

## **CHAPTER 1**

# **JAMMU AND KASHMIR: DEMOGRAPHY AND ECONOMY IN HISTORICAL PERSPECTIVE**

## CHAPTER 1

### **DEMOGRAPHY OF J&K STATE IN HISTORICAL PERSPECTIVE**

The mythological traditions supported fully by the research of geologists confirm that the valley originally was a huge lake called “Satisar”, (the land of goddess Sati) and its waters were blocked near Baramulla (ancient Varahmulla) hundred million years ago (*Kalhan in 1148 A.D*). There are various historical legends for the State of Jammu & Kashmir in general and for Kashmir Valley in particular. According to the oldest extant book on Kashmir, “*Nilmat Puran*”, in the Satisar lived a demon called Jalod Bowa, who tortured and devoured the people, who lived near mountain slopes. Hearing the suffering of the people, a great saint Kashyap by name, came to the rescue of the people here. He was able to cut the mountain near Varahmulla, which had blocked the water of the lake from flowing into the plains below. The lake was drained, the land appeared, and the demon was killed. The saint encouraged people from India to settle in the valley. The people named the valley as *Kashyap-Mar*. The name Kashmir also implies land desiccated from water (*ka-water and shimeera-desiccate*). The Chinese pilgrim Hien-Tsang who visited the valley around 631 A. D. called it Kashi-Mi-Lo”. In modern times the people of Kashmir have shortened it into “Kasheer” in their tongue. In Persian terminology Kashmir is combination of two words “kash” and “mir”, kash means to attract and mir means the rich, there by Kashmir means attracting the rich (*SocioEconomic Profile of J&K-2008, DES*).

The abundant resources, beauty and the salubrious climate of the Kashmir valley were known even from the ancient times. This northern most state of India is bounded in the north-east by China, in the north-west by Afghanistan, and in the west by Pakistan. The southern boundary is contiguous with the states of Punjab and Himachal Pradesh. The State is broadly grouped into three main regions, namely Jammu, Kashmir and Ladakh. Geographically, the Pir Panchal range separates Jammu from Kashmir Valley, the Zojila intervenes between the latter and Ladakh. The State has a geographical area of 222,236 sq. km comprising 6.93% at national level (*DES, 2011-12*).

## NATURE OF POPULATION GROWTH IN JAMMU & KASHMIR STATE

The size of population and its growth have a direct bearing on the economic development, social well being and political stability of a region. Population growth is, thus, pivotal in the region's demographic dynamism.

At the time of the partition of British India, the state had a population of slightly more than *four million*, *one million* of whom were in the areas that were occupied by *Pakistan* during the first Kashmir war of 1948–49. The remaining *three million* lived in the part of the state that was to be controlled by *India*. The population in the Indian part of Kashmir increased at a rate of less than 1 percent annually till 1971. After that, the growth rate increased threefold to 2.6 percent a year. It stayed at that level for three decades. The sudden jumps in some periods reflect some migration into the area from other parts of India (*Burki, 2007*).

Although growth rate of population of J&K State has a record of constant impulses of immigration from the north-west, west-south and east directions. The alien races, ethnic groups and various religions have influenced the cultural ethos and mode of life of this region. State has great diversity in its terrain, climatic conditions and resource base which resulted uneven distribution of population. The heavy increase of population from past seven decades is reflects in table 1.1.

Year	T. Pop	Male	%	Fem	%	Rural	%	Urban	%
1941	29.46	15.77	53.51	13.69	46.49	25.60	86.88	3.86	13.12
1951	32.53	17.16	53.36	15.17	46.64	27.96	85.95	4.57	14.05
1961	35.60	18.96	53.25	16.64	46.75	29.67	83.34	5.93	16.66
1971	46.16	24.58	53.25	21.58	46.76	37.58	81.41	8.58	18.59
1981	59.87	31.64	52.84	28.22	47.16	47.26	78.95	12.60	21.05
1991 <sup>□</sup>	77.18	40.14	52.00	37.04	48.00	58.79	76.17	18.39	23.83
2001	100.69	53.00	52.63	47.36	47.36	75.64	75.12	25.05	24.88
2011	125.48	66.65	53.11	58.83	46.88	91.34	72.79	34.14	27.20

Source; 1.Census of India 1981, 2011,

2. Digest of Statistics 2000-0/ 2011-12,

Note: (i) 1951 figures of population are the arithmetical mean of 1941 & 1961 populations, as in 1951, Census was not held in J&K State.

(ii) • The 1991 Census was not held in Jammu and Kashmir. The population figures are as projected by the Standing Committee of Experts on Population Projections (October 1989)

Prior to 1921, the population of the State grew at a slow rate because the State experienced number of famines and epidemics (*Census of India, 1921*). After 1921, however, the population increased steadily. In 1941, the population of

the State was 29.46 lakhs, out of which 15.77 lakhs (53.51 per cent) were males and 13.69 (46.49 per cent) females. In 1951, soon after the partition, the population of the State reached to 32.53 lakhs. During 1961-71, the population of the State proliferated from 35.60 lakhs to 46.16 lakhs, thus showing an increase of 10.56 lakhs. As per 1981 Census, the total population of the State was 59.87 lakhs with 52.84 per cent males and 47.16 per cent females (*Census of India, 1941*).

The figures of *2001 Census* showed that the population of the State crossed one crore mark showing a total population of 100.69 lakhs with 53.00 lakhs males (52.63%) and 47.36 lakhs females (47.36 %). Again census 2011 showed that the population of the State increased 125.48 lakhs with 66.65 lakhs males (53.11%) and 58.83 lakhs females (46.88%). Thus it becomes articulate fixing the data that population in the State has increased by 96.02 lakhs from 1941-2011.

Agriculture is the main stay of state economy as more than 75 percent of the population derives their income directly or indirectly from the agriculture sector. The Jammu and Kashmir State is basically agrarian and rural in nature. The rural population in the State is three times more than the urban population shown in the table 1.1. According to the Census report of 1941, 86.88 per cent of the total population of the State was residing in the villages and the remaining 13.12 per cent in urban areas. During 1961-71, the percentage of urban population increased from 16.66 per cent to 18.59 per cent and the trend continued increased as shown in the table 1.1. According to 1991 estimates, the rural population was 76.17 per cent while as that of urban population was investigated 23.83 percent. The *Census 2011* showed 72.79 percent of rural population while as 27.20 percent urban population.

The provincial level analyses revealed that Kashmir province accounts higher proportion of rural population than in Jammu province. However, population living in villages has declined decade after decade. In fact, people from rural areas have migrated to urban areas (*more in Jammu province as people from Kashmir province tried to settle in Jammu (city) due to lack of security and confidence*) because of security reasons, education, medical facilities and employment opportunities.

## **POPULATION GROWTH IN JAMMU & KASHMIR STATE, 1901-2011**

Yet an analysis of the development process over the past decades shows that one of the major causes for slow economic and social development has been unplanned population growth. Its optimum size, growth, composition and quality of population play an important role in the development process. A large population undergoing hyper growth in a poor economy with limited resources and rudimentary technology can be a liability. Contrary to the population productively employed, it can be an asset. Thus stabilization of population is the most important factor (*Annual Report, MHFW, 1998*).

The state has witnessed a fluctuating population growth rate since 1901. The population trend is examined since the beginning of this century using the census data. The beginning of the century witnessed breakouts of cholera, pneumonia followed by floods and earthquakes which took a heavy toll of life in Kashmir Division. In Jammu division also, plague, enteric fever and famine remained active throughout this period. In the first two decades of the 20th century the population growth was below 10 per cent. After 1931, it rose at a constant rate of 10 per cent per decade up to 1961, thereafter; an unprecedented rise of 29 per cent per decade was highest growth rates among the all states in the country.

During the decade 1921-31, there was a severe famine in the Jammu division followed by cholera, small pox and plague in the state. The census year 1931 marks a watershed in the demographic history of the state with a discernible change between the decades since 1931 (*Census, 1941*). This can be attributed to the fact that the general population itself has grown rapidly through natural increase; this growth has occurred in all regions and affected almost all population groups in the towns and villages. The accentuated growth rate is recorded only after 1960s. Data shows sudden spurt in population from 9.44 per cent in 1961 to 29.65 percent in 1971, then 29.69 percent in 1981, 28.92, 30.46 and 23.71 percent in 1991, 2001 and 2011. The population growth of Jammu and Kashmir State during the reference periods of 1901 to 2011 is reflected in table below.

**Table 1.2: - Population Growth of Jammu and Kashmir, 1901-2011**

Year	Population (in Lakhs)	Absolute Change (Lakhs)	Decadal Variation		Average Annual Growth Rate
			J &K	India	
1901	21.39	-----	-	-	-
1911	22.92	1.53	7.16	5.75	0.69
1921	24.24	1.31	5.75	-0.31	0.56
1931	26.70	2.45	10.14	11.0	0.97
1941	29.46	2.76	10.36	14.22	0.99
1951	32.53	3.07	10.42	13.31	1.00
1961	35.60	3.07	9.44	21.64	0.91
1971	46.16	10.55	29.65	24.80	2.63
1981	59.87	13.70	29.69	24.66	2.63
1991*	77.18	17.31	28.92	23.86	2.57
2001	100.69	23.51	30.46	21.34	2.69
2011	125.48	26.51	23.71	17.70	2.63

Source: - Census of India, Jammu and Kashmir

\*The 1991 census was not held in J&K. The population of India includes projected population of J&K (excludes area under occupation of Pakistan and China) as on 1.3.1991 made by the Standing Committee of Experts.

However, since 1971, there was great change in absolute terms. In 1971 census, J&K stands 46.16 lakhs, and then proliferated to 59.87, 77.18, 100.69 and 125.48 lakhs in 1981, 1991, and 2001 and in 2011, reflects more than 25 percent decadal variation since 1971 against nation experienced below than 25 percent in the same periods. The annual growth rate is more than two percent since 1971. The annual growth rate of 2.63, 2.63, 2.57, 2.69 and 2.63 percent is reflected during the same period of 1971, 1981, 1991, 2001 and 2011 respectively. According to the *2001 census*, the size of J&K's population is 100.69 lakhs i.e., 0.98 per cent at all India level and 1.01 per cent (125.48 lakhs) according to the 2011 census.

#### **DISTRICT WISE GROWTH RATE OF POPULATION, (1951-2001)**

The distribution of population since 1951 shows almost the same trend. In 1951, seven districts had 5-10 per cent of the state population. Due to the decline in the share of population in Rajauri district, in 1961 and 1971, six districts remained in the category of having 5-10 per cent of the growth rate of state's population. In Leh and Kargil district, a little more than 1 per cent of the population is found. This is because of undulating topography and harsh climate has restrained people from settling there (*Census, 1971*).

There is also a great deal of variation in the rate of growth of population in terms of spatial dimension. Major districts experienced an average annual growth rate ranging around 1 percent and some around 14 percent during the reference periods from 1951 to 2001. Most of these districts form a pocket surrounding Srinagar district. It is very important to note that the districts having influence of the urban agglomerations have a better average annual growth compared to other districts. Four districts Srinagar, Anantnag, Baramulla and Jammu experienced average annual growth rate ranging 10 percent to 15 percent from 1951 to 2001. The Jammu district ranks the top among all the districts in the average growth rate of population. From 1971 to 2001, Jammu district accounts more than 15 percent of average growth rate of population. During the period between 1951 and 2001, Leh and Kargil district found only 1-2 per cent of the average growth rate of population due to harsh climate that has restrained people from settling there. In other districts, it can be assumed that male members have migrated to cities where employment opportunities are better compared to the villages. The district-wise growth rate of population since 1951 (up to 2001) in the Jammu and Kashmir State is depicted in the table below.

District	1951	1961	1971	1981	2001
Kupwara	5.75	5.73	5.58	5.49	6.36
Baramulla	11.05	11.01	11.10	11.19	11.59
Srinagar	12.01	12.36	12.22	11.83	12.30
Badgam	5.84	6.01	5.83	6.13	5.90
Pulwama	6.87	6.95	6.80	6.75	6.28
Anantnag	11.13	11.27	11.22	10.96	11.62
Leh	1.24	1.22	1.12	1.14	1.17
Kargil	1.29	1.27	1.16	1.10	1.14
Doda	7.06	7.37	7.41	7.10	6.86
Udhampur	7.32	7.31	7.42	7.58	7.34
Punch	4.53	4.34	3.70	3.74	3.69
Rajauri	5.46	4.82	4.71	5.05	4.75
Jammu	14.43	14.41	15.70	15.76	15.61
Kathua	6.01	5.92	6.02	6.17	5.40
J&K	100.0	100.0	100.0	100.0	100.0

Source: - Calculated from the census data (Various Issues)

## DISTRICT-WISE SIZE AND GROWTH OF POPULATION, 2011

According to census 2011, total population of state stands 125.48 lakhs. District Jammu accounts highest proportion (15.26 lakhs) followed by Srinagar (12.69 lakhs) due to rapid migration from rural areas. According to *census 2011*, sex ratio stands at 883 per thousand. The population density of state varies highly among the districts. District Ganderbal (1151 per sq km) accounts highest proportion followed by and Bandipora (1117) whereas district Leh and Kargil accounts only 3 and 10. The District-wise population of J&K State, as per Census 2011 is depicted in the table below.

District	Total Pop (Lakhs)			Decadal Growth Rate (2001-11)	Sex ratio	Pop Density Per Sq. Km	Proportion of District Pop to State Total Pop	
	M	F	T				M	F
Kupwara	4.75	40.04	8.75	34.62	843	368	3.79	3.19
Baramula	5.42	4.73	10.15	20.34	873	305	4.32	3.77
Srinagar	6.75	5.94	12.69	23.56	879	703	5.38	4.73
Badgam	3.90	3.55	7.35	21.18	883	537	3.11	2.75
Pulwama	2.97	2.72	5.70	29.18	913	598	2.37	2.17
Anantnag	5.52	5.17	10.70	37.48	937	375	4.40	4.13
Leh	0.92	0.54	1.47	25.48	583	3	0.74	0.43
Kargil	0.80	0.62	1.43	20.18	775	10	0.64	0.50
Doda	2.13	1.96	0.40	27.89	922	79	1.70	1.57
Udampur	2.98	2.57	5.55	20.86	863	211	2.38	2.05
Punch	2.52	2.24	4.76	27.97	890	285	2.01	1.79
Rajauri	3.32	2.86	6.19	28.14	863	235	2.65	2.29
Jammu	8.15	7.10	15.26	12.48	871	596	6.50	5.66
Kathua	3.27	2.87	6.15	20.38	877	232	2.61	2.29
Samba	1.68	1.49	3.18	16.90	886	318	1.35	1.19
Reasi	1.66	1.48	3.14	27.06	891	184	1.33	1.18
Kishtwar	1.20	1.10	2.31	21.06	917	125	0.96	0.88
Ganderbal	1.58	1.38	2.97	36.30	869	1151	1.27	1.10
Kulgam	2.16	2.06	4.22	7.30	951	925	1.73	1.64
Ramban	1.49	1.34	2.83	31.81	901	213	1.19	1.07
Shopian	1.36	1.29	2.65	25.85	951	852	1.09	1.03
Bandipore	2.01	1.83	3.85	26.31	911	1117	1.61	1.46
J&K	66.65	58.83	125.48	23.71	883	124	2.47	1.98

Source: - Census of India, 2011.

Directorate of Statistics and Economics, Govt. Jammu & Kashmir, 2011-12.

**Note:-** In 2006 new eight (8) districts were created in the Azad-led government, Kishtwar, Samba, Reasi and Ramban new districts in the Jammu division and Bandipore, Kulgam, Ganderbal and Shopian in the Kashmir valley.



## **DEMOGRAPHIC FEATURES OF JAMMU AND KASHMIR STATE**

Demographic transition is the important indicator for conceiving State's development that is, studying various aspects of development. It represents past achievements and makes some firm statements about the future where the state is going. Furthermore, attempts to explain why the economies have more or less passed through the same three stages of population growth (*Theory of Demographic Transition*). Prior to the economic modernization, national economies had stable or very slow growing population combination of high birth rate and high death rate. With economic development resulting in higher incomes, improving health facilities, there was marked decline in mortality that gradually raised life expectancy. With declining death rate but birth rate not falling correspondingly, these economies passed through stage two, marking slow growing population to rapidly increasing number. Finally, stage third is reached when the influences of modernization and economic development cause fertility to decline so that eventually falling of birth rate converge with lower death rate leaving little or no population growth (*Dyson, 1988*).

The workforce of a state is closely controlled by a large number of demographic factors. The size of population, the birth rate, the death rate, the longevity, migration, literacy, education, general health of people, the occupation of the people, per capita income attitude towards life and standard of living influence the availability of workforce in a society (*Roy, 2008*).

In this context we propose to discuss the following demographic trends of J&K State in historical perspectives like sex composition of population, population density, literacy rate etc. The salient demographic characteristics of the Jammu and Kashmir State have been elaborated in the following paragraphs:-

### **I. SEX COMPOSITION, 1981-2011**

The sex composition of a population helps in understanding the demographic processes of fertility, mortality and migration. The spatial pattern of sex ratio reveals a high degree of variation at district level. Samba followed by Udhampur recorded highest sex ratio in 1981 census and replaced by Kulgam and Shupian in 2011 census. Kargil registered least sex ratio of 775 per thousand.

## DISTRICT WISE SEX-RATIO, 1981-2011

An important concern in the present status of Jammu and Kashmir's demographic transition relates to adverse sex ratio. Since 1981 nothing has happened to change the attitude of the people in respect of their preference for sons. The low sex ratio in the state may be attributed to the high mortality rate among the females on account of negligence of female children. Girls receive less medical attention than boys. Study further argues that there is mounting evidence of sex-selective abortion in some districts of the state (*Annual Report: MHFW, 2013-14*). The district wise sex-ratio since 1981 is shown in the table.

District	1981	1991	2001	2011
Kupwara	858	882	906	843
Badgam	880	906	931	88
Leh	886	854	823	583
Kargil	853	845	837	775
Punch	889	904	919	890
Rajouri	906	892	878	863
Kathua	917	908	898	877
Baramulla	876	891	905	873
Bandipora	858	876	894	911
Srinagar	873	857	841	879
Ganderbal	871	894	917	869
Pulwama	906	<b>919</b>	942	913
Shupiyan	876	913	<b>950</b>	<b>951</b>
Anantnag	888	900	911	937
Kulgam	887	<b>916</b>	<b>945</b>	<b>951</b>
Doda	904	909	913	922
Ramban	867	878	889	901
Kishtwar	896	900	904	917
Udhampur	<b>934</b>	876	846	863
Reasi	864	872	880	891
Jammu	912	889	865	871
Samba	<b>945</b>	896	897	886
<b>J &amp; K</b>	<b>892</b>	<b>892</b>	<b>892</b>	<b>883</b>
<b>India</b>	<b>934</b>	<b>927</b>	<b>933</b>	<b>943</b>

Source: Compiled from Census of India

Note: - Data of newly Created districts in 2006 stands at Tehsil level in 1981& 2001

Based on the census 1981, sex ratio in the State is adverse in the sense that in 1981 there were 892 female per 1000 males against 934 at national level. The sex-ratio as per census 2001 is 892 against 933 at national level. The sex-ratio as per *census 2011* was 883 against 940 at national level which is a matter of great concern and needs to be addressed on priority. It also depicts higher mortality rates for females in the state due to low level of social development.

Furthermore, the Division of Kashmir has only 878 females per 1000 of males, while in Jammu and Ladakh Divisions, the sex ratio stands at 925 and 879 respectively. The Division of Kashmir having over 95 percent of Muslim population has a low sex ratio. In fact, many of the Muslim boys are not getting married and in many cases the bridegrooms have to pay a substantial amount to the parents of brides (*Annual Report: MHFW, 2008-09*).

## II. AGE STRUCTURE OR AGE COMPOSITION, 1981-2011

Age structure is an important characteristic of population which determines the workforce and dependency ratio. Now considering J&K State, the dependency ratio is significantly high which reflects feature of developing societies. The age groups of State Population at national level since 1981 have been given in table.

Jammu and Kashmir State				All India		
Age Group	1981	2001	2011	1981	2001	2011
0-4	13.34	9.49	7.3	14.3	12.8	9.7
5-14	25.95	26.15	17.6	26.4	22.6	19.7
15-59	54.97	57.23	65.9	54.1	57.1	62.5
60 & Above	5.67	7.13	8.4	6.2	7.5	8.0

Source: - Compiled from Census of India (Various Issues),

According to *census 1981*, age group 0-14 possesses somewhat large proportion (13.34 %) then declined 9.49% (2001) and 7.7% (2011). Fortunately age group of 15-59 continuously maintains the dominance since 1981. According to census 2011, large proportion of population are trapped in the age group of 15-59 (65.9 %) followed by group 5-14 (26.15 percent). Thus the state's potential for creating job opportunities can meet the increasing demand for employment as a consequence of increasing proportion of adult population.

### III. BIRTH RATE AND DEATH RATE OF JAMMU & KASHMIR, 1971-2011

J&K state has performed well in providing health and medical facilities to the people. The number of health institutions has increased substantially in the recent past. The health indicators have improved and indicate the following position over the last five decades as shown in table. The birth rate and death rate for the state from 1971 to 2011 is shown in the table below:-

Years	Birth Rate		Death Rate		Infant Motility Rate	
1971	Combined	21.44	Combined	7.19	Combined	71
	Rural	22.19	Rural	11.7	Rural	84
	Urban	20.89	Urban	6.02	Urban	57
1981	Combined	31.6	Combined	9.0	Combined	72
	Rural	33.9	Rural	9.7	Rural	81
	Urban	21.4	Urban	6.0	Urban	63
2001	Combined	20.2	Combined	6.1	Combined	50
	Rural	21.1	Rural	6.1	Rural	51
	Urban	16.4	Urban	6.1	Urban	45
2011	Combined	18.6	Combined	5.7	Combined	45
	Rural	19.9	Rural	6.0	Rural	48
	Urban	13.7	Urban	4.7	Urban	34

Source: Indicators of Economic Development, 2015-16 (DES)

From the above estimates, it can be inferred that vital indicators BR, DR & IMR have come down, reflect a satisfactory picture of health status of Jammu & Kashmir state. However, death rate is lower in urban areas which can be attributed to better health care and health standards in urban areas. Similarly, table shows the high birth rate in rural areas which can be attributed to illiteracy and less acceptance to family planning measures.

#### BIRTH RATE (BR) AND DEATH RATE (DR) AT NATIONAL LEVEL

The difference between birth rate (BR) and death rate (DR) gives the estimate of growth rate of population. The most encouraging and important fact is that both the birth and death rates in the state remained quite below than national average. The birth and death rate at both levels dwindled during 1981 to 2011; however, nation experienced faster speed than state.

Year	Birth rate/1000 Population		Death rate/1000 Population	
	J & K	India	J & K	India
1981	20.2	28.4	6.1	9.3
2001	19.9	25.8	5.4	8.4
2011	19.9	21.8	5.5	7.2

Source: - Compiled Census of India,

#### IV. DENSITY OF POPULATION

The density of population in the state has shown tremendous increase after independence. It has increased from 32 to 124 persons per km<sup>2</sup> in 1951 to 2011 generally by the rapid rate of population. The density of population has increased more than two fold in the last 50 years only. Srinagar and Jammu districts recorded high density of population of 703 and 596 persons per km<sup>2</sup> respectively, mainly on account of being the state's administrative capitals which have made them the hub of socio-economic activities. The lowest population density is found in the Leh district with only 3 persons per km<sup>2</sup>.

The population density of J&K State since 1981 shown in table: -

State/ Districts	Area sq. kms	Density (Persons per sq. km of area)			
		1981	1991	2001	2011
Anantnag	3984	165	207	294	375
Pulwama	1398	289	369	464	594
Srinagar	2228	318	401	531	703
Badgam	1371	268	263	461	537
Baramulla	4588	146	188	252	305
Kupwara	2379	138	175	269	368
Leh	82665 <sup>□</sup>	2 (a)	2 (a)	3 (a)	3
Kargil	14036	5	6	8	10
Jammu	3097	305	390	508	596
Udampur	4550	100	132	162	211
Doda	11691	36	45	59	79
Kathua	2651	139	186	205	232
Rajouri	2630	115	159	182	235
Poonch	1674	134	175	222	285
J & K	222236 Sq Kms	59 (a)	76 (a)	99 (a)	124
All India	3287263 Sq Kms	240	298	324	382

<sup>□</sup> Including 78114 sq. kms under Pakistan, 5180 sq. kms handed over by Pakistan to China.

Source: - Census of India, J&K

In the Kashmir division highest density of population is recorded in Srinagar district followed by Badgam. In Jammu division high concentration and high density of population is found in Jammu plains consisting of Jammu and Kathua districts. On the other hand, Leh, Kargil and Doda districts recorded least density of population due to harsh environment control and the absence of social and economic development activities. Since 1981, Srinagar is the most thickly populated district followed by Jammu district.

As per *2001 Census*, Srinagar district has 531 souls per sq. km, while as Jammu has 508 souls per sq. km. Leh has the lowest density of 3 souls per sq.km. Srinagar, Jammu, Pulwam and Badgam districts constitute the zone of highest density in the State. This is due to variety of factors such as level of land, fertile character of the soil, moderate climate and availability of adequate irrigational facilities besides higher level of economic development. The Jammu and Kashmir State stands at 124 souls per sq. km in 2011 against 382 at national level.

#### **V. LITERACY RATE OF JAMMU AND KASHMIR, 1981-2011**

Literacy rate is a vital parameter to gauge the socio-economic transformation of the population. The process of education in terms of improved qualification and skills would help in the formation of human capital stock which has an overwhelming influence on the socio-economic development of a region as it determines the rate and pattern of resource utilization.

District wise literacy rate of State is examined since 1981. During 1981 only four districts, namely Jammu (42.86 %), Srinagar (33.90 %), Kathua (31.90) and Leh (25.17 %), the literacy rate was over 25 percent, while in other three districts, namely Badgam (17.86%), Kargil (18.86) and Doda (18.50) possess less than 20 percent of literacy rate (*J&K in Indian Economy, 2017, DES*). The literacy rate in the remaining districts varied between 20 to 25 percent. However, with the passage of time, the literacy rate increase steadily due to several schemes and backward and economically deprived areas were given special attention. It increased almost two fold. According to *census 2011*, literacy rate of J&K stands 68.74 percent. The district wise literacy rate, 1981 to 2011 is reflected in the table below:-

Districts	1981	2001	2011
Anantnag	22.93	51.27	64.32
Pulwama	20.47	54.62	65.00
Srinagar	33.90	50.57	71.21
Budgam	17.86	47.60	57.98
Baramulla	20.62	51.12	66.93
Kupwara	16.82	51.36	66.92
Leh	25.17	68.84	80.48
Kargil	18.86	68.35	74.49
Jammu	<b>42.86</b>	<b>77.87</b>	83.98
Udhampur	23.50	66.97	69.90
Doda	18.50	63.74	65.97
Kathua	31.90	71.68	73.50
Rajouri	24.73	71.02	68.54
Poonch	23.39	68.62	68.69
Jammu & Kashmir State	26.67	54.46	68.74

Source: Census of India

J&K in Indian Economy- Various Issues, (DES)

Note: - In 2006 new eight (8) districts were created in the Azad-led government, Kishtwar (58.54), Samba (82.48), Reasi (59.42) & Ramban (56.90) new districts in the Jammu division and Bandipore (57.82), Kulgam (60.35), Ganderbal (59.99) and Shopian (62.49) in the Kashmir valley according to census 2011.

## LITERACY RATE AT NATIONAL LEVEL

According to the *census of 1981*, literacy rate stood only 26.67 percent against national average of 41.43 percent. During 1981 to 2011, the literacy rate increased by 42.07 against 31.57 percent at national level shown the table below.

Jammu and Kashmir State				All India		
Year	Literacy Rate	Male	Female	Literacy Rate	Male	Female
1981	26.67	36.29	15.88	41.43	53.46	28.47
2001	54.46	65.75	41.82	65.38	75.85	54.16
2011	68.74	78.26	58.01	73.0	80.9	64.6

Source:- Census of India,

Socio Economic Profile of J&K-2008, DES

As per *census 2011*, the literacy rate of the state is 68.74 percent against 74.04 percent at national level. Male and female literacy rate accounts 78.26 percent and 58.01 percent against the national average of 82.14 percent and 65.46 percent. The district-wise pattern of literacy rate indicates high rate for Jammu, Samba and Leh district, while low literacy rates for Ramban, Bandipora and Badgam districts in the State. Female literacy rate is low in all districts. This reflects a poor social awareness for female education due to existing socio-cultural beliefs.

## VI. RELIGIOUS COMPOSITION

The basis needs like food, clothing, shelter and occupations of the people are closely influenced by the religious values. Religion has been divisive as well as unifying force. The religious composition has great social and economic relevance. The religious composition for state of 1981 has been given in table: -

Division	Muslims	Hindus	Sikhs	Buddhists	Others
Kashmir	94.00	4.42	1.20	0.05	0.33
Jammu	33.81	62.06	3.67	0.11	0.35
Ladakh	44.66	0.01	----	51.82	3.51
Total	65.84	30.41	1.06	1.26	0.19

Source: - Victoria Schofield (2001) Kashmir in Crossfire, London, B Taurus Publishers

It is examined nearly 66 percent of the total population of the J&K state consists of Muslims and 30.41 percent of Hindus. Buddhists with 1.26 percent constitute the third largest religious group followed by Sikhs (1.06 %) in the state. There are however, significant spatial variations in the concentrating of different religious groups. In the Kashmir Division, Muslims have an overwhelming majority constituting 94 percent of population and in Jammu Division about 62 percent are Hindus, while in Ladakh Division 51.82 percent are Buddhists (*Victoria, 2001*). Thus spatial variation in the population of different regions are quite significant. The Religious composition of State since 1981 is depicted in the table below: -

	1981	2001	2011
Muslim	64.19	66.97	68.31
Hindusism	32.24	29.63	28.44
Sikhism	2.23	2.04	1.9
Buddhism	1.16	1.12	0.9
Christainty	0.19	0.20	0.30
Janism	0.03	0.02	0.01
Others	0.02	0.01	0.01

Source: The First Report on Religion Data, New Delhi, 2004

Source: Victoria Schofield (2001) Kashmir in Crossfire, London, B Taurus Publishers

Source: Census of India, 2011

Expectedly, very large variations are found in the percentage of different religious communities since 1981. The State possesses large proportion of Muslims and India followed by Hindu proportion (*Religion Data, 2004*). As per the last 2011 census, Jammu and Kashmir is Muslim majority state in India with



approximately 68.31 percent of population following Islam. Hinduism is the second popular religion in the State with approximately 28.44 percent following it. While 1.9 percent followed Sikhism and small proportion follow Buddhism (0.9 percent), Christianity (0.3 percent), Jainism (0.01) and other (0.01).

## VII. LIFE EXPECTANCY OF JAMMU AND KASHMIR

Jammu and Kashmir has surpassed Kerala as the state with the highest life expectancy in India, according to the latest data released (on Oct. 19, 2016) by Registrar General of India custodian of census data. The report from *Sample Registration Survey* provides life expectancy at birth for year 2002-06 and 2010-14 for J&K 72.6 and 74.6 against All India figure of 67.9 and 63.5. This hasn't happened overnight as it took more than three decades to reach to this level along with constant efforts from the state. While going to the retrospection, in 1970-75, J&K had a total life expectancy of 56.1 years with 56.9 for men and 55.2 for women whereas Kerala in the same period of 1970-75 had a total life expectancy of 62.0 with 60.8 for men and 63.3 for women. J&K State was behind Kerala, Punjab (57.9), and Haryana (57.5).

According to *National Family Health Survey, 2016-17*, J&K stands at the rank two with 2,812 hospitals after Rajasthan. The J&K has higher number of health institutions than neighboring Himachal Pradesh (160), Punjab (240), and Haryana (159). J&K has a total of 637 Primary Health Centres, 84, Community Health Centers and 23 district hospitals.

## VIII. OCCUPATIONAL STRUCTURE

Estimates with regard to sectoral structure reveal that in consistent with the declining contribution of primary sector towards GSDP, the labor absorption of this sector shows a dwindling trend. And the tertiary sector occupied this place as the employment generation and secondary sector has remained more or less constant over the period except for the decade 1971-81.

Occupation	1961	1971	1981	2001	2011
Primary Sector	78.62	71.05	64.28	50.1	43.10
Secondary Sector	9.03	8.94	14.27	6.2	8.4
Tertiary Sector	12.35	20.01	21.45	43.7	48.5

Source: Compiled from Census of India, various Issues

It is an interesting to note that during 1961 and 2011, the sharp fall of workforce took place by 35.52 percent in primary sector which has been compensated by a sharp and unprecedented increase in the tertiary sector by 36.15 percent.

The number of cultivators shows the consistent decline from 1961-2011 and the direct labor absorption capacity of agriculture during the five decades of planning is reduced by one half. The agriculture can be attributed to sharp decline in the size of holdings during 60s as compared to 50s and absence of industrialization during the said decade (*J&K in Indian Economy, 2017*). It has been confined to small scale household industry whose progress over the period has seen many ups and downs revealed by the cyclical nature of the figures.

The occupational pattern is also reflected into various categories since 1961 below in the table:-

<b>Table 1.15:- Occupational pattern of workforce, (1961-2011) Percent</b>					
Occupation	1961	1971	1981	2001	2011
Cultivators	75.81	64.27	56.85	43.40	36.12
Agricultural Labours	2.81	6.78	7.23	6.70	6.12
Household Industry	9.03	10.94	14.47	6.20	6.52
Other	12.35	18.01	21.45	43.70	51.24
Total	100	100	100	100	100

Source: Compiled from Census of India, various Issues  
J&K in Indian Economy (Various Issues), DES

## **IX. URBANIZATION AND THE DEVELOPMENT PROCESS**

Urbanization is a part of development process. Its process is fast in rapidly growing economies where newly established industries and ancillary activities continuously provide jobs to people who migrate to cities (*Dyson, 1988*).

The development experience of various economies reveals that the growth process and structural transformations move concurrently. The decline in the contribution of agriculture and growth in the contribution of manufacturing and tertiary sector give fillip to process of urbanization. While analyzing urban population since 1961 in terms of percentage, it has steadily increased from 16.66 percent to 27.21 percent up to 2011 (*Indicators of Regional Development, 2011-12, DES*). The J&K economy too has experienced similar structural changes and this is evident from the analysis of table no. 1.16.

**Table 1.16:- Urban population and density of population for J&K State, (1961-2011), Percent**

Year	Urban Population (J&K)	Kashmir Division	Jammu Division	Density Population
1961	16.66	20.21	12.18	NA
1971	18.59	23.14	13.81	45
1981	21.05	25.20	14.61	59
2001	24.81	26.52	22.62	100
2011	27.21	31.70	31.02	124

Sources:- Indicators of Regional Development, DES, Various Issues

At the provincial level similar pattern is examined yet some interesting aspects call for special attention. In Kashmir division, the process of urbanization has increased by 11.49 percent during 1961 and 2011 respectively. While as in the Jammu division correspondingly is 18.84 percent. Interestingly Jammu division experiences the highest increase in urban population particularly after 1981 as the violence result migration from Kashmir to Jammu division.

The district wise proportion of urban population indicates huge disparity. District Srinagar with 98.60 percent urban population on the top followed by Jammu district and Ramban with only 4.16 percent at the bottom. It indicates that these two cities occupy primate city position having concentration of economic and service activities. Urban population of state is 27.21 percent as compared to 31.16 percent at country level as per 2011 census.

