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Tourism as an Economic Driver in Kashmir: An Empirical Assessment of Tourist Inflows, Revenue, and Employment Linkages

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Abstract

Tourism is among the most visible parts of the service economy of Jammu and Kashmir, and in the Kashmir Valley it underpins a large and largely informal set of livelihoods. This paper draws on publicly available statistics through 2024 to trace tourist inflows and to model the visitor expenditure and employment those inflows plausibly support. The recorded arrivals tell a story of rapid post-pandemic recovery: total visits to Jammu and Kashmir climbed from about 2.52 million in 2020 to 23.59 million in 2024, and arrivals to the Valley alone rose from roughly 0.67 million in 2021 to 3.50 million in 2024. Because the official series report visitor counts but not spending, we recover the economic magnitudes from an explicit expenditure specification, evaluated under low, baseline, and high assumptions and then passed through output-multiplier and livelihood-intensity calculations. For 2024 the baseline case implies direct visitor spending of roughly INR 12,286 crore and linked activity of about INR 17,200 crore; with our central employment coefficient it corresponds to some 6.88 lakh livelihood-equivalents. A Monte Carlo exercise widens this to a 95 per cent interval of about INR 11,840-25,804 crore for linked activity. The picture that emerges places tourism at the head of a long chain running through hospitality, transport, retail, handicrafts, pilgrimage, adventure services, and local supply, and it points to a policy agenda built around visitor value, livelihood resilience, destination diversification, and ecological carrying capacity.

Keywords: Kashmir tourism; Jammu and Kashmir economy; tourist arrivals; visitor expenditure; employment linkages; regional development; Monte Carlo simulation.

1 Introduction

Few service activities in Jammu and Kashmir (J&K) are as visible, or as economically consequential, as tourism. Its reach runs along three connected channels. Visitors first spend directly on accommodation, food, local transport, guiding, recreation, pilgrimage services, shopping, and entry fees. Some of that spending then works its way into handicrafts, horticultural retail, fuel, construction, banking, communications, logistics, and neighbourhood trade. And behind both lies employment: hotels and houseboats, homestays and taxis, pony operators and craft workshops, restaurants, adventure outfits, travel agents, and street vendors all live, to one degree or another, off the volume and mix of tourist demand.

The post-pandemic years make the region especially interesting to study. Figures released by the Ministry of Tourism, compiled from Jammu and Kashmir Tourism Department reporting, give annual domestic and foreign tourist visits for 2020-2024, and they record an unmistakable rebound from the COVID-19 collapse.

Across J&K, total visits rose from about 2.52 million in 2020 to 23.59 million in 2024. The Valley-level series traces the same steep climb, from roughly 0.67 million arrivals in 2021 to about 3.50 million in 2024.

A large tourism-economics literature links visitor demand to regional output and jobs, working through direct expenditure and its onward transmission across sectors (Balaguer and Cantavella-Jorda, 2002; Dorta-Gonzalez and Gonzalez-Betancor, 2021). We apply that familiar logic to Kashmir, but with one discipline imposed throughout: observed inflows are kept strictly apart from estimated revenue and employment. Every series ends in 2024, so the growth rates, tables, figures, and simulations that follow all share a common endpoint.

Three questions structure the analysis. How large was the post-pandemic surge in arrivals, both across J&K and within the Valley, up to 2024? What revenue magnitudes do the reported visitor counts imply once transparent spending assumptions are attached to them? And what range of livelihood-equivalent linkages emerges as the employment-intensity coefficient is varied? We answer these with a combination of descriptive statistics, deterministic scenarios, and Monte Carlo uncertainty analysis. The inflow figures are observed; revenue and employment remain modelled, for the simple reason that the sources at hand contain neither official visitor-expenditure accounts nor a Kashmir-specific input-output table.

