



## ЭКОНОМИЧЕСКАЯ СОЦИОЛОГИЯ И ДЕМОГРАФИЯ / ECONOMIC SOCIOLOGY AND DEMOGRAPHY

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### Tourism Development and the Local Businesses in Amritsar



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**Introduction.** Taking into consideration the possibilities of growth and returns the tourism sector provides to the state of Punjab, of recent the Government of Punjab and the Amritsar city administration have made huge effort in expanding this sector by tapping and promoting various sites and activities for tourist absorption. This study delivers reasons for tourism development in Amritsar and proposes possible information for stakeholders to ensure the suitable tourism planning and management, especially contributing towards the local community.

**Materials and Methods.** Prominent categories of business operators i.e., restaurant owners, traditional shopkeepers, employees from the hospitality sector which included hotels, guest houses, hostels and lastly travel agency owners were interviewed for this study. This sample of 120 respondents was drawn from the inner and outer city areas of Amritsar city of Punjab (India).

**Results.** Tourism is emerging as a ‘saviour economy’ for Amritsar, as a major part of Amritsar’s economy directly and indirectly is dependent on this sector. Business community in Amritsar largely perceives the impacts of tourism development positively. However, respondents felt that the business in Amritsar is also getting negatively affected due to mono-centric development, overflow of tourists and expansionist tourism-centric policies. Tourism development policy can perform better by taking local economies into consideration and increasing participation of local communities in tourism development. This way tourism can create an undeniably positive impact on local communities and local businesses.

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**Discussion and Conclusion.** As the current development model of the city is tourism centric, there is an insufficiency in growth of allied sectors as well as in development programmes and a miscoordination is there between different significant stakeholders. This study will be useful to various stakeholders like development authorities, planners, and scholars etc who are interested in addressing the developmental issues being faced by tourist cities. The usefulness of this study lies in the fact that it demonstrates how tourism can be used as a tool for regional development by gaining resident support.

**Keywords:** Amritsar, business, impacts, local community, market, Punjab, tourism, walled city

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## Влияние туризма на развитие местного предпринимательства (на примере г. Амритсара)

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**Введение.** Город Амритсар, который называют «воротами» в штат Пенджаб (Индия), посещают более ста тысяч туристов в день. Туристическая отрасль – важный источник доходов штата, поэтому правительство Пенджаба и городская администрация Амритсара делают все возможное для увеличения потока туристов. Цель статьи – на основе проведенного исследования определить влияние стремительного развития туризма в Амритсаре на экономику города.

**Материалы и методы.** В ходе исследования были опрошены владельцы ресторанов и магазинов, работники индустрии гостеприимства, в том числе отелей, гостевых домов, хостелов и туристических агентств. Была произведена выборка 120 респондентов, проживающих в центральных районах Амритсара и его пригородах.

**Результаты исследования.** Туризм жизненно важен для экономики Амритсара: от этого сектора экономики напрямую или косвенно зависят все остальные отрасли. Установлено, что стремительный рост числа туристов повлиял на отношение местных предпринимателей к своему делу, клиентам, а также к способам ведения бизнеса. Большинство представителей деловых кругов Амритсара в целом положительно относятся к развитию туризма. Однако респонденты считают, что на городской бизнес отрицательное влияние оказывают моноцентрическое развитие, чрезмерный наплыв туристов и экспансионистская политика, ориентированная на туризм. Она может быть более эффективной, если принимать во внимание особенности муниципальной экономики и активно способствовать участию местного населения в развитии туризма.

**Обсуждение и заключение.** Рынок Амритсара становится все более однородным (ориентированным только на одну отрасль), что, вероятно, хорошо для текущего развития города, но может пагубно сказаться на муниципальной экономике в будущем.



Результаты данного исследования будут полезны сотрудникам муниципальных органов власти, градостроителям, ученым и другим лицам, интересующимся проблемами развития туристических городов.

