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SCOPE AND NEED OF PRIVATIZATION OF TOURISM IN NORTH INDIA WITH SPECIAL REFERENCE TO J&K

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ABSTRACT

Jammu and Kashmir is known for its scenic landscape all over the world. Tourism forms an integral part of the state's economy. The state of Jammu and Kashmir has immense potential for tourism from both domestic as well as international tourists there are a number of locations which are untapped and can be developed as major tourist destinations.

Tourism being one of the state's major industries has played an important role for developing the economy, particularly in the Valley and Ladakh regions. The industry has given jobs to a very large number of people and has generated economic activities in the primary, secondary and tertiary sectors in the state, which owes dependence to a large extent to this industry.

The present study is an attempt to assess and analyze the need and importance of privatization in tourism sector and to study other related issues of Tourism Industry in North Western India with special reference to Jammu and Kashmir.

Keywords: Employment; Foreign Currency; Balance of Payments; Economy; Sustainable Tourism

INTRODUCTION

Tourism consists of the activities undertaken during travel from home or workplace for the pleasure and enjoyment of certain destinations, and the facilities that cater to the needs of the tourist. Travel and tourism have been important social activities of human beings from time immemorial. The urge to explore new places within one's own country or outside and seek a change of environment has been experienced from ancient times.

Tourism today is the most vibrant tertiary activity and a multi-billion dollar industry in India. Tourism is the right vehicle for a developing country like India which is on the path of modern economic growth through structural transformation of the economy. The value-added effect of tourism is increasing. The role of tourism is essential in the economic development of a country. Tourism industry employs a large number of people, both skilled

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and unskilled. Hotels, travel agency, transport including airlines benefit a lot from this industry. Tourism promotes national integration. It generates foreign exchange and promotes cultural activities as well as traditional handicrafts sector. The tourist gets an insight into the rich and diverse cultural heritage of India.

India is one of the popular tourist destinations in Asia. India offers a wide array of places to see. The delighting backwaters, hill stations and landscape make India a beautiful country. Historical monuments, forts, beaches, places of religious importance, hill resorts, etc. add to the grandeur of the country. Thus, they attract tourists from all over the world.

India offers various categories of tourism. These include adventure tourism, medical tourism, religious tourism, etc. India has a composite culture. There is a harmonious blend of art, religion and philosophy. Religions like Christianity, Buddhism, Islam, Hinduism, Jainism, Sikhism and Zoroastrianism etc. has co-existed in India since hundreds of years.

Tourism has now become a significant industry in India, contributing around 5.9 per cent of the Gross Domestic Product (GDP) and providing employment to about 41.8 million people. As per the World Travel and Tourism Council, the tourism industry in India is likely to generate US\$ 121.4 billion by 2015 and Hospitality sector has a potential to earn US\$ 24 billion in foreign exchange by 2015.

Additionally, India is also likely to become a major hub for medical tourism, with revenues from the industry estimated to grow from US\$ 333 million in 2007 to US\$ 2.2 billion by 2014.

OBJECTIVES OF THE STUDY

The present study has following specific research objectives:

- To study the potential and employment opportunities of Tourism Industry in North Western India and in Jammu and Kashmir
- To assess the impact of privatization on tourism Industry in North Western India particularly in Jammu and Kashmir
- To assess the impact of tourism Industry on Jammu and Kashmir's economy and environment
- To find out the major challenges and problems of Tourism Industry in North Western India and Jammu and Kashmir
- To provide suggestions and recommendations for the full exploitation and development of Tourism Industry in Jammu and Kashmir

METHODOLOGY

The study is mainly based upon the collection of secondary data. The secondary data was collected from various sources of publications such as Magazines, journals, Research articles, Internet and published and unpublished records of Ministry of Tourism Government of India and J&K tourism.

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Tourism Industry in Jammu and Kashmir

Jammu and Kashmir is known for its scenic landscape, beautiful valleys, lakes, snow capped mountains, cool climate, skiing, trekking and fishing opportunities, archaeological, historical, cultural and religious places all over the world.

The state of Jammu and Kashmir has three distinct regions, viz, Jammu, Kashmir and Ladakh. All the three regions have immense potential for tourism from both domestic as well as international tourists. While mountainous landscape of Kashmir valley has attracted tourists for centuries across the globe. Some notable tourist places in Kashmir valley are Dal lake, Mughal gardens, Nishat Bagh, Gulmarg, Yeusmarg, Phalgam etc. Kashmiri's natural landscape has made it one of the popular destinations for adventure tourism in South Asia. Marked by four distinct seasons, ski enthusiasts can enjoy the exotic Himalayan powder during winters.