The paper offers four practical contributions. It brings the J&K and Valley inflow series onto a shared 2024 endpoint; it holds official visit counts apart from simulated monetary outcomes rather than blurring the two; it reports how sensitive the revenue, linked-activity, and livelihood estimates are to the underlying assumptions; and it releases the Python code, data tables, and figures behind the results. A reader who prefers different assumptions can substitute them without rebuilding the workflow from scratch.

2 Data sources and measurement

2.1 Official inflow data

The main J&K series comes from a Ministry of Tourism release that reports domestic tourist visits (DTV) and foreign tourist visits (FTV) for 2020-2024, with the Jammu and Kashmir Tourism Department named as the reporting source. The Valley-level observations run from 2021 to 2024 and are taken from the domestic and foreign counts in the accompanying data file. Throughout, calendar year 2024 is the last observation in every series.

Table 1: Jammu and Kashmir tourist visits, 2020-2024.

Year	Domestic tourist visits	Foreign tourist visits	Total tourist visits
2020	2,519,524	5,317	2,524,841
2021	11,314,920	1,650	11,316,570
2022	18,499,332	19,985	18,519,317
2023	20,679,336	55,337	20,734,673
2024	23,524,629	65,452	23,590,081

Source: Ministry of Tourism, Government of India, based on Jammu and Kashmir Tourism Department data.

Table 2: Kashmir Valley tourist visits, 2021-2024.

Year	Domestic tourist visits	Foreign tourist visits	Total tourist visits
2021	664,163	1,614	665,777
2022	2,653,495	19,947	2,673,442
2023	3,118,157	37,678	3,155,835
2024	3,455,048	43,654	3,498,702

Source: compiled Valley-level visitor series included in the accompanying data archive.

2.2 Measurement caveats

A word on what these counts do and do not measure. The unit is a visit, not a distinct traveller. Repeat trips, pilgrimage circuits, day excursions, and the mechanics of administrative counting can all push recorded visits above the number of individual people, and this is worth bearing in mind when reading the levels. Domestic travel accounts for almost the whole J&K series. Foreign visitors typically spend more per trip, but they remain a small presence in these data: in 2024 they made up roughly 0.28 per cent of total J&K visits.

Neither inflow table records visitor revenue, which is why we build it up from an explicit spending model, and neither identifies employment. Labour-market exposure is therefore reported as a livelihood-equivalent range across low, baseline, and high intensity coefficients rather than as a single headline number.

3 Methodology

3.1 Visitor-expenditure model

Write D_t and F_t for domestic and foreign visits in year t , and p_D and p_F for average spending per domestic and per foreign visit. Direct visitor expenditure is then

$$R_t = p_D D_t + p_F F_t \quad (1)$$

Rather than commit to a single spending figure, we evaluate three scenarios. In the baseline, p_D = INR 5,000 per domestic visit and p_F = INR 80,000 per foreign visit. The low scenario lowers these to INR 3,000 and INR 50,000; the high scenario raises them to INR 7,500 and INR 120,000.

Table 3: Visitor-spending and multiplier assumptions used in the simulations.

Scenario	Domestic spend INR/visit	Foreign spend INR/visit	Output multiplier multiplier
Low	3,000	50,000	1.10
Baseline	5,000	80,000	1.40
High	7,500	120,000	1.80

These are modelling assumptions, not measured revenue; they exist only to turn recorded inflows into approximate direct expenditure and linked activity.

Indirect and induced effects enter through a simple linked-activity relation,

$$Y_t = m R_t, \quad (2)$$

where m is the output multiplier. We set its baseline at 1.40, with 1.10 and 1.80 marking the low and high cases. These figures stand in for a service sector whose spending spills outward into transport, food supply, retail, crafts, and household incomes.