Thus demographic characteristics provide an overview of population size, composition and territorial distribution of population, density and dependency ratio, birth rate, death rate, and natural growth rate and migration and occupational pattern. These indicators help in identifying areas that need policy and programmed interventions, setting near and far-term goals, and deciding priorities, besides understanding them in an integrated structure.

## **JAMMU AND KASHMIR ECONOMY IN HISTORICAL PERSPECTIVE**

Kashmir is perhaps, to possess an authentic account of its history from the very earliest period. This past account of Valley, its culture and traditions, rise and fall of various Kingdoms, victory and defeats of the people have been noted carefully, yet critically by the sons of its soil. Truly Kashmiriat literature is very rich in information about Kashmir.

Agriculture was an area of critical concern and agrarian economy of state exhibited all the characteristics of a feudal and stagnant agriculture. The immemorial tradition in Kashmir which treated all land as the property of the ruler and those who cultivated it as his tenants, led to the creation of various intermediaries between the state and the cultivators from ancient times down to the pre-reform period (*Ali, 1978*). The organization of rural economy during the ancient period was directed towards the sole purpose of collecting revenue from the tenants. However, the best names remembered by the Kashmiris are Lalitaditya (697-738 AD, Karkota Dynasty) and Zain-ul-Abidin (1420-70). Lalitaditya was the best interest of *cultivators*. The most magnificent Muslim ruler, Zain-ul-Abidin was deservedly surnamed Budshah or the great king. The glorious aspect of his rule of about 52 years was promotion of learning, arts and crafts and, above all, tolerance towards the minority communities. He did not use official income for personal ends (*J&KGSM, 2012-13*).

The revenue administration and organization during medieval Kashmir (1339-1589) was not different from that of earlier Hindu period. The revenue demand during medieval period stood at 1/6th of the produce in the beginning and was later raised to one-third. The system of collection of revenue remained unchanged. During the Mughal period (1586-1753) large chunks of land were granted as Jagirs and Muffis with proprietary rights to those who carried favours with the kings. The “Jagir” was a free grant of one or more villages from the ruler to the grantee as a reward for some conspicuous service, either military or otherwise. The people still enjoyed peace and orderly government during Mughal period. The Mughal introduced various reforms in the revenue industry and other

areas that added progress. The constructions of splendid gardens and of the some public works are the hall mark of this period (*Bamzai, 2008*).

During the Afghan rule (1753-1819), the system of revenue collection did not differ in practice. In this period a portion of revenue was transferred to Afghan capital in Kabul.

During the Sikh rule (1819-1846) the miseries of the cultivators increased. The grant of land as Jagir and Maufi continued but without proprietary rights and large tracts of fertile land were reserved for royal households termed as “Khalis”, which later assumed the corrupted nomenclature of “Khalsa”, which gradually led to large scale revenue farming between the cultivator and the state. The land holding systems prevalent between 12th and 19th centuries give rise to a long chain of intermediaries between the state and the actual tillers. There was a Malik Ala, Malik Adna, the occupancy tenant of grade A, the occupancy tenant of grade B, and the Sub-tenant. On the top were the Jagirdar, and Maufidar and the Illaqadar. This resulted in the development of landed aristocracy, absentee landlordism, concentration of land among few and alienation of land from small and petty owners to bigger landlords and increasing expropriation of the share of peasantry. The peasants who depended on the agricultural economy were at the mercy of the rapacious officials, who enacted the “last bush of grain from their meagre produce” (*Land Committee Report, J&K Govt., 1951-52*).

The conquest of Kashmir by the Sikhs in 1819 AD resulted more trouble for the masses as the triumphant army resorted to loot and marauding. Most of the governors gave utmost priority to raising revenues. However, Mehan Singh (Sikh governor, 1834-1841 AD) is known to have toned up the administration by imposing discipline and accountability and by making *food grains* available at subsidized rates. On the defeat of the Sikhs by the British, the latter annexed and then sold Kashmir to the local feudatory Gulab Singh under the *Treaty of Amritsar* for a sum of Rupees 75 lakhs. Gulab Singh consolidated power and hence commenced the Dogra rule in Kashmir (*Kalis & Shaheen, 2013*).

Maharaja Gulab Singh restored law and order at the initial stage and introduced a system of rationing of rice for the people who did not possess

agricultural land, particularly the city dwellers. However, peasants continued to suffer on account of defective system of land revenue and corrupt procedures for its collection. The incidence of land revenue was three times more than the amount demanded in the British districts of Punjab. The plight of the other classes was no better than the peasants. Shawl industry witnessed a general decline because high taxes levied on shawls. Muslims of the State were exorbitantly taxed by the government and subjected to every kind of extortion and oppression. Due to heavy taxes on cultivation no more than about 1/16 of cultivable land was cultivated. Under pressure from the British, the problems of the peasantry received some attention during Maharaja Hari Singh (last ruler) reign in 1926 AD. He granted certain concessions to the peasantry in terms of tenancy rights and a land settlement operation was launched, initially through an expert A. Wingate and, two years later, this task was entrusted to Sir W. R. Lawrence, who accomplished the assignment. The exercise undertaken by him represents a landmark in the land administration of the State (*Schofield, 2001*).

In the late 1940s, land was the main source of income for the state's citizens; it contributed 60 percent to the GSDP and employed 85 percent of the labour force. Although rice was the main crop and the staple food for the state's citizens, the area's abundant forests and animal husbandry provided important sources of income. Handicrafts, including woodworking and wool weaving, had a market not only among the tourists who visited the area but also all over British India. Thus two sectors—tourism and handicrafts—were important sources of external commerce for the state. These sectors were also the main “*foreign exchange*” earners for the area and gave Kashmir a reputation for beauty and dexterity. With abundance of water, it was natural that Kashmir would depend on agriculture for most of its income and for the livelihood of most of its population. For the same reason, horticulture was more prevalent in Kashmir (*Burki, 2007*). Having gone through a period of extreme exploitation at the hands of the Dogra rulers, who were theoretically autonomous but in practice the stooges of the British imperialism, the population of the state in general and that of the valley in particular was living in the most abject conditions (*Naik, 2011*).

Furthermore, unlike India, which along with impoverished economy also inherited some useful assets in the form of national transport system and a good capitalistic base and entrepreneurial class (*Vaidyanthan, 2005*) from the British, the state of Jammu and Kashmir inherited nothing but an impoverished economy from the Dogras. During the Dogra rule, an overwhelming majority of the population of the state was dependent on agriculture. But in view of the archaic agrarian structure, the agriculturalists and the agricultural workers in Kashmir were not having a fair deal as they had to carry on their shoulders the burden of absentee landlordism (*Gupta, 1967*). In 1921, the Census Report noted:

“It would be observed that out of every 10,000 persons 8,173, i. e. about 82 per cent, are dependent on the exploitation of animals and vegetation. Or more properly speaking on pasture or agriculture.... Of the agricultural population more than 98 per cent are ordinary cultivators, 1.4 per cent are supported by the raising of farm stock, while the aggregate share of growers of special products and forestry does not exceed .4 per cent. 1,160 persons out of every 10,000, or 11 per cent of the population, were employed in industries of different kinds, the more notable among them being the industries of dress and toilet (30.4 per cent), textiles (23.1 per cent), wood (12.2 per cent), food industries (8 per cent), metals (6.4 per cent) and ceramic (6.1 per cent). For every 10,000 persons only 86 derive their livelihood from transport, which does not come up to 1 per cent of the total population ... Only 3.3 per cent of the total population follow the calling of trade... Public force absorbs. 7 per cent of the population (Army 59 per cent, police 41 per cent), while the corresponding share of public Administration works out at 1.08 per cent”.

There were very little changes in the economy of the state in 1941 as the Census Report stated

“The Jammu and Kashmir state cannot compare with Great Britain, Bengal, and Bihar; it has a few industries but the more important of these— forest exploitation, sericulture, and fruit growing— are closely allied with agriculture and the state must be described as almost entirely agricultural”.

The economic policies of the state were concerned more with protecting and promoting the interests of the Raj (Dogras) and its collaborators (mostly Hindus) rather than welfare of the general masses (*Wani, 2015*). The administration’s primary preoccupation was to maintain law and order, streamline tax collection and ensure defence. The Dogra state, therefore, can be said to have represented framework for economic stagnation and social backwardness.

The legacy of such a kind of regressive policy—based on over-taxation, discrimination and apathy towards the development put the economy of the state in a vicious circle of poverty in 1947 characterized by one of the lowest per capita income and consumption levels among the states of the sub-continent (*Malik,*

2005). Low income levels resulted in low levels of savings and capital formation and, therefore, low productivity and low levels of income and this whole vicious circle perpetuated poverty in the state.

It was against these policies of the state that a popular movement was launched under the leadership of Sheikh Mohammad Abdullah to establish a nation-state to put an end to the religious discrimination and economic exploitation. Later on, under the influence of Socialism, Sheikh Mohammad Abdullah advocated the abolition of landlordism and the distribution of land to the tiller.

Therefore, the process and pattern of economic development of post-1947 had been dependent upon its inherited pattern of underdevelopment. There is no denying the fact that the British rule in India was very exploitative, leading to what *Gunder Frank* describes as the '*development of underdevelopment*' but the magnitude of oppression and exploitation in Kashmir was more propelled by Dogra rulers (*Chandra, 2007*).

It is worth mentioning here that the programme of the reconstruction of the state economy had been articulated by the political leadership since 1940s in the form of a manifesto called *Naya Kashmir or New Kashmir* in 1944 to emancipate them from the century's exploitation, oppression, backwardness, poverty and the like (*Kanjwal, 2017*). The programmes envisaged institutional and agrarian restructuring to liberate and unleash the productive forces from the shackles of parasitic landlordism and also to clear decks for rapid modernization and industrial growth. Absentee landlordism was abolished and the actual tillers were made the owners of land. This interventionist role of the state was not for the welfare of a selected few as had been tradition under Dogra rule but was meant to benefit the whole society. It is therefore, not for nothing that the state at this point of time was looked upon as a benevolent state.

Based on reform agenda contained in the document "*Naya Kashmir*" formulated by the National Conference in 1944, the peoples government which took over the reins of power from the Dogras in 1947, launched several measures aimed at ameliorating the conditions of the masses,



especially the *peasantry*. The first radical land reform legislation, enacted in 1950, abolished the big landed estates without compensation of any kind, transferring the ownership to the actual tillers of land. Another law enacted by the new government ended the perpetual indebtedness from the rural population. These laws further refurbished by new Agrarian Reforms Act of 1976 responsible for providing an egalitarian base to land ownership (*Rekhi, 1993*).

In 1948 the attempt towards Jagirdari abolition was made through the enactment of Tenancy (Amendment) Act leading to the emancipation of peasantry by conferring protected tenancy rights in respect of land not exceeding 17 canals Abi or 33 canals Khuski in Kashmir province and 33 canals Abi and 65 canals Khushki in Jammu Division. However, this act was more tenurial-security-oriented rather than having a redistributive bias (*Hassan, 2009*).

On July 13, 1950, the Govt. under a historic decision of transferring land to the tiller passed the Big Landed Estates Abolition Act. The surplus land (above ceiling) was transferred to the tillers. The tiller was made the full owner of the land transferred to him. As a result of this about 900 land owners were expropriated without payment of compensation from the surplus land (above the ceiling) amounting to about 4.5 lakh acres out of which about 2.3 lakh acres were transferred to the tillers in ownership right free from any encumbrances. The feudal structure of agrarian economy in the mid – 1947 era made the peasants miserable victims of serfdom. These reforms reduced rural poverty but could not ensure self-sustained growth of agriculture because of a combination of political and economic factors (*Ali, 1978*).

In 1950, the state had a meager per-capita income of Rs 208 (at 1960-61 prices) and the rate of literacy was just about 5 percent against all India level of 18.33%. Agriculture the predominant sector of the economy was stagnant and the productivity of the land/worker was very low. Industrial development was almost negligible and the lack of infrastructure had crippled the economy and accentuated the poverty syndrome (*Misri & Bhatt, 1994*).

During the period of independence of India, there were three highways linking the state with the outside world. They were Jhelum Valley Road from

Srinagar to Kohala via Baramulla and Domel; Banihal Road from Srinagar to Sialkot via Banihal and Jammu and Abbotabad Road from Domel to Abbotabad via Ramkot. All these highways connected the state with that part of Punjab which had become the part of Pakistan. Even the rivers provided the cheapest mode of transportation for the timber of Kashmiri forests and fast transportation of fruits, vegetables, woolen and silk materials, carpets, and pretty products of skilled Kashmiri artists and artisans to Pakistan (*Joseph, 1992*).

No doubt Abdullah was ideologically oriented towards the socialistic principles of the Indian State but the measures he took once in power clearly indicate that he wanted Jammu and Kashmir to be an economically independent state. To have a balanced budget his government preferred to broaden the tax base of the state than to be dependent on external financial assistance. In this regard his government remained adamant to continue with the custom barriers between Jammu and Kashmir and the rest of India and levied taxes on education as well. Through such measures the government no doubt could balance its budget and decrease the deficit, the budget deficit in 1952 had been only 7.11 lakh while as it had been 3.7 crore, 2.8 crore, 2.9 crore, 2.5 crore for the years 1948, 1949, 1950, 1951 respectively, but at the same time the cost of living in the state increased leading to the disenchantment of the people, a situation very well exploited by Ghulam Mohammad Bakshi later on.

Apart from that, Abdullah launched a vigorous campaign in favour of making the state self sufficient. Immediately after coming to power steps were taken to increase the production of food grains and programmes such as '*Grow-More-Food Scheme*' was launched under which new lands hitherto uncultivated were brought under cultivation. To secure the supply of food grains to the city people the infamous practice of Mujawaza— whereby peasants were called upon to deliver shali to government granaries in the city, so that it could be distributed to the city population— was reintroduced. Furthermore, to popularize the self sufficiency, Sheikh even told the people to consume potatoes than to be dependent on imports thus earning him the name of Aaloo Bab.

By 1953 the government of Kashmir was divided within itself, its members pull in different directions and proclaims different policies (*Guha, 2008*). There is a bit of controversy regarding the cause of the split within the national conference's leadership arose over the autonomy versus integration issue. As Sheikh Abdullah and Mirza Afzal Beg wanting the state government to have at least the powers granted in the Instrument of Accession (*Balraj, 1981*), while as other National Conference ministers Viz. Bakshi Ghulam Mohd, G.M Sadiq, D.P. Dhar, S.L. Sharif favouring greater integration with India. Consequently Abdullah was overthrown and Bakshi was invited to form the government.

After Abdullah's government was sacked, Bakshi Ghulam Mohammed became the prime minister of state with the support of Indian government. In order to quell discontent, the government of India proposed to step up the economic development in the region. The government of India realized that the only way the people of Kashmir could be kept under control and convinced of the merits of closer ties with India, was to provide the region with economic prosperity. Thus in 1953, the India's Planning Commission advanced a loan of \$14.9 million to the state government (*Wajahat, 2004*). Bakshi adopted a *populist style*, holding a Darbar (court) every Friday, where he used to hear the grievances of public (*Ramachandra, 2008*). A compulsory procurement of food grains, which had caused great hardship to the people, was abolished. Ration was subsidized to the consumers to the extent of 75 per cent of its cost and monopoly of cooperatives, which had become a symbol of tyranny was broken (*Puri, 1981*).

On April, 1954, the custom barriers between the State and rest of India were abolished. Notwithstanding that the abolition of custom duties decreased the cost of living in the state. The imported commodities from India were cheap and durable and enhanced the choice of the Kashmiri consumers, and greatly helped in reducing the burden of indirect taxation on masses and led to greater investments from India for the improvement of roads and communication to facilitate the exchange of goods, however, it flooded the Kashmiri markets with finished goods, exposed its indigenous industries. This had a long term impact on the development of indigenous industries in the state as the two key stimuli viz.

import-substitution and growth of home market led to the development of industries in post-1947 (*Drabu, 2004*).

Although, the concept of planned development was introduced in Jammu and Kashmir, along with other states of India right from the First Plan in 1951 but planned development in the state in true sense started with the Second Five Year Plan (1956-61). This was so because of the fact that real emphasis towards the attainment of declared goals of development policy like rapid increase in living standards, full employment at adequate wages, reduction inequalities, was given by the introduction of the Second FYP. In the initial period (pre-1954), under the Article 370 of the Indian constitution, taxes, which in other cases were collected by the Union, remained exclusively under the state control and the Income Tax Department of the state remained free from the control of India (*Report on Economic Reforms of J&K, 1998*). However, the change of government in the state leads drastic change in financial relations with the union.

Through different Acts since 1957, the state entered into financial arrangements with the centre government which brought it at par with other state with respect to financial matters including proportionate allocation of funds from the centre (*Anand, 2006*). The financial integration of Kashmir with the centre, which Sheikh had resisted and which was gladly accepted by Bakshi, brought great financial aid to the state.

The Second Five Year Plan aimed at securing a coordinated and balanced development of the economy of the state with a view to ensure better standard of living for its people. Unlike the first plan which had a limited character and gave main emphasis on agriculture, the 2nd plan was of a larger dimension. The 2nd state plan made it clear that the plan was designed to satisfy the objectives of opening up of new areas like, large and medium industries and extension of irrigation facilities on a large scale and the development of backward areas. The Third Plan (1961-62 to 1965-66) envisaged vital economic policies for the speedy achievement of a socialist pattern of society (*J&K: A Review of Progress, 1969*). The development schemes incorporated in the new Plan stressed on state income, power resources, industries and employment opportunities.

Besides the reorganization of rural economy by enlarging the scope of agriculture the plan gave top most priority to the development of power, setting up of industries and exploitation of untapped mineral wealth of the state (*J&K: Review of Progress, 1969*). During the Second and Third plan periods, which also coincide with the financial integration of the state with the Indian union, the rate of growth in the State Domestic Product was of the order of 8 per cent. Not surprisingly therefore, this phase (1956-1966) was one of the basic infrastructure building phase in the state. The amount of assistance increased from Rs 10 crore during the First Plan to 62 crore at the end of the third plan. It is worth noting that the financial assistance received by the state was the highest percentage of assistance received by any other state of the Indian union.

Notwithstanding that the government levied certain taxes for the first time during the Third plan viz. electricity duty (from April 1962), agricultural income tax (from September 1962), and passenger tax (July 1, 1963) and increased the scope of sales tax and per capita state tax to increase revenue and decrease the state's dependence on the centre, however, even in 1968-69 the per capita tax in Jammu & Kashmir State at Rs. 14 was very low against other states and the state's income through all its tapped sources was far less than its expenditure. Besides there had been a fast increase in expenditure on police, famine relief, food subsidies and debt services which had reduced the funds available for development. Therefore, the state continued depends on the centre for financial assistance (*Bhattacharya, 1994*). However, the generous financial assistance especially in the form of loan led to heavy indebtedness of the state and increased its dependence on centre. It was the policy adhocism at the central level which translated into a soft budget constraint for the government. This, in the long run, had proved detrimental and adverse impact on the culture of management of state finances (*Ganguly & Bajpal, 1994*).

Notwithstanding that with regard to raising the revenue and minimizing the expenditure, the state government had recommended, for the period between 1966 and 1975, that the sales tax should be reviewed and tax rate on items which were not of mass consumption be enhanced and the coverage of tax should also be

extended. The land revenue should be made more just and elastic by relating it to productivity and charging different rates according to the size of the holding. The non-developmental expenditure should be kept to the minimum and policy of food subsidy should be reviewed to reduce the burden on the expenditure.

In 1969, while devising the formula for sharing Central Assistance among states the Fifth Finance Commission, acting in line with the *Gadgil Formula*, had accorded special status to Jammu and Kashmir along with Assam and Nagaland. Besides historical and political reasons, the bases of declaring the three states as Special Category States were the harsh terrain, backwardness and social problems prevailing. However, after its inclusion in the Special Category States, the state of J&K was treated differently. The state was not provided with the facility of plan assistance at the rate of 90% in the form of grant-in-aid and 10% in the form of loan, which was bestowed to special category states (*Jamwal. 1994*).

The development of the state through planning received a new impetus with the introduction of Single Line Administration in 1976 by Sheikh Mohammad Abdullah. Through this process, which was a unique concept of decentralized planning (*Review, J&K, 1998*), decentralization was brought at the district level and district development boards were constituted for planning at the district level with the twin objective of making planning more reflective of the hopes and aspirations of the common man and ensuring speedy implementation of the programmes. The system of decentralized planning yielded considerable benefits in terms of extending the impact of developmental programmes and in galvanizing public involvement as well as reducing regional disparities.

To make decentralized planning more effective larger freedom was given to the District Development Boards during the Ninth Plan for the fixation of priorities and inclusion of projects having local area relevance. The state's continued dependence on the centre finance transfers had been caused by various factors. Failure to mobilize enough resources within the state had been the foremost cause. Having ratified all post-1953 political changes in the state through the Accord of 1975, Sheikh Abdullah received Indian financial assistance as enthusiastically as Bakshi had (*Economic Review of J&K, 1984-85*).

However, the central plan assistance to the state did not take care of the resource gap in the non-plan budget up to the 7th Plan (1985-1990). It was because of this liberal financial assistance which the state received from the centre that the plan expenditure in aggregate and per capita terms since first five year plan, had increased over time– the per capita expenditure had gone up from a mere Rs. 34 in the First Plan to Rs. 556 in 1987-88 of 7<sup>th</sup> Plan and that the state could formulate developmental plans which besides agriculture gave thrust on the creation of adequate infrastructure like power, transport and provisions of social and community services in the form of schools, health centres, piped water supply, social welfare centres etc.

However, one major side effect of the policy of liberal funding was that it failed to give the state an impetus to mobilise its own resources for economic growth. The state continued to be among the poorest states of India and the impact of the plans in terms of developmental indicators had not been significant. Furthermore, most of the funds which the state received from centre for the economic development of the State were either siphoned off into the pockets of the ruling elite or were spent as Non-Plan Expenditure, important to mention that the central assistance to the state did not take care of the resource gap in the non-plan budget prior to the 7<sup>th</sup> plan (1985-1990). It is also worth to mention here that the discriminatory 70:30 formula regarding the devolution of funds between the centre and the state led to the indebtedness of the state to the centre as a result of which about 50 per cent of the state's expenditure began to comprise of debt and interest repayments (*Malik, 2005*).

It is revealed that in 1953-54 there were 4.76 lakh operational holdings in the rural sector of State, out of which 4.05 lakh (85 percent) were agricultural holdings. It increased to 5.31 lakh operational holdings in 1960-61 over an area 18.75 lakh acres. The average size of agricultural operational holding appreciably did not decline between 1953/54 to 1960/61. As per *Agriculture Census, 1970-71* holdings below 5 acres constituted 88.60% of total holdings, against 77.31% in 1960 and 73.34% in 1950. The statistics regarding size, number and area under operational holdings during 1960-61 is presented below:-

**Table 1.17:- Size, Number and Area Operated in J&K State, 1960-61**

Size of operational holdings (acres)	No. of operational holdings (1000 acres)	Percentage	Area (1000 acres)	Percentage
Up to 0.49	26	4.90	7	0.370
0.50-0.99	48	9.04	37	1.97
1.00-2.49	173	33.52	304	16.21
2.50-4.99	158	29.75	545	29.07
5.00-7.49	70	13.18	411	21.92
7.50-9.99	25	4.71	210	11.20
10.00-12.49	13	2.45	137	7.31
12.50-14.99	5	0.94	69	3.68
15.00-19.99	5	0.94	77	4.11
20.00 & above	3	0.57	23	4.16
Total	531	100	1875	100

Source: Agriculture census, 1970-71, J&K government, p.7

As per *agricultural census 2001*, the average size of operational holdings reduced to 0.66 hectares and there are 8.46 lakh holdings below 0.5 hectares size comprising 1.99 lakh hectares operational area, being cultivated (operated) by 3.02 lakh of population. Another category of cultivating households is the size class of operational holding 0.5-1.0 hectare, operating 2.30 lakh hectares of operational area comprising 3.49 lakh. The worst situation emerges when look at sub marginal holdings, i.e, holdings less than 0.5 hectare size. These holdings accounted 58.64 percent as per *Agricultural Census 2001* with average size 0.22 hectare comprising about 47 lakh persons. It means 4.7 million rural populations on an average have 4.4 kanal of land or less, far below the subsistence level thus having serious bottleneck to get two square meals from land.

The *8th Agriculture Census (2005-06)* depicts operational holdings under different size classes. The total number of operational holders has been worked out to be 13.77 lakhs and average size of operational holding was found out to be 0.67 hectare. About 94% of operational holders fall in the category of Marginal and Small farmers. About 5% of operational holders fall in semi-medium category holding, only 1% of the operational holders fall in the Medium category holding and only 0.04% of the operational holders fall in the large category holding.

Till 1965-66, traditional agricultural practices were followed. After 1966 the farmers adopted new agricultural improved practices by using high yielding



varieties of seeds (HYV) but limited to certain areas and some crops only as a humble beginning. A main factor responsible for adoption of this technology change was because of improved and assured irrigational facilities with high yielding crops. The benefits of technological changes accrued to only such areas and crops which enjoyed irrigation facilities and its impact on hilly agriculture was very low. Thus agricultural changes were area-specific and crop-specific.

#### DEVELOPMENT THROUGH DECADES

The development programmes in the state received a fillip with the introduction of 'Planning' in 1951. The launching of First FYP (1951-56) marked the elimination of age-old backwardness of State. The analysis of the table No. 1.18 brings some interesting facts. First, no important changes have taken place in respective plan priorities. Irrigation, power, transport and social services continued to remain areas of focus from 1<sup>st</sup> to 8th plan. From 8th plan onwards, rural development seems to be added objective of the state planning. Secondly there has been huge gap between the plan outlay and actual expenditure. This is presented in column No. 4.

Plan Period	FYP Outlay	Actual Expenditure	Gap (outlay & Expenditure)	Priority Sectors
1951-56-I	12.74	11.52	1.22	Irrigation, Power, Transport, Communication
1956-61-II	33.92	25.94	7.98	Agriculture, Irrigation, Transport, Communication & Social Services
1961-66-III	75.15	61.85	13.3	Irrigation, Social Service & Agriculture
1969-74-IV	158.40	162.84	4.44	Irrigation, Power, Social Service, Transport & Communication
1974-79-V	362.60	278.65	83.95	Irrigation, Power & Social Service
1980-85-VI	900.00	998.14	-98.14	Social Service, Irrigation, Power & Agriculture
1985-90-VII	1400.0	2006.23	606.23	Social Service, Irrigation, Power & Agriculture
1992-97-VIII	4000.0	4520.07	-520.07	Irrigation, Power & Social service
1997-02-IX	10000.0	7524.87	2475.13	Social service, Irrigation, Power, Agriculture & Rural Development
2002-07-X	14500.0	14172.47	327.53	Social service, Irrigation, Power, Agriculture & Rural Development
2007-12-XI	25834.0	21788.73	4045.27	Power, R&B, Education & Agriculture and Irrigation
2012-17-XII	43337.3	37163.85	6173.54	Agriculture, Infrastructure, Health, Education, Tourism

Source:- State Finance Commission Report, Govt. of J&K/Indicators of Economic Development (J&K) -2015-16 (DES)

Thirdly, gap between actual expenditure and plan outlay indicates that either outlays have not been carefully worked out or actual execution of

expenditure has remained faulty for reasons best known to planners and administrators whose activities are influenced by politicians.

The state continued to be the least industrialized among all states. A couple of factors, viz., high cost of production due to huge transportation expenses and expansive raw material, lack of good road network and lack of availability of power and violence also became disincentives for government to invest in the industry here. Furthermore, the absence of forward looking entrepreneurial elite in the state also acted as an impediment to the industrialization of the state.

Since the beginning of mid-1980s, the price has continuously risen. However, during the last quarter of financial year, 2008-09, the inflation rate started coming down mainly due to declining commodity prices and crude oil prices. The mild slowdown in the economy during 2000s resulted in production cuts over a wide spectrum of industries leading to unemployment. Then it is becomes necessary to ease money supply. The growth rate of National State Domestic Product viewed with inflation reflects positive correlation between NSDP and inflation in the State.

<b>Table 1.19:- Growth and Inflation in the J&amp;K Economy, Percent</b>				
Year	1980	1990	2000	2010
NSDP	2.44	3.54	4.27	6.06
Inflation Rate	4.4	7.8	14.2	11.36

Source: Digest of Economics, J&K, 2011, Various Issues

**Regression Method**

<i>NSDP</i>	<i>Linear</i>	$Y = 0.272x - 534.8$	$R^2 = 0.683$
<i>Inflation Rate</i>	<i>Linear</i>	$Y = 0.115x - 227.1$	$R^2 = 0.968$

Calculated

It supports *Structuralists* claimed that inflation is essential for economic growth, however, against monetarists who believe inflation as detrimental to economic progress. It is noticeable that Growth Rate of State Economy output is positively related to the total inflation rate of State Economy. The results of our regression models have clearly proved the Structuralist's theory of inflation which expresses that inflation is essential for economic growth, and it refutes the monetarist's view who believed that inflation is detrimental to economic progress.

The results of our regression models have also proved the *Phillips Curve* indirectly which explains the inverse relationship between inflation and unemployment. As know from the *Phillips Curve* that inflation and unemployment are negatively related whereas the relationship between inflation and growth rate is positive proved. Therefore, from it we can infer that the positive relationship between inflation and economic growth which indirectly represents the negative relationship between inflation and unemployment i.e. Phillips Curve. Therefore, our model indirectly represents negative relationship between inflation and unemployment if we assume that there exist a negative relationship between inflation and unemployment.

The results of our regression models have also proved the *Phillips Curve* indirectly which explains the inverse relationship between inflation and unemployment. As know from the Phillips Curve that inflation and unemployment are negatively related whereas the relationship between inflation and growth rate is positive proved. Therefore, from it we can infer that the positive relationship between inflation and economic growth which indirectly represents the negative relationship between inflation and unemployment i.e. Phillips Curve. Therefore, our model indirectly represents negative relationship between inflation and unemployment if we assume that there exist a negative relationship between inflation and unemployment.

#### **TREND OF FOOD CROP PRODUCTIVITY IN AGRO-CLIMATIC ZONES OF JAMMU AND KASHMIR, 1981-2011**

Agricultural productivity is an important indicator of agricultural development. It depends both on the physical as well as socio-economic factors, viz, climate, soil, irrigation, per capita income, literacy, sex ratio and occupational structure etc. Since the productivity data is not available at agro-climatic zone level, therefore the productivity of districts has been used to generate the productivity database for agro-climatic zones by using the ‘proportional weight age’ method.

As per various reports of *State Finance Commission*, the productivity of all the major crops grown in the state has increased over the period of time and the trend

of the major crops grown in different agro-climatic zones shows variation among themselves.

The temperature and precipitation regimes are different in the different parts of the state; therefore different types of crops are grown in different districts. Maize is dominant crop in the districts having more area under mountains like Kupwara, Rajouri, Poonch, Ramban, Doda, Kishtwar and Udhampur. Rice is dominant crop in all the districts of Kashmir valley except Kupwara and Srinagar. In Jammu province, Jammu district has substantial area under rice cultivation. In Ladakh province, millets, wheat and orchard cultivation is practiced.

The agricultural productivity varies from one region to another owing to the different soil types, climatic parameters etc. The productivity of paddy during 2011-12 is highly amounted in IJ (25/76 Q/ha) followed by 3J (22.99 Q/ha), maize is dominant crop in IJ (21.41 Q/ha) followed by 2J (18.97 Q/ha). And the productivity of wheat is maximum concentrated in L (19.39 Q/ha). Agro Climatic Zone L is bestowed with the productivity of wheat only, not paddy and maize.

It is observed that productivity of paddy is high in the areas of Jammu, Kathua, Samba districts in Jammu province and in Kashmir province, it is more in Jhelum valley floor (area on both sides of river Jhelum) including the areas of Anantnag, Kulgam, Pulwama, Srinagar, Baramulla, Bandipora and Kupwara districts.

It is evident that productivity of wheat is high in the Jammu and Ladakh division of the state. Kashmir Province has low to medium levels of productivity. The lowest productivity is found in Jhelum valley floor of Kashmir valley.

The productivity of paddy in the agro-climatic zones of Jammu and Kashmir has increased from 9.22 quintals/hectare to 21.97 quintals/hectare, thus implies a total increase of 12.50 quintals/hectare during these twenty eight years. The productivity has not increased much in the first fifteen years (1980-1995) and due to the use of improved seeds and fertilizers; it has increased at a fairly good rate in the last sixteen years (1995-2011). Three zones out of the total in the state have more productivity increase than state average (12.50 q/ha).

The productivity of paddy (1981-2011) in the agro-climatic zones for the State is depicted in the table below.

**Table 1.20:- Productivity of paddy in agro-climate zones of J&K State, 1981-2011**

Zone	Productivity of paddy (Quintals/hectare)							
	1980-81	1985-86	1990-91	1995-96	2000-01	2005-06	2011-12	Change (q/ha)
1K	8.84	9.72	10.96	12.57	14.73	16.84	21.87	<b>13.03</b>
2K	9.96	10.96	12.37	14.18	16.62	19.00	20.58	<b>10.62</b>
1J	10.66	11.90	13.10	15.49	18.32	22.73	25.76	<b>15.10</b>
2J	8.48	10.24	11.44	13.28	15.55	17.99	21.03	<b>12.55</b>
2 <sup>2</sup> J	8.70	9.57	10.66	12.01	13.91	16.22	21.12	<b>12.42</b>
3J	9.28	10.83	12.04	14.01	16.40	19.50	22.99	<b>13.71</b>
3 <sup>2</sup> J	8.80	10.26	11.17	12.86	15.08	17.29	20.38	<b>11.58</b>
4J	9.05	11.02	11.79	13.45	15.61	17.42	20.05	<b>11.00</b>
L	-	-	-	-	-	-	-	-
Mean	9.22	10.56	11.69	13.48	15.78	18.37	21.72	<b>12.50</b>

Source:- Compiled by using data obtained from Financial Commissioner's office, 2011

The highest productivity increase has been observed in zone 1J (15.10 q/ha), followed by 3J (13.71 q/ha) and 1k (13.03 q/ha), while as lowest increase is observed in zone 2k (10.62 q/ha) and 4J (11 q/ha). The productivity of rice is not possible in one zone of the state (zone L) because of the unfavorable geographical conditions for the growth of the crop.

The productivity of maize in all the agro-climatic zones of the state has increased. In absolute values, it has increased from 8.30 quintals/hectare in the year 1980 to 15.98 quintals/hectare 2011, thus implies a total increase of 7.67 quintals/hectare. Like paddy, the productivity has increased at a slower rate in the first 15 years. The highest increase in productivity among various zones is recorded in 2J (10.87 q/ha) and 1J (10.29 q/ha), while the lowest is observed in 3<sup>2</sup>J (4.11 q/ha) and 3J (5.51 q/ha). The productivity of maize in agro-climatic zones is in the table below.