**Ключевые слова:** Амритсар, бизнес, влияние, местное сообщество, рынок, Пенджаб, туризм, город-крепость

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**Introduction.** Since the 1960s, tourism has been equated with development of both developed and less developed nations of the world. In less-developed nations, tourism is advised as an important means of development for three reasons. Firstly, it is perceived that tourism is an easy means for transferring a good amount of wealth and investments from developed nations to less-developed nations. Secondly, it allows the local economy of the less developed nations to grow. Thirdly, tourism does not face any tariffs, quota or trade barriers to enter into the global market of tourism. The growth and success of tourism policy is greatly affected by the coordination between various stakeholders such as business enterprises, local residents, government, tourists and the socio-economic impacts it brings for the local communities. In the contemporary times, the tourism industry has emerged as an important driver for its multiplier effects in economic growth, employment, social-cultural-economic and spatial changes. Tourism industry has emerged as a stabilizer for economies everywhere. It directly or indirectly affects people, places, landscapes and almost everything alike. There is an overabundance of literature that investigates the socio-cultural impacts of tourism and on guest host interaction. Whereas, a lesser amount of sociological literature is available on the effect of tourism on local business and business communities.

In India, there are plenty of multidisciplinary studies conducted on the socio-cultural-environmental impacts of tourism but there are hardly any such studies conducted on Amritsar city which is a historically relevant and a popular tourist spot. In recent years, in Punjab tourism has grown tremendously especially in the city of Amritsar because of the presence of Golden Temple and Wagah border (India-Pakistan International Border). Recently, i.e., in 2016 the city of Amritsar was identified as one of the *Heritage City* and *Smart City* of India. It was ranked 7<sup>th</sup> in the country in terms of tourist destinations, 13<sup>th</sup> in terms of domestic tourist arrival, and 10<sup>th</sup> in foreign tourist arrivals in the whole country in 2017.



Amritsar tourism contributes greatly to the economy of Punjab. Although tourism is not new to Amritsar yet, today there is a need to examine the current developments and its impact on the city and its residents. This task of assessing the growth and impact of the tourism development in Amritsar city cannot be understood without understanding the historical facts and changes that this city has gone through. Amritsar city is a unique historical city that possesses multiple identities. Since its inception, the city has witnessed a continuous development that can be traced in a periodic manner-Inception Period, Misl Period, Ranjit Singh Period, British Period, and the Post-independence period. During all these periods, the city has developed distinctly-spatially, socially, culturally, demographically, architecturally, politically, and economically<sup>1</sup> [1; 2]. The city today represents the ‘twin city’ model. *Walled city* is the oldest earliest part of the city and functions like a CBD and represents old political economy. It receives the maximum number of tourists because of the heavy business activity and presence of a number of religious and cultural heritage sites like Golden temple, *Jallianwala Bagh*, *Durgiana Mandir*, *Khair-ud-Din* mosque etc. Nearly 52 buildings within this area have gained the status of heritage buildings as per Municipal Corporation of Amritsar. On the other hand, *the outer city* (outside the core) that was formed during the British period represents the general equilibrium and self-organization model of growth. It represents the modern political economy and is an emerging place for economic and social absorption [2].

In the past few decades, businesses in Punjab (in general), and Amritsar (in particular) have witnessed a slowdown due to several factors, such as unfavourable political-economic policies, social-political unrest, changing preferences of customers that necessitated the adoption of new economic policies. As globally, tourism-centric model of development is considered as more viable for boosting the local economies and fostering infrastructural development as it is a multi-sector industry, the State of Punjab is trailing today the similar route. Amritsar being the ‘Door of the State’ and due to its unique historical and economic relevance has been put under the prime consideration for tourism development in recent times. The efforts to make Amritsar as Tourism hotspot and retain tourists for a longer period have been going on since long, under different Phases of the Galiara Scheme<sup>2</sup> and a number of other projects related to restoration, displacement and redesign agenda. In the present also a huge amount of money is being spent for beautification, re-generation, re-development of Amritsar city. For tourism promotion some hundred buildings have been given the look of heritage buildings (external facelift) much so in areas in close vicinity of Golden Temple, with the installation of Mughlai Jalises, European street lamps, Boulevards,

<sup>1</sup> Datta V. N. Amritsar: Past and Present. Amritsar: The Municipal Committee, 1967; Gauba A. Amritsar: A Study in the Urban History (1840–1984). Jallandhar: ABS Publishers; 1988.

