

Chapter 5

Tourism

A development vision for Meghalaya will necessarily include appropriate promotion of the state's tourism potential. Despite its myriad natural tourist attractions, the potential for tourism remains underdeveloped, despite its potential for expansion of employment and income in a state with limited opportunities. The multiplier or ripple effects of tourism on the economy have been well documented, and the sector could also become an important source of revenue in a state with few sources of resource generation.

Meghalaya has many advantages in this sector over its north-eastern neighbours. For a start, Shillong has had a tradition of hosting tourists for decades, and has a fairly active private hotel industry. Visitors do not need travel permits (as they do in some other states), and the security situation has improved substantially. Many Meghalaya youth have trained in the hospitality industry either within the state (at the Institute for Hospitality Management in Shillong) or in other parts of the country, and could provide a ready recruitment pool for developing the industry.

If we look at the demand angle, predictions are that while the travel and tourism industry may be slowing down in other parts of the world, India's tourism industry is set to grow at an average of 8.5 per cent over the next ten years.¹³ The domestic tourism industry has been expanding over the past decade, and domestic visitors have begun making their way into the north-east. The market for travel to 'remote' destinations with unspoilt environments is a growing segment of the industry globally; Meghalaya (along with several of its north-eastern neighbours) could very profitably cash in on this trend by appropriately developing their tourism potential. This section of the report briefly looks at the tourism situation in the state, and the advantages of expanding the sector for the economy and the people. It also lists the government position on tourism, and ends with a discussion of steps that could help develop the industry in a sustained fashion.

5.1 TOURISM IN MEGHALAYA: PROFILE AND ISSUES

About 5 million foreign tourists visited India in 2007, and 561 million domestic tourist visits were reported during 2009.¹⁴ While both domestic and international tourism have been steadily rising in the country, the north-east and Meghalaya have barely benefitted from this trend (*Table 5.1*).

¹³ World Travel and Tourism Council (WTTC)

http://www.wttc.org/eng/Tourism_Research/Economic_Research/Country_Reports/India/

¹⁴ <http://www.itopc.org/travel-requisite/inbound-tourism-statistics.html>

Meghalaya receives the second highest number of tourists in the north-east, followed by Tripura and Sikkim. While tourist arrivals, both domestic and foreign, have grown considerably since 2000, the state still receives only one-tenth of the number of visitors to Assam, the leading recipient of tourists in the region. Given that the approach route into Meghalaya is through Assam, it is possible that the state functions as an add-on destination to Guwahati and Kaziranga, the most popular tourist spots in the region. As regards foreign visitors to India, Bangladesh is the third largest point of origin of tourists to India¹⁵, with a 10 per cent share, and it could be the origin of the most foreign tourists to these north-eastern states.

Table 5.1: Tourist Arrivals in North-Eastern States, 1996–2007

(Number)

State		1996	2000	2007
Arunachal Pradesh*	Domestic	2,283	9,932	3,025
	Foreign	9	2,044	292
	Total	2,292	11,976	3,317
Assam	Domestic	3,27,260	10,01,577	34,79,870
	Foreign	5,885	5,959	13,657
	Total	3,33,145	10,07,536	34,93,527
Manipur	Domestic	86,749	1,05,167	1,20,572
	Foreign	241	429	263
	Total	86,990	1,05,596	1,20,835
Meghalaya*	Domestic	1,36,183	1,69,929	3,75,911
	Foreign	1,573	2,327	5,099
	Total	1,37,756	1,72,256	3,81,010
Mizoram	Domestic	23,434	28,221	44,226
	Foreign	93	235	735
	Total	23,527	28,456	44,961
Nagaland*	Domestic	13,139	13,272	15,030
	Foreign	54	451	1,002
	Total	13,193	13,723	16,032
Sikkim				2,24844
Tripura	Domestic	2,06,229	2,31,902	2,29,621
	Foreign	156	0	3,177
	Total	2,06,385	2,31,902	2,32,798
Overall North-east Region	Domestic	7,95,277	15,60,000	42,68,255
	Foreign	8011	11,445	24,225
	Total NE	8,03,288	15,71,445	42,92,480

Source: Arunachal Pradesh at a Glance 2006, Statistical Handbook of Assam 2007, Manipur 2006, Meghalaya 2007, Mizoram 2008, Nagaland 2006, Sikkim: A Statistical Profile 2006–07, Tripura 2007, Department of Tourism, Tourism at a Glance 2008, *Table 9*, pp. 12

*Figures for Arunachal Pradesh and Meghalaya are for 2005, while for Nagaland it is 2006

¹⁵ Tourism Statistics at a Glance 2008, http://incredibleindia.org/Tourism_Stats2008.pdf,

A cause for concern would be that Meghalaya's share in north-eastern tourism has fallen in the decade 1996–2007 from 17.15 per cent to 8.88 per cent, largely because of a fall in its share of domestic visitors (*Table 5.2*).

