

Jammu and Kashmir: A Profile of the Region

“Leaning, lofty houses, saffron, icy water and grapes; things that even in heaven are difficult to find are common here”.

Kalhana, Rajatarangini

Section I

3.1 Introduction

Our immortal Sanskrit poet Kalidas writes about the valley: “The place is more beautiful than heaven and is the benefactor of supreme bliss and happiness. It seems to me that I am taking a bath in the lake of nectar here” (Kayi 2016). Sir Walter Lawrence writes “The valley is an emerald set in pearls; land of lakes, clear streams, green turf, magnificent trees and mighty mountains where the air is cool, and the water sweet, where men are strong, and women are beautiful like fruits” (Lawrence 1987). Perched securely among the lofty snow-sprinkled mighty Himalayan mountain chain, the emerald blue skies peeping through the chinks of the clouds, the tall chinar trees swaying to the rhythm of the gusts of wind, all condense into a kindly smile, forming the lovely state of Jammu and Kashmir.

From alpine (Ladakh region) to the sub-tropical (Jammu region) the extreme variants of climate in Jammu and Kashmir are due to its location and topography. The sheltered valley of Kashmir, however, exhibits an exception to its peripheral region. Broadly, the state of Jammu and Kashmir comprises three distinct climatic regions: cold arid desert areas of Ladakh, temperate Kashmir Valley, and the humid sub-

tropical region of Jammu. In this context, Lawrence's quotation boldly stands out:

***“Every hundred feet of elevation brings
Some new phase of climate and the
Vegetation, and in a short ride of thirty
Miles one can pass from overpowering
Heat to climate delightfully cool”.***

The temperature in the region varies spatially. Leh is the coldest (-28°C average) while Jammu is the hottest. Mean monthly temperature is lowest in January and highest in July except in Jammu where highest temperature is experienced in June. Mean monthly temperature in January varies from -17°C at Drass to 14°C at Jammu; Kargil and Leh being other stations of below freezing average. Praised and adored by one and all. Surrounded on all sides by a majestic belt of mountains, the peaks of which are covered in eternal snow, the valley is spread out under a limpid sky with smiling country side, wooded slopes and fine plains. The fairy land of colours assumed by mountains is mirrored in the lakes. Jawahar Lal Nehru loved Kashmir so much that in the Discovery of India he accepts his attachments to Kashmir. Edwin Mountbatten on 23-6-1947, he wrote:

"Kashmir affects me in a particular way. it is a kind of mild intoxication, like music sometimes or the company of a beloved person. For years and years I could not visit Kashmir because of (the threat of) prison etc. And desire to come here again became a passion and an obsession. It is not Just the beauty of the scene, though I love beauty and beautiful things, but even more is every season of Kashmir which has something mysterious and compelling about it"

The Jammu and Kashmir state is a border State which shares international border with Pakistan & China. The Line of Control on Pakistan side divides the state which turns one part as 'Jammu and Kashmir' and the other part as 'POK'. The state is located mostly in the Himalayan mountain range. It shares border with states of Himachal Pradesh and Punjab. The State has mostly a rugged terrain due to which several parts of it remain partly connected. The state has three distinct parts namely 1) Jammu 2) Kashmir and 3) Ladakh. Kashmir is connected by road with Jammu which passes through Pir panchal mountainous range. The road remains closed during rainy season and snowfall during winter. The drastic drop in the temperature during winter in the areas of Ladakh and Kashmir valley almost halts economic activities in these parts. Jammu has a sub-tropical climate zone and its climate coincides with the climate of Delhi.

The economy of the state is predominantly agricultural. The state of Jammu and Kashmir offers a challenge to planners as well as administrators in tackling the manifold problems associated with the economic backwardness of the state. Inclusivity and equity of the growth process along with its sustainability has to be the most defining paradigm of the developmental efforts. While imperatives of high level of growth are well understood, distributive aspect of the growth is also important. In the context of the obtaining circumstances in the state, the challenge of ensuring participatory and balanced regional development becomes extremely critical. (Economic survey, 2014-15).

The present chapter is devoted to a brief description of Jammu and Kashmir on historical, geographical and socio-economic aspects.

The chapter is divided into five sections. Section first provides the introduction. Section second gives historical emergence of the state. Section third provides geographical cum demographic aspects of the Jammu and Kashmir. Section fourth gives detailed account of economic profile of the state and section five provides conclusion of the chapter.

Section II

3.2 Historical Emergence of Jammu and Kashmir State

There are various versions of historical backgrounds available for the State of Jammu & Kashmir in general and for the valley of Kashmir in particular. Since the intention here is not to write history but to provide a historical background, a mixture of various versions here is a desirable option.

According to one version, ‘ancient Kashmir is steeped in legend. It is said that the Kashmir Valley was once the great lake Satisar (the Lake of the goddess Sati, also known as Durga), home to ferocious demons. Responding to the penance of the great sage Kashyapa, the grandson of Brahma himself, the gods destroyed the demon of the lake, with a pebble divinely caste, which today stands as the hill upon which towers the fortress built by the Mughal Emperor Akbar, and known today as (Hari Parbat). The water of Satisar was drained through a breach in the mountains at what is now the mouth of the Valley, beyond the northern town of Baramulla (or the Sanskrit name of Varaha Mukh, the visage of the boar). From then on the Valley has carried the name of its founder. Like that of the rest of India, the ancient history of the State lacks detailed documentation although history and legend have been indistinguishably mixed in ‘Rajatarangini’ by Kalhan. His identity remains a source of conjecture (Development report 2014).