**Table 1.21:- Productivity of maize in agro-climate zones of J&K State**

Zone	Productivity of maize (Quintals/hectare)							
	1980-81	1985-86	1990-91	1995-96	2000-01	2005-06	2011-12	Change
1K	5.71	6.08	6.88	7.88	8.94	10.26	12.9	<b>7.19</b>
2K	6.46	6.88	7.79	8.92	10.13	11.62	14.63	<b>8.17</b>
1J	11.12	12.15	13.25	14.56	15.74	17.81	21.41	<b>10.29</b>
2J	8.1	9.18	10.45	11.93	13.54	15.36	18.97	<b>10.87</b>
2 <sup>2</sup> J	8.53	9.75	10.87	12.77	14.94	17.7	17.03	<b>8.5</b>
3J	9.39	10.47	11.63	13.01	14.43	16.42	14.9	<b>5.51</b>
3 <sup>2</sup> J	8.24	9.44	10.67	12.37	14.22	16.55	12.35	<b>4.11</b>
4J	8.86	10.09	11.30	12.52	14.08	16.51	15.61	<b>6.75</b>
L	-	-	-	-	-	-	-	-
Mean	8.30	9.26	10.36	11.74	13.25	15.28	15.98	<b>7.67</b>

Source:- Compiled by using data obtained from Financial Commissioner's office, 2011

The productivity of wheat in agro-climatic zones also shows significant increase.

Zone	Productivity of Wheat (Quintals/hectare)							Change (q/ha)
	1980-81	1985-86	1990-91	1995-96	2000-01	2005-06	2011-12	
1K	5	5.62	6.44	7.46	8.45	9.82	12.37	<b>7.37</b>
2K	5.67	6.37	7.31	8.46	9.58	11.12	14.01	<b>8.34</b>
IJ	10.51	11.83	13.36	14.72	14.97	16.43	18.91	<b>8.40</b>
2J	7.01	8.04	9.78	12.04	13.64	15.45	18.87	<b>11.86</b>
2'J	7.3	8.55	9.98	11.65	13.71	16.3	19.09	<b>11.79</b>
3J	8.22	9.4	11.03	12.97	14.07	15.81	18.42	<b>10.2</b>
3'J	7.61	8.78	10.05	11.65	13.25	15.6	19.10	<b>11.49</b>
4J	7.86	9.16	10.04	11.63	12.7	15.01	18.84	<b>10.98</b>
L	7.5	8.59	9.77	11.30	13.51	15.72	19.39	<b>11.89</b>
Mean	7.41	8.48	9.75	11.32	12.65	14.59	17.67	<b>10.26</b>

Source:- Compiled by using data obtained from Financial Commissioner's office, 2011

#### BRIEF DESCRIPTION OF AGRO-CLIMATIC ZONES

Since all climatic zones are not feasible for agricultural crop growth because of high altitude. Therefore they have been designated as 'climatic zones' and not agro-climatic zones. The characteristics of both climatic and agro-climatic zones are highlighted in the below.

(I) **Zone 1K:** This zone covers the Jhelum valley floor in Kashmir Valley. Therefore being fertile, it is devoted to rice, maize and mustard cultivation. It receives adequate precipitation and the temperature is favourable for crop cultivation. The productivity of rice is more in this zone than zone 2K.

(II) **Zone 2K:** This zone lies between 1700-3000m and therefore besides rice and maize, orchard cultivation is dominant in this zone. The overall agricultural productivity in this zone is neither too low nor too high. It receives more precipitation but less temperature than zone 1K.

(III) **Zone 3K and 3'K:** These two zones lie above 3000m and therefore crop cultivation is not possible. These zones receive more precipitation especially in the form of snow. These zones cover substantial area of Bandipora, Ganderbal, Anantnag and Budgam districts of Kashmir valley.

(IV) **Zone 1J:** This zone has the lowest altitude (below 500m) and is basically an extension of Northern plains of India. It is very fertile and is known for 'Basmati rice' cultivation. It receives sufficient rainfall and adequate in isolation, therefore has highest productivity among all the zones.

(V) **Zone 2J:** This zone has an altitude of 500-1000m. It is adjacent to zone 1J and it includes the areas of Kathua and Udhampur. Maize is dominant crop in this zone followed by wheat and rice.

(VI) **Zone 2'J:** This zone occupies the areas of Rajouri and Samba districts. It is a productive zone and all the crops grown in this zone have high productivity. This zone receives sufficient rainfall and insolation.

(VII) **Zone 3J:** This zone lies between 1000-2000m and occupies the areas of Kathua, Jammu, Rajouri and Samba districts. It is agriculturally productive and also has substantial area (4131km<sup>2</sup>). Wheat, Rice and Maize are grown in this zone.

(VIII) **Zone 3'J:** This zone occupies the areas of Udhampur, Reasi, Poonch, Rajouri, Ramban and Doda districts. It has an altitude of 1000-1700m and occupies an area of 7732 km<sup>2</sup>. It receives maximum annual precipitation than other zones (1592mm/annum).

(IX) **Zone 4J:** This zone lies on higher altitude and therefore receives comparatively less insolation. It includes the areas of Kathua, Doda, Kishtwar and Poonch districts.

(X) **Zone L:** This zone occupies the areas of Leh and Kargil districts. It lies above 3000m. Millets, Barley and Wheat is grown. Besides, it is famous for apricot cultivation. It occupies highest area (93531 km<sup>2</sup>) among all the zones and being cold desert, it receives less precipitation (157mm/annum). The temperature is also low in this zone with mean maximum of 11.1 f C and mean minimum of -2.53 C.

(VII) **Zone 3J:** This zone lies between 1000-2000m and occupies the areas of Kathua, Jammu, Rajouri and Samba districts. It is agriculturally productive and also has substantial area (4131km<sup>2</sup>). Wheat, Rice and Maize are grown in this zone.

(VIII) **Zone 3'J:** This zone occupies the areas of Udhampur, Reasi, Poonch, Rajouri, Ramban and Doda districts. It has an altitude of 1000-1700m and occupies an area of 7732 km<sup>2</sup>. It receives maximum annual precipitation than other zones (1592mm/annum).

(IX) **Zone 4J:** This zone lies on higher altitude and therefore receives comparatively less insolation. It includes the areas of Kathua, Doda, Kishtwar and Poonch districts.

(X) **Zone L:** This zone occupies the areas of Leh and Kargil districts. It lies above 3000m. Millets, Barley and Wheat is grown. Besides, it is famous for apricot cultivation. It occupies highest area (93531 km<sup>2</sup>) among all the zones and being cold desert, it receives less precipitation (157mm/annum). The temperature is also low in this zone with mean maximum of 11.1 f C and mean minimum of -2.53 C.

(XI) **Zone 3K, 3'K, 5J, 5'J, and 5''J:** These five zones lie above 3000m altitude. Therefore these zones are not suitable for crop cultivation and so have been designated as climatic zones and not agro-climatic zones. Zone 3K and 3'K occupy the parts of Ganderbal, Bandipora, Kupwara and Budgam districts, while as zones located in Jammu division (5J, 5'J, and 5''J) occupy the parts of Kishtwar and Doda districts.

The productivity of wheat has increased from 7.41 quintals/hectare to 17.67 quintals/hectare, thus implies a total increase of 10.26 quintals/hectare. Like in case of paddy and maize, the productivity of wheat has also increased at a slower rate in the first fifteen years (1980-1995) than the last sixteen years (1995-2011) taken for the study. Regional variations in the increase in productivity are observed across different agro climatic zones of the study area. The highest increase is recorded in L (11.89 q/ha), followed by 2J (11.86 q/ha) and 2'J (11.79 q/ha), while the lowest is observed in 2k (8.34 q/ha) and 1k (7.37 q/ha).

#### LEVELS OF CROP PRODUCTIVITY IN AGRO-CLIMATIC ZONES, 2011

The determination and measurement of spatial variation of agricultural productivity is of vital importance for agricultural planning and development. The crop productivity among different agro-climatic zones of J&K, the productivity of the three crops discussed above has been taken. The agricultural productivity (indicators) of three crops in agro-climate zones is depicted in the table below:-

<b>Table 1.23: Agricultural productivity indicators in agro-climatic zones</b>			
Zone	Paddy (X <sub>1</sub> )	Wheat (X <sub>2</sub> )	Maize (X <sub>3</sub> )
1K	21.87	12.37	12.9
2K	20.58	14.01	14.63
IJ	25.76	18.91	21.41
2J	21.03	18.87	18.62
2'J	21.12	19.09	17.03
3J	22.99	18.42	14.9
3'J	20.38	19.10	12.35
4J	20.05	18.84	15.61
L	0	19.39	0
Total	173.78	159.01	127.45
Mean	21.72	17.67	15.93

Source:- Compiled by using tables 1.20, 1.21, 1.22, 2011-12

The indices for all the districts have also been calculated by taking state as 100 (for average composite index of 17.69) as given below.

Zone	Composite Index	Indices
IK	15.71	88
2K	16.40	92
IJ	21.96	123
2J	19.46	109
2'J	19.10	107
3J	18.75	105
3'J	17.32	97
4J	18.03	101
L	6.42	36
Average	18.39	103

Source:- Compiled from by using table 1.23

The range of composite indices varied across the agro-climatic zones from the minimum value of 36 in 'Zone L' including the areas of Leh and Kargil to the maximum of 123 in 'Zone 1J' including the areas of Jammu, Samba etc. which indicates that the former is highly advanced in the agricultural productivity and the latter is highly disadvantaged.

The zones which perform well in agricultural productivity are IJ (indices value between 110 and 130). The other zones (2J, 2'J, 3J and 4J) are comparatively less developed and have the indices value below 100 to 110. The composite indices of agricultural productivity of different agro-climatic zones in the state are grouped into four categories which are produced in the table.

Index Value	Above 110	100 to 110	90 -100	Below 90	Total
Category	High	Medium	Low	Very Low	
Name of Zones	IJ,	2J, 2'J, 3J, 4J	2K, 3'J	IK, L	
No. of Zones	01	04	02	02	09
Percentage area to zones total	11.1	44.4	22.2	22.2	100

Calculated

The lack of insitutionisation of economy in the state has been cited as one of the major reasons for the discontent and political alienation in Kashmir. The onset of armed militancy in the Kashmir in 1989 has been attributed by many to a total sense of desperation and stumbling block for the overall development of state, thus wrecked state economy to a large extent.

The age-old economic ties of the people living in the state, particularly on its borders, with those living on the other side of the frontiers had been cut off,



thereby shattering the entire economic structure which was so laboriously and diligently built through centuries (*TE Survey, 1969*). With the closure of the highways for trade after 1947, cost of living increased. Blocking the historical routes of the state and cutting off the centuries old cultural and trade connections with the neighbouring countries retarded the economic development of the state in general and some of the hilly areas in particular (*Dev. Strategies, 1960, ORF*).

To understand and analyse the conflict in its totality and to develop an approach towards conflict resolution, it is important to mention that the disastrous fallout of the fifty years of mismanagement get more exceeded by the inception of violence started since 1989. All economic sectors get daunted by the reverberation of armed militancy. The serious unemployment and economic downturn during the early phase of militancy, a large number of unemployed youth who belong to extremely poor sections of society joined militancy and also forced migration of Kashmiri Hindu and pundits took place due to fear. The economic sectors meanwhile failed to take off. The reason for this was not merely the landlock nature of state but the lack of capital investment and infrastructural resources destroyed by the ferocities exacerbated.

The distortion in the economy and the politics has led to a number of inner contradictions in the society of Kashmir, which due to prevailing political reasons, have remained generally unaddressed. More commonly the widows become economically dependent on the labour of their children with the result child labour trend increased and emerged in the state (*Rather, 2013*).

The economic wheel of the State is stagnant and it has far reaching consequence if it is not handled with care right now. It is the need of the hour to reinstate political stability, peace and communal harmony for bringing about reconstruction of the State. The Government should without delay concentrate on infrastructural development and bringing unemployed youth (idle brains) in the loop of economic development. Further militancy and militarization (occupied large productive land area) has ruined the state and reconstruction of economic sector and education sector are the need of the hour.

## **CHAPTER 2**

### **STATE OF ECONOMIC**

### **GROWTH AND DEVELOPMENT**

## **CHAPTER 2**

### **STATE OF ECONOMIC GROWTH AND DEVELOPMENT**

At the time of the birth of India and Pakistan, the state of Jammu & Kashmir with a population of four million people, most of it concentrated in the fertile valley of the Jhelum River of the Indus River system, was one of the least developed regions in the Indian sub-continent (*Bhargava, 1969*). The economy of the state was overwhelmingly rural and agricultural in character. Nearly 90 percent of people lived in villages and derived their livelihood from agricultural and related pursuits using traditional techniques. The extreme backwardness of the state was reflected by the abysmal mass poverty, deprivation, hunger, disease and ignorance. The electricity generation capacity was less than 5MW, communications were poorly developed in most parts of the state and the average life expectancy was only about 27 years (*Misri & Bhat 1994*).

With a view to present development performance of the state after Independence, Kashmir economy had a cataclysmic start from Post 1947. The state embarked upon its development process by the enactment of Big Landed Estates Act 1949-50, a radical land redistribution measure which abolished as many as 9 thousand Jagirs and Muafis. The 4.5 lac acres of land so expropriated was redistributed to tenants and landless. Land ceiling was fixed at 22.75 acres. It was followed by little or negligible social disturbance. Despite this, no compensation was paid to landlords. This measure set the stage for new economy. In the given circumstances, the land reforms proved sufficient to the economic condition of the countryside with the hitherto tenants in a position to own land and cultivate it for themselves (*Jamwal, 1994*).

However, the reforms though unprecedented in their nature and scale were not only pursued for their own sake but were also underpinned by an ambitious economic vision. *Naya Kashmir*, a vision statement of Shiekh Muhammad Abdullah, laid down more or less a comprehensive plan for a wholesome economic development of the state (*Copland, 1991*). But the dismissal of Shiekh Abdullah's legitimately elected government in 1953 by the centre changed all that. The consequent uncertainty which lingers even now created an adhocist

political culture animated more by vested interest than a commitment to the development of state. Such a scenario after some time also frittered away the salutary potential of the land reforms. While the radical land redistribution measure had a massive political will at its back.

However, the land reforms in rural Kashmir down the decades have only shown diminishing returns. Most of the arable land today is economically unviable. The average size of land-holdings has declined from 1.7 hectares in 1949-50 to 0.5 hectares in 1997-98. Almost 90 percent of arable land constitutes marginal and sub-marginal holdings. This has reduced the productivity from agriculture to a mere subsistence level. Subsequent developmental strategies failed to the steady agricultural decline (*Jasbeer, 2004*).

In fact, post land reforms, the development process in the state went astray. The successive state governments preferred market-led strategy of growth as against development-led strategy. As the market-led strategy ignored the growth of primary sector and put premium on the expansion of tertiary sector. This meant the provision of employment to educated group, yet unskilled youth became useless tool. This strategy more or less artificially withheld state's economy. A situation was created whereby the state witness falling economic avenues, lack of capital investment opportunities, and economic leakage effect and supply gap in primary and secondary sectors (*Rekhi, 1993*). An adhocist reliance on tertiary sector saw the massive public investment go into unproductive ventures particularly public administration which kept it bloating by the day; there was a corresponding decline in economic growth.

Tertiary sector being urban in nature, the policy thrust on it also distorted the priorities in rural sector. With Agriculture and allied sectors in decline and no agro-based industries to take over, government employment was the only livelihood option even for the rural youth. And it remains so even now. There was no effort to convert state agriculture into viable commercial farm enterprise, no structural transformation of horticulture and allied sectors of agriculture to encourage intra-farm migration of labour for gainful employment. As a result, the growth potential of farm sector remained unexploited which led to supply gap on

food front and according to experts, low multiplier effect on income and employment generating front. This also caused acute dependence of state for inputs and products from outside.

Since the Jammu & Kashmir State is lagging behind in diversified economic structure, as such the state economy is mostly dependent on Agriculture sector. Situation is not any better in primary sector where the proportion of net area sown to the total cropped area, average yield per hectare of land and production of food grains has been stagnant through 80s and much of the 90s. And from the last fifteen years it has been declining. This has created a situation where the imports constitute 80 per cent of the SDP which makes massive leakage effect leading to present crisis (*JK Digest, 2011-12*).

Amongst the allied Sectors of Agriculture, Live stock is an important component of primary sector. It contributes 17 percent to the GSDP of state according (*Annual Report, 2000-01, Department of Agriculture, J&K Govt.*). The state is highest consumer of mutton and milk in India. Jammu and Kashmir has the highest live stock population in the country, even though we are importing 45 percent of live stock from rest of the country. The cattle and poultry rearing provide gainful employment to small and marginal farmers.

Live stock has a prominent role to play in industrialization of the state. The live stock are a best source of raw material for Tanneries and leather Industry. They are a source of raw material to many industries and at the same time provide market to an industrial product. Hides and Skins, wool and bones are found in sufficient quantities in the state which constitute the main raw material for many such industries. All efforts are being made to achieve the all round development of Animal Husbandry in the state particularly in sheep, dairy and poultry farming (*Annual Report, 1999-2000, AHD, J&K*).

A good beginning has been made to the Poultry Farming in the state. However, they need to be encouraged by the Government by providing adequate financial support and technical know-how. This would also help in solving the unemployment problem to a great extent.

Prior to the turbulent period, the J&K economy was primarily based on agriculture and the service sector was dominated only by tourism. Tourism was identified as the engine of growth and development. However, militant activities since 1989 onwards, there was a colossal setback of it. History bears witness to the fact that whenever and wherever militancy or political instability found roots, the economy of that region became a major causality (*Bookman, 1991*).

While the feasibility of heavy industry in the state was thought to have geographical limitations, there was little effort, to develop the alternative Valley-friendly industry. The state's economic history offers plenty of evidence to underline this neglect and its fallout. While in 1980-81, the contribution of industry (Secondary) sector was 13 percent of state domestic product and gone down to 6% in 2000-01 (*Economic Survey, 2001-02, DES*).

Thus state is unable to generate resources on its own and depends considerably on central aid. Down the years, this dependence has only doubled as the table 2.1 below amply demonstrates. While the tax and non tax revenue has sharply declined as a percentage of total resources that of central grant-in-aid has correspondingly increased.

Year	Tax & non-tax revenue of J&K to total revenue	Grant-in-aid to total resources
1973-74	49.75	51.25
1977-78	43.98	56.02
1986-87	30.74	69.26
1997-98	18.76	81.24

Sources: State Finance Commission, various reports

Even the state has been bestowed by nature with suitable climate for enormous fruits. The opportunities were investigated in the state for exploiting vast potential of fruits under individual, joint venture and sponsored efforts. The area under fruits growing has been found 2.68 lakh hectares in 2005-06 that accelerated to 3.38 lakh hectares in 2016-17 and the production has increased from 14.13 lakh MTS in 2005-06 to 22.23 lakh MTS in 2016-17, recording an increase of 23.58 percent. The Area, Production and Productivity of fruits (All fruits) for the whole State of Jammu & Kashmir from 2005-06 to 2016-17 is depicted below:-

Year	Fruit	Area (in Het)	Production in Lakhs MTS	Productivity
2005-06	Fresh	1.75	12.89	7.36
	Dry	0.93	1.24	1.33
	Total	2.68	14.13	5.27
2006-07	Fresh	1.85	13.77	7.43
	Dry	0.99	1.31	1.33
	Total	2.84	15.08	5.31
2009-10	Fresh	2.10	15.35	7.31
	Dry	1.05	1.78	1.70
	Total	3.15	17.13	5.44
2010-11	Fresh	2.17	20.46	9.43
	Dry	1.08	1.76	1.63
	Total	3.25	22.22	6.84
2015-16	Fresh	2.42	22.18	9.16
	Dry	1.12	2.76	2.87
	Total	3.56	24.94	7.38
2016-17	Fresh	2.42	19.59	8.09
	Dry	0.97	2.76	2.84
	Total	3.38	22.35	6.59

Source: Digests of Statistics, Directorate of Economics and Statistics, J&K Government, various issues.

In order to understand the conflict from the internal perspective, it is important to focus on the 'identity economics of Kashmir'. As a result of prolonged conflict till now, the state's economy has been one of the slowest growing regional economies in South Asia. That is why it is among the poorer states of India. In 2001, it was the 6<sup>th</sup> poorest state in India in terms of PCY.

Insurgency has been a major factor over low productivity in agriculture and industrial sector. It leads poor industrial infrastructure along with the poor investment that has left the industrial sector in its infant stage which impeded employment and income generation. There has not been a suitable strategy for the potential sectors to achieve higher economic growth. Lack of good governance and sound fiscal management has also been responsible for poor economic growth of the state (*GK, September 24, 2007*).

Thus conflict and instability in the State have been a major hindrance to the region's development and progress and remains far from satisfactory. There is a vast array of literature on the same theme and the role of people in the middle of the two great regional powers of Pakistan and India (*Bose, 1999*).

## ANALYSIS OF DEVELOPMENT POTENTIAL

Economic growth in Jammu and Kashmir has been severely stifled due to security concerns. As a result, there are virtually no engines of job creation and resources are used inefficiently and without long-term vision. Additionally, the lack of domestic industry has made the state heavily dependent upon central government financing. Moreover, Jammu & Kashmir has seen little in the way of foreign investment (*KSG, 1997*). While the state receives significant amounts of aid from the Indian government, most of that funding is used toward the state's immense bureaucracy, one plagued by corruption.

However, state does possess significant domestic resources that provide opportunities for economic development. Specifically, the agriculture, tourism, and infrastructure sectors hold significant development potential. Therefore, the benefits of successful projects focused on developing agricultural capacity will have a broad reach. Agriculture is a historically viable and sustainable industry in the region. Consequently, projects can focus on modernizing the industry instead of trying to incubate a new, untested industry. The mountainous geography within State presents a challenge to the modernization of transportation. Regardless, much of region remains environmentally appropriate for the agricultural projects underway (*Jones Z; Corey S; Bartosz S; & Tahir, 2010*).

The major inputs (land and labor) required to build up the industry are abundant in the State. Government has developed much of the human capital needed for the agricultural industry to flourish. Projects highlighting infrastructure, modernization, and the market aspect of the agriculture industry offer the most potential to alter economic circumstances in the near term and on a large scale (*Agriculture Dept, 2010, Govt. of J&K*).

The 2006 Task Force on Development of Jammu and Kashmir identified tourism as one of the main engines of growth in the region. The development of the tourist industry can have a significant impact on the overall growth of the state because of its ability to create direct and indirect employment, as well as growth in allied industries. Tourism will likely contribute to the growth of secondary sectors such as handicrafts, which have historically benefitted to the state from



visitors. By generating new employment and creating sources of income, especially for unemployed youth, tourism can undermine the sources of separatist recruitment. In 1998, unemployment in Jammu and Kashmir stood at 700,000 (*JK Economic Survey, 2002, DSE*). As tourism is widely recognized as a major mechanism of employment generation and holds significant potential for alleviating youth unemployment, thereby eroding separatist support.

Landlocked and distant from major markets of India, Jammu and Kashmir faces high transportation costs, making it harder for the state to compensate for the drawbacks of the small size of its domestic market. While a weakness in both public and private sector capacity is a key concern for the state, the geographical spread of the state adds a further dimension to the challenge, as internal distances are quite large and the population highly decentralized. Deficiencies in the institutional capacity of J&K reduce the state's ability to participate fully in trade activities, both of which harm its economy.

Jammu and Kashmir possesses significant potential in the area of energy production. The state's waterways have the capacity to generate 16,480 megawatts of hydroelectric power (*Digest, DES, 2011-12*), nearly equivalent to the total generating capability of the United States (*U.S. Energy Information Agency, 2010*). If this is efficiently harnessed, the state could become a major energy producer in the region, supplying electric power to northern India, Pakistan, and Central Asia.

#### ABSOLUTE LEVEL OF DEVELOPMENT

Although Jammu and Kashmir is far from achieving independent economic viability, the rise in the region's absolute development level carries the potential for increasing separatist sentiment. The economic growth in Jammu and Kashmir may be used by those favoring secession as an economic argument to promote the ability of the state to survive independently. On the other hand, a decrease in economic growth has been found to be strongly associated with greater likelihood for conflict (*Miguel, Satyanath, & Sergenti, 2003*). Consequently, the effect of absolute development in J&K will depend on the

overall strategy employed in addressing the specific risk and opportunity areas within the context of social, political, and economic environments.

Successful agricultural development will lead to increased income for a large portion of Jammu and Kashmir. This can lead to a perceptible rise in the level of overall development in the state, particularly in rural areas where the income from farming has not been strong. This improvement in the absolute level of development may increase secessionist sentiment as residents perceive the region is more viable as a free-standing entity (*Report of ADS, 2010*).

Meaningful growth of the tourism sector will necessarily influence expansion in allied sectors, leading to an overall rise in state income. This will strengthen state's economic viability. However, the likelihood that the resulting absolute growth will contribute to secessionism will probably remain low because current projects are firmly tied to larger national development plans and depend on national funding. In addition, the extent to which tourism depends on regional peace and stability further undermines the feasibility and success of separatist conflict (*Tourism Department, J&K, 2010*).

Improvements to the state's transportation, communication, and power infrastructure will lead to increased income in the region by facilitating increased productivity. Improved road and rail will increase the accessibility of tourist destinations and market access to Kashmiri goods. In this way, infrastructure can be a catalyst, enhancing the effect of improvements in the agriculture and tourism sectors. As such, infrastructure development must be coupled with development in major industries such as agriculture and tourism that can take advantage of the increased capacity (*Schaffer, T. C. 2005*).

#### RELATIVE LEVEL OF DEVELOPMENT

When viewed in the context of Jammu and Kashmir, relative level of development is principally a function of the degree to which benefits from economic development accrue disproportionately to any particular district or social group. Development that creates interregional disparity in income through resource draining or exploitative strategies effectively cancels out any positive effects on the region as a whole.

The economic underdevelopment of the state, coupled with perceived political discrimination, tends to fuel secessionist sentiments when the affected population is not ethnically representative of the nation as a whole (*Lewis, Mitra, & Alison, 1996*). This happens to be the case in Jammu and Kashmir, where Muslims represent two-thirds of the population and exhibited the highest levels of separatist sentiment and insurgent violence, with the result economic activity has been most disrupted. Jammu, on the other hand, enjoys better location and transport infrastructure. Residents of the Kashmir Valley complain that central development programs tend to disproportionately benefit Jammu (*Schaffer, 2005*). Economic projects in the state must be chosen not on the basis of their convenience or ease of implementation, but rather on their potential to produce equitable development across all districts and social groups. Failure to do so will exacerbate existing inequity continuing to fuel separatist sentiment.

As income from agriculture rises, so will average income levels across the state. Urban dwellers will further increase their incomes, which are already high relative to the state as a whole. More importantly, rural dwellers, which have low incomes relative to all of state, will see their incomes climb closer to the national average. Equalizing rural income, relative to the rest of India, will reduce feelings of economic injustice.

The extent to which tourism development is equitably pursued among all three regions will determine its effect on minimizing ethno-religious grievances between Muslims and Hindus. The positive effect of tourism development on allied sectors will contribute to the overall rise in state income, thereby helping to decrease income inequality with respect to the rest of India (*Tourism Dept, J&K, 2007, retrieved 2010*).

Infrastructure development will enhance the effects of agriculture and tourism projects by increasing efficiency and improving market access. An additional factor for consideration is the potential impact of power generation infrastructure for the J&K as a whole. The potential for sustainable hydropower generation is exceptionally large. However, one must consider the feasibility of exploiting all available resources and the time necessary to implement such

projects. It is unlikely that the region will produce sufficient electric power that it could become a net power exporter in the near future. Additionally, treaty complications with Pakistan for water use rights complicate fully exploiting the region's hydro resources, particularly if the benefits are conferred principally to India-controlled Jammu and Kashmir (*Digest, (DES), 2011-12*).

#### TRADE DEPENDENCY

An independent Jammu and Kashmir cannot be economically viable in its current state. However, the less that the state is integrated into the national economy, the higher the likelihood for secessionist sentiment to persist. If the state and central authorities continue to be perceived as ineffective or unwilling to invest in local development, secessionist sentiment will continue to fester and the risk of conflict will likely increase. Therefore, effective development measures would encourage domestic trade and investment linkages to substantially deepen economic integration with the rest of India.

Much of the developments in the agricultural sector come from increased access to export markets (via India). This makes trade more dependent on nation. Increased trade dependency reduces residents' desire to secede (*Kraska, 2003*).

Tourism as a service sector commodity presents significant export potential that ongoing and future development plans aim to address. However, tourism is distinct in that it moves consumers to the "product" rather than transporting the product to consumers. It is thus intricately tied to other industries such as agriculture, land, and labor. Therefore, the tourist industry's trade dependence significantly is influenced by the level of dependence in other sectors of the economy (*JK Economic survey, 2012*).

Improvements to the state's transportation and communication infrastructure will facilitate deeper economic integration with the rest of India by allowing Kashmiri goods to flow out and tourists to flow in. While there is the potential that these infrastructure improvements will open Kashmir to the global economy, direct trade with international partners is unlikely to become large relative to trade with India (*Shekhawat, 2008*).

## NET CAPITAL FLOWS

Jammu and Kashmir is one of the largest recipients of grants from the central government, placing the state in a firmly positive net capital flow position and minimizing the associated risk of a rise in secessionist activity. This is unlikely to change in the foreseeable future as current development plans envision a further rise in investments across economic sectors. Central and state authorities also seek to expand private and foreign investment sources. In turn, the State is among the lowest contributors of PCY tax to the central government. As a result, the state's present net outflow position does not increase the risk of secessionism. It is crucial, however, that profits realized under the current development schemes be reinvested back in the local economy in order to avoid public perception of economic exploitation, which would likely lead to rise in secessionist sentiment (*Report of TFD, 2006, Retrieved, 2010*).

Jammu and Kashmir has a very favorable net capital flow position relative to India as a whole. Government put more money into the region than they withdraw in taxes. Increased trade dependency may involve a slight rise in outflow, as some agricultural profits will be drawn by firms outside J&K (*Report of TFD, 2010*). However, it seems unlikely this outflow will be substantial enough to overcome the large inflow of national development support. As long as they are widely perceived, continued positive net capital flows will reduce the desire of Kashmiri residents to secede.

Violence have prevented meaningful development and left the infrastructure in shambles. As such, substantial investment is needed to expand and modernize the industry. Because of this, tourism will likely be a source of a significant capital flow into the state. Boosting investment, therefore, carries the potential of significantly increasing net inflows, thereby likely reducing insurgency. Attracting foreign tourism and investment is crucial in this regard, as tourists from abroad will bring in needed foreign currency.

Infrastructure development projects in Jammu and Kashmir had required significant capital investment from the Indian government and continue to require funding for the foreseeable future. As such, the Railway Link throughout whole

valley, from several years for completion continues to draw funding from the central government. Other projects such as roads and telecommunications infrastructure completed over a shorter time period (*Shekhawat, 2008*).

By increasing transportation costs, the risk of economic leakage increases. This loss of funds may create the perception that foreign businesses are profiting at the expense of local stakeholders. This perception may arise despite absolute gains from trade in goods and services if residents of J&K State perceive a net loss in capital. This perceived loss will reduce the positive capital flows. Development of electric power generation infrastructure may produce similar effects if profits accrue mainly to national utilities located outside the state.

#### ECONOMIC DECENTRALIZATION

Jammu and Kashmir occupies a semi-autonomous position within India. This boosts the perception and practicality of its viability as an independent entity and, in turn, contributes to a rise in secessionist sentiment. The higher degree of decentralization in Jammu and Kashmir relative to the rest of India, however, is offset by the high level of economic integration and trade dependence with the national economy. Current development plans call for the expansion of private sector and small business ventures, which will contribute to increased decentralization of the local economy. However, this effect will likely be curbed by Jammu and Kashmir's continued reliance on Indian markets and trade networks and may even decrease with the deepening of the state's economic integration with the rest of India. The bulk of agriculture development schemes, while planned and funded at the national level, are implemented by state institutions. Any secessionist sentiment fueled by this decentralization of economic power will be tempered by the heavy financial reliance on the national government, insofar as this reliance is popularly perceived.

Although central and state authorities collaborate in creating development strategies, including a greater focus on private-sector investment and state-level implementation, overall investment and coordination is conducted predominantly at the national level. Consequently, as long as state development authorities continue to depend on central funding, the risk of heightened violence resulting

from economic decentralization will remain low. The development of the state's infrastructure is highly dependent upon central support for the duration of project and beyond, related to initial construction and later maintenance (*Rao, 2009*).

Jammu and Kashmir relies almost entirely on central funding while generating virtually no resources of its own. The hostile environment has severely discouraged private investment and enterprise. By necessity, successful development projects require funding and central coordination from the Indian government, creating critical linkages between local and national institutions. Current Indian development programs in Jammu and Kashmir stand to increase absolute levels of development reduce economic decentralization, increase net capital inflows, and increase trade dependence on India. While increased absolute levels of development carry the possibility of increased secessionism and achieve a level of development sufficiently high to contemplate self sufficiency which is extremely low. The effect on relative levels of development is significantly more ambiguous, as residents may not recognize an improvement in their economic position relative to the rest of the country.

It would, therefore, be necessary to put the economy back on the rails to enable the average person to get employment opportunities. This would require giving fillip to the economic activities that have traditionally been the mainstay of the State's economy and continue to hold significant potential for growth and employment. Such activities include Agriculture (including Horticulture), Handicrafts and Livestock on modern lines. It would be equally necessary to ensure diversification of the State economy, especially expanding the industrial base by generally have a traditional bent of mind. Diversification of agricultural activities is the need of the hour to keep up with the changed circumstances (*Report from DAC, 2007, retrieved 2010*).

The potential of Horticulture in J&K State is high, given the rich diversity in its flora and fauna and varied agro-climatic situation. The state enjoys monopoly in certain fruits, vegetables and medicinal plants and there is an immense scope for increasing the production of other horticulture produce that are marketed in rich and export markets. It is important that the limiting factors in

both production and marketing of fresh produce are addressed speedily and linkages between farmers and buyers are established by developing agricultural and horticultural mandies at faster pace and on modern and scientific lines. This would not only reduce supply chain costs but would also help the farmers with an assured market for their produce. Technological improvements are necessary to bring about lower costs in processing as well as reducing wastages in fruits.

Jammu and Kashmir has unexploited capacity to produce products which have value demand and ready for attractive markets both in India and Overseas (e.g. bio aromatics, medical herbs, organic vegetables etc.). To enable exploitation of these opportunities, major programmes are needed to educate farmers to change traditional production habits and grow market rewarded crops.

Potential for bringing additional area under Walnut is enormous. As per preliminary estimates (*Indicators of Regional Dev. 2011-12 (Part-I), DES*) about 0.50 lakh hactates are available on which walnut cultivation can be undertaken successfully. This will help to create green cover in hilly areas and conserve soil from erosion, besides, proving high value wood for wood carving industry, as well as walnuts for export purposes.

The food processing and horticulture industries are intimately related to areas of infrastructure that include processing facilities such as cold chain, refrigerator facilities, and transport by both rail and road to destination markets as well as market infrastructure for farmers to sell their produce on remunerative prices. This when addressed in totality would bring about a lower cost, high value delivering chain that can change the face of horticulture in the state. There is need to improve packing and standardization of the state's horticulture produce.

The three biggest employment generators in the region-tourism, horticulture and handicraft are facing their own challenges. While the handicrafts are facing a serious threat from cheap machine-made imitations and counterfeits which has affected the livelihood of around 2.5 lakh artisans of state. Tourism has been hit by prolonged and continuous shutdowns (*GK, Oct. 17, 2016*).

