to generate more employment in future within and outside the state. This sector is mostly linked with the tourist arrival.

Due to the limited industrial base in Kashmir, handicraft has a key role in the economic structure of Kashmir but this sector suffered a lot since the birth of conflict climate in Kashmir. The performance of this sector got a serious jolt. The output of this sector suffered seriously and declined to a large extent. Not only production but also quality wise they are less superior to the goods manufactured in China, Nepal and Iran. Due to this reason, nowadays the export trade has not been able to capture its due share in the potential market.

Table 5: Year Wise Production, Employment and Export of Handicraft Industry in Kashmir (1989-2011)

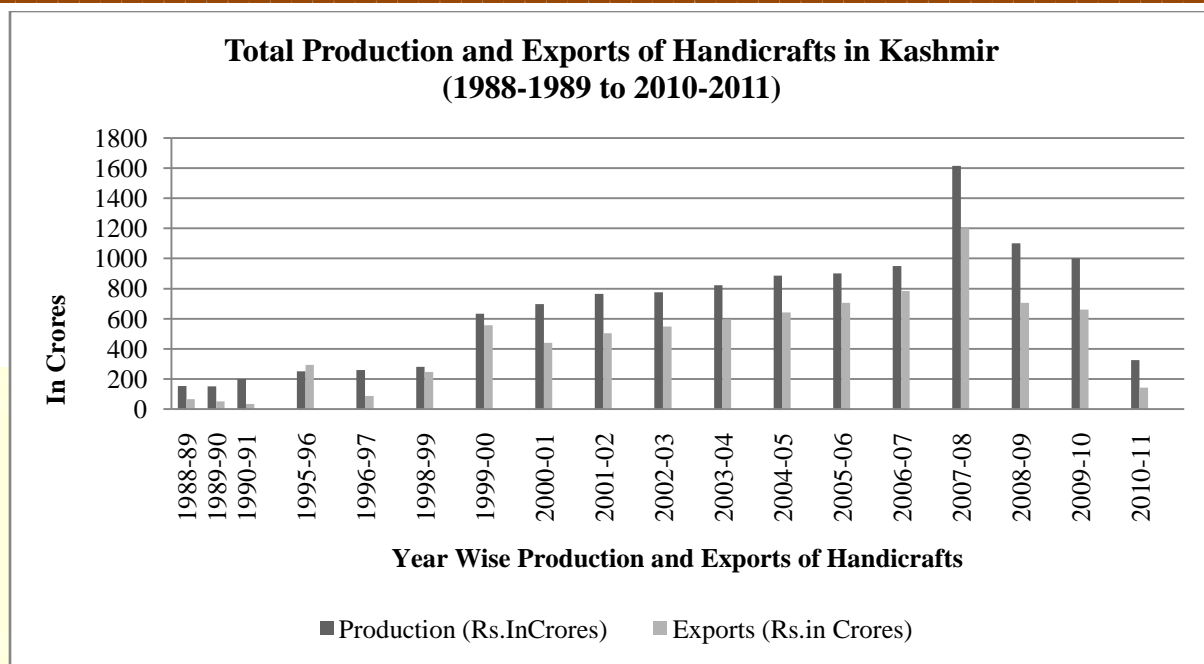
Year	Production (Rs.InCrores)	Employment (No.InLakhs)	Exports (Rs.in Crores)	Growth Percentage		
				Production	Employment	Export
1988-89	154.00	-	65.83	-	-	-
1989-90	150.00	-	50.70	-	-	-
1990-91	200.00	2.25	34.60	-	-	-

1995-96	250.00	2.78	293.50	20.00	19.06	83.79
1996-97	260.00	2.90	88.14	03.84	4.13	(-) 142.22
1998-99	280.00	3.10	247.00	07.14	6.45	64.31
1999-00	633.03	3.20	556.99	55.76	3.12	55.65
2000-01	696.33	3.29	439.90	09.09	2.73	(-) 26.61
2001-02	765.94	3.87	504.25	09.08	14.98	12.76
2002-03	775.00	3.454	549.20	01.16	(-)41.60	8.18
2003-04	821.53	3.460	595.00	05.66	0.17	7.69
2004-05	887.00	3.471	642.00	07.38	0.31	7.32
2005-06	900.00	3.483	705.00	01.44	0.34	8.93
2006-07	950.00	3.496	785.00	05.26	0.37	10.19
2007-08	1614.59	3.505	1200.47	41.16	0.25	34.60
2008-09	1100.00	Na	705.50	(-)31.87	-	(-) 41.23
2009-10	1000.00	Na	661.27	(-)09.09	-	(-) 06.26
2010-11	325.00	Na	142.00	(-)67.50	-	(-) 78.52

Source: Directorate of Handicrafts, J&K

From the table 5, it is clearly observed that the production of handicraft sector has not flourished during the turmoil period. The value of production and export has declined from Rs. 154 crores and Rs.50.70 crore in 1988-1989 to Rs. 150 crore and Rs.34.60 crore in 1989-1990, because this period was the birth period of turmoil in Kashmir. From 1990 to 2007 the Growth percentage of Production, employment and export of handicraft industry in Kashmir keeps on increase or decrease depending upon the level of violence at that particular point of time. The growth rate of production has changed from 20 percent to 41 percent during 1995-96 to 2007-08, the growth rate of employment has changed from 19 percent to 0.25 percent and growth rate of exports has changed from 83.79 percent to 34.60 percent during the reference period. This main reason for this low growth rate in production, employment and export of handicrafts is the conflict environment of Kashmir which causes main obstacles in development of this sector. The production, export and employment of handicraft industry in 2008-2009, 2009-2010 and 2010-2011 was drastically declined and during these years handicraft sector of Kashmir got a serious damage because during this period whole Kashmir was under turmoil and unrest due to mass mobilization. The peak tourist seasons were suspended and Kashmir remained under curfew and protests during peak tourist seasons of these years.

Fig (4): Bar Diagram showing the Production and Exports of Handicrafts in Kashmir (1989-2011)



Conclusion and Suggestions

From the above analysis it can be concluded that, conflict climate pushed Kashmir valley in a worst condition in terms of tourism and its associated activities and valley lags far behind in annual economic growth as compared to national level. The charming and scenic beauty of the resorts was no more seen in manner of the days of its glory. The flow of tourists to the valley has witnessed ups and downs which has severely affected Kashmir tourism. The forests which were most favouritism by tourists have been among the principal causalities of the violent deforestation. Therefore any suggestions and recommendations in the area should include consideration of following issues:

1. Development of a strong network among government and various agencies, tourism industry, tourist groups, host communities, etc which would work towards re-marketing Kashmir tourism on modern basis.

2. There are only few peak tourist months in Kashmir that too in summer season. This has led to wastage of resources. In order to overcome this problem govt. should take appropriate steps for organizing winter sports which will attract sports lovers from different corners of the world.

3. There are many tourist spots in Kashmir that are not brought under tourism map. Govt. should bring these areas under tourism and there is great need to develop these areas in order to attract large number of tourists.

4. Tourism related infrastructure-transportation, telecommunication, restaurants, shopping, travel services etc should be coupled with full proof safety and security systems.

5. Proper dissemination of information to the people outside the state is very important. This can be done by advertising the tourism of the Kashmir through the channels of media, national newspapers, T.V and Radio which may help in boosting the tourism sector of Kashmir.

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