Jammu is known for its ancient temples, Hindu shrines, gardens and forts. The Hindu holy shrine of Amarnath in Kashmir attracts millions of Hindu devotees every year. And Vaishno Devi shrine in Jammu region also attracts tens of thousands of Hindu devotees every year. Jammu's historic monuments feature a unique blend of Islamic and Hindu architecture styles.

Ladakh, the third and important region of the State has emerged as a major hub for adventure tourism. This part of Greater Himalaya called "Moon on Earth" comprising of naked peaks and deep gorges was once known for the slik route to Asia from subcontinent.

Tourism is one of the State's major industries. It has played an important role for developing the economy, particularly in the valley and Ladakh. Being a labour-intensive industry, it has given different jobs to a very large number of people and generated economic activities in the primary, secondary and tertiary sectors in the state, which owes large dependence on this industry.

Kashmir has been a center of attention for different people for different reasons all over the world. There are various places of tourist attraction in the state visited by the tourists. However, most of the places with ample tourism potential are untapped.

Tourism in Kashmir depends greatly on the natural resources that this place has to offer for economic profitability. Tourism provides good sustenance to the local population and revenue to the State exchequer. The visits from domestic and international tourists provide a valuable source of earning. Visitors spending generate income for both public and private sectors besides effecting wages and employment opportunities. Till the year 2010 there was a negative growth rate in the tourist arrivals. But during 2011-12 there was a significant increase in volume of domestic as well as foreign tourist arrivals in Kashmir. [see table 1]

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Table 1. Tourists' arrival from 2004 to 2010 in Jammu and Kashmir

Year	Amar-	Kashmir	Foreign	Jammu	Ladakh	Foreign	Total
	nathji	Domestic		Domestic	Domestic		
		Tourists					
2004	400000	358000	19000	6100000	13000	22000	7724000
2005	388000	585702	19680	6251998	13781	24665	8315654
2006	265000	412879	20009	6950573	17822	26078	8434149
2007	213565	417264	24576	7222318	22102	28477	8634286
2008	498075	550100	22000	6576000	39000	33000	8860350
2009	373419	520454	20809	7657000	48127	30446	9643517
2010	458046	698564	24376	8239474	54684	21371	10753556

SWOT Analysis of Tourism Industry in Jammu and Kashmir

The SWOT analysis gives us the strengths on which we can build on, weaknesses, which we have to take care of by strengthening them, opportunities which we should exploit and utilize to the best and the threats which we have to counter for the development of tourism in J&K. if we are able to understand this we can very well provide the facilities, services to the tourists which could be unmatchable and the tourists would come again and again and would also become ambassadors in propagating/marketing the destinations with the word of mouth.

Strengths	Weaknesses			
Rich culture, Heritage	Undeveloped Tourist Destinations			
• Three distinct Regions with	Poor Road connectivity			
diversity	 Poor Promotional activities 			
Ladakh, Jammu and Kashmir	• Poor coordination between state			
• Flora, fauna, lakes, mountains,	departments stress on only few			
pilgrimage Places, springs,	tourist sites			
monuments, horticulture	No culture of perspective planning in			
Handicrafts and Shawls	state departments			
Hospitable people	Lack of Training infrastructure and			
	hospitality Industry			
Opportunities	Threats			
• High returns from tourist	Security threats			
industry	Competition from other states			
Pilgrimage circuits	 Better facilities from competitors 			
Package Tours	• Low information dissemination			
• Higher spending of people on				
Recreation, environment				
• Customer oriented and friendly				
people				

Problems of Tourism Industry in North Western India

The India's "Incredible India" tourism campaign and the information technology growth have been attracting millions of foreign tourists and business tourists in India. Medical

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tourism has also recently mushroomed in India. Despite this, the Industry is still hampered by several problems like-

- Poor road connectivity and transportation facilities
- Lack of basic hygienic amenities at halting points
- Non-standardization of rates and fares
- Lack of sound marketing and promotion strategies
- Poor maintenance of heritage sites
- Issues regarding security and harassment
- Lack of passionate and trained professionals
- Inadequate capacity
- Costly travel- soaring fuel surcharges, poor flight management etc.
- Lack of supportive infrastructure- bad roads, improper health and hygiene, communication gaps, etc.
- Gap between demand and supply of manpower
- Lapses in security and safety- incidents of tout and harassment of tourist in some places
- Uneven progress-slow growth of village tourism, lack of information about tourist profile etc.
- Untrained Guides
- Poor administration and management