According to folk etymology, the name "Kashmir" means "desiccated land" (In Sanskrit: Ka = water and shimeera = desiccate). In

Rajatarangini, (history of Kashmir written by Kalhana in mid-12th century), it is stated that the valley of Kashmir was formerly a lake (Development report 2014).

According to Hindu mythology, the lake was drained by the great rishi Kashyapa, son of Marichi, son of Brahma, by cutting the gap in the hills at Baramulla (Varaha-mula). When the lake had been drained, Kashyapa asked Brahmans to settle there. The name of Kashyapa was connected with the draining of the lake and the chief town or collection of dwellings in the valley was called Kashyapa-pura (Development report 2014).

In pre-historical times the valley of Kashmir was believed to be the abode of Shiva manifest itself as the great lake of Sati, the other form of Shakti. Brahmans who engaged in contemplation to study the Vedas continued to come and settle here. A time came when the whole of the valley was populated by Brahmanas with a rich Vedic scholarship and lore. Medieval historian Alberuni says Varanasi and Kashmir are the High schools of Hindu science.

Origin of Jammu can be traced back to the age of Raja Jamboolochan in the 14th century BC. It is believed that during one of his hunting campaigns he reached the Tawi River where he saw a goat and a lion drinking water at the same place. The king was impressed and decided to set up a town after his name, Jamboo. With the passage of time, the name was shaped to become "Jammu" (Development report 2014).

Section III

3.3 Geographical and demographic features

Jammu and Kashmir, situated between 32° 17' N and 36° 58' N latitudes and 73° 26' E and 80° 30' E longitudes, constitutes the northern most extremity of India. The Total area of Jammu and Kashmir is 222236 sq. Km of which 78114 sq. Km is under illegal occupation of Pakistan and 37555 sq. Km under China. In addition 5180 sq. Km area of Jammu and Kashmir was illegally ceded to China by Pakistan. Jammu and Kashmir is the 6th largest state of India occupying 6.76% of the country's geographical area. The state has abundant water resources in view of its blessed riverine geography. The state is surrounded by mountains except in the South-West side. A major portion of the state's terrain is hilly and its height from sea level varies from 3000 feet to 22740 feet. The state has road, and air links with rest of the country through south making it accessible from the South only. The rail link is up to Udhampur only.

Geographical position of the Jammu and Kashmir state can be divided into four Zones. First, there is the sub-montane and semi-montane plain most of which is known as Kandi or dry belt. This mingles into second geographical division of hills including the well-known Shivalik Range. It is backed by the 3rd zone of the high mountains mainly constituting the Kashmir Valley, Pir Panjal and its offshoots. This includes Doda, Poonch, Rajouri and parts of Kathua and Udhampur districts. The fourth geographical division comprises Tibetan Tract of

Ladakh, Kargil, Gilgit and Skardu (the latter two are now held by Pakistan) consisting of middle run of the Indus river.

3.4 Population

The state occupies 19th rank in population, with 125.41 lakh souls as per 2011 census. The state has three distinct regions, viz. the Kashmir, Jammu and Ladakh comprising of 22 districts. Each region has a specific resource base. The state is further divided among 82 Tehsils, 86 towns and 6551 villages as per census, 2011. Administratively, the districts are divided into blocks for development purposes. There are 320 community development blocks in the state (Census 2011)

3.5 Population Density

As per 2011 census, the population density in the state is 124 persons per sq. km of area as against density of 382 persons per sq. Km in India. The state ranks 8th among states/ UTs of the country in thin density of population. In fact the most marked characteristic feature of the State is low density of population. The low densities in many districts of the State are attributable to the nature of their terrain (Census 2011).

3.6 Sex Ratio

Sex ratio of 889 females per thousand males, places Jammu and Kashmir at 29th rank in the country. Sex ratio of the country is 943 females per thousand males as per 2011 census. The low sex ratio of females to males is alarming and requires attention of all the sections of

the society to give heed to “Beti Bachao” slogan pioneered by the Hon’ble Prime Minister. (Census 2011)

3.7 Literacy

As per Census 2011, literacy rate of the state is 68.74% with 78.26% male literates and 58.01% female literates. These figures show signs of improvement in the literacy when compared with the literate population of 2001 census. The overall literacy rate had improved by 13.22 percentage points. In comparison to male literacy, female literacy has improved at a faster rate i.e. against 11.66 percentage points in male literacy female literacy increased by 15.01 percentage points.

At all- India census-2011 determined 74.04% population as literates with 82.14% (male literate population) and 65.46% (female literate population). With the improvement in the literate population of the state, the gender gap has also reduced to 20.25% in 2011 as against 23.60% in 2001. It is pertinent to mention that literacy rate is derived after excluding the children in the age group of 0-6 years, which are by the definition of census treated as illiterate(Census 2011).

3.8 Urbanization

The percentage of urban population to total population was 27.37 percent in 2011 compared to 24.81 percent in 2001 in the state. Among all districts, Srinagar ranks first with 98.6 percent urban population followed by Jammu district with 50 percent urban population. Ramban district with 4.16 percent of urban population followed by Shopian with 6.15 per-cents are the least urbanized districts. As per Census 2011,

there are 86 statutory towns in the State. The State is an important tourist hub both for national and international travelers with several holy pilgrim centers, rivers, and hills.