<sup>2</sup> Galiara Project aimed to beautify and properly plan the localities in vicinity of Golden Temple and construct a circular road to provide easy, safe and free movement of vehicles around this area. Several buildings, houses and shops were demolished under this project and people were compensated in different ways.



statues and sculptures resembling the streets of London during 1920s. As walled city is the major attraction centre, nearly Rs 210 million are being spent currently in creating a physical homogeneity in close vicinity of Golden Temple and Jallianwala Bagh area. As image branding is important for saleability in the present times, the walled city businesses thrive on homogenous layout which is a hallmark in itself. The shops around this popular tourist attraction site are made to resemble the main structure, and are painted in red, follow a common pattern of display and upkeep, even the signboards of the shops are written in Gurumukhi and Roman painted in Maroon, with the same size of letter, design and shape. Nonetheless, this beautification and development drive is confined to only popular areas within the walled city and not to the whole of core or outer city.

With the proliferation of tourism in Amritsar city it is today common to find a variety of businesses catering to tourism services directly or indirectly. This shift in economy has provided an opportunity to a number of people who have come up as entrepreneurs and are breaking away from their ascribed vocations and also to those maintaining their hereditary jobs by creating niches for their works in the market. Yet, there are also certain challenges that local businesses have to face due to the current tourism development policy. Keeping in view these research gaps, in the present study we examine the process of tourism development in Amritsar and its effect on business and business associated people in Amritsar. While the literature related to impact of tourism on people and places is in plenty there are fewer researches on sociological impacts of tourism development on local economies and business associated people as in the field of sociology, tourism studies are still in nascent stage. In this paper, an attempt has been made to fill this gap. Therefore, the purpose of this article is to acknowledge that the residents/local community is a fundamental part of the tourism product and the success and failure of the tourism policy depends upon the response and role of the residents. Therefore, tourism development policies at first must be inclusive and aim to benefit the local communities to leverage their special resources for their economic and social development.

**Review of literature.** Businesses in general are affected in a number of ways with the spread of tourism activities in terms of forms, values, practices, returns etc. Several studies indicate, more than the negative impacts, the local businesses are positively affected with the tourism economy as tourists always want to experience the places and things associated with the places of travel to the fullest and in the most unpolluted and typical ways. If we look at the wider literature on tourism impacts on local communities and the economy, several studies indicate that tourism brings both benefits and harms to local economies and local residents and increases the scope and range within the local markets. According to Mason tourism brings in growth in the economy of the host regions with the creation of jobs and revival of traditional art and craft and gives a boost to the local artists [3]. Mossa in their study on Sal Island shows that positive impacts of tourism can range from the economic growth to the participation of women in tourism activities while,



the perception negative impacts include excessive dependence on tourism, and the absence of locals participation in the decision making [4]. Meyer and Meyer in their study found that tourism is a low skilled, labour intensive industry, and hence it has many benefits for local regions including poverty alleviation and it is a key sector for local economic development (LED) [5]. A study of Metsimaholo and the Emfuleni municipality (Vaal-Triangle) area of South Africa also supports that tourism can positively as well as negatively affect local economies [6]. Mendlinger et.al, found the positive impact of tourism on the local businesses of the Blackstone Valley in Rhode Island [7]. Many respondents in her study foresee new business opportunities and are aware that if properly developed and marketed, tourism can have substantial economic impact on their business and communities. Othman and Rosli's study of four main tourist destination islands in Malaysia consolidates tourism development theory that tourism is an important catalyst for entrepreneurial development and small business performance [8]. Sheldon and Abenoja in their study of Waikiki found that the residents had close empathy towards their city and they were in favour of tourism because of its positive impacts [9]. Sharpley and Telfer challenges conventional thinking by highlighting the role of tourism as a contributor in the socio-economic development of the tourist destination areas by establishing a link between the tourism studies and the development studies [10].

The findings of researches conducted in India at large resonate with the above stated studies. Tourism in India has been helpful not only in bringing foreign exchange but also in generating employment for unemployed people in backward regions<sup>3</sup>. It has been helpful in balancing the economic growth in India. Further the author has suggested that the local labour and other local resources should be used for developing tourism in the developing nations. In a study conducted by Farid in 2003 on tourism in Kashmir (J&K) it was found that tourism development greatly contributes to infrastructural development and local economic development. Similarly, Leela in 2014 found that growth of tourism in Kanyakumari (India) has led to elevating the sales of retailers and the living conditions of seasonal retailers. Singla in her study on Socio-cultural Impacts of Tourism in Jaipur (Rajasthan) states that the residents' perception on tourism development and its impacts depends on the socio-economic and demographic status of the residents [11]. The people of Jaipur were found to be in favour of tourism expansion in spite of the negative effects. Kumar in his work elaborates the role of Himachal Pradesh Tourism Development Corporation and the state government in the promotion of tourism in the state and points out the problems caused by tourism and their effect on the residents [12]. Another study by Shafi finds that the policies adopted by the state government of Kashmir for development of tourism are vague and proper intervention is required to address the issues related to the tourism industry [13]. Bhatia also talked about the social and the economic benefits of tourism in India [14].