3.2 Employment-linkage model

Let L_t denote the livelihood-equivalent employment tied to linked tourism activity, obtained as

$$L_t = \lambda Y_t, \quad (3)$$

with Y_t in crore INR and λ an illustrative livelihood-intensity coefficient. We consider three values,

$$\lambda \in \{30, 40, 50\} \quad (4)$$

livelihood-equivalents per crore INR of linked activity, taking $\lambda = 40$ as the central case. The flanking values of 30 and 50 test how sensitive the count is to labour intensity, informality, seasonal work, and the reach of indirect linkages. What comes out are scenario-based livelihood equivalents, not a headcount of formal payroll positions.

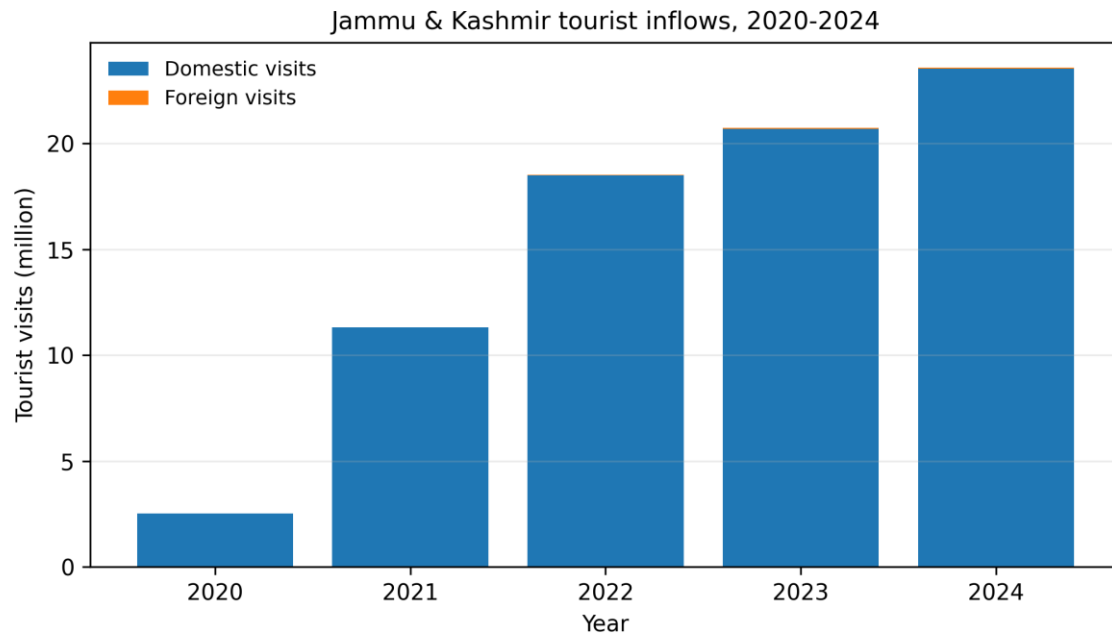
3.3 Monte Carlo sensitivity analysis

To gauge parameter uncertainty we draw the spending levels and the multiplier from triangular distributions. Domestic spending is given lower, modal, and upper points of INR 3,000, INR 5,000, and INR 7,500, and foreign spending the matching points of INR 50,000, INR 80,000, and INR 120,000; the multiplier takes 1.10, 1.40, and 1.80. Each of 50,000 draws yields a 2024 estimate of direct expenditure and linked activity, and we summarise the resulting distribution by its median and 95 per cent interval.