Table 5.2: Share of Tourist Arrivals among North-Eastern States
1996–2007

(Per cent)

		1996	2000	2007*
Arunachal Pradesh	Domestic	0.29	0.64	0.07
	Foreign	0.11	17.86	1.20
	Total	0.29	0.76	0.08
Assam	Domestic	41.15	64.20	81.53
	Foreign	73.46	52.07	56.38
	Total	41.47	64.12	81.39
Manipur	Domestic	10.91	6.74	2.82
	Foreign	3.01	3.75	1.09
	Total	10.83	6.72	2.82
Meghalaya	Domestic	17.12	10.89	8.81
	Foreign	19.64	20.33	21.05
	Total	17.15	10.96	8.88
Mizoram	Domestic	2.95	1.81	1.04
	Foreign	1.161	2.05	3.03
	Total	2.93	1.81	1.05
Nagaland	Domestic	1.65	0.85	0.35
	Foreign	0.67	3.94	4.14
	Total	1.64	0.87	0.37
Tripura	Domestic	25.93	14.87	5.38
	Foreign	1.95	0.0	13.11
	Total	25.69	14.76	5.42

Source: Computed from *Table 3.1*.

No data is available on the seasonality of tourism arrivals, but the peak tourist season is possibly during October–November, as most domestic tourists tend to come from neighbouring Bengal and Assam, which have *puja* holidays during this time.

If we look at the supply side, it is clear that the industry faces many bottlenecks and hurdles in the state. The fact that the state is landlocked, with no rail, water, or air transport infrastructure, means that tourism expansion is heavily dependent on roads — the national and state highways, and rural roads. The hilly terrain and slow pace of development has hindered the construction and maintenance of good quality all-weather roads, and the best roads in the state remain those built by the British in pre-Independence times (the Guwahati-Shillong road was built in 1877, and the Shillong-Sawki-Tamabil road to Sylhet in Bangladesh was also pre-Independence).¹⁶ While the road from Guwahati to Shillong is in fairly decent shape, it is still the state's only major link with the rest of the country. The poor

¹⁶ Murayama, Inoue and Hazarika (eds.) *Sub-Regional Relations in Eastern South Asia*, pp. 128

quality of most roads linking Shillong to tourist sites or to other districts could be a deterrent to visitors.

As it was the capital of the undivided state of Assam, Shillong has some very respectable privately operated hotels. In contrast, other tourist centres in the state appear to have few options for staying. Development of many of these amenities, accommodation, facilities, and so on will require capital and land. A major issue that will need to be tackled is the lack of land for tourism development; with most of the land controlled by local communities, it will be important for the government to work in conjunction with them to develop the infrastructure for expansion.

The state's draft Tourism Policy announced in 2007 is a clear indication that the government recognises the contribution this sector can make to the state's economy, both in terms of income creation and employment generation. However, little has been done on the ground since then to see these initiatives through. Tourism has not been promoted in any organised manner, and there continues to be a lack of appreciation of the scope of the industry and its potential as a catalyst for the development of other areas of economic activity.

5.2 THE TOURISM INDUSTRY: MULTIPLIER EFFECTS AND LEAKAGES

If appropriately developed, tourism can have several beneficial effects on the economy. It is a largely labour-intensive industry or service, and generates employment not only across sectors, but also across various skill levels, from the unskilled to the semi-trained, trained, highly skilled, and professionals. The multiplier effects of tourism on other sectors in terms of employment and income generation have been well documented. Apart from the direct employment and income effects, an expansion in tourism activity has indirect expansionary effects on several other sectors and industries, such as construction, agriculture, food processing, handicrafts, and financial services, to name just a few.

As long as the demand for these goods and services are met by the local economy, and not 'imported' from outside the state, the boost to other sectors from tourism demand can be enormous. Thus the effectiveness of the multiplier depends on the extent to which services and industry in Meghalaya will be able to meet the demand from tourism. The tourism multiplier for the country has been estimated at approximately 3.5; in the north-east it is likely to be lower, because of the high 'import' of goods and services from outside the region, which increases leakages from the economy.