<sup>3</sup> Adarkar D. B. World Tourism Trends – The Potential Impact on India. *Indian Hotelier and Caterer*. 1974; XVIII (2).



From these studies we can deduce that tourism development always brings in a mix bag of responses. Most of the studies focus on the general economic aspects of the tourist destination and have to some extent ignored the effect of tourism development on the local businesses and the business associated people.

**Materials and Methods.** To understand the impact of tourism development in Amritsar city and its effect on the local businesses a sample of 120 businessmen was chosen from the prominent categories of businesses from the walled (core) and the outer city. The sample was drawn randomly from various parts of the city representing the different sections and the parts of the city. The purpose for selecting the sample from different areas was to have the diversity and to include people from every section of the society.

This sample of 120 respondents was collected in 4 subsets which included 20 restaurant owners, 20 traditional shopkeepers (dealing with souvenirs, clothes 32 etc) from Katra Jaimal, Hall bazaar, markets in surrounding of the Durgiana Temple and the Golden Temple, 40 travel agency owners from the surroundings of Bus stand, Railway station, Lawrence road and Ranjit Avenue and 40 from hospitality sector which included hotels, guest houses, hostels and sarais from Golden Temple area, Bus Stand, Railway Station, Mall road and Queen road. The respondents were interviewed in 2017 and 2018 for at least 30–40 minutes. The sample was taken as representative in terms of geographical as well as economic coverage.

For interviewing the respondents a structured interview schedule was designed and pilot tested first. The research design used for this study is descriptive in nature. Both primary as well secondary sources of data have been used for this research. The prime objective of this research was to scale the impacts of tourism and tourism related policies on the businesses in the city and also to examine the perception of business associated people towards tourism and tourism policy and projects. The major research questions that the investigators had in their mind were:

How has tourism affected businesses in Amritsar?

What are the peculiar outcomes of tourism-centric policies for the businesses and business associated people?

How businesses associated people are participating in promotion or negation of tourism?

For conducting the research in question, quantitative and qualitative methods were used to capture the complexity and diversity of social-economic systems and geography. Secondary sources of data include legal documents, official statistics, reports, articles, internet resources, reports of self-government bodies etc.

**Results.** The respondents in the present study were between the age group of 20–80. The average age of males was 41.33 and females 48.33. Majority of the respondents were males, i.e., 114 (95 per cent) and the rest were females; it was primarily due to the stereotypical trend regarding the work. Though the market is largely now in the hands of young and middle aged men the older men still sit in the shops to guide and provide support in business. Business in Amritsar city is largely run by the Hindus (65, 54.17 per cent), Sikhs (54,45 per cent), Christians



(1,0.83 per cent). Interestingly, 95 per cent of the males who are into business belong to the traditional business castes such as Khatri, Mahajan, Baniya, Arora, and also Brahmin OB C, Jatt (Table 1).

**T a b l e 1. Caste and Education of Respondents**

Caste	Number of respondents (people, %)
Brahmin	16 (13.33)
Khatri (Mahajan, Baniya, Arora)	64+6 (Females) (58.33)
Jatt	14 (11.67)
Marwari	1 (0.83)
Maheshwari	1 (0.83)
OBC (Kamboh, Ramgharia, Suniyar, Rajput, Chimba, Lohar, Prajapat, Nai, Bhatti)	16 (13.33)
Mazbhi Sikh	1 (0.83)
Masih (Christian)	1 (0.83)

Amritsar business communities' constitute of both Punjabi and non Punjabis. The trade and commerce in the past as well as present has largely been in the hands of certain caste and sub-castes, such as Khatris, Aroras, Baniyas, Marwaris, Sindhis, Gujaratis, Maheshwaris, Aggarwals, Khannas, Kapoors, Mehtsa, and even Oswals (Jain) and Muslims (Pathans, Khojas, Kashmiris) and Sikhs<sup>4</sup> who conducted their businesses from the walled city. The following table is put in a combined for as it is regarding the general background of the respondents. Caste and education are two variables which determine the nature of the local market in Amritsar city.