4 Results

4.1 Tourist inflow recovery through 2024

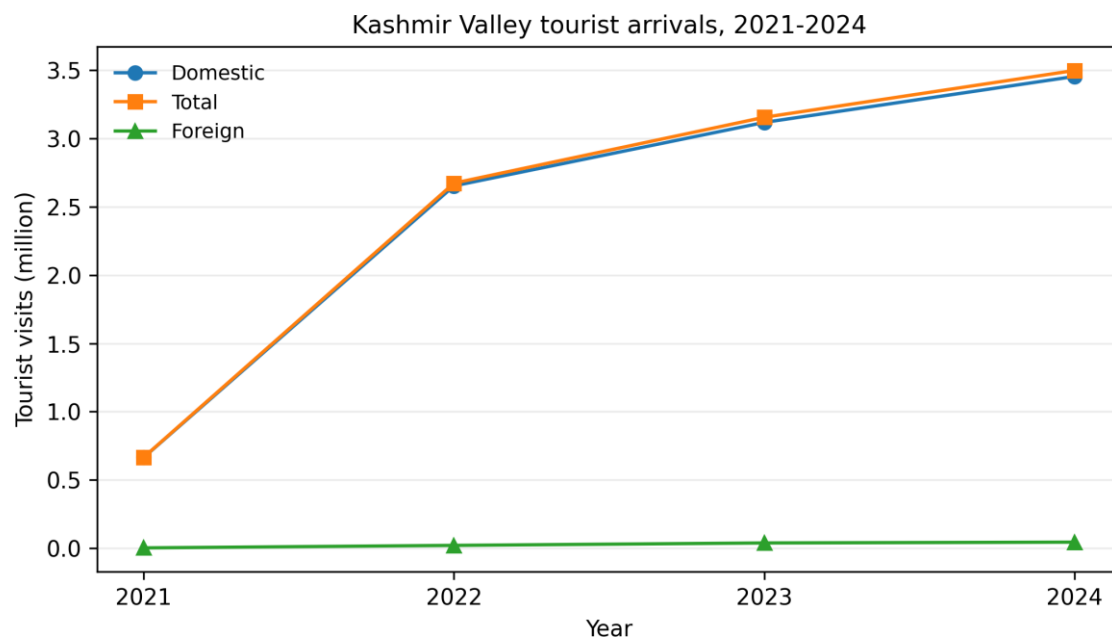
Figure 1 plots the J&K series. Total visits climbed from 2.52 million in 2020 to 11.32 million in 2021, then to 18.52 million in 2022, 20.73 million in 2023, and 23.59 million in 2024. Measured against the depressed 2020 base, the 2024 figure is larger by a factor of about 9.34. Starting instead from 2021, once travel had begun to normalise, arrivals grew at a compound annual rate of roughly 27.74 per cent to 2024.



Figure

1: Tourist inflows in Jammu and Kashmir, 2020-2024, separated into domestic and foreign visits.

The Valley-level picture in Figure 2 is similar in shape. Arrivals rose from 0.67 million in 2021 to 2.67 million in 2022, 3.16 million in 2023, and 3.50 million in 2024—a compound annual rate near 73.86 per cent, inflated, to be sure, by how low the 2021 starting point was. The base effect notwithstanding, 3.50 million visitors in a single year is a substantial market for the Valley's hotels and houseboats, its shikaras and gardens, its ski and trekking operators, taxi drivers, craftspeople, and destination retailers.

