TOURISM DEVELOPMENT AND CONSERVATION OF ENVIRONMENT IN EASTERN HIMALAYAS: A CASE OF ARUNACHAL PRADESH

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Abstract

This paper seeks to examine how economic development and environmental conservation can be combined through tourism development in a Himalayan State of Arunachal Pradesh which has tremendous tourism potential due its location in Eastern Himalayan ranges. Its tourism potential is clearly indicated by growing number of tourist inflow in the recent years. Tourism and environment have close linkages. Environment acts as a source of attraction for tourists. But rapid growth of tourism in a fragile environment could lead to its degradation. This requires proper management of environment which may involve huge cost. A part of the cost of can be raised from the tourists in the form of conservation fee. The study attempts to examine the tourists' willingness to pay and its determinants for conservation of environment in the Himalayan State of Arunachal Pradesh. The study is expected to help the policy makers in designing appropriate policy for combining tourism development and conservation of environment.

Keywords: Biodiversity, natural beauty, rich culture, tourist inflow

I. INTRODUCTION

Tourism, a service oriented industry, has been growing rapidly to become one of the largest and fastest growing economic sectors in the world. It provides employment to a large number of people worldwide. Tourism contributed 9.2 per cent of global GDP and forecasts that this will continue to grow at over 4 per cent per annum during the next ten years (WTTC). Tourism could be a means of redistributing economic resources, mitigating the socio-economic situation both at the local and national scale and contributing to biodiversity conservation [16] .For many developing countries, it has become a prime source of foreign exchange inflows [17]. It is a major source of foreign exchange earnings for small countries like Nepal and Maldives. At the same time, tourism has a generally low negative impact on the environment compared to other productive sectors such as agriculture, cattle ranching and mining. Thus, tourism development in ecologically rich areas can be a potential 'win-win' component of the conservation strategies and practices.

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India is a vast and varied country with rich historical and cultural heritage. It is rich in ethnic diversity, biodiversity and natural beauty. However, the country accounts for less than one per cent of international tourist arrivals worldwide. In 2004, India's share in international tourist arrivals worldwide was 0.45 per cent. It improved to 0.68 per cent in 2014. India is ranked 41nd in terms of its share in international tourist arrivals worldwide. The international tourist arrival in India has increased from 2.37 million in 1997 to 6.97 million in 2013. It further rose to 7.68 million in 2014. The international tourist arrival in India grew at the rate of 10.20 per cent in 2014 over 2013 which is higher than the world average of 4.2 per cent. India, with a share of 1.62 per cent of the international tourism receipt worldwide in 2014, is ranked 15th in terms international tourism receipts [9].

The North Eastern region of India which comprises of eight States namely, Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura, is a paradise for tourists. The region falls in the Eastern Himalayan ranges and the topography of the region is mainly hilly and mountainous, small except river valleys and foot hills. The region accounts for around 8 per cent of the total geographical area of the country. It is rich in natural beauty, forest resources, rich biodiversity and diverse and splendid culture and tradition of different ethnic groups. However, the region receives less than one per cent of the total tourist arrival in the country. Arunachal Pradesh, one of the eight States of North East India, is an ideal destination for tourists. It has a huge potential for tourism development. It is rich in forest resources and biodiversity. It has 80.50 per cent of its total geographical area under forest cover which is one of the highest in India [8]. The State is least densely populated with only 17 persons per sq. km (Census of India, 2011) due to which vast forests and natural resources of the State are virgin and unspoiled. This makes it an ideal destination for ecotourism. The forests of the State are home to diverse species of plants and animals some of which are rare and endangered. At the same time, it is rich in natural beauty with

presence of undulating topography, valleys and snow capped peaks. In addition, it is highly rich in cultural resources. Recognising its tourism potential, it has been adjudged as the fourth best destination in the world by the magazine '*Lonely Planet*'. It was also voted the most favourite upcoming destination by *Outlook Traveller* readers (The Times of India, May 8, 2013). But despite being rich in natural resources, it is one of the most backward States of India. In this context, tourism development can usher in a path of development that is ecologically sustainable.