Educational profile of the respondents (given above in Table 2) indicates that 40 per cent of the respondents are graduates, nearly 10 per cent were found to be post graduates, 5.83 per cent (7) have studied professional courses like Hotel management, MBA, tourism course, Engineering. Overall it was seen that as compared to past the business community in Amritsar city is getting educated so as to bring innovation and change in their businesses. Majority of the respondents in the present study are married, i.e., 90 percent, rest were unmarried. Most of the respondents stated their monthly income between Rs 1 – Rs 3 lakh. Most of the respondents stated their business skills as self learned (59 (49.17 per cent)). However, nearly 53 i.e., 44.17 per cent stated it was acquired from elders and in blood and the rest stated that they have learned it through formal education.

**T a b l e 2. Educational Profile of the Respondents**

Education	Number of respondents (people, %)
1	2
Illiterate	5 (4.17)
Primary	2 (1.67)
Middle	5 (4.17)

<sup>4</sup> Gauba A. Amritsar: A Study in the Urban History (1840–1984). Jallandhar: ABS Publishers; 1988.



End of table 4

	1	2
Matric		29 (24.17)
Higher Secondary		26 (21.67)
Diploma after 10+2		1 (0.83)
Graduate		39 (32.5)
Post Graduate		11 (9.17)
Phil		1 (0.83)
Ph.D		1 (0.83)

*Nature of Business in the city and Impact of Tourism.* Amritsar has always been a famous centre for business and trade [15]. Majority of the businesses in Amritsar are quite old yet, at present everyone is trying to establish some or the other kind of business which is related to tourism. It was seen that in the present study most of the respondents started their current business between the year 1998–17 (71 (59.17 per cent)) and some also stated their business is continuing prior 1947 (Table 3). The table given below also informs us of the nature of businesses in the city—Large, Petty and Small. Though there is always a tendency among respondents to underestimate their income, and sales the respondents largely reported their monthly sales above two Rs 200,000 (two hundred thousands).

Table 3. Business Details

Year of business settlement	Large business	Petty business	Small business	Number of respondents (people, %)
Before 1947	2	1	—	3 (2.50)
1947–1957	4	—	1	5 (4.17)
1958–1967	3	2	—	5 (4.17)
1968–1977	2	1	2	5 (4.17)
1978–1987	7	1	5	13 (10.83)
1988–1997	7	8	3	18 (15.0)
1998–2007	8	22	3	33 (27.50)
2008–2017	11	21	6	38 (31.67)
Monthly sales				
		Upto 1 lakh		10 (8.33)
		1–2 lakh		18 (15.0)
		2–3 lakh		20 (16.67)
		Above 3 lakh		25 (20.83)
		No response		47 (39.17)

At present businesses serving the tourism industry directly or indirectly are on the rise. The respondents were asked to enlist the vital businesses in Amritsar to understand their perception about the trending businesses in the city. It was seen



that largely the respondents stated food (58), Hotel (45), clothes (29), Traditional footwear 'Jutti' (21), Transport (16) and commission (in hands of rickshaw pullers and auto drivers who take money from shop keepers of food and accommodation providers by taking tourist to them) and hospital (2 each), Artificial jewellery, gym, parlour (1 each) as the most trending and vital businesses in the city at present. The remaining twenty gave no response.

The respondents were asked to state how tourism has affected the local business. Following responses were received as expressed in the following table 4.