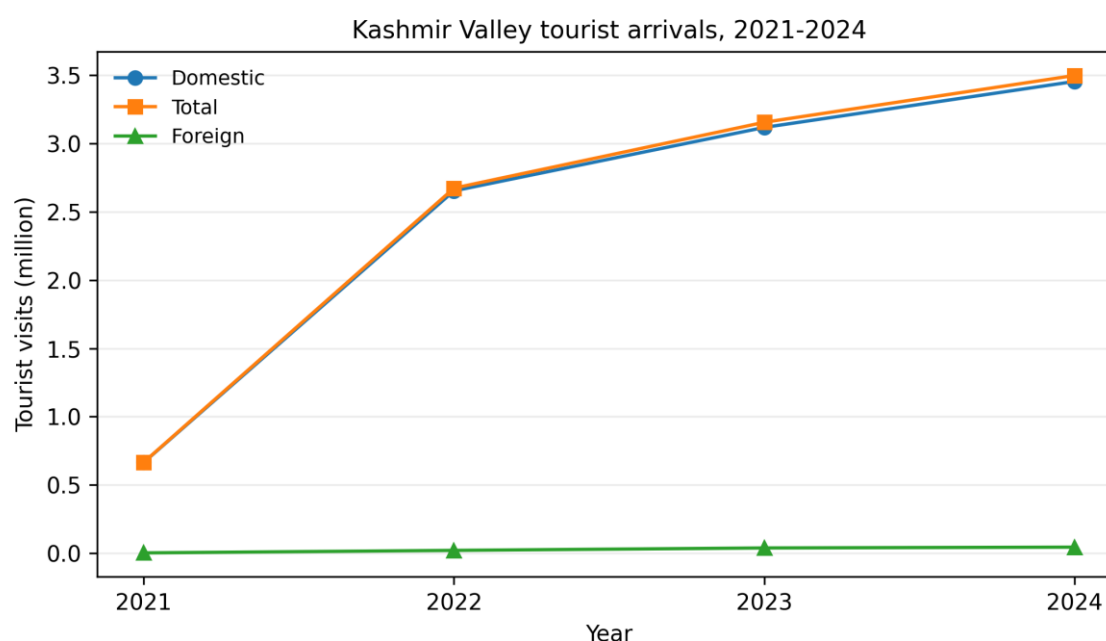


Figure

2: Kashmir Valley tourist arrivals by visitor category for 2021-2024.]

4.2 Revenue and linked economic activity

Direct expenditure under the three spending scenarios is shown in Figure 3. In the baseline it rises from about INR 1,302 crore in 2020 to INR 5,670 crore in 2021, INR 9,409 crore in 2022, INR 10,782 crore in 2023, and INR 12,286 crore in 2024; applying the baseline multiplier lifts 2024 linked activity to roughly INR 17,200 crore. The high scenario pulls well above the others, and for a straightforward reason: because domestic visitors make up almost every trip, even a modest rise in average domestic spending is multiplied across more than 23 million recorded visits.



Figure

3: Estimated direct visitor expenditure in J&K under low, baseline, and high spending assumptions. Values are model outputs rather than official revenue statistics.]

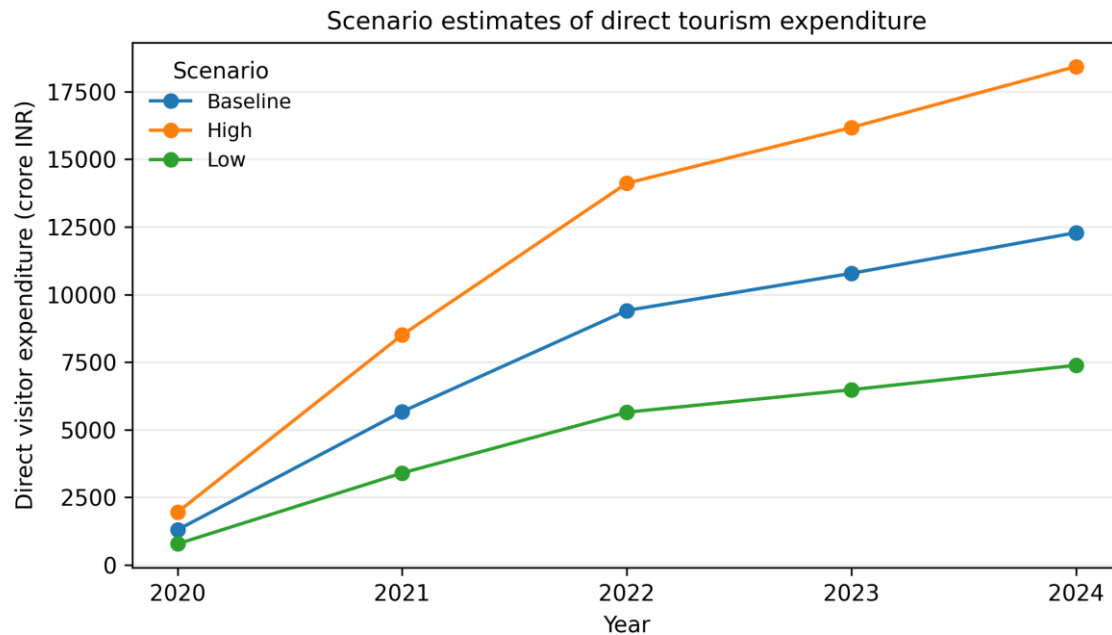
Table 4: Key estimates at the 2024 endpoint.