Tourism problems are more common in the rural areas of the north western India besides in Jammu and Kashmir. These areas are rich in natural beauty, but they often lack basic infrastructure and accommodation for tourists. It is very essential to promote tourism strategically both at national as well as at the international level. However, the tourism departments are always cash strapped. There is general apathy towards work along with aging manpower which never works in favor of promotional activities. What we need today is dynamic manpower that is committed to take up tourism as a career and workup to make India a safe tourist destination. Thus, privatization of tourism sector can help to fill the gap by providing efficient and highly skilled manpower and develop the necessary infrastructure to exploit the booming tourism sector in north western India particularly in Jammu and Kashmir.

Strategic Impact of Privatization in Tourism and Other Service Sectors

In this competitive age, many countries in the world are facing several crises in developing their economy due to various reasons such as cross-border terrorism, unstable political environment, poor utilization of wealth resources, huge increase in population and poor concentration on agriculture. Such causes led these countries to be in struggle to take

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immediate and remedial measures to develop their economy and to satisfy the society. The basic economic structure of a country may significantly differ from each other because of imbalances in their regulation of business and other activities. In order to remove such obstacles, the world trading organizations formed new dimensional policies to maintain the balance between the countries in trading and other activities. These policies were generally called as LPG policies (Liberalization, Privatization and Globalization). The main objectives of these policies is not only to provide and maintain the equality in business and other activities but also to standardize the work and satisfy the global customers.

Privatization policy has made successful and tremendous development in various sectors especially in service sector, its contribution is unlimited one. The service sectors such as transport, insurance, tourism, banking, telecommunication and hospital and public utility etc. are greatly influenced by the privatization policy. The main scope and impact of privatization in these service sectors is the outcome of the effective service to the society at reasonable cost.

Strength of Privatization

The strong implementation of privatization policy provides several strengths over the various other sectors particularly in public sector are:

- Privatization promotes competition
- Improves standard in quality of work
- Creates and adopts innovative services
- Reduce delay in time for services
- Encourages adoption of new technologies
- Optimum utilization of workforce
- Helps to improve customer service
- Helps to develop necessary infrastructure (Like roads, transport, water, electricity and telecommunication, hospitals etc)
- Providing greater employment opportunities

Impact of Privatization on Tourism

Tourism sector provides an instrumental way of generating revenue to the government in every country. The tourism sector helps in a way to share the culture, heritage, religion, enriching the knowledge about the traditional values of the country, generation of foreign exchange, etc. As a result of privatization policy in tourism sector, many allied sectors has been developed such as, transportation, hotel, availability of travel agents, tourist guides etc., that results in creating more employment opportunities to the surrounding people and develop their standard of living.

Despite these improvements tourism sectors need more improvements in its services and create more awareness with new ideas and operations in order to attract tourists and satisfy the society. This can be done only by the way of privatization.

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Impact of Privatization on Transport Sector

Transportation service is the backbone of a nation, which helps to interconnect its various parts. In many, European and American countries, privatization provides significant and tremendous development in the field of transportation sector. In India, Government has decided to handle the maintenance and customer oriented process to the private operators. The main aim of privatizing the transportation sectors is to provide sufficient facilities, reduce delay in time, maintain and provide smooth service to the society.

Scope of Privatization in Medical Tourism

Medical tourism refers to the movement of consumers to the country providing the service for diagnosis and treatment. Medical tourism is poised to be the next Indian success story after information technology. According to a Mckinsey-CII study the industry's earning potential is estimated at Rs 5000-1000 Crores by 2012. India is a key player in medical tourism with 100,000 foreign patients coming every year generating revenue of Rs 1500 Crores. The current market growth rate is around 30% per year.

The main reason for the india's emergence as a preferred destination is the inherent advantage of its healthcare industry. The most important factor that drives medical tourism to india is its low cost advantage.

Healthcare is emerging as one of the fastest growing service sector in India. Healthcare sector has a great potential in the present globalized world. It is one of the world's largest industries with total revenues of approximately US\$ 2.8 trillion. Indian healthcare sector has estimated revenue of around US\$30 billion constituting 5% of GDP and offering employment to around 4 million people (CII Report 2011).