3.9 Administrative division

For the purpose of administration, the state has been divided into two divisions, viz., Jammu and Kashmir divisions. Divisional Commissioner heads each division. For administrative purpose, Ladakh forms a region of the Kashmir division. The state has 22 districts-10 each in Jammu and Kashmir divisions and 2 in Ladakh region.

Jammu division has Jammu, Samba, Udhampur, Reasi, Doda, Kishtwar, Ramban, Kathua, Rajouri, Poonch districts where as Kashmir division has-Anantnag, Kulgam, Pulwama ,Shopian, Srinagar, Ganderbal, Budgam, Baramula, Bandipora, Kupwara districts. While Ladakh region has Kargil and Leh districts. In recent past there have been 14 districts in the state. But, eight new districts were formed by bifurcating the districts already in existence. Therefore, at present state has 22 districts, the state has 82 tehsils, 142.C.D.blocks, 4136 panchayats and 6652 villages.

Section IV

3.10 Economic profile of state (Macro Economic aggregates)

As far as the state of Jammu and Kashmir is concerned it is one of the low per-capita income states of India. In terms of per capita income, its rank has never gone beyond 6th or 5th position in the Indian union. The growth of income has also been much more less than at the national level. Despite, the recent drastic reduction in absolute poverty a significant proportion of people is still sub survive in a meager income. Most of the natural resources particularly water; minerals and forest recourses remain untapped and unutilized. There is hardly any large scale industry present in the state (Sheik 2010).

Physical infrastructure particularly road connectivity is very poor. At the level of human resources development state continues to be deficit in thriving entrepreneur's class. Political insatiability has been a big hindrance for the domestic and foreign investors. The collapse of traditional physical infrastructure particularly road links has given a serious setback to trade and commerce of the state. Last, but not least the state of Jammu and Kashmir is not a homogenous region in terms of geographical features and cultural characteristics. Some basic economic features are mentioned below (Sheik 2010).

3.11 Gross State Domestic Product (GSDP), Per-capita income and sectorial contribution

Gross State Domestic Product at constant (2004-05) prices for the year 2014-15 was estimated at Rs. 45126.30 crores as against Rs. 45847.15 crores for the year 2013-14. During 2012-13 and 2013-14, GSDP grew at 5.34% and 5.63% respectively (Economic survey 2014-15). In terms of GSDP at current prices, Jammu and Kashmir State(Rs 87570 crore) ranks 5th among the neighbouring states namely Himachal Pradesh (Rs 82585 crore), Punjab (Rs 317054 crore), Uttarakhand (Rs 122433 crore), Haryana (Rs 383911 crore) and Chattisgarh (Rs 185060 crore) for the year 2013-14. The comparison of GSDP of state with national and neighbouring states is shown below in table 3.1 and table 3.2. The per capita income of Jammu & Kashmir at current prices is worked out at Rs 58888.00 in 2014-15 as against Rs 59279.00 in 2013-14, there by registering a negative growth of -0.66%. At constant (2004-05) prices, it has fallen to Rs. 30612.00 in 2014-15 from Rs. 31448.00 in 2013-14 and thus registering a negative growth of -2.66%. Table 3.2 gives per capita income at current prices and constant (2004-05) prices in respect of Jammu and Kashmir State and neighboring states.

Table 3.1 Economic growth of State viz-a- viz National economy

Year	Growth rate at state		Growth rate at national	
	At constant prices 2004-05	At current prices	At constant prices 2004-05	At current prices
2005-06	5.78	9.58	9.48	14.10
2006-07	5.95	11.06	9.57	16.60
2007-08	6.4	11.64	9.32	15.91
2008-09	6.46	14.06	6.72	15.74
2009-10	4.5	14.34	8.59	15.18
2010-11	5.65	20.02	9.32	18.66
2011-12	7.66	17.41	6.21	15.77
2012-13	5.34	12.81	5.1	11.88

2013-14	6.63	13.85	6.9	11.54
2014-15	-1.57	0.4	7.4	

Source: Economic survey 2014-15

Table 3.2 Comparison of GSDP of State with Neighboring States

State	GSDP 2013-14		Growth over previous year (%)	
	At current prices	At constant prices	At current	At constant
Jammu and Kashmir	87570	45847	13.85	5.63
Himachal	82585	47255	12.04	6.24
Punjab	317054	173221	11.18	5.25
Uttarakhand	122433	67927	13.5	5.65
Haryana	383911	198858	13.1	6.49
Chhattisgarh	185060	94560	13.21	6.26
All india(gdp)	10472807	5741791	11.54	6.9

Source: Economic survey 2014-15, constant price 2004-05

Table 3.3 GSDP at constant prices (2004-05) share of sector

Year	Primary sector	Secondary sector	Tertiary sector
2004-05	28.16	28.23	43.71
2005-06	26.59	27.92	45.49
2006-07	25.36	28.93	45.71
2007-08	23.99	29.06	46.95
2008-09	23.4	27.41	49.2
2009-10	22.28	27.37	50.35
2010-11	22.85	25.24	51.91
2011-12	21.72	24.15	54.13