The two sectors namely handicrafts and horticulture has rescued the state's economy in the absence of tourism in the past two and half decades. The income



and exports from handicrafts alone has been Rs 1151 crore and Rs 1600 crore in the financial year 2016-17. Currently horticulture and handicrafts are hemmed in not only by an assortment of domestic problems; they also face severe pressures and competition from a globalizing economic regime. According to G M Ganai, former secretary Fruit Growers and Dealers Association, said “free trade under new WTO regime as a result of which fruits from a number of countries have posed a serious market challenge to Kashmir fruits” (*Report from Dept. of Horticulture, J&K, 2012*). The state Govt. must promote handicrafts industries by increasing shopping arcade in their existing properties and provide space for handicrafts industry to display their products.

The State of Jammu and Kashmir is rich in hydel power resources. The state power development corporation has estimated a total hydel power potential of 20000 MW and identified about 16000 MW for the four rivers in the state- Chenab (10853.81 MW), Jhelum (3141.3 MW), Indus (1598.7 MW) and Ravi (417.00 MW) (*JK Economic Survey, 2009-10*).

Despite the fact that the state could be among the frontline states owing to huge hydel power potential but it is presently facing an acute shortage of energy resources as the current generation is only 1658.59 MW where as the current demand on account of domestic, industrial, agricultural and other demands is estimated about 2000 MW. This acute deficiency in energy sector has impeded not only the industrial development but also the other ancillary sectors. If the power sector is fully developed, the state would certainly attain the status of power exporting states (*Indicators of Economic Development, DES -2015-16*).

What is needed, therefore, is the reconstruction of the enabling conditions for a functioning peacetime economy. Mere growth of economy cannot bring social justice unless it is coupled with employment generating opportunities for deprived and marginalized sections of the society. More poverty alleviation and developmental schemes should be in operated in the State with central assistance in order to curb and tackle the prevailing situation in the state.

## CHANGING STRUCTURE AND CONTRIBUTION OF VARIOUS ECONOMIC SECTORS

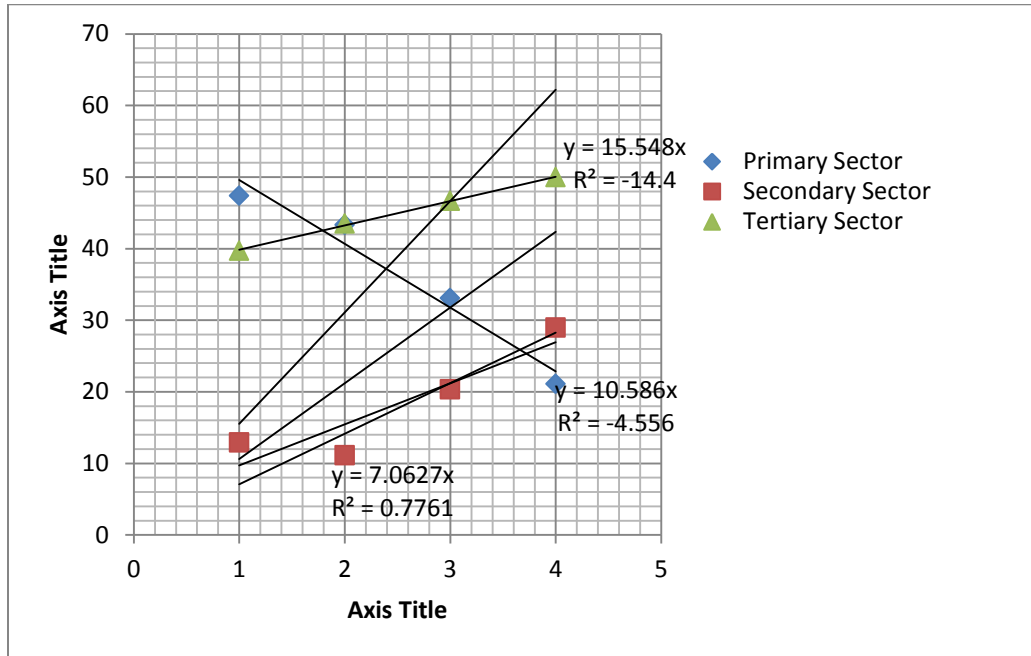
The Sector or activity wise composition of NSDP gives an idea of the relative position and contribution of a particular sector in the economy that facilitates to provide inputs to economists, policy makers planners etc. for formulation of plans for the overall economic development of the State. It is analysed primary sector played a leading role in NSDP and start to dwindle since 1980. However, contribution of tertiary sector particularly increased.

Sector wise (NSDP)		1980-81	1990-91	2000-01	2011-11
<b>Primary Sector (Agriculture)</b>		<b>47.40</b>	<b>43.29</b>	<b>33.01</b>	<b>21.10</b>
I	Agriculture including livestock	37.63	35.70	29.47	15.70
II	Forestry & Logging	8.96	6.97	2.68	4.61
III	Fishing	0.45	0.56	0.72	0.51
IV	Mining & Quarrying	0.36	0.06	0.14	0.28
<b>Secondary Sector (Industry)</b>		<b>12.90</b>	<b>13.90</b>	<b>20.34</b>	<b>28.94</b>
I	Manufacturing (registered Sector)	1.34	2.13	1.12	2.65
II	Manufacturing (Unregistered Sector)	3.31	3.41	2.21	3.82
III	Construction	7.65	9.96	11.21	19.82
IV	Electricity, gas & water supply	0.60	2.46	5.80	2.65
<b>Tertiary Sector (Services)</b>		<b>39.70</b>	<b>43.49</b>	<b>46.65</b>	<b>49.95</b>
I	Transport, Storage and Communication	0.82	0.37	8.20	7.97
II	Trade, hotels & Restaurants	17.16	16.48	8.20	7.97
III	Banking and Insurance	1.63	2.33	4.37	3.71
IV	Real estates, Ownership of dwellings and Business services	9.23	3.63	5.81	3.26
V	Public Administration	4.93	12.62	14.65	18.99
VI	Other Service	5.93	8.07	13.63	16.21

Source:- Directorate of Economics & Statistics, various issues

Judged in terms of NSDP, services sector is emerging as an important growth driver and the manufacturing sector is relatively stagnant while agricultural productivity has decreased significantly. It is a point of concern that the combined contribution from primary and secondary sectors is becoming less than the lone contribution from service sector which is a very unhealthy condition for sustaining growth in the long run. Consideration the scope of expansion in manufacturing sector and service sector, it is the only agriculture that can hold us back (*GK, January 29, 2013*).

## Regression Linear Type



However, urbanization pressure has directly impacted the size of land holdings (average holding size 0.67 hectares against 1.23 hectares in India as per latest *agriculture census, 2015-16* and area under cultivation (8% cultivable area and net area sown constitutes only 30% of the reporting area).

### PERFORMANCE OF PRIMARY AND NON-PRIMARY SECTORS

By examining the sectoral shares of primary and non primary sectors in NSDP in terms of percentage, at current prices, the share of primary sector was 47.29% in 1980-81, decreased to 21.10% in 2010-11, showing a decrease of almost 26 percentage points while as at constant prices (at 1993-94 prices), in 1980-81, the percentage share of primary sector was 47.40% which decreased to 21.98% in 2010-11, showing a decrease of almost 25 percent points. At current prices, in 1980-81 the percentage share of non-primary sector was 52.71 percent which increased to 78.90 percent in 2010-11, showing an increase of almost 26 percent while as at constant prices (1993-94 prices), in 1980-81, the percentage share of non-primary sector was 52.60 percent which increased to 78.02 percent in 2010-11, showing an increase of 25.42 percentage points. The share of Primary Sectors and Non-Primary Sectors in NSDP to state economy from 1981-2011 is shown in table below.

**Table 2.4:- Share of PS and NPSs in NSDP to State Economy, 1981-2011**  
(Percent)

Year	Primary Sector		Non-Primary Sector		NSDP	
	Constant Prices	Current Prices	Constant Prices	Current Prices	Constant Prices	Current Prices
1980-81	47.40	47.29	52.60	52.71	100	100
1985-86	44.84	41.19	55.16	58.81	100	100
1990-91	38.47	43.29	61.53	56.71	100	100
1995-96	39.58	38.06	60.42	61.94	100	100
2000-01	32.58	33.01	67.42	66.99	100	100
2005-06	30.70	29.03	69.30	70.97	100	100
2010-11	21.98	21.10	78.02	78.90	100	100

Sources: Directorate of Economics and Statistics, J&K Government, various issues

In terms of Kuznets analysis the relative share of manufacturing has to increase in the long run there by demonstrating industrialization taking place in the economy. But disaggregating the data of Jammu and Kashmir economy, the relative share of industry is accounted for, by construction to a greater degree, i.e; by about 19.82 percent and 2.65 percent accounted for manufacturing sector and its ancillary (table 2.3). In comparison to other northern growing states, J&K is greatly dependent. Most of the construction materials and much of the labour in construction industry are imported. Therefore, the investment opportunities and gainful economic pursuits particularly in terms of employment generation are not realized in the state.

The Jammu & Kashmir economy product contribution of the agricultural sector (*A-sector*) has been very limited because of stagnant non-agricultural sector (*non-A sector*). Market contribution has also been low because most of the factor inputs required by rural population are imported like tractors, fertilizers, pesticides and other agricultural implements.

Factor contribution has remained relatively much higher than product and market contribution because increases in rural incomes, because of growth of agricultural and tertiary sectors, have contributed significantly to capital formation which Kuznet terms as factor contribution. Further, agricultural sub-sectors like horticulture have contributed towards the foreign exchange earnings of the state which is not explicitly identified by Kuznets but is implicit in his

market contribution. In order to show the contribution of agriculture to NSDP (Net State Domestic Product), the following expressions have been used.

$$P = P_a + P_n \dots \dots (1) \text{ Whereas } P = \text{total national product } P_a = \text{agricultural net product,}$$

$$P_n = \text{non-agricultural net product}$$

$$\delta P = P_a + P_n \dots \dots (2)$$

Write  $r_a$  for  $P_a/P_a$ ,  $r_n$  for  $P_n/P_n$ :

$$\delta P = P_a r_a + P_n r_n \dots \dots (3)$$

$$P_a r_a = \delta P - P_n r_n \dots \dots (4)$$

$$P_a r_a / \delta P = 1 - P_n r_n / \delta P \dots \dots (5)$$

Substituting for  $\delta P$  on the RHS of equation (5) from equation (3):

$$\begin{aligned} P_a r_a / \delta P &= 1 - P_n r_n / P_a r_a + P_n r_n \\ &= P_a r_a + P_n r_n - P_n r_n / P_a r_a + P_n r_n \\ &= P_a r_a / P_a r_a + P_n r_n \\ &= 1 / (P_a r_a + P_n r_n) / P_a r_a \\ &= 1 / 1 + P_n r_n / P_a r_a \dots \dots \dots (6) \end{aligned}$$

Kuznets formula expressing an inverse relationship between agriculture's share of GDP growth ( $P_a r_a / \delta P$ ) and the product of the ratio of sectoral shares of GDP ( $P_n / P_a$ ) and the ratio of sectoral growth rates ( $r_n / r_a$ ) is given by equation (6).

On the basis of these equations, relevant estimates are present in the table below

P <sub>a</sub>		P <sub>n</sub>		r <sub>a</sub>		r <sub>n</sub>		P <sub>n</sub> /P <sub>a</sub>		r <sub>n</sub> /r <sub>a</sub>		P <sub>a</sub> /r <sub>a</sub>		δP/P	
1981 (TE)	2011 (TE)	1981 (TE)	2011 (TE)	1981 -95	1996-2011	1981 -95	1996-2011	1981	2011	1981	2011	1981	2011	1981	2011
47	22	53	78	2.41	3.50	4.14	9.48	1.13	3.55	1.72	2.71	1.94	9.62	2.27	1.54

Source: Digests of Statistics, Directorate of Economics and Statistics, J&K Government, various issues.  
 TE: Triennium Average  
 P<sub>a</sub> = A-sector (Primary Sector) share of NSDP  
 P<sub>n</sub> = Non-A sector (Non-Primary Sector) share of NSDP  
 r<sub>a</sub> = Average annual growth rate of A-sector product  
 r<sub>n</sub> = Average annual growth of non-A sector product  
 P<sub>a</sub>/r<sub>a</sub> = Ratio of A-sector to NSDP growth (derive from P<sub>a</sub>, P<sub>n</sub>, r<sub>a</sub>, r<sub>n</sub> using Kuznets formula)  
 δP/P = Average annual growth rate of NSDP

The above table clearly confirms various types of correlations explained by Kuznets Model of Structural transformation from primary to non-primary sector. The various types of correlations are as:

The percentage share of primary sector in NSDP was 47 percent where as the growth rate of non-primary sector was 4.14 percent in 1981 period. In 2011 period percentage share of NSDP decreased to 22 percent in primary sector while as the growth rate of the non-primary sector increased to 9.48 percent in the same time period. Therefore, shift of percentage share from primary to non-primary

sector leads to increase in the growth rate of non-primary sector which is a viable shift for overall economy.

The growth rate of primary sector and the growth rate of non-primary sector are directly related to each other. The growth rate of primary sector was 2.41% in 1981 where as the growth rate of non-primary sector was 4.41% in the same time period. The growth rate increased to 3.5% of primary sector in 2011 while as the growth rate of the non-primary sector increased to 9.48% in the same time period. Therefore, the ratio of non-primary percentage share to primary has increased from 1.13 to 3.55 where as the ratio of growth rate of non-primary to primary sectors has increased from 1.72 to 2.71. The Table again confirms the Kuznets model of inverse relation between  $P_a/r_a$  and  $\delta P/P$ .

Therefore, from the above discussion it becomes clear that the structural change from primary to non-primary sector is viable as it increases the growth rate of both the sectors. However, the growth rate of primary sector has not improved so much, i.e; it has not crossed 5 percent growth rate mark during the entire period. This is really a matter of concern for J&K state economy.

### **CRISIS IN GROWTH**

Jammu & Kashmir economy is facing crisis in the agriculture and industrial sector as these sectors are showing a dismal performance. The agricultural sector is showing a declining trend from 1960-61 onwards and industrial sector is showing a constant trend which amounts to stagnation in the classic sense. The dismal performance of these sectors is mainly due to lack of clear cut strategy. Most of the expenditure incurred on agriculture in the state, increased over the plan period, has been on minor irrigation.

Moreover the declining trend of primary sector can be attributed to the stagnation in food grain production from 1980-81 to 2010-11. The state of Jammu and Kashmir has not even become self sufficient in the production of agricultural commodities, both cereal and non-cereal. The production of total food grains stood at 15, 325 thousand quintals in the year 2003-04. While as in the succeeding year, the figure stood at 15, 027 thousand quintals means a decrease by 298 thousand quintals and further decreased to 15, 025 thousand quintals

during 2005-06. During 2010-11, import figure of food grains were accorded at 553.5 thousand metric tons. The second factor responsible for the slow growth of primary sector especially agriculture is rapid growth of marginal holdings. These small holdings are mostly sub divided and fragmented, and are not found in one complete block and hence un-economic. A delayed breakthrough in agriculture is mainly attributed to small holdings that defied the introduction of modern farm practices (*Digest, 2011-12, DES*).

Thus agriculture sector is emerging as un-viable economic enterprise in changing structure of the state economy. Since performance of agriculture forms the basis of growth and development of an economy as it has *multiplier effects* across the economy. Unfavorable climatic conditions and lack of irrigation in some areas is the stumbling block. Modern technology and equipments are put in use to increase the agricultural productivity but there seems yet long distance to be covered in this behalf. Thus, agriculture being the main component of primary sector and with half of the state's population deriving their income from agriculture and absorb huge chunk of population.

An important aspect responsible for underdevelopment of the state economy is the overdependence on imports to meet the growing needs of the population. The state is suffering from very large trade deficit. The steady increase in the import and export in terms of value of taxable goods is presented in the following 2.6 table.

Year	Value of taxable goods Imported	Value of taxable goods Exported	Export Import Ratio (E/I)	Trade Deficit
1990-91	1253.75	507.40	0.40	746.35
1994-95	2536.53	560.84	0.22	1975.69
2000-01	938.24	939.80	0.24	-1.56
2004-05	8173.64	2509.10	0.31	5664.54
2010-11	21986.26	12202.48	0.55	9783.78

Source: Commissioner Office (Srinagar), Dept of commercial Taxes, J&K Government.

The export-import ratio was 0.40 in 1990-91. For subsequent periods the estimates have been low the aforesaid estimates as 0.22 in 1994-95 then to 0.04 and 0.31 in 2001 and 2004-05 respectively. It is only 2010-11 that the figure showed marginal improvement and has raised to 0.55.

In absolute terms the trade deficit of the state went up from 746.35 to 9783.78 in 2010-11 except in the year 2000-01 when the figure is showing the negative figure (-1.56). Exports from state include handicraft products, horticulture products, skin and hides and turpentine and wood in raw form only in the absence of necessary industrial base. The reason behind the above analysis is that the state has failed to expand its productive capacity particularly in secondary sector. However the import and export of the state has increased since last two decades which is mainly attributed to the development in means of transport communication, besides banking and insurance.

The impact of tourism is extremely ambivalent. On the one hand, tourism plays an important and certainly positive role in the economic development, cultural exchange and further promotes international relations of state. On the other hand many hopes that were placed on tourism as an engine of economic development have been disappointed and strained due to violence. So tourism needs pertinent care on sound efficacies. It is demonstrated that the socio-cultural significance of tourism, measured in terms of employment is very large.

To sum up, it is observed that the industrial setup prior to 1947 was practically non-existent in Jammu and Kashmir. Agriculture was the principal sector contributing towards the economy but being feudal in nature, it hardly contributed towards the development of the state economy. After independence, due importance had been given to industrial and other sectors. However, still agriculture maintains its dominance. Even government on the industrial front despite announced various measures for boosting industrial growth could not promote industrial growth pretend ferocities surfaced since 1989. Furthermore, the weak infrastructure has hindered in the exploration of such resources.



## **CHAPTER 3**

### **REVIEW OF LITERATURE**

## **CHAPTER 3**

### **REVIEW OF LITERATURE**

In this chapter, an attempt has been made to study the research work carried out in the past from the point of view of their relevance to the present study “*Trends in Growth and Composition of Workforce Participation in Kashmir Economy Since 1980: Problems and Policy Measures*” provides a theoretical basis for the understanding of major issues linked to work force. It aims to present an outline of the theoretical and methodological underpinning of research until now done on this topic. The literature available on the topic has been divided into two sections. The first section pertains to investigate on the theme at international level, while the second section analyze the work at national level.

#### **Section 1: International Level**

Several important studies have been examined and explored at international level which catches attention at broad level.

Barry Eichengreen (1989) makes his remarkable work on “*Unemployment and Underemployment in Historical Perspective*” noting that unemployment is, of course, the single most controversial aspect of labor market behavior. The problems involved are fundamentally historical across countries. Labor market outcomes depend on institutions and conventions which have evolved in a fundamentally historical way. The structure and performance of labor markets can only be understood historically. They are the product of imperatives and events in the distant past. Equally, the effects of a specific set of labor market structures can only be identified historically. The obvious way of doing so is by comparing labor markets over time. Thus, study of unemployment and labor market dynamics is a fundamentally historical enterprise.

An extensive study has been made by Tella, R. D and MacCuulloch, R. (2002) having used eighteen years data for observation and presented a benefit system model by using data for developed countries from 1971 - 1989 year and find that the level of benefits falls when the unemployment rate is high.

Walter K. (2001) in a comprehensive study “*Distributive Conflict and The Great Trough in Unemployment*”, examined that the a focus on the formation of the Great Trough in unemployment after the Second World War is fruitful for testing competing hypotheses on the causes of unemployment and on its role in distributive conflict. The issue of the role of unemployment insurance for maintaining reservation wages of the unemployed leads into a discussion on the role of unemployment in distributive conflicts.

Reynaldo and Felicio (2005), used “*Worker Effect in Brazilian Metropolitan Area*”, evaluate the “added worker effect” (AWE) i.e. temporary participation of wives in labor force whose husbands have become unemployed in the six major Brazilian metropolitan areas. The results showed a positive AWE that is much more substantial than those investigated for the U.S economy. The finding of AWE for Brazil suggests that liquidity constraints prevent Brazilian male from consumption.

Akanda, M. A. I. (2005), made an analysis on “*Structural Changes in Land Use and Rural Livelihoods of Bangladesh,*” noted that the development of rural livelihood with the changes in land use and institutional supports. The outcome of this study provides some evidence-based justification for land use pattern, technological development and micro-credit that has influenced a structural change in rural livelihoods.

Martin G. and Alicia M. (2006) reported in the notable work “*Why Have Urban Poverty and Income Inequality Increased So Much? Argentina, 1991-2001*”, that trend in labor force and poverty among Argentina households during Nineties are correlated. The study found that changes in labor force participation are associated with a reduction in the poverty rate.

Lucifora, C and Biagi, F. (2008) investigated the effects of demographic and education changes on employment and unemployment rates in Europe by using a panel of European countries for the period of 1975-2002. The authors found that a structural shift in the population age structure plays an important role and that a significant share of variation in unemployment rates is also attributed to educational changes.

Thurik Roy, Carree and A. David et al (2008), investigated “*Does Self-Unemployment Reduce Unemployment*”, found the dynamic relationship between self-employment and unemployment rates. They examined that high unemployment rates may lead to self-employed activity and higher rates of self-employment may reduce unemployment in subsequent periods.

Bossaert D., Demmke C. & Timo Moilanen, (2012) conducted work on “*The Impact of Demographic Change and its Challenges for the Workforce in the European Public Sectors*” examined that the European public sectors are particularly affected by the demographic challenge and an ageing and shrinking workforce. European governments need to react and re-think major elements of current human resources and organisational management in the public sector. Particularly the skills in age management should be improved in order to also maintain in future a highly productive, competent and efficient public sector and to ensure that public employees stay longer ‘employable’, ‘healthy’, ‘fit for the job’ and ‘up to the task’. The survey suggests some solutions by investing more in three priority areas in the field of Human Resource Management.

Azeng, Therese & Thierry (2013), studied on “*Youth Unemployment and Political Instability in Selected Developing Countries*” evaluated that large rate of youth unemployment makes countries more unstable in general, and thus more prone to armed conflict. The work aims to empirically determine the effects of youth unemployment on political instability. Using fixed-effects regression with instrumental variables on a sample covering 24 developing countries over the period 1980-2010, found that youth unemployment is significantly associated with political instability.

## **Section 2: National Level**

In this section, relevant literature is reviewed and justified at national level. In this context, Gill R. (1966) conducted empirical study of surplus labor in Punjab agriculture and concluded that 28 percent of labor force in Punjab agriculture is surplus.

Fallen P. R, (1983), made an attempt on the work “*Education and the Duration of job search: An Empirical Analysis based on a survey of Delhi job*

*seekers*” investigated why job seekers tend to experience longer search. The empirical analysis based on a survey of Delhi job seekers indicates that duration of search is mainly determined by educational level. Higher the education level, longer the job search.

Singh R. N (1981) elucidated “*Occupational structure of Urban Centres of Eastern Uttar Pradesh*”. The researcher evaluated the nature, role and importance of activities related to trade and commerce in the urban centres of eastern Uttar Pradesh with the help of co-efficient of correlation and regression equation. The study found 36 out of 69 towns of the region to be specialized in trade and commerce. The study further grouped towns into various classes on the basis of functional specialization intensity. An attempt has also been made to analyze the nature and pattern of absorption of the growing population of the five cities by computing the various census data on occupational categories.

Ramotra, K. C. (1989) light on “*Female Work Participation: A Geographical Perspective with Special Reference to Marathwada*” and made deep introspection in connection of female work participation in any economic activity in India in general and in Marathwada in region of Maharashtra in particular. This study discusses some of the issues and constraints related to the female participation and try to identify the plausible casual factors responsible at macro and micro level variations.

Bhattacharya, B. B (1997), explored “*Changing Composition of Employment in Tertiary Sector*”. He concluded that tertiary sector accounts large percentage of employment not only in the developed countries but in the urban areas of developing countries also. The main purpose of this paper was the transformation of employment in the tertiary sector is associated with economic development.

Saika A. (2000) conducted a primary survey in 1994-95 “*Employment Pattern of Rural Women and their Involvement in Decision Making: A Case Study in Jorhat District of Assam*” and examined the role of women in crop production and allied activities in rural Assam. The main findings of the study are that working participation rate was 42 percent for females and 47 percent for males.

Sandaram K (2001) justified “*Employment-Unemployment Situation in the Nineties*”. He throws light on changes in the size and structure of workforce, labor productivity. The finding of the study shows a slow growth of work force relative to that of population and reduction in the share and size of the workforce in agriculture.

Dipak M and Sandip S (2008), worked entitled “*Globalisation, Labour Market and Inequality in India*” investigated that globalization improved the condition of labour market and reduces inequality in India.

T.S. Papola (2008), analyze on “*Employment Challenge and Strategies in India*” focused at the employment challenges faced by India within the framework of “ten core elements” identified by the Global Employment Agenda of the ILO. These elements relate to trade and investment, technological change, sustainable livelihoods, macro policy, entrepreneurship development, skills development, active labour market policies, social conditions of work and poverty reduction. The paper is an attempt to assess the extent to which these various elements find place in development strategies and policies in India, what progress has been made in the attainment of the goals that are implied in the Agenda and its elements, what are the gaps and emerging challenges in respect of each of them. It also highlights the efforts that are under way, if any, from a historical perspective and notes what conditions and institutional arrangements are further required to meet them. In this context, the author notes the poor quality of employment of the vast majority in India, especially in the informal economy, and analyses the evolving strategy for poverty alleviation through employment generation. He examines the poverty-employment nexus through distribution of the poor by their work status and reasons for poverty. He finds that the incidence of poverty is higher among the employed than the unemployed. The paper argues for the need to document the status of the qualitative dimensions of work in different sectors and estimate deficits of Decent Work to work out strategies and programmes for improvement of quality of work in various sectors and activities.

R. B. Bhagat and K. C. Das (2008), extensive work on “*Levels, Trends and Structure of Workforce in India: Census Based Study 1981-2001*” examined

that changes in the size, composition and distribution of population are closely associated with the demographic structure of workforce. On the other hand, the workforce participation rates vary according to the stages of economic development, across cultures, age groups, and between sexes. Indian economy has been predominantly agricultural which contributes about one third to the total economy and employs more than half of the workforce. The agriculture is understandably not able to absorb a significant number of additional workers. However, with modernization, urbanization and industrial development picking up, there is likely to be a shift in the occupational structure of the Indian workforce. Moreover, a major change in the economic policy has taken place in 1991 with the introduction of liberalization of Indian economy. It was expected to bring a qualitative shift in the occupational structure of the workforce.

G.S. Bhalla (2008) work on “*Globalisation and Employment Trends in India*” examined in the Indian context of post economic reforms the rate of growth of the economy and the rate of growth of employment had been accelerated. The quality of employment remains very poor for a major portion of workers and the conditions of work seem to have deteriorated in terms of social security and other amenities.

S. Mahendra Dev & M. Venkatanarayana (2011), attempt on “*Youth Employment and Unemployment in India*” observed that increase in the share of youth population due to demographic ‘dividend’ or the ‘youth bulge’ seems to be one of the sources of future economic growth in India. Although with increase in school and college enrolment rates, the proportion of youth in the labour force has been declining; their high proportions in the labour force indicate that the problem of youth unemployment and underemployment would remain a serious policy issue for many more years to come in India. In this context, this paper examines the employment and unemployment situation of the youth in India during the last two-and-half decades viz., 1983 to 2007-08. It analyses the trends in labour force and workforce participation rates, unemployment, joblessness, working poor, growth and employment elasticity etc. The paper also offers policy recommendations for increasing productive employment and reduction in

unemployment. The poor employability of the workforce would hamper the advantages due to demographic dividend if measures are not taken to improve the educational attainment and skill development of the youth

Maiti Moinak (2014) traced the brief account on “*Understanding the Employment challenges in India*” and examines unemployment and its impact and government measures taken to curb unemployment in the pre-liberalization and post- liberalization period in India. The study evaluated that employment in India is challenged by major factors like economic crisis, gap between curriculum and industry demand and jobless growth.

Therefore even enough work has been investigated at international or national level with widely varying concepts and estimates thrown up. Since each work has some relevance with the researcher’s topic under different approaches. Thus chapter gives us a bird’s eye view of various scholarly conceptions of work force and articulating orientation on this area of research.

A scanty evidences on the “*Trends in Growth and Composition of Workforce Participation in Kashmir Since 1980: Problems and Policy Measures*” have been located at state level in the form of articles which are published and unpublished. No reasonably research work is done til now at state level.



## **CHAPTER 4**

# **METHODOLOGY**

## **CHAPTER 4**

### **METHODOLOGY**

In the culture of violence, what became the victim was the voice of the people. An implication of armed militancy in Kashmir was the impact that it had on its mixed society. It was in the situation of collapse of the political order and failure of the state to maintain its authority that the mass exodus of the minority Kashmiri Pundits took place in the early turbulent phase of 80s. Kashmiri Pundits and Hindu though a miniscule minority, formed a very vital part of Kashmiri culture and society. The early turbulent period took place in the background of widespread economic discontent. Due to serious unemployment and economic downturn during the early phase, a large number of youth joined militancy and forced migration of Kashmiri Hindu and pundits took place to a large extent. This provided the space for mobilization of people and with the result entire pattern of employment was distorted.

Kashmir being a conflict ridden zone has far less opportunities for employment than rest of the other states. The brunt of violence resulted negligible investments with business marred by uncertainties.

To be meaningful, every work must have to formulate the objectives of the study. So in the light of research work, the following objectives are laid down for an in-depth study.

#### **Objectives**

1. To look the trends of workforce growth and changes in composition of workforce in respect of gender and geographical area since 1980s when the state was hit by violence which resulted human out-migration and economic downturn. Thus it becomes important to study the workforce since 1980 when large proportion of youth joined militancy and migration took place which distorted the occupational pattern of workforce.
2. The study will examine the sectoral changes in output and workforce.
3. To study historical legacy, social perception and labour market vacuum in the state.

4. To examine inherent problem bottlenecks and suggest appropriate remedial measures.

In the context of the present study, the following hypotheses are formulated and would be tested.

**H<sub>1</sub>:** Consequent upon conflict situation, the labour market vacuum is created by historical legacy and social perceptions.

**H<sub>2</sub>:** The turbulent sustenance resulted in demographic changes in certain sectors of economy

**H<sub>3</sub>:** Female workforce participation account less comparison to male workforce

**H<sub>4</sub>:** The workforce participation in the state demonstrates skewed distribution biased towards tertiary sector

For achieving these given objectives and testing the hypotheses the study is based on the primary and secondary data. The secondary data is collected from various sources like Census Reports, National Sample Surveys, Directorate of Economics and Statistics etc. Study work based on Secondary source, historical time series data on demography, work participation and various economic magnitudes. The study also evaluate government reports and other related unpublished work related to state of economy, population and demography and assess the trends attributed to turbulent conditions.

The primary data has been collected through sample survey. The sample designed for the study is Purposive Multi- Stage Stratified Random Sampling. The precision in statistical analysis also shall be substantiated by primary data collected based on sampling. The methodology used in this study was also attached with non-probability method with quantitative approach. Interview schedules were used to collect the data from the respondents. This was done so that both fractions of society illiterate and literate youth can be interviewed and views can be obtained. The interview schedule having close ended questions was used only to ensure the safety of the interviewers.

The open ended questionnaires would have created trouble. The process of data collection with the help of interview schedules took approximately three months.

## **CHAPTER 5**

# **TRENDS AND STRUCTURE OF OCCUPATIONAL PATTERN AND WORKFORCE**

## **CHAPTER 5**

### **TRENDS AND STRUCTURE OF OCCUPATIONAL PATTERN AND WORKFORCE**

The valley of Kashmir has gone through prolonged civil strife and unrest for more than three decades. The government took stock of the performance in major developmental programmes and highlights the policy initiatives. However, the drawbacks and disadvantages of the enduring unrest caused due to conflict have put the state in general and the valley in particular to tremendous economic and welfare hardships. As a result, there are virtually no engines of job creation and resources are used inefficiently and productive sources converted into unproductive factors (*JK digest, 2011-2012*).

The State of Jammu and Kashmir has been a continuous victim by violence and has been quite unfortunate with regard to political instability right from 1980. This prolonged cycle of unrest became the stumbling block for economic development and turned it into shambles. The state is a bone of contention between India and Pakistan and three wars have been fought between these two countries over this region and both have their own perspectives regarding the cause and course of conflict however, the people of Kashmir particularly youth are suffering the most and plunged into grief. Growth and development get retarded to a large extent. Due to serious unemployment and economic downturn during the early turbulent phase of 90s, a large number of youth joined militancy and also forced migration of Kashmiri Hindu and pundits took place to a large extent. Thus whole pattern of employment in the Jammu and Kashmir State was distorted (*Khan. 2016*).

Even before the turbulent period Jammu and Kashmir economy experienced a fairly high progress in terms for creation of job opportunities. There were major economic activities prevailing in the state. However, ferocity that spilled over since 1989 hit all the sectors badly. Subsequently strength of economic stability as well as employment opportunities eroded. The state revived to some extent depends upon the normalcy produced in the state. For instance,

peace process (Initiation of a Dialogue Process) was held in 2004 then recovery took place (Lovass, Mastrone et al, 2014). The two countries agreed that constructive dialogue would promote progress towards common objective of peace and economic development for the future generation. However, it remained quite vibrant till 2006 and start losing its momentum in 2007. The overall analysis of composite dialogue shows that it was a *zero sum game* and both sides have not achieved desired goals.

The state of Jammu and Kashmir is not a monolithic unit and there are serious regional differences. Being a conflict ridden zone, it has far less opportunities for employment than rest of the other states. With an underdeveloped industrial sector, there seems to be no immediate solution to create enough jobs (Habibullah, 2009). Lack of avenues to engage youth in meaningful ways drive youth towards the miscreants in this society and give unstinted support to the militants. In the absence of healthy sources of entertainment and competitive sports, they are inevitably going to be on the streets, either as mob or harmlessly wasting away their lives. Young populations across the world are generally seen as drivers of socio-economic growth, but in Kashmir, the youth bulge is a problem.

The brunt of violence resulted negligible investments with business marred by uncertainties. The Economic development is the first causality due to lack of “enduring peace”. Conflict creates macroeconomic instability and crisis volatility. The major costs of macroeconomic instability are significant in terms of welfare loss, increase in inequality, poverty and decline in long term growth. Jammu & Kashmir economy is experiencing abnormal volatility but “*crisis volatility*”. Crisis volatility is an extreme shock exceeding certain cut off points. The continued lockdown or curfews in the state due to unrest are the instance of Crisis volatility (JK Economy Survey, 2016-17).

The increasing population and unemployment is becomes a matter of concern over the years despite planned development. The numbers of educated unemployment is increasing and continue to inflate year after year. However, the avenues of employment generation have not increased proportionately. High incidence of

unemployment among the youth and the educated has emerged as an area of concern in the State. It reached at alarming dimensions which is ever increasing every passing year with thousands of educated and uneducated youth getting added to the list of unemployment largely due to economic distress and mismatch (*Nengroo, 2015*). The state has earned a distinction to have the highest number of unemployment rate in entire North India. As per the Annual EUS Report (2014) released by Labour Bureau under Union Ministry of Labour and Employment, Jammu & Kashmir has the highest unemployment rate of 10 percent in North India. It is pathetic to see highly educated persons belong to extremely poor sections aspiring for a low grade job in the uncertain and unrest circumstances.