Tourism and environment have a very complex and interdependent relationship. Natural environment of a destination acts as a source of attraction for tourists. But tourism growth may damage the very environment that attracts tourists [4].This calls for cautious approach in promoting tourism in the State. There is a need to preserve and maintain the natural environment of the State which is the source of attraction for tourists. But management of environment may involve huge cost to the State government. The financial burden of government for conserving environment can be eased if tourists are made to pay for the benefits they receive from the natural sites [1]. So, effort should be made raise a part of the cost from the tourists in the form of conservation fee. This will also act as a regulatory tool on the number of tourists [4].

Hence, it is important to examine the tourists' willingness to pay for conservation of environment in the State by using the contingent valuation method (CVM). It is a popular non-market valuation method as it can measure both use and non-use values of environmental goods. This method has been widely used to measure the value of environmental goods. For instance, Kramer and Mercer (1997) used contingent valuation method (CVM) for valuation of tropical rain forests protection in USA. The estimated mean WTP of respondents by referendum format and payment card format was found to be US $ 24 and US $ 31 per household one-time to protect an additional 5 per cent of rain forests Aggregating over 91 million households in the USA, the total WTP was estimated to be US $ 2.18 billion and US $ 2.82 billion for the two methods. Lee (1997) measured the potential revenue from nature-based tourism resources in the environmentally sensitive area of Mt. Minju, South Korea. A dichotomous contingent valuation method was employed to estimate the mean willingness to pay, contingent on a hypothetical markets scenario. The economic value of nature based tourism was estimated at 5905 won (US $ 7) per visitor. Wilson and Tisdell (2004) examined visitors' attitudes and willingness to pay to enter Lamington National Park. The result of the study showed that visitors were more willing to except the 'user-pay' principle if the money would be used for the benefit of National Park and its visitors. Baral, Stern and Bhattarai (2008) applied contingent valuation method to determine willingness to pay entry fees of foreign visitors to the Annapurna conservation area. They showed that most

visitors were willing to pay an entry fee considerably higher than the current fee of US $ 27. The mean and median WTP were US $ 69.2 and US $ 74.3 respectively. The determinants of WTP were; family size, visitor's satisfaction, the use of a guide and group size.

The review of literature revealed that most of the contingent valuation studies were conducted for National Parks and protected areas. At the same time there is a dearth of valuation studies in North East India despite being rich in natural resources and having huge tourism potential. The present study was conducted to extend the application of the contingent valuation method for knowing tourists' willingness to pay for conservation of tourist spots in the Eastern Himalayas with Arunachal Pradesh as a study area. It also aimed to examine determinants of WTP. The study is expected to help the planners and policy makers in designing appropriate strategy for development of tourism.

The rest of the paper has been organised as follows. The second section discusses tourism potential and growth of tourist inflow in the State. The third section deals with data source and methodology. The fourth section deals with results and discussion. Last section deals with policy implications and conclusion.

II. TOURISM POTENTIAL AND GROWTH OF TOURIST INFLOW

Arunachal Pradesh has an enormous potential for development of tourism. The tourists can enjoy its picturesque hills, dales, seasonal climate meet its people with beautiful arts, crafts and colorful festivals. The main tourist attractions of the State are discussed below:

Heritage Sites: Tawang, Bhismaknagar, Itanagar and Bhalukpong are historical and heritage tourist spots. Tawang has a number of Buddhist monasteries. The most popular monastery is called the *Tawang monastery*. It is the largest monastery in the Himalayan region and the second oldest monastery in Asia. There is also a Stupa called '*Gorsam Chorten*' at Gorsam village of Zemithang Circle. So, Tawang can be developed as a Buddhist tourist center. The historical *Bhalukpong fort* is situated at Bhalukong in West Kameng district. The fort is believed to have been built during 10th - 12th century A.D. by the king Bhaluka who ruled this place. The *Itafort* is historical fort built with bricks by Ahom Raja during 14th century A.D. It is located at Itanagar. *Bhismaknagar* is located in Dibang Valley district. It is a historical site whose name is derived from the king Bhismak who ruled this area during medieval period.