2012-13	20.32	24.76	54.92
2013-14	20.22	25.1	54.68
2014-15	17.49	25.87	56.64

Source: computed from the economic survey of 2014-2015

Table No 3. 4 Comparison of per capita GSDP of State

year	per-capita NSDP fc at constant price	Annual growth rate	Per-capita NSDP fc at current prices	Annual growth rate
2004-05	21734		21734	
2005-06	23240	6.93	22406	3.09
2006-07	25059	7.83	23375	4.32
2007-08	27448	9.53	24470	4.68
2008-09	30212	10.07	25641	4.78
2009-10	33650	11.38	26518	3.42
2010-11	40089	19.13	27666	4.33
2011-12	46734	16.58	28790	4.06
2012-13	52386	12.09	30035	4.32
201314	59279	13.16	31448	4.7
2014-15	58888	-0.66	30612	-2.66

Source: Computed from Economic survey 2014- 15

The Sectoral composition of the State income has undergone considerable changes over a period of time. Over the last five decades, the share of Primary sector has declined steadily from 28.16% in 2004-05 to 17.83% in 2014-15 and the share of Secondary sector has declined from 28.13% in 2004-05 to 25.53% in 2014-15, while as the share of Services sector has substantially increased from 43.71% in 2004-05 to 56.64 % in 2014-15. The sectorial structure of GSDP at Constant (2004-05) prices and its analysis indicate that in 2014-15, the estimated percentage contribution of Agriculture & allied, Industry and Service

sectors are likely to be 17.49%, 25.87% and 56.64% respectively as against 20.22%, 25.10% and 54.68% estimated for 2013-14. However, in 2004-05, the corresponding shares were 28.06%, 28.23% and 43.71% respectively.

3.12 Agriculture

Agriculture plays a very prominent role for development of economy of Jammu and Kashmir State. Around 70% of the population in the State depends for livelihood directly or indirectly on Agriculture and allied Sectors. The State comprises of three regions namely Jammu, Kashmir and Ladakh having distinct geographical outlook and agro climatic zones. Each zone having its own characteristics that largely determines the cropping pattern and productivity of crops.

Paddy is the main crop of Kashmir, followed by maize, oilseeds, pulses, vegetables, fodder and wheat. In Jammu region, wheat is the predominant crop followed by maize, paddy, pulses, oilseeds, fodder, vegetables and other crops while in Ladakh, barley is the major cereal crop followed by wheat.

State also has the honour of being amongst the world's few places where quality saffron is cultivated. Pampore Tehsil of District Pulwama, which is situated at a distance of 17 kilometers from Srinagar, is famous for its high grade saffron in the world. Saffron is also grown, though on a limited scale in Kishtwar district of Jammu region. Saffron crop is being introduced in temperate areas of other districts as well and significant success has been reported from some areas of Doda and Udhampur districts.

Due to the implementation of Saffron Mission interventions it has been possible for the state to rejuvenate the old less productive Saffron zones and it has been experienced that the new corm suggested has benefited the farmers by way of increased production leading to increase in their earnings and has created an effect of attraction for

undertaking the farm business management for development of saffron. For enhancing agricultural productivity on sustainable basis, improving Seed Replacement Rate (SRR) is an important component. Department of Agriculture has registered a 33% SRR of rice in Kashmir valley and 26.32% in Jammu Division. SRR in respect of maize was observed at 24% in Kashmir and 32.10% in Jammu Division. SRR in respect of Fodder is anticipated at 32% and 35% during Rabi Season in Kashmir and Jammu respectively. (Economic survey, 2014-15).

An estimation made by the Directorate of Agriculture Jammu, food grain requirement for the State works out to 25 lac MT per annum as against the tentative production of about 20.65 Lac MT during 2013-14.. Therefore the State faces a deficiency of 4.35 Lac MT of food grains which is provided by the CAPD through the rationing system. During the year 2014-15 food production got reduced to 17.42 lac MT due to devastating floods in the State (Economic survey 2014-15).

Table 3.5 Comparison of Crop Yield of State with the other States

S.no	Crop	Yield of Jammu and Kashmir	Highest yield states	Yield (qtls/ha)
1	Paddy/ Rice	20.85	Punjab	39.52
2	Wheat	14.4	Punjab	50.17
3	Maize	16.48	Tamil Nadu	53.72
4	Oilseeds	8.24	Gujarat	17.23

Source: Economic Survey 2014-15 Jammu and Kashmir

3.13 Horticulture

Jammu and Kashmir State is well known for its horticultural produce both in India and abroad. The state offers good scope for cultivation of horticultural crops, covering a variety of temperate fruits like apple, pear, peach, plum, apricot, almond, cherry and sub -tropical fruits like mango, guava, citrus litchi, phalsa and Berete. Besides, medicinal and aromatic plants, floriculture, mushroom, plantation crops and vegetables are cultivated in the state.