Unemployment has become a lethal weapon now. The serious blockade has been the inability of youth to go abroad particularly in the Gulf Region for job. Kashmiri young is hardly getting passport and takes more than two years to get a passport card. It is abhorrent that government is unable to stop Kashmiri youth crossing over the LoC and returning with guns to create havoc but is reluctant to give passports to genuine persons trying to get some gainful employment abroad Normally in other parts of India a passport can be issued on the certificate given by any government officer.

Besides, critical climate also became obstacle to major and minor construction. Economic apotheosis activities are confined to few months of summer. Almost 90 percent skilled and unskilled labour migrates from Bihar, UP, West Bengal etc. to Kashmir Valley for few months of summer season.

The government adroitly must think about a long-term plan for unemployment youth. It has to devise a policy to channelize youth bulge constructively. Government should aware about the growing rate of unemployment sitting idle have a disastrous impact during the time to come in the conflict zone. The frustration of the youth is increasing rapidly which apart from increasing their alienation is converting them into a readymade material for destructive exploitation. It cannot be tackled by slogans and ad hoc measures. It requires a definite and clear policy with a time bound blue print to tackle various possible avenues of employment.

## TRENDS OF WORKFORCE AT ALL INDIA LEVEL

The size of employment in any country depends to a great extent on the level of development. Therefore, when a country makes progress and its production expands the employment opportunities grow. In India, during the past three decades production has increased in all the sectors of economy. In response to these developments the absolute level of employment has not grown. During the planning period unemployment in absolute terms has increased at national level. This has happened because during the first decades of planning, trend rate of growth was considerably lower than the targeted rate. Therefore, jobs in adequate number were not created. Economic growth by itself does not solve the problem of unemployment. *Prabhat Patnaik* has succinctly remarked, "A higher arithmetical figure of growth rate is neither a necessary nor a sufficient condition for alleviation of unemployment". In fact, there exists a real conflict between the objectives of economic growth and employment in the early phase of economic development. Examining this issue in the existing Indian context, *Prabhat Patnaik* has very correctly argued, "While growth per se means nothing for unemployment, this growth fetishism can be exploited by finance capital to wrest concessions to the detriment of employment objective".

B. Hazari and J. Krishnamurthy have brought out the conflict between growth and employment inherent in the Mahalanobis strategy which guided India's development efforts for about two decades. Basic assumption of economic planning in India was that growth would automatically solve the unemployment problem. However, this was not to be so. Until the FYP 1978-83 was formulated, this conflict was not recognized by the government. Since the adoption of neo-liberal economic policies in India since 1991, the government's obsession with the high rate of economic growth has made it completely oblivious to possible conflict between economic growth and the employment. Hence, in recent years, growth in India has been mostly "Jobless". This is substantiated by the fact that during 1990s and 2000s, unemployment has increased (*Misra & Puri, 2008*). Among the different demographic aspects, occupational pattern of a country play an important role in analyzing the population. Occupational distribution of a



country's population provides the information regarding the radiance of occupation and main source of livelihood. It also indicates the main source of production of GNP. Besides it throws light on the extent of labor force and population engaged in different sectors of economy. It has got practical importance too while framing the economic policy of the country with a view to provide gain full employment. In developing countries like India where economic policies have been adopted to achieve the objectives of optimum utilization of resources, occupational pattern is an integral part of the policy or economic planning (*Indian Economy, Misra & Puri, 2008*).

The change in modern developmental includes a relocation of workers from agriculture towards non-agricultural production and sector al shift is often reflected in a migration rural to urban areas since most of industries are often geographically concentrated in and around urban areas. Currently market differences exist in occupational structures of countries, in LDCs of Asia and Africa a sizable proportion of labor force is engaged in agriculture and other activities, whereas in Western Europe and North America, only a small percentage of laborers seek employment in this sector (*Roy, 2008*).

While India taking into account where the market for manufactured commodities is limited and less than 18 percent of its working force is employed in this sector. However in developed countries there are extensive markets for industrial products. Industries have been set up on a big scale which provides employment to majority of labor force. With the rise of PCY, trade grows and transport, communications and banking facilities expand in response to increase demand for their services. Consequently, the proportion of labor force in the tertiary sector increases. At present, in the U.S.A nearly two-thirds of the working populations are absorbed in this sector. In contrast, underdeveloped countries having one-fifth of its labor force absorbed in tertiary sector (*Uma, 2013-14*).

Today, India is counted among the most important emerging economies of the world but employment conditions in the country still remain poor. Even today the large proportion of workers engaged in agriculture (49%) contributes a mere 14% to the GDP. In contrast, the service sector contributes 58% of GDP barely

absorbs 27% of the employment and the share of manufacturing in both employments (13%) and GDP (16%) is much lower than in South-East Asian countries.

India's 520 million workers account for about one-sixth of total workforce of the world. In terms of size, it is next only to China, which accounts for nearly one-fourth of world's workforce. India has rather a low proportion of workers to total population, mainly due to low participation of women in work. It has a very low sex ratio in its labour force around 28 percent as compared to 40 percent in the world. Most of the workers have very low education and skill levels- only about 52 percent of the workers are educated as compared to 77 percent in the world as a whole (*Papola, Alakh et al., 2006, Retrieved 2012*).

Broadly, an economy is classified into primary sector, secondary sector and tertiary sector. Generally productivity in tertiary sector is very high. Hence transfer of population primary industries to secondary and eventually to tertiary activities is considered a reliable index of economic progress. Colin Clark in his book "*Conditions of Economic Progress*" argues that there is a close *relationship* between developments of an economy on the one hand and occupational Structure on the other and economic progress is generally associated with certain distinct necessary and predicable changes in occupational structure.

### **LABOUR FORCE GROWTH IN INDIA, 1981-2011**

The size of labour force depends on all economically active population including the unemployed. During the three decades period 1970 to 2011, labour force in India increased erratically more than double. It may be noted that the average rate of growth of labour force was 2.96 per cent per annum during the 1980s. It declined to 2.37 during 1990s but reversed subsequently to 2.78 in 2001 and 2.69 percent per annum in 2011.

<b>Table 3.1:- Growth of Labour force in India, 1981-2011</b>		
Year	Labour Force (in crore)	Average Annual Growth Rate
1981	24.20	2.96
1991	30.60	2.37
2001	40.22	2.78
2011	48.17	2.69

Source: Tata service Ltd, Statistical Outline of India, Excluding Assam and J&K

## SECTORAL EMPLOYMENT SHARES IN INDIA, 1983-2010

Majority of Indian workers were engaged in agriculture and allied activities. With economic development, agriculture is expected to decline in importance in terms of its share in employment and output. Proportion of agriculture in total employment has declined over the years: from 74 per cent in 1972-73 to 68 per cent in 1983, 60 per cent in 1993-94 and to 57 per cent in 2004-05. It has declined further to 51 per cent in 2009-10. But the decline in the employment share of agriculture has been much slower than in its share in GDP from agriculture. Thus, while share of agriculture in GDP declined from 41 per cent in 1972-73 to 15 per cent in 2009-10. That employment declined from 74 per cent to 51 per cent. Rate of decline in GDP share has been faster during 1993-94 to 2009-10, from 30 to 15 per cent, while the rate of decline in employment share has been relatively slow, from 64 to 51 per cent. The sectoral share of employment during the reference period is depicted in the table below:

Sector	1983-84		1993-94		2004-05		2009-10	
	Employ	Output	Emp	Output	Emp	Output	Empl	Output
<b>Primary Sector</b>	68.59	37.15	63.98	30.01	56.30	20.20	51.30	15.23
Mining & Quarrying	0.61	2.25	0.69	2.51	0.56	2.20	0.64	1.74
Manufacturing	10.63	14.52	10.63	14.46	12.27	12.15	11.50	15.41
Utilities	0.28	1.71	0.40	2.43	0.27	2.29	0.28	1.10
Construction	2.24	5.81	3.24	5.76	5.69	6.62	9.60	6.67
<b>Secondary Sector</b>	13.78	24.30	14.96	25.15	18.78	26.24	22.02	25.92
Trade & Hostelling	6.35	11.51	7.59	12.18	10.89	15.54	11.38	15.53
Transport & Comm.	2.49	5.99	2.87	6.62	4.08	10.25	4.48	14.00
Finance, Insur, Real est. & bus Services	0.83	8.31	0.97	12.17	1.71	13.53	2.25	15.64
Community, social & personal services	7.96	12.75	9.64	13.86	8.24	14.25	8.57	13.67
<b>Tertiary Sector</b>	17.63	38.56	21.07	44.84	24.92	53.56	26.67	58.84
All Non Agricultural	31.41	62.85	31.02	69.99	43.7	79.80	48.70	84.77
Total	100	100	100	100	100	100	100	100

Source: Estimates based on various rounds of NSSO data on employment and Unemployment

The decline in employment share of agriculture has been mostly compensated by an increase in the share of secondary sector in the pre-reform period but since the economic reforms the tertiary sector has been the main gainer

of the shift in employment. Yet increase in its employment share has not been commensurate with the increase in its share of GDP during 1993-94/2009-10. The share of secondary sector in employment has increased at a relatively faster rate while its share in GDP has remained constant at about one-fourth of the total. Within the secondary sector construction has sharply increased its share in employment. Manufacturing increased its share both in employment and GDP. In the tertiary sector, trade experienced fast increase in its share in employment and smaller increases in its share in GDP in the post-reform period but saw only a small increase in its employment. Financial services registered a fast increase both in its employment and GDP share, though its share in employment is small (2.25) and GDP (15.64). Community, social and personal services used in the tertiary sector, saw a marginal decline in the pre-reform period and is now the smallest in GDP, though it continues to be 2<sup>nd</sup> largest, after trade, in terms of employment.

The asymmetry in the rate of change in employment and GDP shares of different sectors has serious implications in terms of differences in earnings and income between different sectors. In 1972-73, agriculture employed 74 per cent workers and produced 41 percent of GDP. Per worker productivity and income in agriculture was significantly lower than non-agricultural activities even then ratio being 1:3.6. In 2009-10, the ratio has gone up to 1:6. Thus there has been a large decline in the relative earnings of agricultural workers. That is partly because agricultural growth has been consistently much lower than that in the non-agricultural sectors. Agriculture has grown at an average rate of 2 to 3 percent per annum as against 5 to 6.5 per cent growth in the non-agricultural sector during the period under consideration. But even if agriculture grew at a rate of about 4 percent per annum, as envisaged in Eleven FYP, it cannot employ many more persons productively. In other words, new jobs that are required to be created are not to be in agriculture, they have to come from the non-agricultural sectors. In a 25 to 30 years perspective, employment structure must be envisioned as consisting of about 30-35 percent in agriculture and 70-75 percent in non-agricultural activities. It would imply that all the new employment opportunities will be located in non-agriculture activities in the coming years.

## **OCCUPATIONAL DISTRIBUTION OF WORKFORCE IN INDIA, 1981-2011**

The occupational distribution of workforce by the sectoral distribution has been changed since 1981, particularly in the decade 1991-2011. Large proportion of labor force employed in the agricultural sector reflects the predominance of agriculture in the economy. The occupational distribution of workforce in India since 1981 in terms of percent is reflected in the table below.

<b>Occupational</b>	1981	1991	2001	2011
Agricultural and allied activities	68.7	66.9	56.7	49.04
Mining & Quarrying	0.6	0.6	0.6	0.5
<b>Total Primary Sector</b>	69.3	67.4	57.3	49.09
Household other than HH industry	11.3	9.4	13.9	12.6
Construction	1.6	1.9	3.7	5.57
<b>Total Secondary Sector</b>	12.9	12.1	17.6	18.2
Trade and Commerce	6.3	7.1	9.4	12.62
Transport, storage & communication	2.7	2.8	4.0	4.61
Other Services	8.8	10.5	11.8	12.51
<b>Total Tertiary Sector</b>	17.8	20.4	25.2	32.71
<b>Total</b>	100	100	100	100

Source: Various Issues, Census of India, Govt. of India

We notice that since 1980 there was a significant decline in the relative importance of agriculture. According to the 1981 census, agricultural and allied activities accounts 68.7 percent of labour force, secondary sector accounted 12.9 and tertiary sector accounts 17.8 percent. Thus, there is a significant rise in the percentage of labor force employed in the manufacturing and tertiary sector. The tertiary sector in India accounts more improvement. Tertiary sector got high priority, 17.8 percent to 32.71 percent during 1980-2011. This indicates significant improvement of the tertiary sector.

## **GROWTH AND ELASTICITY OF EMPLOYMENT IN INDIA, 1983-2010**

Aggregate employment has grown at an average annual rate of two per cent in India during the past four decades. However, a large part of this growth of employment simply indicates growth in labour force. It has seen a declining trend decade after decade. It was 2.44 per cent during 1972-73/1983, 2.02 percent during next 10 year period, 1.84 during 1993-94/2004-05, 1.50 during 1999-2000/2009/10 and 0.22 per cent during 2004-05/2009/10 (*NSSO Rounds*).

Between these decadal periods, some fluctuations were noted in shorter periods of 5 years. The most favorable interpretation of this upturn in employment growth in post-2000 period is that the teething troubles of economic reforms led to slow growth of employment initially were over by 2000 and globalization started having its beneficial effect on employment with the state of millennium.

Sector	1983/ 1993-94		1993-94 /2004-05		1999-2000 /2009-10		2004-05 /2009-10	
	Emp	Elast	Emp	Elast	Emp	Elast	Emp	Elast
<b>Primary Sector</b>	1.35	0.49	0.67	0.26	-0.13	-0.05	-1.63	-0.53
Mining & Quarrying	3.24	0.53	-0.08	-0.02	2.70	0.61	3.00	0.73
Manufacturing	2.00	0.41	3.17	0.47	1.95	0.25	-1.06	-0.11
Utilities	5.58	0.64	-1.86	-0.32	2.11	0.37	1.02	0.14
Construction	5.67	1.16	7.19	0.94	9.72	1.06	11.29	1.22
<b>Secondary Sector</b>	2.82	0.53	3.97	0.59	4.64	0.60	3.46	0.39
Trade, Hostelling etc.	3.77	0.67	5.24	0.61	2.54	0.30	1.10	0.12
Transport & Com. etc.	3.39	0.56	5.16	0.49	3.68	0.25	2.14	0.13
Finance, Ins., Real est. & bus. Services	3.58	0.39	7.23	0.99	7.68	0.81	5.77	0.47
Community, social & personal services	3.91	0.67	0.40	0.06	1.85	0.28	0.99	0.12
<b>Tertiary Sector</b>	3.77	0.57	3.41	0.43	2.83	0.30	1.59	0.14
All Non-Agricultural	3.36	0.55	3.64	0.48	3.61	0.41	2.41	0.23
Total	2.02	0.41	1.84	0.29	1.50	0.20	0.22	0.02

Source: Various rounds of NSSO data on employment and Unemployment

The fact that GDP growth was no better- was in fact lower during 2000-2005 than during 1994-2000, that most employment growth recorded during the later period was in the informal sector of which a large part was as self-employment in agriculture, and organized sector employment, in fact, saw an absolute decline, however, raise doubts about the high employment growth during 2000-2005 being demand-led and productive. A virtual stagnation in employment during 2004-05/2009-10 as revealed by the latest round of NSSO survey casts further doubt on the veracity of 2004-05 estimates. This has been largely due to sharp fall in women work force participation rate due to increase in schooling etc.

The long-term trend of decline in the rate of employment growth is, however, a fact that cannot be ignored. What is particularly intriguing is that this

decline has accompanied acceleration in the rate of employment. Thus when GDP grew at 4.7 percent per annum during 1972-73 to 1983, employment growth was 2.4 per cent, GDP growth increased to 5 percent but employment growth declined to 2.0 per cent during 1983/1993-94, during 1993-94/2004-05 GDP growth accelerated to 6.3 per cent but employment growth further declined to 1.8 per cent and during 2004-05/2009-10, when GDP growth was as high as 9 percent employment grew at an insignificant rate of 0.22 per cent. The declining trend in the employment content of growth is quite clearly seen in terms of the values of employment elasticity in the table. It was 0.52 during 1972-73/1983, declined to 0.41 in the next 10-year period and further to 0.29 during 1993-94/2004-05. During 2004-05/2009-10, it declined to almost zero.

The employment growth rates have of course varied across various sectors and activities. In secondary sector, consisting of mining, manufacturing, electricity, water and gas and construction, the growth has been relatively high, in fact the highest among the three sectors during the long period 1972-73 to 2009-10. It has declined over the period with some fluctuation over the shorter period, but has shown a significant increase during 1994-2005. Even during 2004-05/2009-10, when overall employment has virtually stagnated, it has grown at around 3.5 percent in the secondary sector. Employment growth in the tertiary sector has also been relatively high but has consistently declined over some periods. Growth of employment in the primary sector, as expected, has been the lowest and seen the sharpest decline, in fact, turned negative. Slow and declining growth of employment in agriculture is a result both of the slow and declining rate of GDP growth and a decline in the employment elasticity. In the secondary sector, a high employment growth despite moderate rates of GDP growth has been possible due to high and rising employment elasticity. But in the tertiary sector, even a high GDP growth has not been able to maintain a high growth in employment due to a steep decline in employment elasticity.

Within the secondary or industry sector, construction experienced a relatively high and increasing rate of employment growth. It was as high as over 7 per cent during 1994-2005, almost similar to its GDP growth. It has recorded 11

percent employment growth during 2004-05/2009-10, when total employment has virtually stagnated. Employment growth in manufacturing has also been moderately high and after declining during 1983/1993-94 over the earlier 10 years period, it registered an increase in the next period, 1994-2005 then again dwindled during 2004-05/2009-10. Employment elasticity in manufacturing has been relatively high except during 2005-2010 when it has, in fact, been negative.

In the service sector, trade and transport have shown the best employment performance, both registering a growth of over 5 per cent during 1994-2005, after having seen a decline in growth rate, sharper in transport than in trade, during 1983-94, over 1973-83. Financial services have recorded the highest increase in employment over the longer period 1983-2005 except during 1983/1993-94. Even during 2004-05/2009-10, this sub-sector of services has registered an employment growth of about 6 per cent, while trade and transport sub-sector experienced only about 1 to 2 percent growth in employment. Thus it appears that all sub-sectors of tertiary sector with the possible exception of community, social and personal services have shown reasonably high potential for employment generation.

It must be noted that in most sub-sectors of services, while GDP has seen a high and increasing growth rate, employment growth has been on a decline rate. Employment elasticity has, therefore, declined sharply from 0.81 during 1972-73/1983 to 0.30 during 1999-2000/2009-10 in trade from 0.91 to 0.25 in transport from 0.71 to 0.28 in community, social and personal services, although in financial services it increased during 1993-94/2009-10.

Thus, as a whole, it can be concluded that employment content of growth has declined over time. Of course, it has varied across sectors. Primary sector, consisting of mainly agriculture, has witnessed least employment growth which in itself is not worrisome as this sector is home to large bulk of surplus labour. The sub-sectors of tertiary sector such as financial services are linked to globalization have witnessed faster growth of employment. However, manufacturing sector which has significant *multiplier effects* with other sectors has not registered high growth of employment due primarily to low growth of output.



## **STATE WISE CLASSIFICATION OF WORKERS IN INDIA, 2011**

In a country like India with vast potential and diversity, the creation of an integrated workforce solution targets multiple areas to the stable employment growth. India is a big country both in terms of area and population. Apparently, it looks that workforce trends are quite different in different states. State level analysis brings comparison of workforce trend in terms of gender and area wise. Working population classified into main and marginal work force. We examined the total workers out of total population in respect of gender and geographical area of 2011 census. In 2011, there were 481 million working population in India, the second largest after China. Among all states in India Utter Pradesh is leading one having large proportion of work force and followed by Maharashtra. Utter Pradesh (658.1 lakh) (13.67 % All India Level) holds the top rank in total workforce and Manipur State having lowest (1.1 lakh) proportion of workforce amongst all states. In case of male working population, Utter Pradesh stood at first rank in India followed by Maharashtra. Similarly in the case of female working population, Maharashtra stood at first rank in India followed by Utter Pradesh which then followed by West Bengal. Among all the states, workforce participation rate of females in the rural sector was highest in Himachal Pradesh and in the urban sector it was highest in Mizoram. Utter Pradesh and Bihar having highest workforce population in rural areas amongst other States.

While considering Jammu & Kashmir State at national level, it possess 43.2 lakh total working population which accounts 0.89 percent at All India level. J&K State holds of 26.4 lakh main workers and 16.7 lakh of marginal workers that contributes 0.71 % of main workers and 1.34 % of marginal workers at All India Level. The State of Jammu and Kashmir have 31.9 lakh male working population and out which 23 lakh are significantly main workers. Furthermore, 11.2 lakh female working population and out of which only 3.3 lakh are main workers in Jammu and Kashmir State. It is further investigated from the below captioned categories of workers (Table 3.5) that J&K possessed large proportion of workers in rural areas and small in urban areas. The State wise classifications of workers (Census 2011) are reflected in the table below.

**Table 3.5:- State wise Classification of Workers (Census 2011) *in lakhs***

		Working Pop	Main Workers	Marginal Workers	Male Working	Male Main Workers	Female Working	Female Main Workers
All India	T	4817.4	3624.4	1192.9	3318.6	2731.4	1498.7	892.9
	R	3485.9	2457.4	1028.4	2267.6	1780.3	1218.3	677.1
	U	1331.4	1166.9	164.4	1051.0	951.1	280.4	215.8
J&K	T	43.2	26.4	16.7	31.9	23.0	11.2	3.3
	R	31.1	16.6	14.4	22.1	14.5	9.0	2.1
	U	12.0	9.7	2.3	9.8	8.5	2.2	1.2
Him. Pradesh	T	35.5	20.6	14.9	20.4	14.3	15.1	6.2
	R	32.8	18.2	14.6	18.3	12.4	14.5	5.7
	U	2.7	2.4	0.3	2.0	1.9	0.6	0.4
Punjab	T	98.9	84.5	14.4	80.7	72.6	18.2	11.8
	R	61.7	51.0	10.7	49.9	44.1	11.8	6.8
	U	37.1	33.4	3.7	30.7	28.4	6.3	4.9
Chandigarh	T	4.0	3.8	0.18	3.2	3.1	0.7	0.6
	R	0.1	0.11	0.006	0.1	0.1	0.001	0.01
	U	3.9	3.7	0.17	3.1	3.0	0.7	0.6
Uttarakhand	T	38.7	28.7	10.0	25.5	20.7	13.2	7.9
	R	28.8	19.9	8.8	17.2	13.2	11.5	6.7
	U	9.8	8.7	1.1	8.2	7.4	1.6	1.2
Haryana	T	89.1	70.1	19.0	68.0	58.6	21.0	11.5
	R	60.0	44.3	15.6	43.9	36.7	16.1	7.6
	U	29.1	25.7	3.3	24.1	21.8	4.9	3.9
Delhi	T	55.8	53.0	2.7	47.6	45.6	8.2	7.4
	R	1.3	1.1	0.1	1.1	1.0	0.1	0.1
	U	54.5	51.8	2.6	46.5	44.5	8.0	7.3
Rajasthan	T	298.8	210.5	88.2	182.9	152.4	115.8	58.1
	R	243.8	161.7	82.1	137.7	110.6	106.0	51.0
	U	55.0	48.8	6.1	45.2	41.7	9.7	7.1
U P	T	658.1	446.3	211.7	498.4	374.2	159.6	72.1
	R	519.5	335.3	184.1	383.5	278.1	135.9	57.2
	U	138.6	110.9	27.6	114.9	96.0	23.6	14.8
Bihar	T	347.2	213.5	133.6	252.2	172.7	95.0	40.8
	R	313.5	187.2	126.3	224.3	149.8	89.2	37.3
	U	33.6	26.3	7.2	27.8	22.8	5.7	3.5
Sikkim	T	3.0	2.3	0.7	1.9	1.6	1.1	.06
	R	2.4	1.7	0.7	1.4	1.1	0.9	0.5
	U	0.6	0.5	.007	0.4	0.4	0.1	0.1
Arunachal Pradesh	T	5.8	4.7	1.0	3.5	3.0	2.3	1.7
	R	4.7	3.7	0.9	2.6	2.2	2.0	1.5
	U	1.1	1.0	0.1	0.8	0.7	0.31	0.2
Nagaland	T	9.7	7.4	2.3	5.4	4.4	4.2	2.9
	R	7.6	5.6	1.9	4.0	3.1	3.5	2.5
	U	2.1	1.7	0.4	1.4	1.2	0.7	0.4
Manipur	T	1.1	8.5	3.0	6.6	5.5	4.9	3.0
	R	0.81	5.9	2.1	4.6	3.8	3.5	2.1
	U	0.34	2.6	0.8	2.0	1.7	1.4	0.9
Mizoram	T	4.8	4.1	0.7	2.9	2.6	1.9	1.5
	R	2.5	2.1	0.3	1.4	1.3	1.0	0.8
	U	2.3	1.9	0.3	1.4	1.2	0.8	0.6
Tripura	T	14.6	10.7	3.9	10.4	8.8	4.2	1.8
	R	11.1	7.7	3.3	7.6	6.3	3.4	1.3
	U	3.5	3.0	0.5	2.7	2.5	0.7	0.4
Meghalaya	T	11.8	9.2	2.6	7.0	5.8	4.8	0.3
	R	9.7	7.3	2.4	5.6	4.5	4.1	2.7
	U	2.1	1.9	0.2	1.4	1.3	0.7	0.6

Contd

		Working Pop	Main Workers	Margin. Workers	Male Working	M Main Workers	Female Working	F Main Workers
Assam	T	119.6	86.8	32.8	85.4	70.3	34.2	16.5
	R	103.6	73.1	30.5	72.5	58.8	31.1	14.3
	U	16.0	13.7	2.2	12.8	11.5	3.1	2.2
W B	T	347.5	256.8	90.6	267.1	216.7	80.4	40.0
	R	240.8	164.8	75.9	182.1	140.1	58.7	24.6
	U	106.7	91.9	14.7	85.0	76.5	21.6	15.3
Jharkhand	T	130.9	68.1	62.7	84.2	52.3	46.7	15.8
	R	107.7	48.8	58.9	648.4	35.6	42.9	13.2
	U	23.2	19.3	3.8	19.4	16.7	3.8	2.6
Odisha	T	175.4	107.0	68.3	119.0	87.9	56.3	19.1
	R	151.0	86.2	64.7	99.4	70.4	51.6	15.7
	U	24.3	20.8	3.5	19.6	17.4	4.7	3.3
Chhattisgarh	T	121.8	82.4	39.3	71.3	55.9	50.4	26.4
	R	100.6	63.6	36.9	55.2	41.1	45.4	22.5
	U	21.1	18.7	2.4	16.1	14.8	5.0	3.9
Madhya Pradesh	T	315.7	227.0	88.7	201.4	163.6	114.2	63.4
	R	247.1	167.2	79.8	147.4	114.8	99.7	52.4
	U	68.5	59.7	8.8	54.0	48.7	14.5	10.9
Gujarat	T	247.6	203.6	44.0	180.0	165.6	67.6	37.9
	R	155.7	118.7	36.9	101.7	91.4	53.9	27.3
	U	91.9	84.8	7.1	78.2	74.2	13.6	10.6
Daman & Diu	T	1.2	1.1	0.04	1.0	1.0	0.1	0.1
	R	0.2	0.2	0.01	0.18	0.2	0.04	0.03
	U	0.97	0.9	0.03	0.82	0.8	0.09	0.08
Dadra & Nagar Haveli	T	1.5	1.3	0.2	1.1	1.0	0.3	0.2
	R	0.8	0.6	0.24	0.5	0.4	0.28	0.13
	U	0.7	0.6	0.04	0.6	0.6	0.09	0.07
Maharashtra	T	494.2	437.6	56.6	326.1	299.8	168.1	137.7
	R	306.5	265.1	41.4	178.8	161.8	127.6	103.2
	U	187.7	172.5	15.2	147.2	138.0	40.4	34.5
Andhra Pradesh	T	394.2	330.3	63.8	241.8	214.6	152.3	11.5
	R	290.5	241.4	49.0	164.9	145.8	125.5	95.5
	U	103.7	88.9	14.7	76.8	68.7	26.8	20.2
Karnataka	T	278.7	233.9	44.7	182.7	163.4	96.0	70.4
	R	185.0	150.6	34.4	113.1	100.0	71.9	50.5
	U	93.7	83.3	10.3	69.5	63.4	24.1	19.8
Goa	T	5.7	4.7	1.0	4.1	3.5	1.5	1.19
	R	2.1	1.6	0.5	1.5	1.2	0.6	0.42
	U	3.6	3.1	0.5	2.6	2.3	0.9	0.76
Lakshad Weep	T	0.18	0.10	0.07	0.15	0.091	0.034	0.016
	R	0.04	0.02	0.024	0.037	0.02	0.018	0.003
	U	0.14	0.8	0.055	0.115	0.07	0.025	0.013
Kerala	T	116.1	93.2	22.8	84.5	71.7	31.6	21.4
	R	63.4	49.3	14.1	45.0	37.4	18.3	11.8
	U	52.7	43.9	8.7	39.4	34.3	13.3	9.6
Tamil Nadu	T	328.8	279.4	49.4	214.3	189.6	114.4	89.8
	R	188.6	153.3	35.2	112.1	95.5	76.4	57.8
	U	140.2	126.0	14.2	102.2	94.0	38.0	31.9
Puducherry	T	4.4	3.9	0.45	3.3	3.0	1.12	0.93
	R	1.4	1.2	0.25	1.05	0.91	0.42	0.31
	U	2.9	2.7	0.19	2.2	2.1	0.69	0.62
Andaman & Nicobar	T	1.5	1.2	0.26	1.20	1.03	0.31	0.22
	R	0.94	0.72	0.22	0.74	0.60	0.19	0.11
	U	0.58	0.5	0.004	0.46	0.43	0.11	0.10

Source: - Registrar General of India.

Note:- **Firstly**, India excludes population of that portion of Jammu & Kashmir which are under illegal occupation of Pakistan and China. **Secondly**, the Population of India and Manipur are excluding Mao. Mara, Palmate and Purl sub-division of Seagate district in Manipur.

## **TRENDS OF WORKFORCE IN JAMMU AND KASHMIR STATE, 1981**

At the 1981 census, a worker was defined as a person who had participated in any economically productive work during the last one year preceding the date of enumeration. According to this definition, workers include full-time workers, secondary workers and even such workers whose contribution to any economically productive work could even be considered insignificant. The workers were further classified into main and marginal workers. Main workers were determined on the basis of their having worked for the most part of the year i.e. six months or 183 days or more. Marginal workers on the other hand were those workers participated in any economically productive work for less than 6 months preceding the date of enumeration. For example, if a housewife, who mainly attended her household duties, assisted in cultivation or knitted a sweater in lieu of compensation was categorized as a marginal worker. *Adoption of the concept of "marginal workers"* is a special feature of *1981 census*. Persons who did not participate in any kind of work were treated as non-workers.

Workers were further classified into four broad industrial categories viz; cultivators, agricultural labourers, household industry (a list of a few typical industries that can be conducted on the household industry basis is appended at the end of this volume) and other workers. The other workers include workers in forestry, hunting, fishing, mining and quarrying, manufacturing and repairs, electricity, gas and water, construction, whole-sale and retail trade, restaurants, hotels, transport, storage and communications, financing, insurance, community and social and personal services and all public sector and local-self government employees. Thus a slight departure has been made in the presentation of 1981 data in the PCA from the 1971 census format in as much as instead of nine categories as in 1971. The main workers have been classified into four categories only. This has been done on the recommendations of the Planning Commission and Central Statistical Organization. The following statement gives percentage distribution of population of each sex into workers, marginal workers and non-workers in the State/Districts in 1981 along with the classification of main workers into four categories of the reference to the broad industrial categories of 1971 census.

<b>Table 3.6:- Distribution of workers by categories and sex, 1981 (Percent)</b>										
State/ District	Sex	Total Pop	Total workers	Main workers	Main workers				Margin workers	Non workers
					Cultivators	Agri Lab.	HH Indus	Other worker		
<b>J&amp;K</b>	<b>P</b>	<b>100</b>	<b>44.26</b>	<b>30.37</b>	<b>17.27</b>	<b>1.06</b>	<b>1.61</b>	<b>10.43</b>	<b>13.89</b>	<b>55.74</b>
	<b>M</b>	<b>100</b>	<b>55.81</b>	<b>52.20</b>	<b>29.33</b>	<b>1.89</b>	<b>2.48</b>	<b>18.50</b>	<b>3.61</b>	<b>44.19</b>
	<b>F</b>	<b>100</b>	<b>31.31</b>	<b>5.91</b>	<b>3.75</b>	<b>0.13</b>	<b>0.63</b>	<b>1.40</b>	<b>25.40</b>	<b>68.69</b>
Anantnag	P	100	42.44	31.67	20.80	0.88	1.42	8.57	10.77	57.56
	M	100	55.91	53.15	34.06	1.59	2.23	15.27	2.76	44.09
	F	100	27.27	7.49	5.86	0.10	0.51	1.02	19.78	72.73
Pulwama	P	100	50.70	29.04	19.03	0.59	1.48	7.94	21.66	49.30
	M	100	56.53	52.74	34.69	1.12	2.48	14.45	3.79	43.47
	F	100	44.19	2.60	1.56	0.01	0.36	0.67	41.59	55.81
Srinagar	P	100	34.90	30.12	5.02	0.81	4.40	19.89	4.78	65.10
	M	100	52.62	51.84	8.58	1.41	6.94	34.91	0.78	47.38
	F	100	14.60	5.25	0.95	0.12	1.48	2.70	9.35	85.40
Badgam	P	100	48.73	32.81	18.29	0.87	4.61	9.04	15.92	51.27
	M	100	58.65	56.58	32.36	1.62	6.75	15.85	2.07	41.35
	F	100	37.46	5.78	2.28	0.03	2.17	1.30	31.68	62.54
Baramula	P	100	45.44	31.43	18.09	1.21	2.60	9.53	14.01	54.56
	M	100	56.66	53.73	30.84	2.24	3.72	16.93	2.93	43.34
	F	100	32.56	5.81	3.44	0.04	1.31	1.02	26.75	67.44
Kupwara	P	100	48.86	30.37	22.18	2.09	0.68	5.42	18.49	51.14
	M	100	56.93	53.47	39.00	3.80	0.94	9.73	3.46	43.07
	F	100	39.46	3.47	2.58	0.09	0.39	0.41	35.99	60.54
Kargil	P	100	54.94	45.33	33.65	1.47	0.12	10.09	9.61	45.06
	M	100	59.53	55.05	34.42	2.57	0.11	17.95	4.48	40.47
	F	100	49.57	33.94	32.74	0.19	0.13	0.88	15.63	50.43
Leh	P	100	50.39	43.55	25.47	3.20	0.37	14.51	6.84	49.61
	M	100	59.46	57.13	29.67	3.29	0.21	23.96	2.33	40.54
	F	100	40.15	28.22	20.73	3.11	0.54	3.84	11.93	59.85
Doda	P	100	43.36	33.48	25.30	0.89	0.61	6.68	9.88	56.64
	M	100	55.52	51.29	37.03	1.61	1.00	11.65	4.23	44.48
	F	100	29.90	13.77	12.32	0.07	0.19	1.18	16.13	70.10
Udham Pur	P	100	54.58	31.62	21.90	0.25	0.38	9.09	22.96	45.42
	M	100	62.04	55.19	38.10	0.44	0.59	16.06	6.85	37.97
	F	100	46.35	5.62	4.02	0.03	0.16	1.41	40.73	53.65
Kathua	P	100	43.40	28.82	17.43	1.63	0.63	9.13	14.58	56.60
	M	100	55.34	50.62	30.49	2.97	1.05	16.11	4.72	44.66
	F	100	30.37	5.05	3.19	0.18	0.16	1.52	25.32	69.63
Jammu	P	100	39.43	26.66	11.20	1.46	0.41	13.59	12.77	60.57
	M	100	52.64	48.48	20.90	2.60	0.68	24.30	4.16	47.36
	F	100	25.02	2.86	0.63	0.21	0.11	1.91	22.16	74.98
Rajauri	P	100	44.98	27.59	20.22	0.36	0.41	6.60	17.39	55.02
	M	100	55.18	49.81	36.70	0.66	0.65	11.80	5.37	44.82
	F	100	33.73	3.08	2.04	0.03	0.14	0.87	30.65	66.27
Punch	P	100	46.54	27.72	20.45	1.12	0.52	5.63	18.82	53.46
	M	100	56.04	50.32	37.32	2.07	0.83	10.10	5.72	43.96
	F	100	35.86	2.31	1.47	0.05	0.19	0.60	33.55	64.14

Sources: Compiled from Census of India

Upon close scrutiny on data, that total workers (including marginal workers) constitute 44.26 percent of the total population of which 30.37 percent are main workers and 13.89 percent are marginal workers in the state. The remaining 55.74 percent are the non-workers. The distribution in respect of four categories reveals that cultivators constitute 17.27 percent while 10.43 percent are claimed by the category of other workers. Agricultural labourers and household industry respectively make up 1.06 percent and 1.61 percent only. As regards the male population 55.81 percent have been returned as workers of whom 52.20 percent are main workers and only 3.61 percent are marginal workers. In the case of female population, however, only 31.31 percent are workers amongst whom only 5.91 percent are main workers while 25.40 percent are marginal workers. As much as 68.69 percent of the female populations are just non-workers.