Pilgrimage Tourism: *Malinithan* and *Parshuram Kund* are pilgrim centers of Arunachal Pradesh. *Malinithan* temple is a unique site as it has an ancient temple housing sculptures of Gods and Goddesses. It is located at Likabali. It is associated with the Lord Krishna legend. It is believed that Lord Krishna and Rukmini took a rest at this place. *Parshuram Kund* is a place where the Lord Parshuram is believed to have washed away his sin of matricide. Thousands of devotees

come here for a holy dip in its sacred water on the occasion of *Makar Sankranti*.

Natural beauty: Arunachal Pradesh is well known for its scenic natural beauty. Its landscape is quite fascinating due to uneven topography, dense forest, flora and fauna, river valley, snow covered peaks, passes, lakes, waterfalls. Snow falls which occur during December and January in high altitude tourist spots like Bomdila, Tawang and Mechuka are fascinating to tourists. There are numerous mountain peaks and passes in the State like the *Kangte peak* in West Kameng district and the *Gorichen peak* in Tawang district. The important passes are *Bomdila Pass*, *Sela Pass*, *Lumla Pass*. The major lakes are *Sangester Lake* and *Sela Lake* in Tawang district, *Ganga Lake* in Itanagar, *Mehao Lake* district and *Sally Lake* in Lower Dibang valley. This makes the State a fascinating destination for the eco-tourists.

Forest and biodiversity: Arunachal Pradesh is rich in forest resources and biodiversity. The State with forest covers of 67,410 sq. km is ranked second among the States of India. The forest covers in the State account for about 80.50 per cent of its total geographical area which is one of the highest among the States of India (State of Forest Reports, 2011). The important forest species found in the State are tropical, evergreen, semi-evergreen, deciduous, pine, temperate, alpine and grassland. The forest of the State is an important attraction for tourists as it is houses diverse species of flora and fauna. Some of the species of plants and animals found in the State are rare and endemic. It accounts for 20 per cent of country's fauna and 50 per cent of the species of orchid found in the entire country. The State falls under Indo-Burma biodiversity 'hotspot' which is recognized as one of the mega biodiversity hotspot of the world [15]. It can be developed as destinations of nature-based tourism and ecotourism.

Wildlife resources: Wildlife tourism is also a type ecotourism which promotes sustainable tourism and significantly contributes to sustainable development. In Arunachal Pradesh, there are two national Parks, namely *Namdapha National Park* and *Mouling National Park*, eight Wildlife Sanctuaries and one Biosphere Reserve which house diverse species of animals. Viewing wild animals can be a satisfying experience for tourists in the State [10]. This fact clearly reveals the State's potential to develop wildlife-based tourism.

Cultural diversity: Arunachal Pradesh is home to 26 major tribes and 110 sub-tribes with rich cultural traditions. Each tribe has different dialects, tradition and culture. The added attractions are the colourful festivals which form essential aspects of socio-cultural life of the people of the State. Thus, Arunachal Pradesh is a wonderful destination for the cultural tourists and researchers.

Growth of tourist inflow

The tourist inflow in the State has been growing rapidly since 2004. In 2004 total tourist arrival in the State was 40088 which increased to 152312 in 2008. In the year 2009

number of tourist arrivals in the State was 199092 which rose significantly to 231252 in 2010. It further increased to 322378 in 2012 which is 35.46 per cent increase over previous year (Fig. 1). However, there was a substantial decline in tourist arrivals in the State in 2013. This was mainly on account of decline in domestic tourist arrivals. It can be attributed to social and political disturbance in the State as the Assembly elections in the State were scheduled in April 2014. In 2014 tourist arrivals in the State showed improving trend. The trend and growth in tourist arrival is shown in Fig.1.