5.3 THE POLICY POSITION

Various documents indicate the state government's intention to develop the tourism potential of the state. For a start, it is committed to exploring the state's tourism potential in water sports, wildlife, trekking, adventure tourism, and eco-tourism (in its Eleventh Plan).

It recognises the need to develop tourism infrastructure, transport links, accommodation facilities, and wayside amenities, as these are major impediments to any expansion in the sector. One of the strategies proposed is to develop community assets which will then be given to local communities and authorities for management and maintenance.¹⁷

In the draft Tourism Policy, the intent is to promote the sector through public-private partnerships, and several incentives have been extended to encourage private entities to develop infrastructure and tourism-related assets. However, much like the industrial policy, these incentives have not been very successful, possibly for the same reasons that have so far deterred private investment in other areas and sectors.

The conclusions of the Northeast Summit on Tourism¹⁸ are based on a regional approach, but recognise the shortage across the region of human resources, quality accommodation, and air routes linking the region; it promotes the need for a regionally developed tourism circuit for the north-east.

To promote tourism planning on a regional basis, the Ministry for the Development of the NER has commissioned studies through the Northeastern Development Finance Corporation (NEDFC)¹⁹ and the analysis and recommendations of these would be very useful in throwing light on the way ahead for Meghalaya as well.

5.4 THE WAY FORWARD: WHAT NEEDS TO BE DONE

The employment and income multiplier effects of tourism would be a boon in a state where the lack of diversity of economic activity has suppressed employment opportunities, especially for young people. Travel and tourism is an industry that is seen to be exciting, interesting, and appealing to the young — its promotion in Meghalaya could help absorb many of the unemployed youth in the state or attract back those who have gone to other states to train in this industry. It could also provide entrepreneurship opportunities for people who want to set up eco-tourism or adventure tourism ventures on their own.

In a state like Meghalaya with its large regional and district-wise disparities, appropriate development of sustainable or eco-tourism initiatives could help decrease regional disparities in income. Further, with few alternatives to land-based occupations in the rural areas, such village-based enterprises could help diversify the base of rural livelihoods, providing alternative occupations, especially to the young, and help stem the urban migration. In fact, “being labour-intensive, having relatively high multiplier effects, and requiring relatively low levels of capital and land investment, tourism can yield

¹⁷ State Eleventh Plan

¹⁸ Held at Gangtok on **27–28 April 2008, organised by the North Eastern Council; see annexure.**

¹⁹ The NDEFI financed Techno-Economic Development Fund (TEDF) has commissioned the following studies on tourism in the north-eastern region: development of tourism with special reference to the north-east to Spectrum Planning (India) Ltd., Delhi; and tea tourism, adventure tourism, wildlife tourism, and pilgrimage tourism to Dalal Mott MacDonald, Kolkata.

significant benefits in remote and rural areas where traditional livelihoods are under threat.”²⁰

The unexploited potential and the ripple effects of tourism make its development a vital part of any vision for Meghalaya for enhancing employment, and in the process boosting revenues. It is especially important given the limited scope for any large-scale expansion in industry and agriculture in Meghalaya, the ‘bottoming out’ of the government as a large-scale employer, and the limited infrastructure available for any significant expansion of other services in the near future. Further, by promoting ‘non-mass’ tourism — eco-tourism, adventure sports, and village-related activities — the tourist sector could serve the much needed goal of retaining people in the land, and placing some restraint on the rapid urbanisation process that is overwhelming urban environments in the state.

Appropriate Development of Tourism Potential

Meghalaya is in a fairly early stage of tourism development. Expansion of the industry needs to be carefully monitored to proceed at a pace appropriate to the characteristics of the region, with a limit on the tourism ‘footprint’ — as Bhutan has managed to do — to protect the social-cultural and physical environment. It is imperative that the state develops tourism to contribute to the rest of the economy; it is, however, equally imperative that development takes place judiciously to ensure it is sustainable economically, socially, and environmentally.

Important lessons on the strategy and the development path for tourism can be learnt by Meghalaya and other north-east states from the haphazard growth and expansion of mountain and hill resorts in Himachal Pradesh and Uttarakhand over the past decades. Uncoordinated development has begun to destroy the attraction of places such as Shimla, Manali, and Nainital as tourism destinations, quite apart from introducing large disparities among local communities. Already, with their haphazard construction, lack of sewage and garbage disposal, and inadequate sanitation, some of the urban centres of the north-east themselves, such as Shillong and Gangtok, are fast becoming urban environmental disasters.