The sharp contrast in the proportion of main workers, marginal workers and non-workers among males and females is thus vividly noticeable. The proportion of main workers among males is disproportionately higher than that among females. On the other hand, the proportion of marginal workers and non-workers among females is relatively much higher than among males.

Down at the district level, the proportion of main workers is much higher than the state average of 30.37 in Kargil (45.33) and Leh (43.55). It is also slightly higher in Doda (33.48), Badgam (32.81), Anantnag (31.68), Udhampur (31.62) and Baramula (31.43). Similarly, the proportion of marginal workers is higher than the State average of 13.89 in Udhampur (22.96), Pulwama (21.66), Punch (18.82), Kupwara (18.49), Rajauri (17.39), Badgam (15.92), Kathua (14.58) and Baramula (14.01). Jammu district has returned the lowest proportion of main workers while Srinagar has returned the lowest proportion of marginal workers. The highest proportion of non-workers has been returned by Srinagar (65.10) followed closely by Jammu (60.57). Kargil on the other hand has returned the lowest proportion of non-workers (40.06).

Category-wise classification of main workers shows that the proportion of cultivators is the lowest in Srinagar (5.02) which can directly be attributed to the fact that the district has the smallest rural component. The corresponding

proportion is highest in Kargil (33.65). The proportion of cultivators is higher than the state average of 17.27 in other districts also, except in Jammu, where again because of the relatively larger urban component, this proportion is 11.20 percent only.

Agricultural labourers account a low proportion of 1.06 percent at state level. The proportion is slightly higher than state average in Leh (3.20), Kargil (1.47), Kathua (1.63), Jammu (1.46), Baramula (1.21) and Punch (1.12). Other districts have lower proportion of agricultural labourers.

The proportion of workers engaged in the HH industry sector is no better (1.61 percent) at State level. However the position is relatively better in case of Badgam (4.61), Srinagar (4.40) and Baramula (2.60).

The proportion of other-workers ranges 19.89 percent in case of Srinagar district and 5.42 percent in case of Kupwara while state average is 10.43. Apart from Srinagar, where this proportion is the highest, the only other districts having returned higher proportion of other workers than the state average are Leh (14.5) and Jammu (13.59).

As between the two sexes, the main workers among the females constitute a very small proportion in comparison to main workers among males while the proportion of marginal workers among the females is comparatively much higher both at State and district level. Among the district, however, Leh (Ladakh) has returned the highest proportion of males main workers (57.13), while Jammu has claimed lowest proportion (48.48). The disparity between the proportion of male and female main workers is widest in Badgam (50.80) and Udhampur (49.57), while this disparity is, much narrower in Kargil (21.11) and Leh (Ladakh) (28.91). The percentage distribution of marginal workers in different districts ranges between 6.85 in Udhampur and 0.78 in Srinagar in case of males, while in the case of females it ranges between 40.73 in Udhampur and 9.35 in case of Srinagar.

While the disparity between the proportions of males and females participating in marginal workers is wide in all the districts, the highest gap is

observed in Pulwama (37.80) while lowest gap is discernible in Leh (9.60) followed closely by Kargil (11.15).

The sex-wise percentage distribution of non-workers in various districts again shows a wide disparity between males and females, ranging between 38.02 in case of Srinagar and 9.96 in case of Kargil. The differential in the participation of male and female main workers into cultivators, agricultural labourers, household industry and other workers distributed in the various districts is also very significant. While the proportion of male cultivators' ranges between 39.0 in Kupwara and 8.58 in Srinagar. The corresponding female proportion ranges between 32.74 in Kargil and 0.63 in Jammu. The disparity in the proportion of males and females working as agricultural labourers is also very wide, among all the districts, except Leh where these proportions closely correspond to each other. The sex differential in favour of males is discernible in the proportion of workers engages in the household industry sector also in all districts except Leh and Kargil where it is adverse to males, although the proportions are practically negligible for either sex. The sex differential is preponderantly in favour of males in the proportion of other workers in all districts without any exception.

The disparity in percentage distribution of male and female non-workers ranges between 38.02 in case of Srinagar and 9.96 in case of Kargil.

The table indicated below provides information relating to distribution of 1000 persons, males and females of total, rural and urban areas among the main workers, marginal workers and non-workers by broad industrial categories of workers.



**Table 3.7:- Distribution of workers by sex, Census-1981 (Per 1000 persons)**

Districts	Total Workers			Main workers			Marginal workers			Non-workers
	Persons	Male	Female	P	M	F	P	M	F	P
<b>J &amp; K</b>	<b>442.60</b>	<b>558.11</b>	<b>313.11</b>	<b>303.71</b>	<b>521.97</b>	<b>59.06</b>	<b>138.87</b>	<b>36.14</b>	<b>254.01</b>	<b>557.70</b>
Anantnag	424.43	559.14	272.66	316.76	531.48	74.85	107.67	27.66	197.81	575.57
Pulwama	506.98	565.30	441.92	290.43	527.44	25.98	216.55	37.86	415.94	493.02
Srinagar	348.99	526.18	146.02	301.23	518.39	52.47	47.76	7.79	93.55	651.01
Badgam	487.33	586.47	374.62	328.09	565.78	57.86	157.24	20.69	316.76	512.67
Baramula	454.45	566.58	325.62	314.29	537.27	58.10	140.16	29.31	267.52	545.55
Kupwara	488.60	569.29	394.61	303.73	534.67	34.66	184.87	34.61	359.95	511.40
Kargil	549.45	595.33	495.67	453.30	550.51	339.37	96.15	44.82	156.30	450.55
Leh	503.88	594.60	401.53	435.47	571.29	282.24	68.41	23.31	119.29	496.12
Doda	433.60	555.23	299.03	334.76	512.91	137.67	98.84	42.32	161.36	566.40
Udhampur	545.81	620.42	463.48	316.22	551.87	56.21	229.59	68.55	407.27	454.19
Kathua	434.00	553.43	303.74	288.25	506.20	50.53	145.75	47.23	253.21	566.00
Jammu	394.26	526.45	250.21	266.56	484.87	28.64	127.70	41.58	221.57	605.74
Rajauri	449.81	551.76	337.32	275.88	498.04	30.77	173.93	53.72	306.55	550.19
Punch	465.41	560.43	358.55	277.22	503.19	23.09	188.19	57.24	335.46	534.59
<b>Rural</b>										
<b>J &amp; K</b>	<b>477.25</b>	<b>572.67</b>	<b>370.83</b>	<b>307.60</b>	<b>528.56</b>	<b>61.16</b>	<b>169.65</b>	<b>44.11</b>	<b>309.67</b>	<b>522.75</b>
Anantnag	436.03	563.77	292.02	319.35	534.12	77.25	116.68	29.65	214.77	563.97
Pulwama	518.98	568.89	463.26	291.03	529.10	25.21	227.95	39.79	438.05	481.02
Srinagar	523.22	598.73	437.74	332.37	569.08	64.41	190.85	29.65	373.33	476.78
Badgam	514.41	602.12	414.87	335.43	579.19	58.77	178.98	22.93	356.10	485.59
Baramula	474.58	576.40	357.60	317.72	543.81	57.98	156.86	32.59	299.62	525.42
Kupwara	488.66	569.43	394.70	303.09	535.06	34.72	184.76	34.28	359.98	511.34
Kargil	550.95	595.99	498.51	455.84	551.26	344.74	95.11	44.73	153.77	449.05
Leh	504.11	587.39	412.71	432.72	560.99	291.96	71.39	26.40	120.75	495.89
Doda	440.81	558.80	310.84	337.56	514.57	142.58	103.25	44.23	168.26	559.19
Udhampur	571.07	532.57	503.37	318.76	557.48	55.99	252.31	75.09	447.38	428.93
Kathua	451.60	560.70	332.97	289.31	508.47	51.01	162.29	52.23	281.96	548.40
Jammu	436.58	544.62	320.52	263.42	488.53	21.62	173.16	56.09	298.90	563.42
Rajauri	455.27	553.14	347.88	274.12	497.01	29.54	181.15	56.13	318.34	544.73
Punch	478.32	567.72	377.75	278.80	507.90	21.05	199.52	59.82	356.70	521.68
<b>Urban</b>										
<b>J &amp; K</b>	<b>312.66</b>	<b>504.12</b>	<b>93.83</b>	<b>289.22</b>	<b>497.54</b>	<b>51.11</b>	<b>23.44</b>	<b>6.58</b>	<b>42.72</b>	<b>687.34</b>
Anantnag	327.70	520.39	111.76	295.11	509.41	54.94	32.59	10.98	56.82	672.30
Pulwama	385.37	528.79	226.48	284.35	510.54	33.76	101.02	18.25	192.72	614.63
Srinagar	306.79	508.72	74.79	293.70	506.20	49.56	13.09	2.52	25.23	693.21
Badgam	322.71	491.87	128.39	283.49	484.77	52.27	39.22	7.10	76.12	677.29
Baramula	324.29	503.07	118.72	292.15	495.01	58.89	32.14	8.06	59.83	675.71
Kupwara	486.89	567.17	391.41	298.20	521.76	32.32	188.69	45.41	359.09	513.11
Kargil	522.82	584.25	441.81	408.28	537.89	237.34	114.54	46.36	204.47	477.18
Leh	502.29	639.31	315.25	454.23	635.14	207.27	48.06	4.17	107.98	497.71
Doda	318.98	500.44	103.77	290.30	487.41	56.53	28.68	13.03	47.24	681.02
Udhampur	306.08	506.46	80.10	292.04	499.26	58.35	14.04	7.20	21.75	693.93
Kathua	296.95	497.52	72.73	280.02	488.68	46.76	16.93	8.84	25.97	703.05
Jammu	293.83	484.31	78.98	274.01	476.40	45.73	19.82	7.91	33.25	706.17
Rajauri	350.85	528.02	135.26	307.65	515.82	54.33	43.20	12.20	80.93	649.15
Punch	274.01	452.07	75.01	253.76	433.08	53.34	20.25	18.99	21.67	725.99

Source: Census 1981

**Table 3.8:- Categories of Main Workers, 1981 Census (Per 1000)**

	Cultivators			Agricultural Labourers			Household Industry			Other workers		
	P	M	F	P	M	F	P	M	F	P	M	F
J & K	172.68	293.3	37.51	10.61	18.92	1.29	16.09	24.84	6.28	104.35	184.96	13.98
Anantnag	208.0	340.6	58.59	8.86	15.89	0.94	14.21	22.26	5.13	85.69	152.71	10.19
Pulwama	190.32	346.9	15.56	5.95	11.18	0.11	14.79	24.78	3.64	79.37	144.52	6.67
Srinagar	50.24	85.81	9.48	8.06	14.09	1.16	43.97	69.44	14.80	198.96	349.0	27.03
Badgam	182.85	323.6	22.83	8.73	16.16	0.29	46.11	67.52	21.76	90.40	158.50	12.98
Baramul	180.93	308.5	34.40	12.13	22.4	0.38	25.97	37.16	13.12	95.26	169.29	10.20
Kupwara	221.78	389.9	25.80	20.8	38.01	0.89	6.85	9.36	3.92	54.22	97.29	4.05
Kargil	336.47	344.21	327.4	14.74	25.67	1.94	1.20	1.12	1.28	100.89	179.51	8.76
Leh	254.68	296.71	207.27	32.04	32.9	31.12	3.66	2.07	5.45	145.09	239.7	38.4
Doda	252.99	370.32	123.19	8.86	16.11	0.83	6.14	9.95	1.92	66.77	116.53	11.73
Udhamp	218.99	381.05	40.19	2.46	4.40	0.32	3.85	5.86	1.63	90.92	160.56	14.07
Kathua	174.31	304.9	31.87	16.34	29.7	1.82	6.27	10.55	1.60	91.33	161.09	15.24
Jammu	112.02	209.0	6.34	14.56	26.0	2.07	4.12	6.86	1.12	135.86	242.99	19.11
Rajauri	202.20	366.9	20.41	3.57	6.55	0.28	4.07	6.51	1.38	66.04	118.02	8.70
Punch	204.47	373.26	14.65	11.20	20.7	0.55	5.27	8.27	1.89	56.28	100.99	6.00
<b>RURAL Main workers</b>												
	Cultivators			Agricultural Labourers			Household Industry			Other workers		
	P	M	F	P	M	F	P	M	F	P	M	F
J & K	212.47	361.69	46.03	11.63	20.74	1.47	13.72	21.02	5.59	69.78	125.11	8.07
Anantnag	226.4	370.57	63.87	9.40	16.83	1.02	13.58	21.24	4.94	69.98	125.48	7.42
Pulwama	202.29	368.5	16.78	5.69	10.69	0.10	14.22	24.04	3.24	68.83	125.94	5.09
Srinagar	207.91	357.62	38.43	18.86	31.38	4.69	35.9	55.49	13.8	69.63	124.59	7.41
Badgam	205.0	364.12	24.48	8.91	16.48	0.31	50.0	73.36	23.5	71.49	125.23	10.50
Baramul	202.45	346.5	37.02	12.22	22.5	0.39	28.13	40.48	13.94	74.92	134.37	6.63
Kupwara	225.55	396.7	26.27	20.9	38.1	0.90	6.76	9.21	3.90	50.69	91.09	3.65
Kargil	350.3	361.63	337.0	15.37	27.08	1.73	0.93	1.16	0.66	89.26	161.39	5.30
Leh	282.6	333.19	226.0	33.0	34.0	31.99	3.27	1.89	4.78	113.84	191.89	28.2
Doda	267.47	391.91	130.40	8.84	16.11	0.84	6.41	10.44	1.96	54.84	96.11	9.38
Udhamp	240.92	419.89	43.90	2.54	4.54	0.34	4.17	6.43	1.70	71.13	126.62	10.05
Kathua	191.32	334.5	35.63	15.86	28.91	1.68	6.60	11.28	1.51	75.53	133.78	12.19
Jammu	153.00	287.54	8.49	18.32	32.87	2.68	5.16	8.85	1.20	86.94	159.27	9.25
Rajauri	210.67	383.14	21.42	3.48	6.39	0.29	4.24	6.83	1.39	55.73	100.65	6.44
Punch	215.52	393.18	15.63	11.17	20.6	0.57	5.39	8.58	1.81	46.72	85.55	3.04
<b>URBAN Main workers</b>												
	Cultivators			Agricultural Labourers			Household Industry			Other workers		
	P	M	F	P	M	F	P	M	F	P	M	F
J & K	23.45	39.47	5.13	6.80	12.21	0.61	24.97	39.00	8.93	234.00	406.86	36.44
Anantnag	54.61	90.22	14.70	4.35	7.97	0.30	19.46	30.88	6.66	216.69	380.34	33.28
Pulwama	69.08	128.49	3.25	8.57	16.15	0.18	20.62	32.25	7.73	186.08	333.65	22.60
Srinagar	12.04	20.42	2.42	5.45	9.94	0.30	45.91	72.79	15.02	230.30	403.05	31.82
Badgam	48.05	78.77	12.76	7.65	14.21	0.12	22.45	32.19	11.17	205.34	359.60	28.12
Baramula	41.73	62.84	17.46	11.61	21.47	0.26	12.05	15.73	7.83	226.76	394.97	33.34
Kupwara	97.54	171.01	10.17	20.33	37.05	0.45	9.81	14.25	4.52	170.52	299.45	17.18
Kargil	91.86	52.34	143.98	3.69	2.00	5.92	5.95	0.50	13.15	306.78	483.05	74.29
Leh	63.89	70.35	55.07	25.12	25.64	24.42	6.31	3.18	10.58	358.91	535.97	117.20
Doda	22.88	38.88	3.91	9.06	16.04	0.78	1.91	2.49	1.22	256.45	430.00	50.62
Udhampur	10.96	16.62	4.58	1.68	3.06	0.15	0.73	0.52	0.93	278.67	479.06	52.69
Kathua	41.77	77.29	2.07	20.08	35.37	2.98	3.71	4.92	2.37	214.46	371.10	39.34
Jammu	14.76	26.88	1.10	5.65	10.13	0.59	1.65	2.27	0.94	251.95	437.12	43.10
Rajauri	48.76	87.91	1.12	5.12	9.32	0.42	1.07	0.92	1.26	252.70	417.67	51.95
Punch	40.79	77.15	0.15	11.71	21.93	0.30	3.39	3.61	3.13	197.87	330.39	49.76

Source: Census 1981

**Table 3.9: Population and workers by Age and Sex, 1981 (lakhs)**

Area	Age Group	Population			Workers		
		Total	Male	Female	Total	Male	Female
Total	Total	59.87	31.64	28.22	18.18	16.51	1.66
	0-14	24.54	12.58	11.95	1.09	0.85	0.23
	15-19	6.22	3.32	2.89	2.01	1.76	0.24
	20-24	5.01	2.65	2.35	2.40	2.15	0.24
	25-29	4.55	2.34	2.21	2.41	2.17	0.24
	30-34	3.74	1.94	1.79	2.06	1.87	0.19
	35-39	3.55	1.87	1.68	1.97	1.81	0.16
	40-49	5.45	2.96	2.48	3.05	2.85	0.20
	50-59	3.33	1.91	1.42	1.82	1.72	0.091
	60+	3.41	2.03	1.41	1.34	1.29	0.052
Rural	Total	47.26	24.92	22.34	14.54	13.17	1.36
	0-14	19.85	10.15	9.69	10.46	0.74	0.30
	15-19	4.71	2.53	2.17	1.67	1.46	0.20
	20-24	3.75	1.96	1.78	1.88	1.68	0.19
	25-29	3.49	1.78	1.70	1.86	1.67	0.18
	30-34	2.90	1.49	1.40	1.58	1.44	0.14
	35-39	2.76	1.45	1.31	1.53	1.40	0.12
	40-49	4.25	2.30	1.94	2.38	2.21	0.17
	50-59	2.65	1.52	1.13	1.48	1.40	0.079
	60+	2.87	1.70	1.17	1.17	1.12	0.047
Urban	Total	12.60	6.72	5.88	3.64	3.34	0.30
	0-14	4.69	2.42	2.26	0.14	0.11	0.027
	15-19	1.50	0.78	0.72	0.33	0.29	0.038
	20-24	1.25	0.68	0.57	0.51	0.46	0.050
	25-29	1.06	0.56	0.50	0.55	0.49	0.057
	30-34	0.84	0.45	0.38	0.47	0.43	0.042
	35-39	0.79	0.42	0.36	0.44	0.40	0.033
	40-49	1.19	0.66	0.53	0.66	0.63	0.033
	50-59	0.67	0.39	0.28	0.33	0.32	0.011
	60+	0.56	0.32	0.24	0.16	0.16	0.0052

Source: Census Deptt.

**Table 3.10:- District-wise total Gender Working force, 1981 (lakhs)**

District	Total Workers (Main + Marginal)			Other Workers		
	Male	Female	Total	Male	Female	Total
Anantnag	2.81	1.11	3.92	1.15	0.35	1.51
Pulwama	1.56	0.51	2.08	0.58	0.15	0.74
Srinagar	3.12	0.52	3.64	2.40	0.25	2.66
Budgam	1.62	0.66	2.28	0.60	0.13	0.74
Baramula	2.87	0.80	3.67	1.22	0.31	1.53
Kupwara	1.45	0.55	2.01	0.52	0.13	0.65
Leh	0.38	0.20	0.58	0.27	0.064	0.33
Kargil	0.28	0.23	0.51	0.17	0.067	0.24
Jammu	4.21	0.93	5.15	3.05	0.41	3.46
Udhampur	2.27	1.35	3.63	0.90	0.33	1.24
Doda	1.91	1.26	3.17	0.69	0.25	0.94
Kathua	1.44	0.57	2.02	0.68	0.15	0.84
Rajouri	1.30	0.84	2.15	0.43	0.16	0.60
Poonch	1.11	0.89	2.00	0.31	0.24	0.55
J&K State	26.41	10.47	36.88	13.04	3.06	16.11

Source: Census of India, 1981 (Jammu &amp; Kashmir), Registrar General of India

The table (*Distribution of 1000 persons, males and females of total, rural and urban areas*) in the above table reveals a wide disparity both between rural and urban areas and also between males and females among main workers, the marginal workers and non-workers. While for the rural population of the State, the proportion of main workers is 307.60, that of marginal workers 169.65 and that of non-workers 522.75, the corresponding proportions in respect of the urban population stands at 289.22, 23.44 and 687.34 respectively. The differentials in the distribution of marginal workers and non-workers among females are no less marked. While the proportion of female marginal workers in rural areas is 309.67, the corresponding proportion in the urban areas stands at 42.72 only. Even in respect of female main-workers the urban proportion is only 51.11 per 1000 as against the rural proportion of 61.16. The proportion of female non-workers in the urban areas is correspondingly higher in the rural areas. Likewise the proportion of marginal workers among males is higher in the rural areas than in the urban areas with correspondingly lower proportion of non-workers among males in the rural areas than in the urban areas. While the overall proportion of rural main workers is 307.60, this proportion varies considerably amongst districts, ranging between 455.84 in Kargil to 263.42 in Jammu. The districts in which the proportion of rural main workers is higher than the State average are Anantnag (319.35), Srinagr (322.37), Baramula (317.72) and Udhampur (318.76). Similarly against the state average of 169.65 the proportion of rural marginal workers amongst districts ranges from 252.31 in Udhampur to 71.39 in Leh (Ladakh). The lowest proportion of rural male marginal workers amongst districts is Badgam (22.93). Among females in the rural areas of the State, a proportion of 309.67 are marginal workers. The highest proportion of rural female in marginal workers is in Udhampur (447.38) and lowest in Leh (Ladakh) 120.75.

The proportion of rural non-workers which at the state level is 522.75 does not vary much among the districts. The highest proportion of rural non-workers is in Anantnag (563.93) and Jammu (563.42) and the lowest in the Udhampur (428.93). In addition to this Baramula (525.42), Doda (559.19) and Kathua (548.40) also have proportion of rural non-workers higher than the state average.

In the case of rural males, a proportion of 427.33 are comprised of non-workers. The highest proportion of male non-workers is in Jammu (455.38) and the lowest in Udhampur (367.34). Among the districts which have the proportion of rural male non-workers higher than the state average are Anantnag (436.23), Pulwama (431.11), Kupwara (430.66), Doda (441.20), Kathua (439.30), Rajauri (446.86) and Punch (432.28).

In the urban areas of state the proportion of main workers is 289.22. Among the district, the highest proportion of main workers is in Leh (Ladakh) 454.23 closely followed by Kargil (408.28) and the lowest in Punch (253.76). The districts which have proportion of urban main workers higher than the state average are Anantnag (295.11), Srinagar (293.70), Baramulla (292.15), Kupwara (298.20), Kargil (408.28), Leh (454.23), Doda (290.30), Udhampur (292.04) and Rajauri (307.65). Among 1000 urban males in the state, 497.54 are the main workers and among districts this proportion varies between 635.14 in Leh and 433.08 in Punch. The districts which have proportion of urban male main workers, higher than the state average are Anantnag (509.41), Pulwama (510.45), Srinagar (506.20), Kupwara (521.76), Kargil (537.89), Udhampur (499.26) and Rajouri (515.82). It is, however, interesting to note that the proportion of main work among the urban females is very low as compared with the corresponding proportion of urban males in this category. In the urban parts of the state only 51.11 per 1000 of the female population have been recorded as main workers and their proportion among the districts varies between 237.34 in Kargil and 32.32 in Kupwara.

The proportion of marginal workers in the urban areas of the State is 23.44 per thousand. The proportions, however, varies widely among the districts. It is as high as 188.69 in Kupwara and as low as 13.09 in Srinagar. The districts where the proportion of marginal workers is below 15 are Srinagar and Udhampur and those where this proportion is larger than the state average are Anantnag (32.14), Pulwama (101.02), Budgam (39.22), Baramula (32.14), Kupwara (188.69), Kargil (114.54), Leh (48.06), Doda (28.68) and Rajouri (43.20). In the case of urban males in the state a proportion of 6.58 are marginal workers. Among the districts

the proportion of the urban male marginal workers varies between 46.36 in Kargil and 2.52 in Srinagar. The districts where this proportion is more than 15 are Pulwama, Kupwara, Kargil and Punch while Srinagar, Badgam, Baramula, Leh, Udhampur. Kathua, Jammu, Anantnag, Doda and Rajouri have this proportion less than 15.

Among the districts the proportion of urban female marginal workers is more than the state average in Anantnag (56.82), Pulwama (192.72), Badgam (76.12), Baramula (59.93), Kupwara (359.09), Kargil (204.47), Leh (Ladakh) (107.98), Doda (47.24) and Rajouri (80.93). As compared to urban males, the incidence of marginal workers among urban females is markedly very high.

In the case of urban population of the state a proportion of 687.34 persons consist of non-workers. In majority of the districts of the state, the urban population is comprised, the highest proportion being in Punch (725.99) and the lowest in Kargil (477.18). The districts where the proportion of urban non-workers is more the state average are Srinagar (693.21), Udhampur (693.92), Jammu (706.17) and Kathua (703.05). In the case of urban females, a proportion of 906.17 are non-workers, the highest proportion of urban females non-workers among districts is in Kathua (927.27) and the lowest in Kargil (558.19). In addition to Kathua, the proportion of urban females' non-workers is more than the state averages are Srinagar (925.21), Udhampur (919.90), Jammu (921.02), and Punch (924.99).

The data on the distribution of main workers by the broad industrial categories of cultivators, agricultural labourers, household industry and other workers reveal that nearly a proportion of 173 main workers in the state are cultivators. The next largest proportions are of other workers followed by household industry. Only a small proportion of 16.09 are engaged in household industry. This general trend is reflected in the case of distribution of male workers also. However, the largest proportion of females is comprised of cultivators followed by other workers. A small proportion of 1.29 of female main workers is agricultural labourers while 6.28 are in household industry.

In the rural areas the proportion of cultivators is slightly more than 212 followed by about 70 in other work. This is a sharp contrast with the distribution of workers in the urban areas where a proportion of 234 are other workers and only a small proportion of 6.80 to 24.97 are cultivators or agricultural labourers of in household industry. In the rural areas, the largest proportion of main workers among both the sexes in cultivation. In the urban areas both in the case of males and females, the largest proportion of main workers are other workers. It is, however, interesting to note that generally the participation of male main workers in household industry is higher than that of females. Also this proportion in urban areas is higher than the proportion of females in household industry in rural areas. It would be pertinent to note that by and large the workers in the household industry tend to concentrate in urban areas and this is particularly noticeable in Srinagar district which has a largest component of urban sector in its jurisdiction. Kargil has the highest proportion (336.47) of main workers in cultivation while in the case of Leh (Ladakh) the highest proportion (32.04) of the main workers is among agricultural labourers. In the household industry sector, the highest proportion is in Badgam (46.11), followed by Srinagar (43.97). Among other workers, the lowest proportion of main workers is in Kupwara (54.22) closely followed by Punch (56.25). Except Srinagar and Jammu, the proportion of main workers engaged as cultivators in other districts is higher than the state average (172.68). However, in the majority of the districts, the proportion of main workers engaged as agricultural labourers is higher than the state average (10.61). The proportion of main workers classified as other workers is, as mentioned, as high as (198.96) in Srinagar and as low as (54.22) in Kupwara.

Among male main workers, the highest proportion of cultivators is in Kupwara (389.98) while Srinagar is at its lowest with a proportion on only 85.81 of its main workers classified as cultivators. The proportion of male main workers classified as agricultural labourers in Kupwara (38.04) is highest followed by Leh (Ladakh) (32.86) and Kathua (29.66).

The proportion of male main workers in household industry varies from 69.44 in Srinagar to 1.12 in Kargil. Among the districts, the proportion of male

main workers engaged in household industry is higher than the state (24.84) and in Srinagar (69.44), Badgam (67.52) and in Baramula (37.16). In case of male main workers classified as other workers it is 349.05 in Srinagar closely followed by Jammu (242.99) while the proportion is the least in Kupwara (97.29). The proportion of male other workers is higher than in the categories of agricultural labourers or household industry in all districts of state. The proportion of male main workers of all districts except Srinagar and Jammu is highest in cultivation as compared to corresponding proportions in other categories.

Among female main workers, cultivators constitute the highest proportion of 327.39 in Kargil against 37.51 in the State. The smallest proportion of female main workers engaged as cultivators is in Jammu (6.34) and Srinagar (9.48). The proportion of female main workers as agricultural labourers is the highest in Leh (Ladakh) (31.12) while it is the smallest in Pulwama (0.11). The proportion of such workers at the State level is 1.29. Among the female main workers, the highest proportion in household industry is in Badgam (21.76) while the lowest is in Jammu (1.12), the proportion for the state being 6.28. The proportion of female main workers in all districts in household industry is very much less than that in respect of the other categories.

In the rural areas, the highest proportion of main workers is of cultivators, the proportion ranging from 350.28 in Kargil to 153.00 in Jammu. The corresponding proportion for the state is 212.47. The highest proportion of main workers among agricultural labourers is in Leh and Kupwara. The proportion in household industry is comparatively smaller except in Badgam and Srinagar where a proportion of 50.00 and 35.97 of respective rural main workers are engaged in household industry. The lowest proportion is in Kargil (0.93).

The highest proportion of other workers has been recorded in Leh and the lowest proportion obtains in Punch. The highest proportion among rural male main workers working as cultivators is in Udhampur. The proportion of male main workers engaged as agricultural labourers in rural areas ranges from 38.07 in Kupwara district to 4.54 in Udhampur district as against the proportion of 20.74 at the state level.



Among female main workers in the rural areas, cultivators constitute the highest proportion in Kargil (337.05) as against 46.03 for the state. The other districts where the cultivators have highest proportion than the state average are Leh (226.99), Doda (130.40) and Anantnag (63.87). The proportion of female agricultural labourers is, however, much smaller in comparison with the other economic categories, being only 1.47 for the state as a whole and ranging between 31.99 in Leh and 0.10 in Pulwama district. It is observed that generally the major proportion of female main workers in the rural areas is either cultivators or other workers. The proportion of rural female main workers engaged in household industry for the state is 5.59, the highest being in Badgam (23.48) and lowest in Kargil (0.66). The proportion of other workers among the female main workers in the rural areas of the state is 8.07, highest being in Leh (28.20) followed by Kathua (12.19) and lowest in Punch (3.04).

Main workers in urban areas are mostly composed of other workers. The proportion of cultivators in the urban areas, however, is also quite high in some districts like Kupwara (97.54), Kargil (91.86) and Pulwama (69.08). Likewise the proportion of main workers in urban areas engaged as agricultural labourers is more than the state average of 6.80 and in Pulwama (8.57), Badgam (7.65), Baramula (11.61), Kupwara (20.33), Leh (25.12), Doda (9.06), Kathua (2008) and in Punch (11.71). The proportion of urban main workers engaged in household industry swing between 45.91 in Srinagar and 0.73 in Udhampur, the state average being 24.97.

Among the urban male main workers, the highest proportion is accountable for other workers (406.86) followed by those engaged in cultivation (39.47), household industry (39.00) and agricultural labourers (12.21). In fact in all the districts other workers constitute the largest proportion among the male main workers in the urban areas. This proportion ranges between 535.97 in Leh (Ladakh) and 299.45 in Kupwara. Other workers also constitute the highest proportion (36.44) among urban female main workers in the state with the proportion in household industry (8.93) being the next highest followed by those in cultivation (5.13) and agricultural labourers (0.61). This is also true in case of

urban male main workers in whose case the proportion of cultivators is greater than that in household industry, the least being in agricultural labour. As already discussed household industry constitutes the second highest proportion among urban female main workers (8.93) and among the districts this proportion varies between 15.02 in Srinagar to 0.93 in Udhampur. Unlike in the rural areas, the proportion of female main workers engaged in household industry is higher in urban areas. Against a proportion of 5.59 of the rural female main workers are engaged in household industry. Similarly, in the case of urban female main workers, the proportion of main workers engaged as other workers is comparatively higher.

### **SECTOR-WISE OF WORKFORCE AT ALL INDIA LEVEL, 1981**

According to the *census 1981*, the categories of workers were divided into cultivators, agriculture labours, manufacturing, Servicing, Repairs & HH industry, mining and quarrying, construction, trade and commerce, transport, storage and communication and other service. As per census 1981, 63.88 per cent are engaged in agriculture. Manufacturing, servicing and HH industries employed just 11.24 per cent of the total work force. Later is followed by trade, commerce, transport, storage and communication that account 8.73 percent.

Sectors	J&K	All India
Agricultural Sector	63.88	68.06
Manufacturing, Servicing, Repairs & HH industry	11.24	10.09
Mining and Quarry	0.18	0.50
Construction	2.83	1.50
Trade, commerce, transport, storage & communication	8.73	13.40
Other Services	13.14	7.10
Total	100.0	100

Source:- Census of India/Pocket Book of Population Statistics (India), 1983

However, the occupational structure of the state is like that of an under-developed economy just at national level where agriculture is the main stay of the people. It is because of the inadequate development of industries and services, that a major chunk of the labour force is engaged in agriculture which in turn leaves the agricultural sector overburdened. In the absence of well developed industrial base, the state suffers from large scale unemployment and under-

employment. Such a gloomy picture of the state's economy calls for large scale change in occupational structure, which can be attained through the process of industrialization.

### **LABOR FORCE PARTICIPATION RATE BASED ON ACTIVITY STATUS, 1993-94**

As per *NSS 50<sup>th</sup>R (1993-94)*, persons are classified into various activity categories on the basis of activities pursued by them during certain specified reference period. Three reference periods are used in NSS surveys, viz. (i) one year, (ii) one week and (iii) each day of the reference week. Based on these three periods, three different measures of activity status are arrived at. It is clear from the table that the total rural working participation rate is 299/1000 and male accounts much more than female. With the same approach total urban working population is 231/1000. By the CWS Approach and CDS Approach, male working participation rate is much higher than female for the State in both rural and urban. The number of employed per 1000 persons during 1993-94 for J&K is given below table.