Quantity	Estimate
J&K total tourist visits, 2020	2.52 million
J&K total tourist visits, 2024	23.59 million
J&K 2020-2024 increase	9.34 times
J&K 2021-2024 CAGR	27.74 per cent
Kashmir Valley visits, 2021	0.67 million
Kashmir Valley visits, 2024	3.50 million
Kashmir Valley 2021-2024 CAGR	73.86 per cent
Baseline direct expenditure, 2024	INR 12,286 crore
Baseline linked activity, 2024	INR 17,200 crore
Baseline livelihood-equivalents, 2024	6.88 lakh

By 2024, in short, heavy footfall sits alongside a large modelled economic footprint. These are scenario outputs, not audited tourism accounts, and their purpose is deliberately modest: to show the rough scale at which observed visits translate into spending, linked production, and livelihood equivalents once the assumptions behind them are stated openly.

4.3 Employment and livelihood linkages

Figure 4 follows the livelihood-equivalent estimates under the three intensity coefficients. With 2024 linked activity at about INR 17,200 crore, the low, baseline, and high coefficients return roughly 5.16 lakh, 6.88 lakh, and 8.60 lakh livelihood-equivalents. The width of that range reflects genuine uncertainty about how labour-intensive the sector is and about how far indirect and informal work moves with tourist demand.



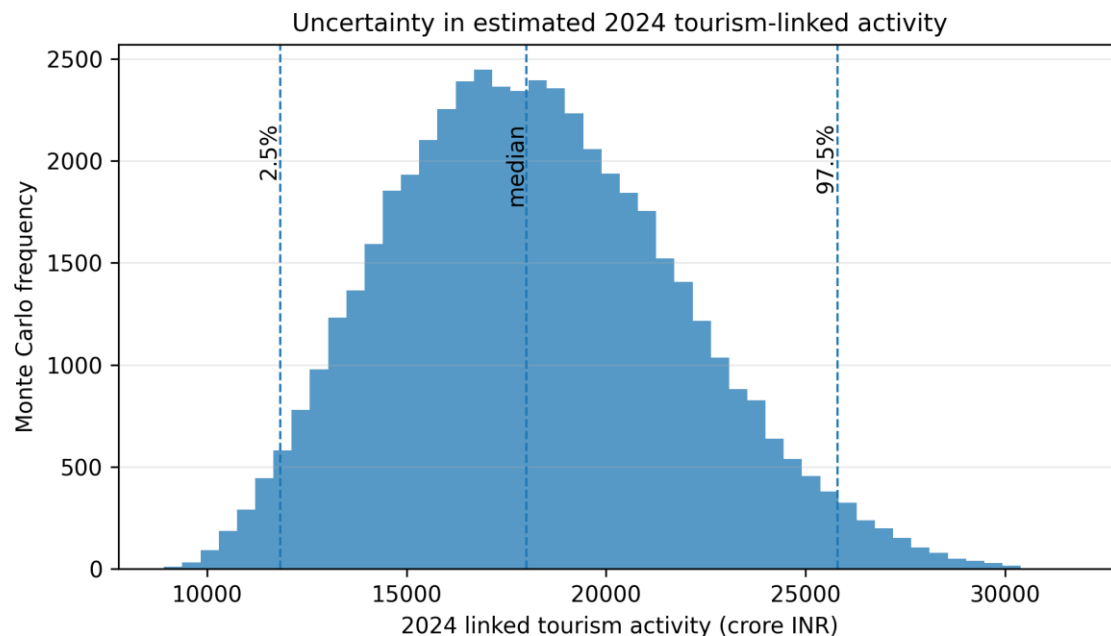
Figure

4: *Employment-linkage sensitivity for 2020-2024 using 30, 40, and 50 livelihood-equivalents per crore INR of linked activity.]*