Composition of tourist arrivals in the State is highly tilted in favour of domestic tourists (Table I). It is found that domestic tourists account for more than 95 per cent share in total tourist arrivals in the region, with exception in 2013. The relatively low share of foreign tourist arrivals in the State can be attributed to its remote location and entry restrictions (as foreign tourists need Protected Area Permit to visit the State). The procedure for obtaining PAP is reported to be very complex and time consuming. This acts as a disincentive for potential foreign tourists intending to visit the State [3].

The growth rate of tourist inflow was found to be very high. During the period 2004 to 2012, the tourist inflow in the State grew at an exponential rate of 26.4 per cent per year. The high growth of tourist arrivals in the State can be attributed to determined effort made by the Government of Arunachal Pradesh to woo the tourists to selected tourist destinations of the State by organizing a number of tourist festivals and simplifying entry formalities and improvement in connectivity [3]. There was a drastic fall in tourist arrivals in the State in 2013, after that there has been improving tendency.
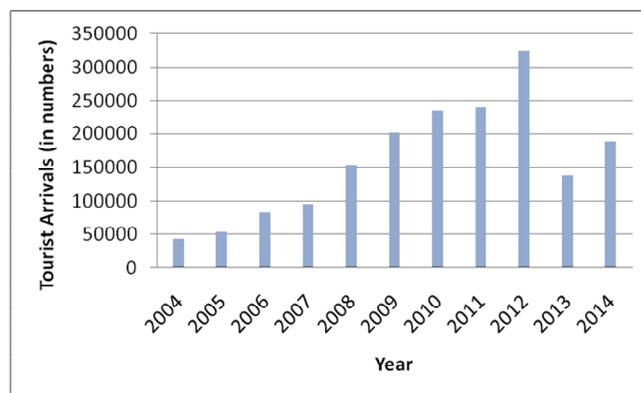

Fig. 1: Trend in total tourist arrivals in Arunachal Pradesh

An attempt was also made to examine the share of Arunachal Pradesh in total tourist inflow in the North Eastern region. It showed that the share of the State in tourist inflow in the region is one of the lowest.

Table I
TOURIST ARRIVALS IN ARUNACHAL PRADESH

Year	Domestic	Foreign	Total
2004	39767 (99.19)	321 (0.81)	40088
2005	50560 (99.38)	313 (0.62)	50873
2006	80137 (99.13)	706 (0.87)	80843
2007	91100 (97.63)	2212 (2.37)	93312
2008	149292 (98.02)	3020 (1.98)	152312
2009	195147 (98.02)	3945 (1.98)	199092
2010	227857 (98.53)	3395 (1.47)	231252
2011	233227 (98.00)	4753 (2.00)	237980
2012	317243 (98.41)	5135 (1.59)	322378
2013	125461 (92.04)	10846 (7.96)	136307
2014	180964 (97.20)	5204 (2.80)	186168

Note: The figures in the brackets indicate percentage of total.
Source: Directorate of Tourism, Government of Arunachal Pradesh

In 2014 the region received 70,08,467 tourists out of which 6,88,9915 were domestic tourists and 1,18,552 were foreign tourists. Arunachal Pradesh accounted for only 2.63 per cent of domestic tourist and 4.39 per cent of foreign tourist inflow in the region in 2014. Its share in total tourist inflow in the region was 2.66 per cent (Table II).

Table II
PERCENTAGE SHARES OF NORTH EASTERN STATES IN TOURIST INFLOW THE REGION IN 2014

States	Domestic	Foreign	Total
Assam	70.05	18.17	69.18
Meghalaya	10.4	7.31	10.35
Sikkim	8.16	41.48	8.73
Tripura	5.24	22.51	5.54
Arunachal Pradesh	2.63	4.39	2.66
Manipur	1.68	2.34	1.69
Mizoram	0.99	0.71	0.99
Nagaland	0.85	3.1	0.89
NER Total	100	100	100

Source: Computed using data from Indian Tourism Statistics 2014.