All efforts to develop tourism infrastructure, such as resorts, hiking trails, hillside restaurants, and so on, have to be done very carefully, keeping in mind the fragility of the mountain environment in which it is being done. Apart from the physical sustainability issues, development has to contend with social and economic sustainability so it does not exacerbate economic disparities and continues to promote social and cultural harmony.

²⁰ International Centre for Integrated Mountain Development, <http://www.icimod.org/>

Box 5.1: Mountain Tourism

Tourism is the fastest growing industry in the world, increasing from 25 million international arrivals in 1950 to 842 million in 2006, a more than 30-fold increase, with international arrivals expected to double to 1.5 billion by 2020. Mountains are important assets for the tourism industry. They take up an estimated share of 15–20 per cent of the global tourism market, generating between US\$ 100 and 140 billion per year.

With the highest and most famous mountain peaks of the world, its distinctive and rare flora and fauna, and a great variety of unique hill and mountain cultures, the tourism potential of the Himalayan region is beyond dispute. At the same time, the region is struggling with high poverty ratios, exacerbated by climate change, environmental degradation, and an increasing rural-urban migration, making traditional livelihood options increasingly unsustainable.

Tourism provides mountain people with alternative livelihood options, building on the strengths of the region. In spite of this huge potential, tourism has so far contributed little to poverty reduction in mountain areas. Major constraints include policy failures, a lack of human resource development, a lack of supply side facilities and management, and a failure to link tourism with the local production system, resulting in high 'leakages' of tourism-generated income from mountain areas.

Source: Website of International Centre for Integrated Mountain Development (ICIMOD), <http://www.icimod.org/>

Reliable Database

A fundamental task is the creation of a good database, routinely updated, that will allow the appropriate plans and policy measures to be set up. Planning and appropriate policy measures are possible when the data allows a detailed analysis of trends, seasonality, and so on. Data on tourism arrivals, especially domestic visitors in India, remains at best a 'guestimate' based on bookings in registered hotels and hostels. In addition, in Meghalaya, there exists little data or analysis on the seasonality of tourist arrivals, constraints faced by visitors, and so on, which could point the way ahead.

Tourism Planning

An accurate, up-to-date, and comprehensive database would also lay the foundation for the development of a tourism master plan for the state, outlining the different tourism strands that have potential and can be developed fruitfully. This will ensure that there is some coordination among the different agencies involved in the process — infrastructure, tourism circuits, wayside amenities and accommodation, and transportation facilities such as tourist taxis, buses, and so on. An important element of the master plan would be to

spread the development of tourism infrastructure and facilities across the districts to the greatest extent possible, so that all areas benefit from the opening up of opportunities.

Tourism Infrastructure

- Ideally, tourism infrastructure should be provided by private players, but the government has to work in conjunction with them by first setting up enabling conditions. Private investment will create the much needed amenities when government shows its own strong commitment and support through the creation of the basic physical infrastructure, especially good roads, acquisition of land, and supply of services such as water, electricity, and communications. IL&FS has signed a memorandum with the North Eastern Council to build budget hotels across the north-east, and Shillong is one of the 12 proposed sites.²¹

Regulation for Sustainable Development

While non-governmental organisations often play the role of environmental watchdogs, the government first needs to ensure that regulations and rules are in place to promote environmentally sustainable development of tourism. These regulations are needed to prevent ecologically inappropriate development of tourism assets, and need to be applied to construction of accommodation and amenities, road building and development of trails, and even the supply of basic amenities such as water and power. Once developed, regulation is needed to prevent the environmental degradation of these assets, destruction of natural habitats, theft of rare species, and so on. This should be a strong element in the tourism master plan, and will call for education of government officials, tourist operators, and tourists themselves. Heavy fines which will deter littering and other environmentally unfriendly behaviour should be imposed. There are many frequented travel routes and mountain paths that remain largely unspoilt by the traversing of tourists, but only a few ‘badly behaved’ tourists can destroy other similar trails. Thus, rather than limit the number of tourists at a place, it may be more effective to deter environmentally destructive behaviour.

Promotion of the State as an Overall Tourism Destination

This is being done to a large extent by the North Eastern Council which is promoting the entire north-east travel experience. The aim of the marketing strategy would be widening the scope of the “sending areas” for tourists (to capture tourists from the southern and western parts of the country, and Chennai, Mumbai, and Delhi), lengthen the tourism season, and appeal to various travel segments.

²¹ See annexure on North East Summit on Tourism