**T a b l e 4. Effects of Tourism on Local Business<sup>5</sup>**

Answer option	Number of respondents (people, %)
Businesses is solely dependent on tourist	69 (32.86)
Demand has increased therefore business is doing pretty well	41 (19.52)
New tourism policies and sites have led to growth in local business	39 (18.57)
Traditional business around Golden Temple is only doing well	32 (15.24)
Clothe, Juttis, and food business is excelling	22 (10.48)
Policies have ruined the local market	6 (2.86)
Not much effect	1 (0.48)

It was seen that the respondents were of the view that demand for products consumed and used by tourists is on the rise and every person is trying to relate his business directly or indirectly to the tourism economy. Traditional businesses like selling typical Punjabi footwear, papad-wadi, souvenirs and local crafts are regaining grounds. Such items are largely found in and around the Golden Temple area within the walled city hence the markets in vicinity of the Golden Temple are performing well. Yet, some of the respondents were of opinion the business has been negatively impacted by this mono-centric development as well as tourist and tourism centric policies due to which other industries as well as businesses are not doing well.

*Outcomes of Tourist Centric Policies.* The respondents were also asked about the changes that they have brought in their businesses keeping in mind the current policy trends. Multiple responses were got from the respondents (i.e., 294). It was seen that the majority (76 (26 per cent)) stated that they have started online promotions and tie ups with online portals for their business to rise in the market. Some fifty (17 per cent) largely from the accommodation business stated that they have started online booking facilities for tourists. Around 34 (11.56 per cent) stated that they have made their website. Some 32 (9.18 per cent) respondents stated that they have digitised their payment method under the Digital India campaign which

<sup>5</sup> Multiple Responses.

has helped them in business and made buying easy for customers. Some 27 (5.78 per cent) stated that they have added new items like Phulkari, Papad wadi so as to meet tourists demand. Also, 17 (3.74 per cent) of the food and accommodation retailers especially stated that they give complementary services like free breakfast or dinner to attract customers.

Ten (3.40 per cent) respondents stated that as tourists have plenty of options to choose from the retailers and wholesalers pay money to transporters to bring customers to their shops and pay them commission. This business is flourishing heavily in the city. The respondents also stated that they have changed the display of their shop and also changed their stock on a timely basis to stay updated in the market, this was stated by sixteen (5.44 per cent). Like the modern retail formats the local businessmen now also put offers for the customers now (6 (2.04 per cent)). Some of the owners have started manufacturing too (3 (1.02 per cent)) while others also provide accommodation and guidance facilities to the customers (4 (1.36 per cent)). The remaining eight (2.72 per cent) did not change anything in their business. In all it means, that local business associated people are trying to tune themselves with the changing market policy.

Tourism and retail development goes hand in hand as shopping is a vital part of tourism experience [2]. As tourists want to keep the memories of the places they visited, their first preference in shopping is the local items. The respondents were asked to enlist the local popular items that are in high demand by tourists. Figure shows us that traditional art and craft and food is largely in demand of tourists.

The respondents were also asked about the preferred location of shopping by the tourists. Majority of the respondents (111 (99.17 per cent)) stated that the first preference of tourists for shopping is the local traditional market. Amritsar city is witnessing retail transmutation as found by Sharma in her research of Shops and the Malls in the city [2]. The walled city caters to the traditional demands of the tourists and locals while the modern retail markets and outer city caters to the modern demands of tourists as well as locals.

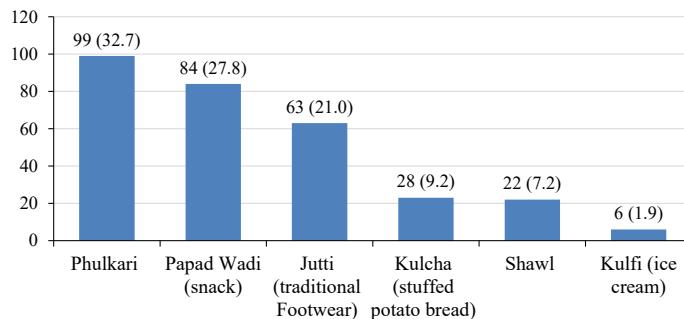


Fig ure. Tourist Choices for Shopping



Since the growth of tourism in the city, many businesses have been side-lined and some have been even exterminated or are not performing well and are witnessing close down. There is a slowdown of certain businesses which has happened due to changing nature of market, choices of consumers, changes in national and state policies<sup>6</sup> etc. The respondents stated Manufacturing (63 (52.5 per cent)), small scale industry and household industry (16 (13.33 per cent)), real estate (7 (5.83 per cent)), dry fruit (6 (5.0 per cent)), CD and Cassette (2 (1.67 per cent)), Watches (3 (2.5 per cent)), PCO (2 (1.67 per cent)), motor parts repair (1 (0.83 per cent)) as the businesses which are not performing very well.