It is ranked fifth among the States of North East India in terms of its share in tourist inflow in 2014 (Indian Tourism Statistics, 2014). But its share is observed to be growing over the years. Its share has improved from 2 per cent in 2006 to 2.66 per cent in 2014. Assam occupies first rank in terms of its share in domestic tourist as well as total tourist inflow in the region followed by Meghalaya and Sikkim. But in case of foreign tourist inflow in the region Sikkim accounts for the highest share (41.48 per cent) followed by Tripura (22.51 per

cent). The high shares of Assam, Meghalaya and Sikkim can be attributed to better accessibility as well as better facilities provided to facilitate tourists.

The relatively low share of Arunachal Pradesh in the total tourist inflow in the region can be attributed to its remoteness, infrastructural deficiency, lack of proper marketing strategy and entry formalities (as domestic tourists need to obtain Inner Line Permit (ILP) and foreign tourists need Protected Area Permit (PAP) to visit the State.

III. DATA SOURCE AND METHODOLOGY

The study was conducted in two hilly district of Arunachal Pradesh, namely, Tawang and West Kameng districts as they together account for about 60 per cent of total tourist arrivals in the State. The study is empirical in nature and is mainly based on primary source of data. However, secondary sources of data were used wherever necessary. The secondary data used in the study were collected from the Directorate of Tourism, Government of Arunachal Pradesh; Ministry of Tourism, Government of India; and other sources. The primary data were collected though survey of tourists in selected tourist spots, namely Tawang and Bomdila which are the most popular tourist spots of the State. The survey was conducted with the help of well framed pre-tested questionnaire during peak tourist seasons in 2010 and 2011. The questionnaire was designed to obtain information relating socio-economic characteristics of the tourists, travel related information and willingness to pay for environment. Face-to-face interview technique was used to collect information from the tourists who had completed their tour and stationed at hotels and lodges. The survey was based on multi-staged sampling technique. In the first stage two districts namely, Tawang and West Kameng were selected by purposive sampling. In the second stage tourist spots which received the maximum number of tourists were selected. Finally, the tourists were selected by random sampling. The sample of tourist was selected by random sampling technique. However, a stratified random sampling technique was used to determine the proportion of Indian and foreign tourists. In the sample only those tourists who had defined a source of income were selected. The data were analyzed using various statistical tools. In total 309 tourists were surveyed out of which 90 per cent were domestic tourists and the rest were foreign tourists.

The contingent valuation method (CVM) was used to elicit tourists' willingness to pay for environmental conservation. This method is used when markets do not exist for environmental resources [14]. This method uses survey to ask the people about their willingness to pay (WTP) for improved environment or willingness to accept (WTA) compensation for damaged environment. There are two approaches to elicit WTP or WTA bids, viz. (i) an open-ended referendum and (ii) a close-ended referendum. A closed-ended format tends to anchor the respondent's answer to a range of values

presented. Hence, in the present study an open-ended referendum was applied to elicit tourists' willingness to pay.

The WTP amount is expected to be influenced by the variable like income, education, age and gender, etc. In functional form, it may be written as:

$$WTP_i = f(Y_i, E_i, A_i, G_i)$$

The linear form of this function is:

$$WTP_i = \beta_o + \beta_1 Y_i + \beta_2 E_i + \beta_3 A_i + \beta_4 G_i + \varepsilon_i$$

Where,

WTP_i = Willingness to pay (WTP) of ith tourist

Y_i = Per Capita Annual household income

E_i = Level of education

A_i = Age

G_i = Gender

ε_i = Error term

The various statistical tools were used to analyze the data. The regression technique was used to examine the determinants of WTP. The data were processed with help of SPSS package.