The policy interest lies less in any single figure than in how broad the labour connection is. Tourism in Kashmir sustains a livelihood system that reaches well past hotel receipts. When arrivals slip, occupancy and transport demand react almost at once, and the shock then travels outward into craft sales, local food supply, guiding, adventure services, and household earnings. Much of this work is self-employed, seasonal, or informal, so payroll statistics capture only a fraction of what the sector actually exposes.

4.4 Monte Carlo uncertainty

Figure 5 shows the simulated distribution of 2024 linked activity. Its median sits at about INR 18,008 crore, with a 95 per cent interval running from roughly INR 11,840 crore to INR 25,804 crore. Most of that spread traces back to two sources: uncertainty about average domestic spending and about the size of the indirect and induced effects. Even at the cautious end of the parameter range, the implied tourism-linked activity stays large relative to the J&K economy as a whole.



Figure

5: Monte Carlo distribution of 2024 linked tourism activity, with spending and multiplier parameters sampled from triangular distributions.]

5 Discussion

5.1 Tourism as a regional demand engine

The trajectory is a reminder of how quickly tourism demand can flow back into a regional economy. The move from the 2020 trough to the 2024 peak coincided with conditions that favoured travel—easier mobility, active destination promotion, new infrastructure, and improving perceptions of security. A rebound of this kind fits tourism's well-documented role as a channel for regional demand and employment, and it echoes the emphasis J&K policy has placed on destination development, homestays, adventure and pilgrimage tourism, rural circuits, and infrastructure.

The mechanism starts with final demand for services supplied locally. Firms that serve visitors buy inputs, hire workers, and generate household income. In Kashmir the chain runs longer than usual, extended by craft production, boat-borne transport, snow and adventure services, pilgrimage logistics, local food networks, and small enterprises anchored to particular places. As a result the livelihood effects stay geographically dispersed even where the visible receipts cluster at a handful of marquee sites.

5.2 Why the Valley needs separate measurement

The aggregate J&K totals hide differences that matter. They fold in pilgrimage movement and traffic concentrated around Jammu, whereas Valley tourism leans far more on leisure, adventure, landscape, events, and destination-specific itineraries. Treated on its own, the Valley recorded 3.50 million arrivals in 2024—enough to support real demand across hotels and restaurants, houseboats and shikaras, pony and ski services, guiding, taxis, handicraft sales, and small retail.

For both policy and statistics, monthly reporting ought to separate Jammu from the Valley and break travel down by purpose: pilgrimage, leisure, adventure, MICE, weddings, rural and eco-tourism, and film- or

OTT-driven visits. Only with disaggregation of this kind can one tell aggregate resilience apart from a contraction confined to particular destinations or market segments.

5.3 Revenue quality matters as much as footfall

Footfall on its own is a poor gauge of tourism's value. What a destination earns depends also on how long visitors stay, where they lodge, how much they buy locally, who they are, when they come, and how much of their spending is retained in the region rather than leaking out. A domestic day trip, a pilgrimage, a winter adventure holiday, a destination wedding, a backpacking route, and a foreign leisure visit leave behind very different spending footprints—which is exactly why we work with scenario ranges instead of reading revenue straight off arrivals.