Tourist flow is good for the businesses however, there are certain sets of problems (Table 5) that business associated people come across during the peak season (i.e., May – July and Dec – Jan). One of the respondents during the fieldwork stated that “sometimes there is a heavy flow of customers at the shops and while all salesmen are busy in dealing with the customers, many times snatchers come and snatch things from the shop and then it becomes difficult to find the pickpocket or snatcher as he disappears in the crowded area. Sometimes these people also snatch purses and jewellery from the women tourists and it spoils our reputation. Policemen also take bribes for uniforms, stickers and unnecessarily harass them”.

**T a b l e 5. Problems Faced During Tourist Season**

Problem	Number of respondents (people, %)
Traffic	17 (13.71)
Lack of staff	11 (8.87)
Accommodation problem	10 (8.06)
Overbooking	6 (4.84)
Lack of buses and drivers	5 (4.03)
Snatching	3 ( 2.42)
Inflation	2 ( 1.61)
Harassment by police	2 (1.61)
No problem	68 (54.85)

Lastly, the business community was also asked to assess the tourism projects and their effect on local business. As discussed in the introductory part of the paper, lot of renovation, regeneration and development is happening in the city for the overall beautification of the city so as to draw and accommodate more tourists, especially foreign tourists there are different impacts felt by different people of this renaissance movement. As the previous experiences of development under Galiara Scheme are known to us through the study of Kalia that business was

<sup>6</sup> The very recent 2017 demonetization and also the Kashmir A-370 impacted the overall business of the city as the city has huge trade with its neighbouring regions. Number of businesses and communities are engaged together on both sides.



hugely affected around the golden temple and business associated people were not adequately compensated [16]. The perception of business related people on this unwavering tourism policy becomes important. Hence, it was seen that the current beautification drive was perceived positively by the local business people as they believed that the face-lifting of the city has also resulted in incline in their sales (106 (88.33 per cent)). However, some 9 (7.50 per cent) of the respondents stated that their sales have seen a slowdown as tourists prefer to go to only shops in vicinity of tourist places and take those shops as part of the main structure and spread and are compelled to buy from those few shops. Another 5 (4.17 per cent) respondents witnessed no effect.

*Contribution in tourism promotion.* Businessmen play a major role in tourism promotion and economy. If local business associates provide tourists with hospitable and updated services as well as prices and quality the tourists prefer to revisit and promote that place. In the current model of tourism and development policies, globally we are witnessing inclusive modelling practices as it is realised that participation of people from the local community is vital in maintenance and promotion of the tourism sector. As in countries in which tourism policy is still less evolved, direct inclusion of community and community based groups is still not very popular when it comes to policy formation. Yet, at its own level community members who get benefitted or somehow are associated with this sector make an effort to somehow contribute to the promotion as well maintenance of tourism.

It is to note, that under the mandate of Punjab Tourism Policy – 2017 there should be involvement of local communities in tourism policies, and emphasis should be on the development of small and medium-sized businesses, jobs should be created for the locals, inclusive programmes for women and youth should be started and there should be proper measures for the preservation and the conservation of the environment. In the present study it was seen that there is hardly any direct involvement of community or community based groups in tourism policy formulation as ‘top to bottom’ is practiced. However, the local business community tries to contribute to the promotion of tourism in Amritsar. As stated by the respondents most of them said that they try to give good services to their customers (67 (55.83 per cent)) and stay honest with the tourists (9 (7.50 per cent)) and demonstrate politeness (44 (36.67 per cent)). As in general it is known that in tourist places, it is normal for the tourists to be overcharged, it is true in case of Amritsar also. Both national and foreign tourists are over charged, yet in comparison foreign tourists are charged far more, especially by the transporters.