Apart from this, well known spices like saffron and black Zeera are also cultivated in some pockets of the state. As a result, there is a perceptible change in the concept of horticulture development in the state. There are around 7 lakh families comprising of about 33 lakh people which are directly or indirectly associated with horticulture. Horticulture development is one of the thrust areas in agriculture and a number of programs have been implemented in the past, resulting in the generation of higher incomes in the rural areas, thereby improving the quality of life in villages. Looking to the specie-wise details of area figures under fruit for the year 2013-14, it is observed that largest area of 45.34% (161364 hectares) is occupied by apple out of total area of 355921 hectares under fruit. Walnut is the next major fruit occupying 26.86% in the overall area under fruit

3.14 Livestock

Integrated Sample Survey (2011-12) revealed that total livestock population of Jammu region had demonstrated an increase of 8.40% over the year 2009-10 and reached to 78.908 lakhs from 72.79 lakhs. Kashmir region also witnessed an increase of 4.63% as livestock

population had reached to 74.994 lakhs from 71.67 lakhs. However, in Ladakh region livestock population slipped by 1.44% from 6.60 lakhs to 6.505 lakhs during the same period

3.15 Fisheries

Fisheries sector occupies a very important place in the socio-economic development of the state. It has been recognized as a powerful income and employment source of cheap and nutritious food, besides being a source of livelihood for a large section of economically backward population of the country. The total fishermen population in the State as per livestock census 2003 was around 31,000. It is presently estimated at 93000. The 27781 Km. length of rivers/streams facilitate farming of more than 40 million tonnes of fish. As against this, the State has only 0.07 lakh hectares under reservoir area.

There is a big gap between the demand and supply of fish. Fish is a valuable element of diet of the local people throughout the year. There is also a demand for fish from the defence personnel and tourists. There are 1248 lakes including water bodies and water is spread into 0.40 lakh hectares of area which gives an indication of the potential for fisheries in the State.

3.16 Irrigation

Irrigation is the artificial application of water to the land or soil. Irrigation is an essential input of agriculture and is practiced in all parts of the world where rainfall does not provide enough ground moisture. In areas of irregular rainfall, irrigation is used during dry spells to ensure harvests and to increase crop yields. Irrigation has greatly

expanded the amount of arable land and the production of food throughout the world. India has made impressive gains in the last 30 years, increasing its irrigated land by more than 50 percent. The net area sown in the state during 2013-14 was 741 thousand hectares whereas the gross area is sown (total area sown under different crops) was 1160 thousand hectares. The mode of irrigating the crops mainly used is the canals. About 89 percent of the net area irrigated is irrigated through canals while tanks, tube wells, and other means are also used.

3.17 Floriculture

Floriculture has a vast scope and potential in the valley, which is evident from the fact that during the year 1996, an area of 80 Ha was under flower cultivation in Jammu and Kashmir, which has currently expanded to the level of 350 Ha, with an annual turnover of about Rs.1350 lakhs. Further, more than 1500 youth are directly engaged in commercial floriculture sector in Kashmir Division. Moreover, an area of about 9.297 hectares has been covered under protected cultivation, in private sector by rising.

Tubular Structure Poly Houses; High Tech Poly Houses, shade Net Houses, etc. Development of commercial floriculture has been assigned a top priority by the Government, under Technology Mission and RKVY, as it holds a tremendous potential for employment generation.

3.18 Industry

The Industries Sector is now playing its due role in the economic development of the State and in generating employment opportunities for the unemployed youth. Industries sector contributes 25.87% to GSDP of State at constant 2004-05 prices. The State has 53 existing industrial estates spread over an area of 31335 Kanals of land as per position ending November 2014.

The Jammu and Kashmir State under the “Make in India” programme is looking forward to attracting domestic investors to invest in the State. “Ease of Doing Business” has rightly been recognized as the most important factor in achieving the goal of “Make in India”. The State Government has initiated the process for playing its role as the interface of enterprises

3.19 Handicrafts

Handicraft activities occupy an important position in the economic structure of Jammu and Kashmir State. Being environment-friendly, these activities are best suited to the state as they are more labour intensive and less capital intensive in nature, therefore having scope for employment generation on a large scale. The Kashmir handicraft products have earned worldwide fame for their attractive designs, functional utility and high-quality craftsmanship. In absence of other manufacturing industries in the state, handicrafts remained a key economic activity from time immemorial. The artistic imagination and craftsmanship of the Artisans reflected through a wide range of products, has delighted the connoisseur's world over for centuries. Crafts like Shawls, Crewel, Namdha, Chain Stitch, Wood Carving,

Papier Machie, Costume Jewellery, Kani Shawls and the Carpets hold a significant share in the overall production and export of the State. Silken carpets, in particular, constitute a specialty having no parallel in quality and design at the national level and, therefore, occupy an important position in the international market. The handicraft sector of the state has great contribution towards foreign exchange earnings to the state and country in particular. Around 8500 persons are trained annually through 553 training centres in the state.

3.20 Handlooms

There are approximately 0.38 lakh weavers in the State who are engaged in this industry under organized and un-organized sectors. Moreover, the handloom goods have great demand in the national and international markets. There are 3741 handloom units in the State employing the same number of persons producing Loies, Puttos, Tweed, Blankets, Raffal, Pashmina and Dusoti Khad.

The Department has 523 registered Handloom Industrial Co-operative Societies in the State with a membership of 15275 weavers. There are approximately 38,000 Handlooms in the State. During 2013-14, 10.26 million meters of handloom fabrics valuing Rs.232.95 Crore were produced in the cooperative sector. The production and value of handloom fabrics for the current financial year viz 2014-15 (ending 11/2014) is of the order of 9.98 million meters and Rs.226.61 Crore respectively.

The Department runs 100 training centres to impart training in various trades which include readymade garments, handloom weaving, Pashmina spinning and weaving, and Kani shawl weaving. Out of 100

training centres, 84 centres are exclusively imparting training in readymade garments and handloom weaving. Around 1000 trainees are annually imparted technical skill in these centres. During the year 2014-15, 1044 trainees have been enrolled for training in different trades.