<b>Table 3.12:-Number of employed per 1000 persons for J&amp;K, 1993-94</b>							
Usual Principal Status Approach							
Rural			Urban			Chi-Square	P Vale
Male	Female	M+F	Male	Female	M+F		
500	95	299	491	81	231	0.74	0.38 (Insignificant at P<.05)
Current Weekly Status Approach							
Rural			Urban				
Male	Female	M+F	Male	Female	M+F		
501	261	383	480	107	300	42.91	0.0002 (Significant at P<.05)
Current Daily Status Approach							
Rural			Urban				
Male	Female	M+F	Male	Female	M+F		
494	175	335	474	90	299	18.87	0.000014 (Significant at P<.05)

Source: NSS 50<sup>th</sup> Round, Revised Report No. 406

Level of Significance 0.05

Since the chi-square value (under UPS Approach) is statistically insignificant, the gender composition in the rural area cannot be differentiated that in urban area. However, the chi-square value (under CWS Approach) is statistically significant, the gender composition in the rural area can be differentiated that in urban area.

### TRENDS OF WORKFORCE FOR JAMMU & KASHMIR, Census 2001

According to *census 2001*, total workers were classified into main workers, marginal workers, cultivators, agricultural labourers and Household industry workers and other workers. According to this source, the State Jammu & Kashmir possess 37.53 lakh work forces which accounts 37 percent work force from the total population. Male contributes large proportion of 26.79 lakh against 10.73 lakh of women. Among categories of workers, main workers account maximum proportion of 26.06 lakhs (69.5 %) followed by marginal workers (30.5 %). The trends of work force are reflected in the table:-

Categories	Persons	age%	Males	age%	Females	age%
Main workers	26.08	69.5	22.26	83.1	3.81	35.5
Marginal workers	11.45	30.5	4.52	16.9	6.92	64.5
Cultivators	15.91	42.4	10.04	37.5	5.86	54.7
Agricultural Labourers	2.46	6.6	1.90	7.1	0.56	5.2
HH Industry workers	2.34	6.2	1.26	4.7	1.08	10.1
Other workers	16.81	44.8	13.58	50.7	3.22	30.0
<b>Total workers</b>	37.53	37.01	<b>26.79</b>	71.38	<b>10.73</b>	28.62
□ David's Disparity Index between male & Female				0.4080		

Source: Compiled Census of India.

### DISTRICTWISE CATEGORIES OF WORKERS IN JAMMU & KASHMIR, Census 2001

Jammu and Kashmir Government always tried to establish industrial units in the state. However, they failed largely due to the lack of political stability in the state. Thus, there was a very bleak chance of industries and investment in some districts that establish the variation among districts in industrial development and businesses. It furthermore succeeded in propelling the variation of workforce participation among different districts in Jammu and Kashmir.

According to *Census 2001*, the work participation rate from total population of J&K was investigated to be 37.0 percent and Punch having the highest rate at 54.0 percent because large proportion are engaged in cultivation. Main workers stand at 69.5 percent from total workers and Jammu having highest at 82.2 percent. Marginal workers from total workers stand at 30.5 percent and Punch having highest at 57.0 percent. Cultivators contribute high proportion of

42.4 percent and district Udhampur is the leading one. Agricultural labourers shares 6.6 percent and district Kupwara contributes highest of 19.8 percent. In case of Household industry, district Badgam highest percentage (21.8%) due to urbanization. The district wise categories of workers according to census 2001 are shown in the table below:-

<b>Table 3.14:- District wise Categories of workers, 2001, Percent</b>							
	Work participation Rate	Main workers	Marginal workers	Cultivators	Agricultural Labourers	HH Industry	Other Workers
J&K	37.0	69.5	30.5	42.4	6.6	6.2	44.8
Kupwara	32.7	58.2	41.8	40.1	19.8	4.4	35.8
Baramula	31.8	72.9	27.1	33.3	11.6	12.1	42.9
Srinagar	32.0	81.8	14.2	7.6	4.5	13.4	74.5
Badgam	35.9	67.7	32.3	39.4	6.2	21.8	32.6
Pulwama	32.6	71.1	28.9	47.3	8.3	7.7	36.7
Anantnag	33.7	66.2	33.8	42.0	9.9	8.8	39.3
Leh	49.6	66.7	33.3	37.9	4.3	1.2	56.6
Kargil	46.6	68.9	31.1	46.3	1.1	1.5	51.0
Doda	46.0	61.0	39.0	64.1	4.2	1.5	30.2
Udhampur	49.3	67.0	33.0	68.2	1.9	0.9	35.1
Punch	54.0	43.0	57.0	65.8	3.8	2.2	28.2
Rajauri	45.2	54.3	45.7	67.5	1.6	1.4	29.5
Jammu	33.3	82.2	17.8	25.5	5.2	1.5	67.8
Kathua	37.3	78.8	21.2	50.6	5.5	1.5	42.5
C.V	19.42	1.53	0.33	3.69	75.24	106.09	3.19

Source: - Compiled Census of India/India/ND/2005,

### **OCCUPATIONAL CLASSIFICATION OF WORKFORCE, 2001**

As per the census data of 2001, the category has gone down into four categories- cultivators, agriculture labors, House Hold industry workers and other workers against eleven categories during 1981 census. Clearly from the table the share of rural and urban workers was 77.78% and 22.22% respectively in the State. The total Cultivators stood at 43.36% of the total workers of the State, out of which 97.63% ( $15.61 \times 100 / 15.99$ ) belonged to rural area and the remaining 2.37% belonged to urban areas.

The total Agricultural Workforce was 6.72 %, rural (92.42%) and 7.58% for urban areas. The HH Industry stood at 6.22% of the total workforce, 76% belonged to rural areas and 23.93% urban areas. Likewise, Other Workers stood

at 43.675% of total workers, 56.06% belonged to rural areas and 43.94 belonged to urban areas. The above analysis is depicted in the table below with area and sex wise of work force (2001) in terms of absolute size and percentage.

<b>Table 3.15:- Category of Workers of 2001 Census,</b>							<i>lakhs</i>
<b>Categories</b>	<b>Area</b>	<b>Male</b>	<b>%age</b>	<b>Female</b>	<b>%</b>	<b>Total (M+F)</b>	
Cultivators	R	9.94	63.60	5.67	36.40	15.61	100
		(51.50%)		(60.40%)		(54.40%)	
	U	0.29	76.70	0.088	23.30	0.378	100
		(4.10%)		(8.20%)		(4.60%)	
	U+R	10.23	64.10	5.76	36.01	15.99	100
		(38.70%)		(55.01%)		(43.36%)	
Agricultural Labourers	R	1.78	77.90	0.50	22.10	2.29	100
		(3.90)		(5.40)		(8.00)	
	U	0.159	84.40	0.029	15.60	0.188	100
		(2.20)		(2.70)		(2.30)	
	U+R	1.94	78.40	0.53	21.60	2.48	100
		(7.40)		(5.10)		(6.72)	
Workers in Household Industry	R	0.86	49.50	0.88	50.50	1.74	100
		(4.50)		(4.50)		(6.00)	
	U	0.32	59.20	2.23	40.80	0.55	100
		(4.60)		(2.10)		(6.70)	
	U+R	1.13	51.80	1.106	48.20	2.29610	100
		(4.50)		(10.50)		(6.22)	
Other Workers	R	6.69	74.10	2.33	25.90	9.031	100
		(34.70)		(24.80)		(31.60)	
	U	6.34	89.60	0.733	10.40	7.079	100
		(89.17)		(68.3)		(86.40)	
	U+R	13.043	81.0	3.067	19.0	16.110	100
		(49.40)		(29.40)		(43.67)	
Total	R	19.29	67.20	9.40	32.80	28.69	100
		(100)		(100)		(100)	
	U	7.121	86.90	1.074	13.10	8.195	100
		(100)		(100)		(100)	
	U+R	26.41	71	10.47	29.0	36.88	100
		(100)		(100)		(100)	

Source: Census of India for respective year

Figures in Brackets represent the percentage of total population

The sex wise distribution of work force is examined. The total number as regards to total male worker population for male cultivators was 51.5% and 4.1% from rural and urban areas respectively, while female stood at (60.4%) rural and (8.2%) urban. It is apparent from the table that in urban areas both male and female population is largely employed in the tertiary, that is, service sector.

## DISTRICT WISE WORKFORCE BY SEX, 2001

Broadly work force is classified into three categories of main workers, marginal workers and non-workers. The census of India includes non-workers as the persons who did not work at all during the reference period. They constitute Students, household duties, pensioners, baggers and persons having unidentified source of income.

While analyzing the work force categories at district level for the census 2001, variation is reflected among the districts. According to the *census 2001*, Jammu district accounts (4.20 Lakh) highest proportion of work force in the category of main workers followed by Srinagar. District Anantnag (1.35 lakhs) contributes the highest proportion in the category of marginal workers followed by Poonch (1.25 lakhs) and Doda. In the sub-categories of main workers, cultivators account highest proportions of 15.99 lakhs and district Udhampur (2.29 lakhs) stands top (in primary activities-cultivators) among all districts in the sub-categories of main workers. It is followed by Doda which accounts 2.05 lakhs. According to census 2001, district Baramulla accounts highest proportion of agriculture labourers and district Srinagar in case of house hold industry.

District	Main workers			Marginal workers			Non-workers		
	Male	Fem.	Total	M	F	T	M	F	T
Anantnag	2.32	0.24	2.57	0.48	0.86	1.35	3.27	4.50	7.77
Pulwama	1.32	0.13	1.48	0.24	0.37	0.61	1.77	2.62	4.40
Srinagar	2.84	0.26	3.11	0.28	0.25	0.53	3.20	4.98	8.18
Budgam	1.34	0.19	1.54	0.27	0.46	0.73	1.67	2.36	4.03
Baramulla	2.32	0.35	2.67	0.55	0.45	1.00	3.23	4.75	7.98
Kupwara	1.06	0.11	1.11	0.45	0.44	0.90	1.85	2.52	4.38
Leh	0.29	0.10	0.39	0.086	0.10	0.19	0.26	0.31	0.58
Kargil	0.21	0.12	0.34	0.085	0.10	0.17	0.32	0.31	0.63
Jammu	3.73	0.47	4.20	0.42	0.52	0.94	4.13	6.42	10.56
Udhampur	1.95	0.46	2.41	0.32	0.88	1.21	1.67	2.08	3.75
Doda	1.47	0.45	1.92	0.43	0.80	1.24	1.71	2.01	3.72
Kathua	1.23	0.34	1.58	0.20	0.23	0.43	1.41	2.00	3.42
Rajouri	1.03	0.11	1.14	0.27	0.72	1.00	1.22	1.41	2.63
Poonch	0.72	0.13	0.85	0.39	0.75	1.25	0.82	0.88	1.70
State	21.89	3.47	25.36	4.52	7.00	11.52	26.59	37.21	63.81

Source: Compiled from Census of India

	Cultivators			Agri. Labourers			Workers in HH Industry		
	M	F	T	M	F	T	M	F	T
Anantnag	1.21	0.46	1.67	0.30	0.093	0.39	0.13	0.19	0.33
Pulwama	0.77	0.22	0.99	0.14	0.037	0.18	0.064	0.095	0.15
Srinagar	0.25	0.047	0.29	0.14	0.024	0.16	0.32	0.19	0.51
Budgam	0.65	0.23	0.89	0.11	0.028	0.14	2.33	0.25	0.50
Baramulla	1.02	0.21	1.24	0.37	0.076	0.44	0.25	0.19	0.44
Kupwara	0.58	0.28	0.86	0.31	0.096	0.41	0.03	0.047	0.081
Leh	0.098	0.12	0.22	0.013	0.012	0.025	0.0023	0.005	0.0073
Kargil	0.10	0.15	0.25	0.0024	0.003	0.0053	0.0027	0.007	0.0097
Jammu	0.92	0.41	1.34	0.19	0.087	0.28	0.04	0.025	0.057
Udhampur	1.31	0.98	2.29	0.041	0.023	0.064	0.016	0.011	0.028
Doda	1.08	0.97	2.05	0.11	0.019	0.13	0.020	0.023	0.044
Kathua	0.64	0.39	1.04	0.098	0.015	0.11	0.016	0.010	0.026
Rajouri	0.82	0.65	1.48	0.027	0.005	0.032	0.016	0.011	0.028
Poonch	0.73	0.60	1.33	0.058	0.016	0.074	0.017	0.024	0.041
State	10.23	5.76	15.99	1.94	0.54	2.48	1.18	1.10	2.29

Source: Census 2001

### **DISTRICT WISE WORK PARTICIPATION RATE FOR J&K, 2001**

As per 2001 census, highest participation rate was found in Poonch district (54.1), followed by Leh (50.1) as compared to 1981, these districts rank 7<sup>th</sup> and 4<sup>th</sup> respectively. The lowest participating rate in 2001 census was found in Srinagar (30.8%). Except Srinagar district the positions of all districts have undergone change some have improved their position and worsened. The other districts also improved like Doda from 11<sup>th</sup> to 4<sup>th</sup> Rajouri district rose from 9<sup>th</sup> to 5<sup>th</sup>, Kuthua from 10<sup>th</sup> to 7<sup>th</sup>, Jammu 13<sup>th</sup> to 10<sup>th</sup>, Anantnag 12<sup>th</sup> to 9<sup>th</sup> and Leh 4<sup>th</sup> to 2<sup>nd</sup>.

Districts above state level (36.6%)		Below state level below (36.6%)	
Poonch	54.1	Budgam	36.6
Leh	50.1	Anantnag	33.5
Udhampur	49.2	Pulwama	32.1
Doda	46.0	Kupwara	31.5
Rajouri	44.9	Baramullah	31.5
Kargil	44.7	Srinagar	30.8
Kathua	37.2	Jammu	29.0
C.V = 19.42			

Source: District Census Handbook Kupwara (2001)  
Coefficient of Variation = SD/Mean\* 100



## DISTRICT-WISE WORKERS BY AREA, 2001

According to census 2001, district wise workforce by area is examined and classified into three categories of main workers, marginal workers and non-workers. As the district level analysis is concerned for the workers it is examined Jammu district (4.34 lakhs) accounts highest proportion of main workers followed by Srinagar district. However, Baramulla (2.22 lakhs) is leading in case of rural areas and Srinagar (2.73) followed by Jammu in urban areas. In case of marginal workers, district Anantnag (1.33 lakh) followed by Doda playing leading role. In case of non-workers, district Jammu (10.60 lakh) followed by Srinagar possess highest proportion of non-workers in the state.

	Main Workers			Marginal Workers			Non-Workers		
	R	U	T	R	U	T	R	U	T
Anantnag	2.18	0.43	2.61	1.24	0.89	1.33	6.61	1.15	7.77
Pulwama	1.31	0.19	1.51	0.57	0.4	0.61	3.95	0.44	4.40
Srinagar	0.56	2.73	3.30	0.24	0.30	0.54	1.75	6.42	8.17
Budgam	1.33	0.19	1.52	0.68	0.04	0.73	3.56	0.47	4.03
Baramulla	2.22	0.48	2.70	0.90	0.09	1.00	6.60	1.38	7.98
Kupwara	1.16	0.07	1.23	0.87	0.16	0.88	4.21	0.16	4.37
Leh	0.25	0.12	0.38	0.18	0.13	0.19	0.44	0.14	0.59
Kargil	0.33	0.04	0.38	0.16	0.03	0.17	0.53	0.05	0.59
Jammu	2.18	2.14	4.34	0.78	0.15	0.93	5.89	4.70	10.60
Udhampur	2.01	0.43	2.45	1.18	0.028	1.21	3.06	0.70	3.76
Doda	1.78	0.15	1.94	1.22	0.012	1.23	3.42	0.31	3.73
Kathua	1.39	0.22	1.61	0.41	0.020	0.43	2.90	0.54	3.44
Rajouri	0.10	0.11	1.18	0.98	0.01	0.99	2.43	0.14	2.67
Poonch	0.78	0.07	0.86	1.14	0.003	1.14	1.56	0.15	1.71
State	18.62	7.46	26.08	10.62	0.83	11.45	47.02	16.87	63.89

Source: Census 2001

## DISTRICT-WISE WORKERS IN AGRICULTURE AND NON-AGRICULTURE SECTORS, 2001

Table below gives the information about the contribution of agriculture and non-agricultural sectors in total workers. It is examined Rajauri district accounts highest proportion of 70.48 percent work force and Srinagar accounts lowest proportion of 12.81 in terms of percentage in agriculture whereas in non-agriculture sector, Srinagar accounts 87.19% (highest) workers in non-agriculture sector and Rajauri accounts 29.52% which is lowest of State.

**Table 3.20:- Workers in Agriculture and Non-Agriculture sector in terms of percentage, 2001**

Districts	Agriculture	Non-Agriculture sector	Total
Kupwara	63.31	36.69	100
Baramulla	46.07	53.93	100
Srinagar	12.81	87.19	100
Badgam	45.36	54.64	100
Pulwama	56.68	43.32	100
Anantnag	52.76	47.24	100
Leh/Ladakh	41.86	58.14	100
Doda	68.87	31.13	100
Kargil	50.79	49.21	100
Udhampur	64.92	35.08	100
Punch	70.10	29.90	100
Rajauri	70.48	29.52	100
Jammu	31.46	68.54	100
Kathua	57.10	42.90	100

Source:- Census 2001

### WORK FORCE OF STATE AT NATIONAL LEVEL, 2001

The total workers are divided into two main categories of main workers and marginal workers. It is observed that Jammu and Kashmir is insignificant in main workers and significant in marginal workers at national level. According to 2001 census, the number of total workers of J&K State stood at 37.54 lakhs of which main workers constitute 26.09 lakhs (69.49%) and marginal workers constitute 11.45 lakhs (30.51 %). Female workers constitute 28.61% of total workforce and male constitutes 71.39 percent. The population of the state increased from 101.44 lakhs to 125.49 lakhs from 2001 to 2011. The number of workers also registered an increase of 15.15% during the same period.

**Table 3.21:- Categories of workforce for J&K at National level, 2001, (lakhs)**

		Total Workers	% age	Main Workers	% age	Marginal workers	% age
J & K	Persons	37.54		26.09	69.49	11.45	30.56
	Males	26.79	71.39	22.26	85.37	4.52	39.56
	Females	10.73	28.61	3.81	14.63	6.92	60.44
All India	Persons	4022.34		3130.04	77.81	892.29	22.18
	Males	2750.14	68.37	2401.47	87.32	348.66	12.67
	Females	1272.20	31.62	728.57	57.26	543.63	42.73

Source: Directorate of Census Operations (J&K), 2001, Series II, Part XII-B

## **COMPARISON OF NSS 55TH ROUND (1999-2000) AND CENSUS 2001**

Although the 55<sup>th</sup> round of NSS held during 1999-2000 and the census 2001 are two different data sets, one based on sample while other is a complete enumeration, a comparison is worthwhile to see the conformity or divergence in the results of these two data sets. The NSS provides usual status definition of workforce categories like principal and subsidiary status and census provides the estimation of main and marginal workers.

Table below shows work participation rates according to NSS data and Census 2001. The total workers combine the principal and subsidiary workers of NSS and main and marginal workers of census. It may be seen from Table that work participation rates of both sources are very close to each other. The largest difference of 2% is observed in respect with urban females. It has been generally alleged that census is under enumerating the female workforce in the State, but the census figures for rural women is very much close to that of the NSS. However, at the state level while male work participation rates are more or less close to census, this is not true for females. Particularly rural females show a marked level of divergence in the pattern of work participation, showing a very high level of dissimilarity.

When principal status workers of NSS are compared with main workers of census, we find that census gives us lower rates of participation. On the other hand, rates of subsidiary status workers of NSS are much lower than the marginal workers of census. When workers of NSS are compared with marginal workers of census, we find that census gives us higher rates of participation. The comparison of work participation rate for J&K, between NSS 55<sup>th</sup> R and census 2001 is reflected in the table below:-

<b>Table 3.22:- Comparison of NSS 55<sup>th</sup> Round and Census 2001</b>											
Work Participation Rate											
NSS 55 <sup>th</sup> Round (1999-2000)						2001 Census					
Rural			Urban			Rural			Urban		
Persons	M	F	P	M	F	P	M	F	P	M	F
44.2	54.8	32.7	28.1	47.8	6.2	37.9	49.2	25.8	32.7	51.8	9.50
Work participation rate (Main), comparison of NSS 55 <sup>th</sup> R and census 2001											
NSS 55 <sup>th</sup> Round						Census 2001					
Rural			Urban			Rural			Urban		
Persons	Male	Fem	P	M	F	P	M	F	P	M	F
30.0	53.3	4.6	26.8	47.3	4.1	23.8	38.7	7.7	29.5	48.6	6.10
Work participation rate (Marginal), comparison of NSS 55 <sup>th</sup> R & census 2001											
NSS 55 <sup>th</sup> Round						Census 2001					
Rural			Urban			Rural			Urban		
Persons	M	F	P	M	F	P	M	F	P	M	F
1.42	0.18	2.66	0.65	0.19	1.2	10.6	5.99	15.2	2.75	2.95	2.54

Source: NSS 55<sup>th</sup> Round and 2001 Census

<b>Table 3.23:- David Sopher's Disparity Index for NSS 55<sup>th</sup> R and Census 2001</b>							
Work Participation Rate							
Area	Persons	M	F	Area	Persons	M	F
<b>Rural</b>	0.098	0.084	0.13	<b>Urban</b>	0.093	0.070	0.207

Calculated

### **ACTIVITY WISE ESTABLISHMENTS AND EMPLOYMENT, 2005**

The *Economic Census*, conducted in 2005, indicates that there are 3.24 lakhs establishments in the State which are engaged in different economic activities. The total number of persons working in these establishments was recorded to be 7.52 lakhs, more or less equally distributed in rural and urban areas, i.e. 51.53% in urban areas and remaining 48.47% in rural areas. A careful analysis of the data indicates that activity known as "retail trade" with a share of 47.17 percent occupies rank 1st in establishments followed by "manufacturing" activity with 20.72 percent share. On employment side it is again retail trade activity providing employment to 27.03 percent workers out of 7.52 lakh persons closely followed by manufacturing activity wherein 20.52 percent of total workers were working. The average annual growth rate in employment in the said establishments from 1998 to 2005 was 6.82 percent. With this annual average growth rate in employment in such establishments, J&K topped all the States. The *5th Economic Census 2005* (MOSPI) indicates that there are establishments in the State which are engaged in different economic activities shown in the table below.

Major Activity group	Establishments		Employment	
	Size	%age	Size	%age
Agriculture establishments				
Farming of animals	1.70	0.53	3.65	0.49
Agriculture services	0.58	0.18	2.81	0.37
Fishing etc.	0.29	0.09	0.37	0.05
All Agricultural Activities	2.58	0.80	60.84	0.91
<b>Non-Agricultural Establishments</b>				
Mining and Quarrying	0.91	0.28	3.19	0.42
Manufacturing	67.32	20.72	154.19	20.52
Elect. Gas and Water	0.69	0.22	5.99	0.80
Construction	3.32	1.02	4.85	0.65
Wholesale trade	3.41	1.05	6.55	0.87
Retail Trade	153.27	47.17	203.16	27.03
Restaurants and Hotels	12.89	3.97	27.45	3.65
Transport and Storage	7.80	2.40	12.39	1.65
Posts & Telecommunication	6.43	1.98	10.83	1.44
Financial Intermediation	1.20	0.37	10.73	1.43
Real estates, banking and services	7.34	2.26	11.88	1.58
Public adm. Defence social security	7.54	2.32	99.92	13.30
Education	20.30	6.25	126.24	16.80
Health and social work	8.99	2.77	30.89	4.11
Total Non-agricultural activities	322.32	99.20	744.68	99.09
All Establishments	3.249	100.0	75.152	100.0

Source: 5<sup>th</sup> Economic Census (2005), MOSPI (Department of Statistics), CSO, New Delhi

### **TRENDS OF WORK FORCE IN JAMMU AND KASHMIR, 1999-2009**

According to *economic survey 2009-10*, the categories of workers were divided into activities like agriculture, forestry, fishing, mining, manufacturing, electricity, gas and water supply, construction, transport storage and communication, financial intermediation, real estate, renting and business activities, public administration & defense, compulsory social security and other services. It may be noticed that in 1999-00, agriculture sector accounts 75.25 (45.22 lakh) percent and only 6 percent by service sector of work force. The contribution of tertiary sector increased mildly. However this data is doubtful as exact magnitude and reliable data is not possible. It is also different from other sources. It has been observed from other sources that contribution of workforce in agriculture is declining very fast and work force is moving towards tertiary sector. The distribution of work force from 1999 to 2009 is shown in table below:-

**Table 3.25:- Work Force of Jammu and Kashmir from 1999 to 2009, Lakhs**

Description	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Agriculture, Forestry	45.23	46.37	47.52	48.00	48.75	49.49	50.23	50.96	51.68	52.41
Fishing	0.044	0.045	0.046	0.046	0.047	0.048	0.048	0.49	0.50	0.51
Mining	0.021	0.022	0.022	0.023	0.023	0.023	0.02	0.02	0.024	0.025
Manufacturing	3.31	3.39	3.48	3.51	3.57	3.62	3.68	3.73	3.78	3.84
Electricity, Gas & Water supply	0.081	0.084	0.086	0.086	0.088	0.89	0.91	0.92	0.93	0.94
Construction	1.59	1.63	1.67	1.69	1.72	1.74	1.77	1.80	1.82	1.85
Wholesale & Retail sale Trade: Repair of Motor Vehicles and HH Goods	2.90	2.97	3.05	3.08	3.13	3.17	3.22	3.27	3.31	3.36
Hotels and Restaurant	0.29	0.30	0.30	0.31	0.31	0.32	0.32	0.33	0.33	34.0
Transport & Communications	1.00	1.02	1.05	1.06	1.07	1.09	1.11	1.12	1.14	1.15
Financial intermediation	0.13	0.13	0.13	0.13	0.14	0.14	0.14	0.14	0.14	0.15
Real est. & business activities	0.23	0.24	0.24	0.25	0.25	0.25	0.26	0.26	0.27	0.27
Public adm. & defense; compulsory social security	2.24	2.29	2.35	2.37	2.41	2.45	2.49	2.52	2.56	2.59
Other services	2.97	3.04	3.12	3.15	3.20	3.25	3.29	3.34	3.39	3.44
Total Work Force	60.07	61.59	63.12	63.75	64.74	65.73	66.71	67.68	68.64	69.61
Population	97.95	100.42	102.91	103.95	105.56	107.17	108.77	110.35	111.92	113.50

Source: Directorate of Economics and Statistics, J&K State, 2011

### **LABORFORCE PARTICIPATION RATE BASED ON ACTIVITY STATUS, 2009-10**

In NSS surveys, persons are classified into various activity categories on the basis of activities pursued by them during certain specified reference periods. Three reference periods are used in NSS surveys, viz. (i) one year, (ii) one week and (iii) each day of the reference week. Based on these three periods, three different measures of activity status are arrived at. The activity status determined on the basis of the reference period of one year is known as the usual activity status (US) of a person and activity status determined on the basis of a reference period of one week is known as the current weekly status (CWS) of the person and the activity status determined on the basis of the engagement on each day during the reference week is known as the current daily status (CDS) of the person. The labor force participation rate of age 15-59 years is given below table.

**Table 3.26:- Labor Force Participation Rate (per 1000) for group 15-59, 2009-10**

Usual Principal Status Approach					
Rural			Urban		
Male	Female	M+F	Male	Female	M+F
758	93	424	764	167	472
Current Weekly Status Approach					
Male	Female	M+F	Male	Female	M+F
757	348	558	764	202	489
Current Daily Status Approach					
Male	Female	M+F	Male	Female	M+F
751	206	486	763	184	479

Source: NSS KI: (NSS 66<sup>th</sup> Round)

It is clear from the above table according to UP Status Approach that total rural working participation rate is 424 per 1000 and male (758/1000) are much more than female. With the same approach total urban working population accounts 472 per thousand and male contributes 764/1000 and female accounts small 167/1000. Similarly by the Current Weekly Status Approach and Current Daily Status Approach both in rural and urban areas male working participation rate is much higher than female for State of Jammu and Kashmir.

#### **DISTRICT WISE WORK PARTICIPATION RATE FOR J&K STATE, 2011**

Highest participation rate was found in Udampur district followed by Leh in 2011 and Poonch stands at 3<sup>rd</sup> rank. The lowest participating rate in 2011 census is found in Kupwara. Except Kargil and Doda district the positions of all districts have undergone change. Some have improved their position and few districts have worsened their position than 2001 census.

<b>Table 3.27:- District Wise Work Participation Rate for J&amp;K, 2011</b>			
Districts above state level rate (38.8%)		Below state level below	
Udampur	55.1	Srinagar	36.6
Leh	49.5	Pulwama	34.5
Poonch	49.2	Baramullah	32.1
Doda	46.3	Jammu	31.5
Budgam	44.9	Anatnag	31.5
Kargil	44.7	Rajouri	30.8
Kathua	37.6	Kupwara	29.0
J& K State	39.5		
<i>Coefficient of Variation</i>	20.77		

Source: District Census Handbook Kupwara (2011)

## OCCUPATIONAL CLASSIFICATION OF WORKING FORCE, 2011

According to *Census 2011* for J&K, Categories of workers were further divided into cultivators, agricultural labourers, workers in household industry and other workers. Among all these categories cultivators maintains the dominance and female contributes high proportion as compared to males at state level.

According to Census 2011, cultivators calculated highest portion of 12.45 lakhs (28.81 percent) among various categories. Even category of 'other workers' further sub-divided into various categories accounts highest proportion of 23.56 lakh (54.54 percent).

Categories		Number (lakhs)	Percentage
Cultivators	Persons	12.45	28.81
	Males	7.65	17.70
	Females	4.79	11.08
Agricultural Labourers	Persons	5.47	12.65
	Males	4.14	9.58
	Females	1.33	3.07
Workers in Household Industry	Persons	1.72	3.98
	Males	0.91	2.10
	Females	0.81	1.87
Other Workers	Persons	23.57	54.54
	Males	19.23	44.50
	Females	4.33	10.02

Source: Census of India, GoI

## WORKING FORCE BY AREA AND SEX, Census 2011

The data on work force provided by the *2011 Census* reveals a distinct variation among districts in terms of area and gender. Workforce has been evaluated into rural and urban areas and by sex of male and female. The district level analysis reflected that Jammu district accounts highest proportion of total workers followed by Srinagar district particularly in main working force category Jammu district accounts 4.10 lakhs followed by Srinagar district 3.30 lakhs. The district Jammu and district Srinagar maintain dominance since decades as both districts are the hub of various economic activities. The district wise data of the above categories are analyzed below the table:-



**Table 3.29:- District wise Working force by area and sex, 2011 (lakhs)**

State/District		Total Wkers	M	F	Main Wkers	M	F	Marg inal	M	F	Non-wrkers
J&K	T	43.22	31.95	11.27	26.44	23.10	3.38	16.78	8.89	7.89	82.18
	R	31.13	22.12	9.01	16.69	145.31	2.16	14.43	7.58	6.84	59.94
	U	12.09	9.83	2.26	9.74	8.52	1.21	2.35	1.30	1.04	22.23
Anantnag	T	3.89	2.44	1.45	1.76	1.58	0.18	<b>2.12</b>	0.85	1.27	6.89
	R	2.95	1.75	1.19	1.19	1.06	0.12	1.76	0.69	1.07	4.99
	U	0.93	0.68	0.25	0.57	0.51	0.063	0.36	0.16	0.19	1.89
Pulwama	T	1.88	1.38	0.49	0.98	0.89	0.091	0.90	0.49	0.40	3.72
	R	1.57	1.13	0.43	0.77	0.69	0.074	0.80	0.43	0.36	3.22
	U	0.30	0.24	0.063	0.20	0.19	0.017	0.099	0.052	0.046	0.49
Srinagar	T	4.07	3.33	0.74	<b>3.30</b>	2.89	0.40	0.76	0.43	0.33	8.29
	R	0.05	0.04	0.02	0.03	0.03	0.002	0.03	0.02	0.02	0.12
	U	4.01	3.28	0.73	3.27	2.87	0.40	0.74	0.41	0.32	8.17
Badgam	T	2.14	1.62	0.52	1.32	1.16	0.15	0.82	0.46	0.37	5.39
	R	1.81	1.34	0.47	1.06	0.93	0.13	0.75	0.41	0.34	4.74
	U	0.33	0.28	0.06	0.25	0.23	0.023	0.074	0.047	0.027	0.65
Baramul	T	3.04	2.49	0.54	1.87	1.69	0.18	1.16	0.80	0.36	7.03
	R	2.38	1.91	0.46	1.32	1.19	0.15	1.05	0.72	0.33	5.87
	U	0.66	0.57	0.083	0.55	0.50	0.049	0.11	0.077	0.034	1.16
Kupwara	T	2.29	1.90	0.38	1.23	1.11	0.12	1.05	0.79	0.26	6.41
	R	1.95	1.61	0.34	0.99	0.89	0.10	0.96	0.72	0.23	5.69
	U	0.33	0.28	0.041	0.24	0.22	0.020	0.088	0.067	0.021	0.71
Kargil	T	0.51	0.39	0.12	0.28	0.25	0.037	0.23	0.15	0.083	0.88
	R	0.44	0.34	0.10	0.23	0.19	0.030	0.22	0.14	0.077	0.80
	U	0.074	0.061	0.013	0.061	0.054	0.0073	0.013	0.0077	0.0054	0.089
Leh	T	0.75	0.53	0.22	0.57	0.45	0.13	0.18	0.085	0.094	0.58
	R	0.48	0.30	0.17	0.34	0.24	0.091	0.14	0.060	0.083	0.39
	U	0.26	0.22	0.044	0.23	0.19	0.032	0.036	0.025	0.012	0.18
Doda	T	1.51	1.01	0.50	0.79	0.68	0.11	0.73	0.33	0.39	2.58
	R	1.41	0.92	0.49	0.69	0.60	0.095	0.71	0.33	0.39	2.36
	U	0.10	0.086	0.016	0.096	0.082	0.014	0.006	0.004	0.0024	0.23
Udham Pur	T	2.43	1.63	0.79	1.52	1.27	0.25	0.91	0.36	0.55	3.11
	R	1.97	1.23	0.73	1.10	0.90	0.19	0.86	0.33	0.53	2.49
	U	0.46	0.40	0.062	0.42	0.37	0.046	0.043	0.027	0.017	0.61
Kathua	T	2.00	1.61	0.38	1.42	1.23	0.19	0.57	0.38	0.19	4.16
	R	1.72	1.37	0.34	1.18	1.02	0.15	0.54	0.35	0.18	3.54
	U	2.77	0.23	0.040	0.24	0.21	0.035	0.030	0.024	0.0057	0.61
Jammu	T	<b>5.08</b>	4.17	0.91	<b>4.10</b>	3.51	0.58	0.98	0.65	0.32	10.21
	R	2.36	1.95	0.41	1.70	1.50	0.20	0.65	0.45	0.20	5.28
	U	2.22	2.21	0.49	2.39	2.01	0.37	0.32	0.20	0.12	4.93
Samba	T	0.92	0.81	0.10	0.74	0.67	0.066	0.18	0.14	0.039	2.26
	R	0.74	0.66	0.087	0.57	0.52	0.051	0.17	0.13	0.036	1.90
	U	0.17	0.15	0.17	0.16	0.14	0.015	0.013	0.0098	0.0029	0.35
Punch	T	1.61	1.17	0.43	0.73	0.63	0.10	0.88	0.54	0.34	3.15
	R	1.47	1.06	0.41	0.61	0.52	0.085	0.85	0.53	0.32	2.91
	U	0.14	0.11	0.025	0.12	0.10	0.015	0.024	0.014	0.010	0.24
Bandi Pora	T	1.49	1.01	0.49	0.75	0.64	0.10	0.74	0.36	0.37	2.43
	R	1.24	0.83	0.41	0.59	0.51	0.084	0.64	0.32	0.32	2.02
	U	0.24	0.18	0.068	0.15	0.14	0.017	0.094	0.044	0.050	0.40
Gander Bal	T	1.00	0.73	0.27	0.52	0.46	0.061	0.47	0.26	0.21	1.96
	R	0.84	0.62	0.22	0.43	0.38	0.047	0.41	0.23	0.17	1.65
	U	1.63	1.11	0.052	0.098	0.083	0.014	0.065	0.027	0.037	0.30