IV. RESULTS AND DISCUSSION

Socio-economic profile of tourists

The study is based on survey of 309 tourists out of which 90 per cent were domestic tourists and the rest 10 per cent were foreign tourists. Most of the Indian tourists were from West Bengal and Assam and most of the foreign tourists were from the USA, UK, Italy and Germany. Majority of tourists (67 per cent) came to enjoy natural beauty/recreation and around 20 per cent came to know local people and their culture. Among the surveyed tourists 80.26 per cent were male and 19.74 per cent were female. A good percentage of the surveyed domestic tourists (45.32 per cent) belonged to age group of 25-45 years. On the other hand, most of the surveyed foreign tourists (51.61 per cent) belonged to the age group of 60 and above. The average age of the surveyed domestic tourists was found to be 41.17 years and that of the surveyed foreign tourists was found to be 53.43 years. Although the average age of the surveyed foreign tourists was high, yet most of them expressed their willingness to participate in adventure activities. This indicates potential market for adventure tourism activities.

Occupation is also a crucial factor in determining the demand for tourism. It was observed that most of the surveyed tourists (54.37 per cent) were salaried employees. Among the surveyed domestic tourists 55.40 per cent were salaried employees followed by self-employed (16.91 per cent). While among the surveyed foreign tourists 45.16 per cent belonged to salaried employee category followed by professional and consultant (32.26 per cent). Among the surveyed tourists none of them was illiterate. About 55 per cent of surveyed domestic tourists were educated up to graduation level and among the foreign tourists 80.65 per cent were educated up to the level of post-graduation and above. Most of the domestic tourists (65.63 per cent) had annual household income of less than rupees 8 lakhs, while most of the foreign tourists (70.74 per cent) had annual household income more than 40 lakhs. Annual household income of domestic tourists was found to be much lower than that of their foreign counterparts.

Willingness to Pay and its Determinants

The study applied the contingent valuation method to elicit tourists' willingness to pay (WTP) for conservation of environment. The CVM is the most widely used non-market valuation technique. Out of total tourists surveyed, 71per cent were willing to pay and the rest 29 per cent declined to reveal their willingness to pay.

TABLE III
REASONS EXPRESSED BY SURVEYED TOURISTS FOR DECLINING WTP

Reasons	Tourist Surveyed (in %)
Absence of proper management	41.18
Government should pay	34.12
Limited income	24.70

Source: Survey Data, 2010-2011

During the survey, the tourists who declined WTP were asked to express the reasons for non-willingness to pay. The reasons expressed by the surveyed tourists for declining WTP were; absence of proper management (41.18 per cent) followed by Government should pay (34.12 per cent). The details are given in Table III.

An individual's maximum WTP was taken to be a function of socio-economic characteristics such as per capita annual household income (PC AHHI), age (AGE), gender (GEN), education (EDU).The descriptive statistics of the variables included in the regression analysis is given in the table IV.

TABLE IV
DESCRIPTIVE STATISTICS OF THE VARIABLES INCLUDED IN REGRESSION ANALYSIS

Variables	Min.	Max.	Mean	Standard deviation
WTP amount (in Rs.)	20	5000	352.83	479.17
PC_AHHI (in thousand Rs.)	20	4000	341.35	584.51
AGE (years)	18	79	44.83	14.46
GEN (female=0, male=1)	0	1	0.80	0.40
EDU (years)	8	17	15.52	1.64

Hence, an attempt was made to find out the factors determining the tourist's maximum WTP. For this purpose, the tourists' maximum WTP was regressed with their socio-economic variables and WTP function was estimated (Table V). Various functional forms were tried, however, the linear functional form was found to better fit than the non-linear

functional form. The functional form used in the study was presented as:

$$WTP = \beta_0 + \beta_1\, PCAHHI + \beta_2\, AGE + \beta_3 GEN + \beta_4 EDU + \varepsilon_i$$

(1)

Table V

THE RESULT OF THE REGRESSION ANALYSIS FOR DETERMINANTS OF WTP

Dependent Variable: WTP Amount (in Thousand Rupees)

Variables	Coefficient	SE	t-values	p-values
Constant	367.82	352.24	1.044	0.298
PCAHHI	0.27***	0.057	4.788	0.000
AGE	3.87*	2.25	1.722	0.087
GEN	67.79	84.37	0.804	0.423
EDU	-21.71	22.10	-0.983	0.327
R^2	0.37			
F-Statistic	8.43***			

Note: * and *** indicate significant at 10 and 1 per cent level respectively.