3.21 Sericulture

Sericulture continues to be a subsidiary occupation for about 30,000 rural families in the State. Most of these families belong to economically backward sections of the society. Annually about 1022 MT of cocoons is produced generating an income of about Rs. 2026.00 Lac for these silkworm rearers coupled with the annual employment generation to the tune of 3.5 Lac mandays (3.0 Lac on-farm and 0.50 Lac off-farm). The Department has 173 mulberry nurseries spread over an area of 963 Acres, and 374 mulberry blocks over an area 2215 acres across the State. The nurseries are utilized for production of saplings/cuttings for further distribution amongst farmers to augment area under mulberry and mulberry blocks which serve as leaf reservoirs for the landless and marginal farmers. Annually about 20.00 Lac plants are produced from these nurseries against the potential of 30.00 Lac plants. The Department has well-established seed organization and presently about 60% local annual seed demand is met out from the sector.

3.22 State Finances

Fiscal deficit for 2013-14 has been calculated at 5.2%. The state has continued to maintain revenue surplus, though its quantum decreased in 2013-14 by Rs. 1030 crore from the surplus of Rs 1100 crore in 2012-13. The state's own revenue has increased by 7.54 % from Rs 5833 crore in 2012-13 to Rs. 6273 crore in 2013-14 (Economic survey 2013-14 and 2014-15).

The central devolutions including States share in Central Taxes and Duties took together constituted on an average 73.10 per cent of the total revenue receipts of the state during the period 2002-2013 and 66.30 % in 2013-14. These resources transferred by the Central Government financed on an average 65.2 per cent of the total expenditure during the period 2002-13, indicating a marginal decline of 6.80 % in the State's dependence on the transfer of central resources.

The replacement of Planning Commission of India by NITI Aayog and the acceptance of the 14th Finance Commission recommendations by Government of India will have long-term ramifications for the planning process in the State. The State Government is expected to be in a better position to decide its developmental priorities. Towards this end, the State Government will endeavor to move away from the artificial differentiation on the basis of the plan and non-plan activities. Under the new framework, State Govt. will be preparing a revenue expenditure budget and capital expenditure budget. While the Finance Department will be responsible for the Revenue Expenditure Budget, the State Planning & Development

Department will have the responsibility of the Capital Expenditure Budget and its monitoring

3.23 Banking

A well-structured and efficient network of financial institutions helps to boost the economic growth. These financial institutions provide credit to all sections of the society and for infrastructure projects at reasonable rates. As on 30-09-2014, 1893 branches of scheduled commercial banks, co-operative banks and state financial corporation (SFC) were in operation in Jammu and Kashmir. (Economic survey, 2014-15)

The number of branches has risen by 15.57% over 31-03-2013. With the increase in the branch network over the years, there has been a notable improvement in the banking services. Dependence per bank branch reduced substantially both geographically as well as demographically. On an average 1 bank branch is available per 7 thousand people as on 30-09-2014 whereas that for India, it is 10 thousand persons as on 31-03-2013. More importantly, the coverage of area per bank is declining year by year. During the year 2014-15 one branch was available per 53.56 Sq. km. This indicator is 30.26 sq. km for India during the reference period 31-03-2013. The credit is a catalyst that lubricates the process to accelerate the development of the economy. Apart from the farm and non-farm sectors, industrialization, business and service segments require adequate credit supply. As on 30-09-2014 gross bank credit stood at Rs 34398.97 crore as compared to Rs 23542.32 crore for 2012-13 showing robust growth of 46.12% over the previous year 2012-13.

As against Rs. 64479.70 crore ending 2012-13, deposits of financial institutions as on 30-09-2014 stood at Rs.72767.21 crore, posting an increase of 12.85% over the previous year (2012-13). Credit-deposit ratio is an impressive indicator utilized for measuring the business performance of banks. Higher growth in advances i.e., 46.12% and lower growth in deposits (12.85%) improved the CDR from 36.51% March 2013 to 47.27% ending September 2014. (Economic survey, 2013-14 and 2014-15).

3.24 Tourism

The tourism tag has always placed the State of Jammu and Kashmir in the limelight at the national as well as international levels. Our tourism products are well known. All out efforts are being made to increase the tourist inflow in the state as with more the arrival of tourists, more economic activity gets generated which has multiplier effect on the income levels of the large chunk of population dependent on this sector.

The offbeat destination in state like Gurez, Bani-Basholi, Lolab-Bungus, Kokernag- Sinthantop, Verinag-Doda, Bhaderwah-Achabal, Poonch-Rajouri, Marigan Hills in Kishtwar, Zaskar etc which are being developed through area specific Tourism Development Authorities will be further developed and promoted so that the tourist footfalls in equitably distributed.

Tourism has emerged as an important and one of the major contributors to the state economy. Till 1989, tourism has been the major economic activity of the state. However it was hard hit following the outbreak of militancy during the past three decades. This has affected

the economic stability as well as employment opportunities of its people.

However tourism in the state has revived recently. Year 2011 has made history in terms of surpassing all previous records of tourists and pilgrim arrivals in the state. It is estimated that almost 13 million tourists visited Jammu and Kashmir in 2012 which placed Jammu and Kashmir on 17th position where as Andhra Pradesh is ranked no.1 in the list of major tourist destinations of India. The tourist arrivals of Jammu, Kashmir and Ladakh from 2008 to 2014 are presented in table 5.07.