**Discussion and Conclusions.** The results indicate that tourism development is positively affecting the local business and overall economy of the city. As certain sectors as for instance-manufacturing, household industries are performing poorly and have been neglected the tourism economy is emerging as a stabiliser for the City and its market. In order to stay relevant in the market the business associated people are adopting innovations and changes in their business and are trying to



align their businesses somehow with the tourism economy. It was found that more than fifty per cent of the businessmen have adopted digitalisation. They are opting for online promotions, having tie ups, starting their online portals and websites, and are emphasising more on commission business to strengthen their businesses. Newer practices are being adopted by the local retailers and wholesalers to meet the requirements of the changing market and tourist preferences. Punctuality, politeness, improvement of communication skills in English and Hindi, taking up professional courses related to business and tourism, bringing in innovative ideas are all the changes that businessmen are trying to bring in to improve their business as well as contribute to the tourism industry. In this inner city area, old shops are seeing a facelift and renovation under the tourism policy forwarded by Government.

One cannot agree more to the relevance of the tourism industry and the fact that it is being used for economic regeneration in areas where otherwise the market is slowing down or has less potential to develop. Though, in general, the city has gained from tourism development yet, its impact is felt differently by different communities. Although Local business communities perceived tourism positively, yet they also raised their concerns over the covert politics happening in the name of development. Following concerns can be deduced from the present study. Firstly, Amritsar's market is becoming more and more homogenous (mono-economy) which is although good for the current growth of the city yet it can be detrimental for the growth from the future perspective. Secondly, nevertheless the city is witnessing development but the current development model is exclusionary and unbalanced with certain areas, certain people and certain markets benefiting more than the others. Though the administration is making efforts to create tourism corridors at different pockets of the city in order to contain more tourists yet, the benefits it brings to people and places are inadequate. Thirdly, as the current development model of the city is tourism centric, there is an insufficiency in growth of allied sectors as well as in development programmes and a miscoordination is there between different significant stakeholders.

Holistic growth and overall economic rejuvenation can bring benefits to both local economy as well as tourism market and tourism development policy should be drafted in such a way that it engages all the key stakeholders- government, industry, communities in identifying a vision and direction for tourism development and in setting priorities for implementing sustainable vision for the tourism. As tourism is on escalation, so are the rates of crime, theft and continuous fleecing of tourists in the city therefore, in order to contain and retain tourism and tourist there is a dire need for addressing certain crucial challenges such as safety concerns. Recently, in 2019 the city celebrated the 550 years of the founding Guru of Sikhism (Guru Nanak Dev) the traffic police was introduced at large in the city to cater to help the tourists. Also arrangements for free WiFi internet in the Golden Temple and Heritage Street were made for the tourists. Through all such affirmative measures,



city administrations as well as the local community are trying to give a safe and pleasant experience to the tourists to expand the tourism economy.

As the walled city remains central to the tourism economy, and continues to face challenges of congestion, falling economy, pollution, the current policy that favours tourists over the residents as well as influential marketers located within and outside the walled city, the local business communities are feeling the apathy in the development drive. Past many years in order to solve the challenges of walled city, the local businesses and communities have been maltreated, sometimes in the name of beautification, redevelopment and expansion which have resulted in slowing down of the business activity. Also, moves to make walled city more walkable, efforts to introduce ‘paid parking’ in the markets of walled city have always been made which have always been resisted by local business organizations and groups as it would though benefit people and tourists but hamper their business by making customers choose markets without paid parking.

As a point of summation, it can be said that the city of Amritsar is undergoing a great transformation because of the current policy framework favouring tourism expansion. The role of the local community in the development of any area is immense because the development always takes place from the grass-root level and also the development brings benefits to the local communities. For the long term success of any tourism plan, locals play an important role because directly or indirectly it is the attitude of the locals towards tourists and tourism that matters. Snaith and Haley’s in this regard state that the locals can understand the actual impacts of tourism only when they are well informed regarding the tourism development [17]. Therefore, the study proposes that local communities and economies must be placed at the centre of the tourism development model and tourism must generate benefits of improved infrastructure, local access, facilities and services, enhance local businesses and skills of the local residents.

This research makes a significant practical contribution to understanding tourism in Punjab, in relation to the three chief concepts discussed in this research i.e., development and contribution of tourism policies that take into consideration the community participation in the tourism development, sharing of tourism benefits. It is expected that findings of this research study would be useful to policy-makers, academicians, and other key players in the tourism industry and community development sector. Overall, the study reveals that tourism businesses in the study area have developed some benefit-sharing schemes (include local employment, local capacity building, and sharing tourism profits with the wider community) that favour local people to access tourism benefits. This research models an understanding on how historic cities and disadvantaged location can revive themselves and seek development through well framed tourism policies.



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