The result of the regression in (1) for the determinants of tourists' WTP is given in the table V. The table showed that the most important determinants of tourists' maximum WTP were per capita annual household income and age. The maximum WTP was found to be positively related to the variable per capita annual household income and it was significant at 0.01level. This was as expected as the higher income generally induces a person to pay more for conservation. The variable age was also found to be positively affecting the maximum WTP. It was also significant at 0.10level. This may be due to the fact that as age increases people become more concerned about environmental conservation. It was found that the middle aged and older people could spare the money to accept higher CVM bids while the younger people were less willing to pay. The WTP was positively related to the variable gender but it was not significant. The coefficient of variable education was found to be negative but it was not significant. This may be due to the fact that most of sample tourists were highly educated. Generally, people with higher education are more concerned about the environment and are willing to surrender a high proportion of their income for conservation of natural environment.

The mean WTP for environmental conservation was calculated by putting the mean values of the explanatory variables in the estimated WTP function. The mean WTP of tourist was calculated to be Rs. 350.77 per person per visit. Finally, the total WTP was obtained by multiplying the mean WTP with the total tourist arrivals in the study area during 2012. The total tourist arrival in the study area was 193427 (60 per cent of the total tourist arrivals in the State during 2012). The total willingness to pay was calculated to be Rs. 67.85 million per year. A substantial proportion of this amount can be captured by the government through the levy of conservation fee. The amount so generated can be utilized for financing environmental quality management projects.

V. POLICY IMPLICATIONS

The findings of the study lead to following suggestions and conclusion:

- Tourism and environment are closely related and interdependent. So, there is a need to formulate proper guidelines for tourists as well as for various stakeholders (such as tour operators, hotels and resorts, transport operators) for effective implementation of the policy to conserve natural environment.
- Tourists need to be educated about the local environment and its values. They should be guided properly not litter the destination with waste products. For this, there is a need to provide training to local unemployed youths so that they can take up the job of tourist guide.
- Tourists' willingness to pay was found to be positively and significantly determined by the per capita annual household income of the visitors. Hence, there is a need to concentrate on attracting high budget tourists in the State.
- Tourism growth is likely to increase the cost of environmental management in the State. So, the government may levy conservation fee on tourists as the tourists were found to be willing to pay for environmental conservation. This will help to raise revenue for financing environmental management projects.
- Local people should be encouraged to undertake tourism related activities such as handloom and handicraft, poultry, fishery and other activities so that the benefits of tourism percolate down to poor local people.

VI. CONCLUSION

The study shows that Arunachal Pradesh has a tremendous potential for developing tourism. Tourist inflow in the State has been growing rapidly. This indicates that if proper and adequate facilities are developed, the State can be one of the most favoured tourist destinations. Natural beauty and local culture of the State are found to be the most important attractions for tourists. Tourism can be one of the major activities which can boost economic growth of the State by generating additional income and employment for local people of the State. It can be a source of additional revenue for the State which heavily depends on inflow of funds from the Centre. But tourism development can also lead to degradation of its natural environment. So, there is a need for proper planning and management of environment. The study found that a high percentage of tourists were willing to pay for environmental conservation. The total willingness to pay amount was estimated to be fairly high. A significant proportion of this amount can be raised by the government in

the form of conservation fee to cover the cost of management of environment. At the same time, environmental education of tourists and other stakeholders can play a significant role in mitigating the adverse impact of tourism on natural environment of the State. Further, the sharing of economic benefits of tourism with local communities is essential to gain local support in conserving natural environment. The study finds that with proper planning and management, the State can promote economic development along with conservation of environment.

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