Table 3.6 Tourist arrivals in the state

Year	Kashmir Valley		Jammu	Ladakh
	Amarnath ji	Domestic /Foreign	Mata Vaishno Devi Ji	Domestic /Foreign
2008	498075	572100	6576000	72000
2009	373419	601250	8235064	78573
2010	458046	736448	8749000	76055
2011	634000	1314432	10115232	179204
2012	621000	1308765	10394000	178750
2013	353969	1171130	9287871	137650
2014	372909	1167618	7803193	181301

Source: Economic survey 2014-15 Jammu and Kashmir

Broadly tourism generated employment may be classified in to three major heads one is direct employment that sell goods and services directly e.g. hotels, restaurants, shops etc. Second one is indirect employment, which generally supplies goods, services to the tourism business and thirdly investment related employment in construction and other capital goods industries there is a positive impact of tourist inflow on employment i.e. with the increase in tourist inflow, total

employment (Direct & Indirect) also rises. The tourism industry in Jammu and Kashmir is one of the most flourishing industries in the state. This industry plays an important role in the development of all the regions of Jammu, Kashmir and Ladakh. This sector also generates sufficient revenue for government; Revenue realized in the financial year 2011-12 has touched to Rs 4692.92 lakhs. Tourism acts as a catalyst in the development of backward and far flung regions of a particular area. Development of tourism will lead to the progress in rural / backward regions.

3.25 Health

The Life Expectancy of males and females at national level stands at 63.95 & 67.08 years, respectively. As far as, the Jammu and Kashmir State is concerned, the life expectancy of males & females stands at 66.5 and 69.3 years, respectively; which is more than the national average. The crude birth rate of the Jammu and Kashmir State is 17.8 which is well below the national average of 21.8.

The crude death rate (CDR) of the Jammu and Kashmir State is 5.5 which are quite low as compared to national average of 7.1, as per census 2011. The population growth in this decade was 23.71 percent while in previous decade it was 29.04 percent. The population of Jammu and Kashmir forms 1.04 per-cent of India in 2011. In 2001, the figure was 0.99 percent. This difference indicates a much higher rate of growth in comparison to average All India growth rate.

For the first time in the Medical History of the state the epidemic called Swine Flu has made an intrusion, mostly affecting the old aged persons, children, pregnant women and in general the people with weak

immunity. To combat such situations and to curtail it from spreading further, the State government immediately released Rs. 30.00 lacs for augmentation of medicines, vaccines and purchase of ventilators.

3.26 Education

Education is the most important lever for social, economic and political transformation. A well-educated and skilled population not only drives economic and social development but also ensures personal growth. The spread of education in society is at the foundation of success in today's globalized world, where the real wealth of a country or state is not in its tangible natural resources but in knowledge

The importance of education as the foundation and building block for achieving national objectives and for building a more inclusive, equitable and sustainable society is well recognized. There is also a constitutional obligation to make available free and compulsory education to all children in the age group of 06-14 years). The number of educational institutions in public sector reached to 24265 and those in private sector to 5292 in the State. The total enrolment has also increased to 27.41 lakh out of which the enrolment in primary classes is 10.97 lakh, in middle 7.06 lakh, in High / Higher secondary schools, 9.38 lakh. During the decade 2001-2011, literacy rate increased from 55.50% to 68.74% in the State as against 64.84% to 74.04% at the national level. The dropout rate in the state has declined to 11% in 2012-13.

Up to 1999-2000, the number of colleges increased to 33 including 07 women colleges. By the year 2013-14, the number of colleges has increased to 95 including 12 women degree colleges.

Two Central Universities, one each at Jammu and Srinagar, are functional in the State. Five universities, i.e. two State universities, two Govt. aided universities and one Private University with intake capacity of 11,400 students, are also functioning in the State. In addition, 15 offsite campuses of Universities of Kashmir & Jammu have been approved, out of which 9 campuses have been established, mostly in far-flung areas.

The Sarva Shiksha Abhiyan (SSA) aims at universal access and retention, bridging of gender and social gaps in enrolments levels and enhancement of learning levels of all children. The SSA has programmes like National Programme for Education of Girls at Elementary Level (NPEGEL) and the residential school scheme, Kasturba Gandhi Balika Vidyalaya (KGBV), that have focus on girls' education. During 2014-15, 5032 children for nomadic seasonal centers approved by MHRD, 40 primary school approved for up gradation and 4076 girls enrolled in KGBVs during the current financial year.

3.27 Housing

Housing, a basic need for human, plays an important role in accommodating high urban growth. However, several structural issues such as high gestation period, limited and expensive capital, spiraling land and construction cost and low affordability by EWS lower income group households are bottlenecks restricting desired growth in housing stock. As per census 2011, there are 21.19 lac households in the State of Jammu and Kashmir and total number of residential houses is around 20.15, which clearly indicates that there is not much shortage of

housing in the State as of now. The census reveals only 6.5% of urban household reside in the rented accommodation.

3.28 Water Supply & Sanitation

The water sector is facing daunting challenges due to urbanization, industrialization and huge demand for Agriculture sector. The potential for augmentation of supply is limited, water tables are falling and water quality issues have increased. Our rivers and ground waters are continuously polluted by untreated effluents and sewerage. The climate change poses fresh challenges also implemented under State Plan/District Plan, LIC/NABARD loan assistance and economic reconstruction agency.