India's healthcare sector falls below international benchmarks for physical infrastructure and manpower, and even falls below the standards existing in comparable developing countries. Despite this, there is a tremendous demand for tertiary care hospitals and specialty hospitals in India. It is estimated that over a million beds have to be added, which requires a total investment of US\$ 78 billion (Rs 350,830 crores) in health infrastructure by 2014. An additional 800,000 physicians are required over the next 10 years, which translates into huge investments in training facilities and equipments. In order to reach even 50-75 percent of the present levels of other developing countries the sector will require an estimated investment of US\$ 20-30 billion. The Government would not be playing any role in bridging the gap giving private players immense opportunities for investment in healthcare sector. Further, medical tourism industry in India with estimated market of US4 350 million in 2006 and likely to reach US\$ 2 billion by 2014 will also play a significant role in the development of hospital sectors.

Thus, India's healthcare sector needs to scale up considerably in terms of the availability and quality of its physical infrastructure as well as human resources.

Foreign Exchange Earnings from Tourism

From tourism perspective, Jammu and Kashmir has always been one among the favorite places of visit not only for domestic tourists but for the foreign tourists as well. There has been an upward trend in terms of the number of foreign tourists visiting the State since last five years and the trend is expected to continue to boost the economy of the State.

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Tourism is an important sector of Indian economy and contributes substantially in the country's foreign exchange earnings (FEEs). Foreign exchange earnings from tourism, in Rupee terms, during 2011, were Rs 77591 Crore, with a growth of 19.6%, as compared to the foreign exchange earnings of Rs 64889 Crore during 2010. [See Table 2]

Table 2. Foreign Tourist Arrivals and Foreign Exchange Earnings during 2004-2011 in India

Year	Foreign Tourist	Foreign Exchange	Foreign Excchange
	Arrivals (in Nos.)	Earnings (Rs. Crores)	Earnings (Millions US\$)
2004	3457477	27944	6170
2005	3918160	33123	7493
2006	4447167	39025	8634
2007	5081504	44360	10729
2008	5282603	51294	11832
2009	55167699	54960	11394
2010	5775692	64889	14193
2011	6309222	77591	16564

Source: Ministry of Tourism, Govt. of India (2011-2012 Annual Report)

During 2011, foreign tourist arrivals in India were 6.29 million, with a growth rate of 8.9% over 2010. Foreign tourist arrivals in India during 2010 were 6.29 million, with a growth of 8.9% over 2010. Foreign tourist arrivals in India during 2010 were 5.78 million as compared to the foreign tourist arrivals of 5.17 million during 2009, showing a growth of 11.8%.

RECOMMENDATIONS

To make the State of Jammu and Kashmir the number one tourist destination leading to sustainable socio-economic development of the region by capitalizing on the abundant available natural and human resources following step should be taken:

- 1. Attracting high spending international tourists to visit Kashmir
- 2. Developing optimal infrastructure facilities by the participation of private players
- 3. Quicker accessibility, safer maneuverability, large reach, excellence in hospitality and service.
- 4. Develop tourist destination facilities of international standards
- 5. Move from seasonal to perennial tourism
- 6. Make wider usage of information technology to improve means of communication
- 7. Organize eco-friendly activities
- 8. Be the facilitator to encourage private entrepreneurship in the industry

CONCLUSION

Tourism is the life line of Jammu and Kashmir and all possible efforts need to be undertaken for retaining, maintaining and sustaining it. Tourism opens up new window for resources,

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both investment generation and revenue generation leading to employment generation as well as socio-economic development of the local populace

The tourism infrastructure like wider and smooth roads, transport including provision for Airlines and Rail services, up gradation of hotels, development of tourist places in north western India including Jammu and Kashmir should be strengthened. There is dire need to build alternative roads in some places to ensure better connectivity. There is also a need to upgrade many of the existing roads from two lanes to four lanes. The State, sparsely populated and scattered as it is, needs more airports and better air connectivity as well. Steps should be taken to restore the ancient splendor of the monuments.

The Jammu and Kashmir government till today has not been able to provide the world class infrastructure necessary for the development of tourist destinations and attracting the huge tourist inflow from all over the world in the state due to lack of financial resources. Therefore, the state government needs to promote Private Public Partnership (PPP) for the growth of the tourism industry. The government if possible, needs to incentivize private investments through reforms in land laws; quick regulatory approvals etc., to attract FDI in the state.

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