The baseline 2024 estimate of INR 12,286 crore is particularly sensitive to the domestic spending coefficient. Domestic visits dominate the series, so a small lift in average locally retained spending becomes large once aggregated. Longer stays, more purchasing of local goods and crafts, guided experiences, better winter occupancy, and firmer off-season demand could therefore raise economic value even in years when total visits grow slowly.

5.4 Employment, informality, and livelihood risk

Formal hotel jobs are only a slice of the labour exposure. Our sensitivity exercise counts the direct and indirect livelihood equivalents attached to linked activity, and under every coefficient the scale stays economically serious. Self-employment and informal attachment run right through the sector, which is precisely why payroll records understate it. Social protection, access to working capital, insurance-like arrangements, skilling, and a wider spread of destinations can all soften the vulnerability that follows.

5.5 Sustainability and carrying capacity

Fast growth presses hard on a fragile Himalayan setting. Dal Lake, Gulmarg, Pahalgam, Sonamarg, Doodhpathri, Yousmarg, the Mughal Road, and a crop of newer rural destinations need credible systems for carrying-capacity assessment, waste and water management, traffic control, and climate adaptation. A data-led growth strategy would track not just inflows but the waste each visitor generates, water stress, congestion, seasonality, the carbon intensity of travel, and how much of the benefit actually stays with local communities.

6 Policy implications

Five priorities follow from the empirical record and the simulations.

(i) Improve tourism statistics. Monthly, district-level reporting should distinguish domestic, foreign, pilgrimage, leisure, adventure, event, wedding, rural, and MICE travel, and public dashboards could pair arrivals with average stay, occupancy, room rates, transport demand, and estimated local spending.

(ii) Move from footfall targets to value targets. The indicators worth watching are revenue per visitor, locally procured inputs, length of stay, repeat travel, winter occupancy, and the participation of local enterprises.

(iii) Strengthen livelihood resilience. Tourism-dependent workers and micro-enterprises need working capital, skilling, insurance mechanisms, a route to formal registration, and shock responses arranged before rather than after a downturn.

(iv) Diversify destinations and seasons. Rural and eco-tourism, heritage circuits, craft trails, winter sports, trekking, golf, cultural festivals, and film tourism all offer ways to spread demand across places and across the calendar.

(v) Tie growth to sustainability. Destination planning should build in carrying-capacity thresholds, waste and water infrastructure, mobility management, visitor-flow controls, and climate-risk monitoring.

7 Limitations

Five limitations bound what these results can bear. The data are aggregate and public, with no household-, firm-, or transaction-level detail behind them. Revenue is inferred from scenarios rather than measured through an official tourism satellite account for J&K. The livelihood coefficients are illustrative sensitivity parameters, not estimated elasticities. The multiplier-based linked activity describes scale, not causation, and does not resolve how transmission works sector by sector. And the Valley series, beginning only in 2021, is shorter than the aggregate J&K sequence.

8 Conclusion

Tourism drives the Kashmiri economy through a combination of sheer visitor numbers and labour-intensive local linkages. Publicly reported visits across J&K jumped after the pandemic, from 2.52 million in 2020 to 23.59 million in 2024. Within the Valley the recorded series climbed from 0.67 million in 2021 to 3.50 million in 2024—a contrast that itself argues for spatially disaggregated tourism accounts. Under the baseline spending assumptions, 2024 direct expenditure comes to about INR 12,286 crore and linked activity to roughly INR 17,200 crore; the central employment coefficient implies 6.88 lakh livelihood-equivalents, and Monte Carlo sampling places linked activity within a 95 per cent interval of about INR 11,840-25,804 crore. Numbers of this magnitude make the case for a tourism strategy organised around value retention, livelihood resilience, ecological sustainability, and a broader geographical spread of local benefit.

Data and code availability

The CSV files behind the analysis sit in the accompanying data/ directory, and running code/generate_figures.py reproduces the figures and scenario calculations. The revenue and employment quantities are simulation outputs built from the stated assumptions; the official inflow source and the other public references are listed in the bibliography.

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