Availability of safe drinking water not only reduces the risk of death due to water borne diseases, but safe drinking water along with proper sanitation also helps in maintaining and determining the quality of life. Sanitation in the rural areas offers a formidable challenge to the health and well-being of the rural population and the most challenging factor in the rural sanitation comes from the habit of open area defecation by the rural population. This results in increasing the pollution levels of water bodies and therefore, also pollutes potable water. This result in gastroenteritis related diseases adds especially to infant mortality. Similarly, lack of proper disposal of domestic refuses also adds to the health challenges which the rural population faces.

3.29 Power

Electricity is an essential source of commercial energy. It is vital for sustained economic growth. An increase in demand for power

implies growth of the economy leading to modernization, industrialization and improvement in basic amenities culminating into a better quality of life of people. The estimated hydro power potential of the state is 20,000 Megawatts (MW), of which about 16475 MW have been identified. This comprises 11283 MW in Chenab basin, 3084 MW in Jhelum basin 500 MW in Ravi Basin & 1608 MW in Indus basin. Out of the identified potential, only 2813.46MW i.e. 17 % (of identified potential) has been exploited so far, consisting of 761.96 MW in State Sector from 21 power projects, 2009 MW in Central Sector from 7 projects and 42.5 MW in private sector from 4 projects.

Effective and efficient Transmission and Distribution is as vital as the generation of power. The need of power in the State is growing, so does the generation. In order to transfer the Power from point of generation to point of consumption effectively, the Transmission and Distribution infrastructure needs development. The Transmission and Distribution losses in the State are very high of the order of 55 percent. The main reasons for such high losses are technical as well as commercial. The high technical losses are due to existing outdated distribution network. To minimize losses, the system needs up-gradation and improvements. Commercial losses include theft, unaccounted and uncontrolled consumption of power beyond agreement load, unregistered consumers, lesser contract demand etc. Due to various measures taken by PDD, the losses have shown a downward trend. The losses during 2013-14 have reduced by 3% as compared to 2012-13.

3.30 Connectivity

A well- developed network of roads is necessary not only for the economic development of the State but for its social, political and cultural development. It is required to exploit the rich natural wealth of the State, to develop indigenous industries, to explore new markets for its products and to promote tourism. To this effect the State government has been focusing on construction of new roads, maintenance and up gradation of already existing roads, construction of bridges and culverts and connecting villages with a network of roads. Road length maintained by PW(R&B) Department has enhanced from 18368 kms in 2007-08 to 31921 kms during 2013-14 (ending March, 2014). 25 km section too is an example of engineering marvels as pier of the bridge on Jhajjar khad, is the tallest in the Indian Railways and is even taller than Qutab Minar.

3.31 Communication

The overall tele-density in India increased from 76.36 at the end of August 2014 to 76.75 at the end of September 2014. The overall tele-density for Jammu And Kashmir State is 69.98. Rural teledensity is 45.6 and urban teledensity is 132.73 for Jammu And Kashmir State. The total post offices in Jammu and Kashmir are 1699. Out of these 1699 post offices, 09 are head offices, 256 are sub post offices and the remaining 1434 post offices are Extra Departmental Branch Office (EDBO's). On an average, 01 post office serves 7382 people as on 31-03-2014 in the state as per census 2011.

3.32 Poverty

Poverty is one of the main issues and indicates a condition in which a person fails to maintain a living standard adequate for a comfortable lifestyle. Mere growth of economy cannot bring social justice and balanced development unless it is coupled with poverty alleviation and employment generating opportunities for deprived and marginalized sections of the society.

Table 5.8 State poverty (persons in millions)

Year	No of persons	Percentage
1993-94*	2.09	25.17
1999-00*	0.38	3.48
2004-05**	1.42	13.20
2009-10 **	1.15	9.40
2012-13 **	0.56	8.06

Source: Hand book on Indian states 2014-15, RBI India.

The survey conducted by the State during 2007- 08 put the BPL population at 21.63 percent. A host of poverty alleviation programs are in operation in the State mostly with central assistance. Based on the data in the table 5.8 it can be reflected that poverty decreased in the state from 2.09 to 0.38 in 1993-94 to 1999-00 based on the Lakdawala methodology. Based on the mixed recall period of Tendulkar methodology poverty was reduced to 8.06 million in 2012-13 estimation.

3.33 Unemployment

Unemployment is a social issue of serious concern. The survey on employment – unemployment carried out by NSSO provides estimates on various characteristics pertaining to employment and unemployment at the National as well as State level. The latest NSS Survey- 68th round conducted during July, 2011 – June, 2012 throughout the country constitutes an important source of information on unemployment. Unemployment rate as per Usual Principal Status (UPS) in Jammu and Kashmir has come down from 5.3 % to 4.9 % during the period July, 2009 to June, 2012 i.e. (66th & 68th Round of NSS respectively) which is still higher than the unemployment rate of 2.7% at all India level.

Section V

3.34 Conclusion

The present chapter of the study was aimed at giving an overview of the area namely Jammu and Kashmir. Following the status of the state because of its beauty scenery it is called the paradise on the earth. From the economic analysis and overview of the state it can be concluded that it is a developing state of the India with predominance of the agriculture state, low level of per-capita income, investment and saving gaps, heavy dependency, low employment and lack of industrialization and technology.

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