Contd

District		Total Wkrs	M	F	Main Wkrs	M	F	Marg inal	M	F	Non-wrkers
Shupiyan	T	0.87	0.63	0.23	0.54	0.48	0.057	0.33	0.14	0.18	1.78
	R	0.80	0.58	0.22	0.49	0.43	0.052	0.31	0.14	0.17	1.68
	U	0.067	0.056	0.011	0.056	0.051	0.0049	0.011	0.0048	0.0064	0.096
Kulgam	T	1.59	1.02	0.57	0.77	0.70	0.076	0.82	0.32	0.50	2.64
	R	1.26	0.81	0.45	0.61	0.54	0.062	0.65	0.26	0.39	2.16
	U	0.33	0.20	0.12	0.16	0.15	0.013	0.16	0.054	0.10	0.47
Ramban	T	0.87	0.68	0.18	0.52	0.46	0.055	0.35	0.21	0.13	1.96
	R	0.82	0.64	0.18	0.47	0.42	0.052	0.34	0.21	0.13	1.89
	U	0.043	0.039	0.004	0.040	0.037	0.0033	0.0028	0.0024	0.0005	0.074
Kishtwar	T	0.82	0.56	0.26	0.44	0.36	0.86	0.38	0.20	0.17	1.47
	R	0.78	0.52	0.25	0.40	0.32	0.079	0.37	0.20	0.17	1.37
	U	0.048	0.041	0.0073	0.044	0.37	0.0066	0.0041	0.0034	0.0007	0.099
Reasi	T	1.44	0.88	0.56	0.88	0.74	0.13	0.56	0.13	0.42	1.69
	R	1.33	0.80	0.53	0.79	0.67	0.12	0.54	0.13	0.41	1.53
	U	0.10	0.085	0.023	0.090	0.077	0.013	0.018	0.0078	0.010	0.16
Rajouri	T	2.90	1.84	1.06	1.30	1.10	0.20	1.60	0.74	0.85	3.51
	R	2.63	1.60	1.02	1.05	0.87	0.18	1.57	0.73	0.84	3.26
	U	0.27	0.24	0.033	0.24	0.22	0.021	0.026	0.014	0.011	0.25

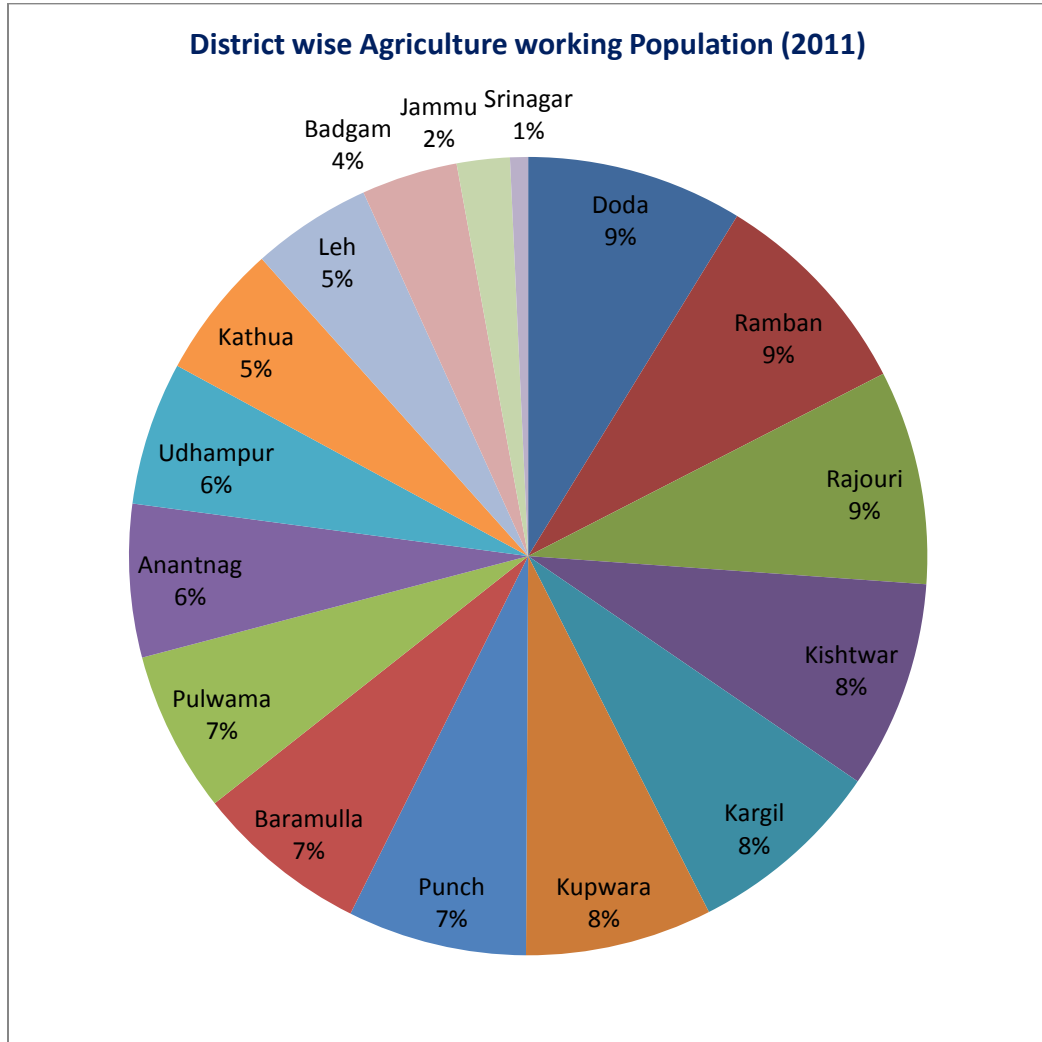
Sources: - PCA, 2011

### WORKING POPULATION IN AGRICULTURE SECTOR, 2011

The ratio of working population in agriculture is decreasing day by day because of urbanization, modernization and diversification of occupation of the people. The percentage of people working in agriculture sector in the state has been decreased by 22.40 percentage points (63.88 (1981) to 41.48, 2011). The decrease in working population in agriculture is not uniform across the spatial units (districts) of the state. Six districts of the state have recorded much decline in the proportion of working population in agriculture than state average rate, while as in the other districts, the rate of decline of population engaged in agriculture is lower than the state average.

The state average is 46.95 percent which indicates that 53.05 percent population is engaged in activities other than agriculture. The working population with agriculture is not same throughout but exhibit regional variations which are visible across the districts of the state. The districts with more percentage of population engaged in agriculture are Doda (62.12 percent), Ramban (61.5 percent), Rajouri (61.45 percent) and Kishtwar (59.64 percent) etc. while as district Srinagar (5.15 percent), Jammu (15.12 percent) and Leh (34.42 percent) have low percentage of people engaged in agriculture sector.

## Pie Chart



### **WORKFORCE, LABOUR FORCE, UNEMPLOYMENT DATA, 2011**

As per Census 2011, the workforce participation rate for females is 19.11% against 48.11% for males. Rural sector has better female work force participation rate of 20.8% compared with 14.50 % in urban sector. Female participation in labour force has remained lower (20.4%) than male participation (56.1%) as women account for most of the unpaid work, and when women are employed in paid work; they are overrepresented in the informal sector and among the poor. It has been observed that LFPR is the lowest for urban females. The unemployment rate for women in rural area was 16.6 against 2.7 for men whereas it was 25.6 and 4.7 for women and men in urban areas during 2011.

<b>Table 3.30:- Workforce, Labour Force, Unemployment Data, 2011</b>								
<b>Workforce Participation Rate, 2011 (Percent)</b>								
Rural			Urban			Rural+ Urban		
M	F	Person	M	F	Person	M	F	Person
46.3	20.8	34.2	52.68	14.5	35.23	48.11	19.11	34.47
<b>Labour force Participation Rate<sup>□</sup>, 2011 (Percent)</b>								
55.9	26.3	41.9	56.3	14.5	36.2	56.1	20.4	39.05
<b>Labour force Participation Rate (per 1000) for persons aged 15 &amp; above, 2011</b>								
727	199	477	179	709	454	723	194	471
<b>Unemployment Rate<sup>□</sup>, 2011 (Percent)</b>								
2.7	16.6	3.9	4.7	25.6	7.8	3.07	20.56	5.85
<b>Unemployment Rate (per 1000) for persons aged 15 &amp; above, 2011</b>								
70	153	86	45	166	68	64	156	82
<b>Worker Population Ratio (per 1000) for persons aged 15 &amp; above, 2011</b>								
676	169	436	677	150	424	676	164	433

Source:- Census 2011 data, Office the Registrar General, India, NSSO, 68<sup>th</sup> Round  
Employment and Unemployment Survey, Ministry of Labour & Employment, 2013-14

### COMPARISON OF UNEMPLOYMENT RATE AT NATIONAL LEVEL

The *NSS Survey- 68th Round* conducted during July, 2011 to June, 2012 throughout the country constitutes an important source of information on unemployment. The analysis of table reveals that the combined Unemployment Rate (R+U) under UPS and CWS is 4.9% and 4.7%, while as the indicator for CDS was 6.7%. As against this the All India level indicator was lower than that of State level under all the three approaches as indicated in the below table. The unemployment rates revealed by 68th round of NSS for J&K State in comparison to all India figures is given in the following table:-

<b>Table 3.31:- Unemployment Rate for J&amp;K State vis-à-vis All India, 2011</b>							
Area	J&K (% per 100 persons)				All India (%)		
Area		Male	Female	Persons	Male	Female	Persons
Rural	UPS	2.7	16.6	3.9	2.1	2.9	2.3
	CWS	3.0	6.3	3.8	3.3	3.5	3.4
	CDS	5.0	11.8	6.1	5.5	6.2	5.7
Urban	UPS	4.7	25.6	7.8	3.2	6.6	3.8
	CWS	4.5	21.8	7.6	3.8	6.7	4.4
	CDS	5.3	24.2	8.4	4.9	8.0	5.5
Combined	UPS	3.2	20.2	4.9	2.4	3.7	2.7
	CWS	3.4	8.8	4.7	3.5	4.2	3.7
	CDS	5.0	14.7	6.7	5.3	6.6	5.6

Source: - NSSO Report (July 2011-June-2012)

The table further shows that at State level, the unemployment rates for females as per all the three approaches viz. UPS, CWS and CDS were on the higher side when compared to corresponding figures for males. Further there is a huge gap of female unemployment rate in comparison to national level as per all the three approaches. For example as per UPS approach unemployment rate among female in J&K state is 20.2% while at national level it is just 3.7 % means thereby that in J&K state as per the UPS unemployment rate among female is more than five times than at national level. Similarly as per CWS, and CDS unemployment rate in the state among female is 8.8% and 14.7 % while as at national level it is 4.2 % and 6.6 % respectively. Thus the results show that the problem of unemployment is more prevalent amongst females in the State.

#### **UNEMPLOYMENT TREND FOR JAMMU & KASHMIR STATE**

55<sup>th</sup> Round (1999-2012) to 68<sup>th</sup> Round 2011-12

The statistics of unemployment in Jammu & Kashmir do not indicate any clear trend over the last years as is in shown in table. However it is quite clear that unemployment rate in the state is highest in urban areas than in rural areas. Within urban areas, the female unemployment rate has shown an increasing trend through all the three approaches. In rural areas female unemployment rate has increased from 4.4% in 1999 to 16.6% as per Usual statues which means that rural female unemployment has increased around four times in the last 13 years. Similar trend is evident from current weekly status as female unemployment has doubled from 3.3% to 6.3% from 1999 to 2012.

The table further shows that unemployment rate among male in urban areas has decreased in the last decade as per all the three approaches. Thus the analysis of the table makes it clear that in the state of Jammu and Kashmir unemployment is mostly an urban phenomenon and that too in female population which needs a serious concern by government and policy makers.

Years	Male			Female		
	US	CWS	CDS	US	CWS	CDS
<b>Rural</b>						
55 <sup>th</sup> (1999-2000)	2.3	3.6	4.8	4.4	3.3	11.8
60 <sup>th</sup> (2003-04)	2.03	3.1	5.4	18.18	6.1	10.6
61 <sup>th</sup> (2004-05)	3.8	8.6	10.7	81.8	14.7	36.7
62 <sup>th</sup> (2005-06)	5.1	6.5	7.9	0.6	0.3	0.5
66 <sup>th</sup> (2009-10)	3.1	3.0	3.8	19.3	5.7	10.3
68 <sup>th</sup> (2011-12)	2.7	3.0	5.0	16.6	6.3	11.8
<b>Urban</b>						
55 <sup>th</sup>	6.2	6.8	7.0	5.2	15.1	4.5
60 <sup>th</sup>	5.36	5.6	5.2	19.6	25.96	27.0
61 <sup>th</sup>	7.3	8.8	13.18	5.8	12.2	15.2
62 <sup>th</sup>	6.7	7.0	7.6	11.7	8.1	8.7
66 <sup>th</sup>	5.0	5.2	5.5	14.5	13.1	15.0
68 <sup>th</sup>	4.7	4.5	5.3	25.6	21.8	24.2

Source: Compiled from various Rounds of NSSO

### **UNEMPLOYMENT IN NORTHERN STATES, 2011-12**

As per the results of 68th Round of NSS (2011-12), the Unemployment situation of J&K in comparison to Northern States viz. H.P, Punjab, Haryana, Delhi and at All India level is given in the table below:-

States	Rural			Urban			Combined		
	Male	Fem	Person	Male	Fem	Person	Male	Fem	Person
J&K	2.7	16.6	3.9	4.7	25.6	7.8	3.2	20.2	<b>4.9</b>
H.P	1.8	1.8	1.8	2.1	11.0	4.2	3.2	20.2	4.9
Punjab	2.3	6.1	2.6	2.8	5.1	3.1	1.8	2.2	2.0
Haryana	2.6	4.2	2.5	4.0	5.6	4.2	2.5	5.6	2.8
Delhi	9.4	6.6	7.8	3.4	4.8	3.6	3.1	4.8	4.7
All India	2.1	2.9	2.3	1.2	6.6	3.8	2.4	3.7	2.7

Source: - NSSO, 68<sup>th</sup> Report

The analysis of table reveals that based on UP Status, J&K has the highest Unemployment rate of 4.9% in comparison to its neighbouring States viz. Punjab (2.8%), H.P (2.0%), Delhi (4.7%), Haryana (3.2%). All India figures for Unemployment rate stood at 2.7% only. The table shows that Unemployment rate for Males in J&K is 3.2% only whereas that of females is 20.2% which is far too high when compared to the unemployment of females in neighbouring States viz Punjab (5.6%), Haryana (4.8%), Delhi (4.3%), H.P (2.2%).

Based on UPS there is a huge gap of unemployment amongst females in J&K (20.2%) compared to the national aggregate (3.7%). Further the unemployment is more prevalent in urban than in rural areas; unemployment rate in urban area of J&K based on 68th Round of NSS stood at 7.8% against 3.9% in rural area. The unemployment amongst urban male (4.7%) is higher than that of rural males (2.7%) in J&K. Rural female unemployment in J&K stood at 16.6% which is far too high as compared to the neighbouring states viz. Punjab (6.1%), H.P (1.8%), Haryana (4.2%) and far too higher than the national average of 2.9% only. It is quite clear based on the findings of 68<sup>th</sup> R, the rate of unemployment is more pronounced and visible in J&K compared to the national average.

Further increasing rates of literacy seem to exhibit a positive relationship with unemployment which is a serious area of concern for policy makers and development practitioners. The disproportionate growth of educated persons and employment opportunities have created a *chaotic* scenario where opportunities for employment are not substantial vis-à-vis educated workforce added. The literacy is growing at an annual average growth rate of 1.02 percent, which results in addition to the educated youth year after year. This situation requires creation of ample opportunities in terms of employment avenues otherwise rise in literacy rate and number of literates will culminate into higher unemployment ratios.

#### **WORKFORCE IN TERMS OF GENDER AT NATIONAL LEVEL, 2011**

According to 2011 census, the number of total workers in J&K stood at 43.23 lakhs of which the main workers account 26.44 lakhs (61.77 percent) and the number of marginal workers constitutes 16.79 lakhs (38.83 percent). Female workers account 26.09 percent and male account 73.9 percent from the total work force. The share of female in the Main workers is only 12.80 percent against 47.02 percent in marginal workers. It is analyzed from the below table that male accounts higher proportion in both the main (61.80%) and marginal workers (38.8%). And the state is significant in main workers. However, contradictory to it, at All India level, India is insignificant in main workers and significant in marginal workers. Male and female contributed the same position just at state level. At all India level, similarly the male accounts higher proportion of 3318.65

lakh and in terms of percentage, it accounts 68.89 points and further in categories of workers, the main workers accounts 1431.49 lakh that constitute 61.58 percent and marginal workers levels 1587.16 lakh that accounts 63.66 percent.

It is further important to mention here that marginal workers cover female workforce comparatively at national level. The total workers with categories of main workers and marginal workers in respect of gender for Jammu & Kashmir at national level are reflected in table no.

		Total workers		Main workers		Marginal workers	
		Lakhs	age%	Lakh	age%	Lakh	age%
J & K (2011)	Total	43.22		26.44	61.8	16.78	38.8
	Male	31.95	73.9	23.05	87.2	8.89	52.9
	Female	11.27	(26.1)	3.38	12.8	7.89	47.02
All India	Total	4817.43		2324.46	48.25	2492.96	51.74
	Male	3318.65	68.89	1431.49	61.58	1587.16	63.66
	Female	1498.77	31.11	892.97	38.41	905.80	36.34

Source: Directorate of Census Operations (J&K), Series II, Part XII-B

### **WORKERS IN RESPECT OF AREA AND GENDER AT NATIONAL LEVEL, 2011**

According to 2011 census, the number of total cultivators in Jammu & Kashmir stood at 12.4 lakhs of which the rural cultivators constitute 11.8 lakhs and the urban constitutes 64.9 thousand. Similarly total agricultural labour constitutes 5.47 lakhs, rural constitute 4.98 lakhs and urban constitute 49 thousand. Male accounts very high proportion of 61.52 and 75.68 percent in both the categories of cultivators and agricultural labours for State and at national level the corresponding accounts 69.68 and 68.87 percent. The classification of workers at national level is shown in the below table.

		Cultivators	Male	Female	Agri. Labour	Male	Female
		J&K	T	12.45 (1.04)	7.65(61.5)	4.79(38.4)	5.47 (0.37)
	R	11.80 (94.77)	7.29	4.50	4.98 (91.04)	3.76	1.22
	U	0.64 (5.23)	0.35	0.29	0.49 (8.95)	0.38	0.11
All India	T	1186.92	827.06 (69.6)	359.8(30.3)	1491.62	1027.4(68.8)	464.2 (31.2)
	R	1149.68 (96.8)	798.39	351.29	1366.9 (91.3)	965.30	401.29
	U	37.24 (3.14)	28.67	8.56	124.66 (8.6)	62.10	62.93

Source: Census of India, Registrar General of India.



## JOB SEEKER YOUTH POPULATION IN JAMMU AND KASHMIR, 2011

The District Employment and Counseling Centers of state maintain qualification-wise data on job seekers. Due to limited job opportunities, the number of job seeker youth has been increasing with every passing year. It is examined that 'Matric up to Graduation' category accounts highest percent of job seekers in 2011 followed by Graduates. The qualification-wise job seekers for 2011 are given in table as under:-

Job seekers Categories	Percentage
Illiterate	0.53
below Matric	12.8
Matric & Above	61.6
Graduates	14.3
Post Graduates	3.45
Degree Engineers	1.50
Diploma Engineers	3.22
ITI Trained	2.07
Skilled (Other than ITI/Others)	0.62
Total	86.6
Grand Total	100

Source: Directorate of Economics and Statistics, J&K State, 2011

## WORKING AGE GROUP 15-59 IN TERMS OF SEX AND RESIDENCE AT NATIONAL LEVEL, 2011

Table below provides working population in the age group 15-59 years at national level by sex and residence. The J&K State accounts 64.9% in rural and 70.0 percent in urban against 61.01% and 66.6% at national level. Thus it varies highly at national level and it is important mention here that J&K State accounts much better position in the rural areas. While the disparity index of state against All India is small in value. The table depicts the percentage of population in the age group 15-59 years by residence and sex.

	Total			Rural			Urban			D.I
	T	M	F	T	M	F	T	M	F	
J&K	<b>65.9</b>	65.1	66.8	<b>64.9</b>	64.0	65.8	<b>70.0</b>	69.2	70.8	0.057
All India	<b>62.5</b>	52.2	62.8	<b>61.0</b>	60.7	61.3	<b>66.6</b>	66.2	66.9	0.125

Source:- Survey, SRS, 2011

### TRENDS BY TYPE OF EMPLOYMENT, 1999-00 to 2011-12

During investigation into type of employment there has been a decline in self-employment and rise in casual wage employment. Only the service sector experienced a rise in self employment. It means service sector employment is moving more towards self-employment and salaried wage employment. The table depicts the trends of type of employment.

	1999-2000	2011-2012
Self-employment	48.78	41.68
Salaried employment	36.12	29.44
Casual wage employment	15.10	28.88
	100	100

Source: Calculated from Employment and Unemployment Survey, NSSO, 1999-2000 and 2011-12

### DISTRIBUTION OF ESTABLISHMENTS & EMPLOYMENT, 2013

The percentage share of establishments and employment therein, by sector (rural/urban/combined) and by type of establishments (own account establishments/ establishment with at least one hired worker) have been presented in table below respectively. According to *Sixth Economic Census (6<sup>th</sup> EC)*, the percentage share of establishments and employment therein, there are total 0.86 percent reported to be employed in the establishments and 0.83 percent accounted in employment by the type of establishments.

	Establishment			Employment		
	Rural	Urban	Combined	Rural	Urban	Combined
J&K State	0.85	0.87	0.86	0.88	0.78	0.83
All India	100.0	100.0	100.0	100	100.0	100.0

Source: - Report of 6<sup>th</sup> Economic Census, CSO, 2013

### DISTRIBUTION OF ESTABLISHMENTS AND EMPLOYMENT, 2013

The type of establishments (own account establishments/ establishment with at least one hired worker) have been analyzed and category linked with at least one hired workers accounts higher percentage share establishments of 1.02 while without hired workers contributes higher percent of 0.95 in employment by the type of establishment. The distribution of establishments and employment, 2013 is depicted in the table below:-

**Table 3. 40:- Distribution of establishments and employment by type of establishments, Percent**

	Establishment	Employment
Without Hired workers	0.79	0.95
With at least one Hired workers	1.02	0.69
Total	0.86	0.83

Source:- Sixth Economic Census, MOSPI, 2013

As per the 6<sup>th</sup> *Economic Censuses (2013)*, non-agricultural establishments grew at the rate of 0.13%, while agricultural establishments grew at the rate of 1.07%. As per the results of the Sixth Economic Census, there were various establishments engaged in different economic activities. The distribution of total number of establishments and number of persons employed by broad activity groups, with break-up for each type of establishment (i.e. without hired worker and with at least one hired worker), is given in table by the percentage shares.

**Table 3. 41:- Area wise distribution of establishments and employment by type of establishments, 2013**

	Broad Activity Groups	Agricultural Establishment	Non-Agricultural Establishment
Rural	Without Hired workers	0.10	1.16
	With at least one Hired workers	0.17	1.46
	Total	0.11	1.24
Urban	Without Hired workers	0.29	0.93
	With at least one Hired workers	0.41	0.85
	Total	0.31	0.9
Combined	Without Hired workers	0.12	1.06
	With at least one Hired workers	0.20	1.09
	Total	0.13	1.07

Sources:- Sixth Economic Census, Ministry of Statistics and Programme Implementation, CSO, [www.mospi.gov.in](http://www.mospi.gov.in)

### **LABOUR FORCE PARTICIPATION RATE, 2016**

Labour Force Participation Rate is the proportion of the working age population, either by working or seeking for work. It provides an indication of relative size of the supply of labour available which can be engaged in the production of goods and services. As per *Economic Survey 2016-17*, the distribution of LFPR (per 1000) for persons of different age groups according to UPS and UPSS is given below:-

<b>Table 3.42:- Labour Force Participation Rate at All India level, 2016.</b>									
<b>All India</b>									
<b>UPS</b>	15-17 years			18-29 years			30 years & Above		
	R	U	R+U	R	U	R+U	R	U	R+U
Male	136	52	84	711	549	452	898	831	582
Female	56	17	167	232	163	550	310	176	477
Person	100	36	115	485	362	668	611	512	878
<b>UPSS</b>	15-17 years			18-29 years			30 years & Above		
Male	157	53	131	720	550	675	902	831	881
Female	77	19	62	281	167	250	365	180	311
Person	121	38	100	512	364	473	640	514	603
<b>Jammu &amp; Kashmir</b>									
<b>UPS</b>	15-17 years			18-29 years			30 years & Above		
Male	17	11	16	459	381	444	863	803	867
Female	32		25	144	149	145	77	119	89
Person	22	6	19	301	262	293	488	480	486
<b>UPSS</b>	15-17 years			18-29 years			30 years & Above		
Male	458		407	186	87	169	2	3	2
Female	32		25	144	149	145	80	119	91
Person	22	6	19	301	262	293	489	480	487

Source: - Economic Survey 2016

UPS-Usual Principal Status Approach UPS) & UPSS-Usual Principal Subsidiary Status Approach

In case of age group 18-29 years, the state of Chhattisgarh had shown the highest 639 per 1000 LFPR followed by UT of Andaman & Nicobar Island with 605 per 1000 whereas the state of Jammu & Kashmir has lowest i.e, 293 LFPR for this age group using both UPS and UPSS approaches. In J&K State, Female LFPR in the age group of 18-29 years is 145 using both UPS and UPSS approaches where as at All India Level LFPR is 550 and 250 respectively for the same age group. At All India, persons having age 30 years & above, LFPR is 878 and 603 using UPS and UPSS approaches respectively. In J&K State, persons have age 30 years and above, LFPR stands at 486 per 1000 and 487 per 1000 using UPS and UPSS approaches respectively.

### **WORKER POPULATION RATIO, 2016**

Worker Population Ratio (WPR) signifies proportion of workers in the total population of specific age group. According to *JK Economic survey*, the person in the age group of 18-29 years had highest WP Ratio i.e. 607 per 1000 in the state of Chhattisgarh and the lowest in the state of Jammu & Kashmir i.e. 221 per 1000 as observed during the survey period using UPS approach and 224 using UPSS approach. The distribution of WPR (per 1000) for persons of different age groups according to UPS and UPSS approach is given below:-

<b>Table 3.43:- Worker Population ratio for J&amp;K at National Level, 2016</b>									
<b>All India</b>									
UPS	15-17 years			18-29 years			30 years & Above		
	R	U	R+U	R	U	R+U	R	U	R+U
Male	111	40	93	631	486	593	890	826	871
Female	43	14	36	191	118	171	298	167	260
Persons	89	28	67	423	307	392	601	504	573
UPSS	15-17 years			18-29 years			30 years & Above		
Male	139	43	114	660	493	616	897	827	877
Female	67	16	54	247	124	213	358	172	304
Persons	106	31	87	465	314	424	635	507	597
<b>Jammu &amp; Kashmir</b>									
UPS	15-17 years			18-29 years			30 years & Above		
Male	8	11	9	372	337	365	857	801	841
Female	9	8	7	73	107	80	70	114	82
Persons	9	6	8	222	220	221	481	476	480
UPSS	15-17 years			18-29 years			30 years & Above		
Male	9	11	9	374	348	369	862	801	845
Female	9	8	7	73	108	81	73	114	84
Persons	9	6	9	223	225	224	485	476	483

Source: - Economic Survey 2016 (J&K)

In the J&K State, WPR of females in the age group of 18-29 years is 80 per thousand and 81 per 1000 using UPS and UPSS approaches respectively. For persons in the age group 30 years and above WPR at all India level is 573 per 1000 and 597 per 1000 respectively with UPS and UPSS approaches respectively. For J&K State the corresponding figures stand at 480 and 483 per thousand respectively. For females in same age group for J&K State is 82 and 84 per 1000 using UPS and UPSS approaches respectively.

#### **ACTIVITY WISE DISTRIBUTION OF EMPLOYED PERSONS, 2016**

The employed persons are further classified based on the activity pursued by them during the reference period. Based on economic activities pursued by the employed persons in different reference periods, the persons aged 15-17 years, 18-29 years and 30 years & above are broadly classified as Self Employed, Wage/Salaried Worker, Contract Workers and Casual Laborers. At all India level, using UPS in the age group of 18-29 years highest number 390 per thousand persons are Self employed, 366 per thousand are casual workers, 190 per 1000 are salaried and only 54 per 1000 are contract workers. The distribution of employed persons in different activities by various age groups according to UPS and UPSS approaches is given in the table below:-

**Table 3.44:- Distribution of employed persons (per 1000) in different activities, 2016**

All India									
UPS	15-17 years			18-29 years			30 years & Above		
	R	U	R+U	R	U	R+U	R	U	R+U
SE	408	309	397	405	333	390	512	434	492
WSE	51	189	65	141	376	190	105	338	165
CW	36	77	40	46	84	54	24	49	30
CSW	506	426	497	408	207	366	359	179	313
UPSS	15-17 years			18-29 years			30 years & Above		
SE	491	321	475	426	335	408	515	435	495
WSE	40	177	52	130	370	178	99	336	158
CW	29	78	33	44	85	52	23	49	30
CSW	441	425	439	400	209	362	363	180	317
Jammu & Kashmir									
UPS	15-17 years			18-29 years			30 years & Above		
SE	435	-	376	305	379	319	466	423	454
WSE	-	322	44	283	464	319	239	472	302
CW	-	678	92	83	46	76	37	12	30
CSW	565	-	488	330	112	286	258	93	214
UPSS	15-17 years			18-29 years			30 years & Above		
SE	409	-	357	304	394	322	462	423	451
WSE	-	322	42	281	452	315	237	472	300
CW	-	678	88	83	45	75	37	12	30
CSW	591	-	514	333	109	288	264	93	219

SE: Self Employed; WSE: Wage/Salaried Employed; CW: Contract Worker; CSW: Casual Worker  
Source: - Economic Survey 2016

In J&K using the same approach 319 per 1000 persons are self employed and salaried each and 286 per 1000 are casual workers and 76 per thousand are contract workers. Using UPSS approach, in India it has been observed that in the age group of 18-29 year 408 per 1000 persons are self employed while 362 per 1000 are casual workers. Percentage of persons who are wage/ salaried and contract workers is 178 and 52 respectively. In J&K, using same approach for persons in the age group of 18-29 years, self employed persons are 322, casual works are 288, wage/ salaried employed are 315 and contract works are 75 only. At national level, in the age group of 30 years and above self employed, wage/salaried employed, Contract workers and casual workers using UPS approach are 492, 165, 30, and 313 per thousand respectively. Using UPSS approach values are 495, 158, 30 and 317 per 1000 respectively. Corresponding values for J&K State are 454, 302, 30, 214 per 1000 respectively using UPS approach and 451, 300, 30 and 219 per thousand respectively using UPSS approach respectively.

## UNEMPLOYMENT AS PER ECONOMIC SURVEY, 2016

The persons in the age group of 18-29 years had R+U 132 per thousand of All India Level using UPS approach and 102 per thousand using UPSS approach. It is observed from the data that in J&K, in the age group 18-29 years R+U is highest among females i.e. 451 and 446 using UPS and UPSS approaches respectively. In Jammu and Kashmir, R+U for males of age group 18-29 years is 178 and 169 using UPS and UPSS approaches respectively. In the age group of 30 years and above (R +U) at All India Level is 16 and 09 per thousand using UPS and UPSS approach against 13 and 08 per thousand for J&K State. In the state of J&K, R+U is 246 per 1000 using UPS approach and 238 per 1000 using UPSS approach stands two fold at national level shown in table below.

<b>Table 3.45:- Unemployment Rate (per 1000) for persons of J&amp;K, 2016</b>									
All India									
UPS	15-17 years			18-29 years			30 years & Above		
	R	U	R+U	R	U	R+U	R	U	R+U
M	184	221	188	112	115	113	9	7	9
F	228	214	227	179	279	200	37	53	40
P	195	220	198	127	151	132	16	15	16
UPSS	15-17 years			18-29 years			30 years & Above		
M	118	203	126	83	104	87	5	6	5
F	134	174	137	120	258	146	17	45	22
P	122	196	130	92	139	102	8	13	9
Jammu & Kashmir									
UPS	15-17 years			18-29 years			30 years & Above		
M	508	396	452	191	114	178	8	3	6
F	712	713	712	496	280	451	95	49	79
P	613	541	577	264	162	246	14	8	13
UPSS	15-17 years			18-29 years			30 years & Above		
M	458	356	407	186	87	169	2	3	2
F	712	713	712	491	272	446	87	49	73
P	588	522	555	259	140	238	8	8	8

Source: - Economic Survey 2016

## LABOUR FORCE, WORK FORCE & UNEMPLOYED (NSSO 61<sup>th</sup>/72<sup>th</sup> R)

The NSS provides data on two important parameters- labor force and workforce. Hence labor force includes both employed and unemployed persons. The workforce is technical term used by NSS for the employed. During the analysis of labor force it increased from 4.01 million in 1999-00 to 5.10 in 2014-15. While work force increased from 3.94 million to 4.32 million during the same

periods. In the fifteen year period, growth rate of labour force exceeded work force. Notwithstanding this, the addition to the workforce has marginally fallen short of the additions to the labor force in successive periods of the NSS rounds leading to an increase in the absolute number of unemployed persons in the state. The trend of labor force, work force at national level is below in the table:-

<b>Table 3.46:- Labor Force, Work Force and Unemployment (UPSS), Million</b>						
	Jammu and Kashmir			All India		
	55 <sup>th</sup> R (1999-0)	61 <sup>th</sup> R (2004-5)	72 <sup>th</sup> R (2014-15)	55 <sup>th</sup> R (1999-0)	61 <sup>th</sup> R (2004-5)	72 <sup>th</sup> R (2014-15)
Labor Force	4.01	4.37	5.10	403.15	470.14	494.24
Workforce	3.94	4.27	4.32	394.17	458.99	481.74
Unemployed	0.07	0.1	0.08	8.98	11.15	3.8
Unemployed/Labor Force	1.7%	2.3%	1.85	2.2%	2.4%	0.78

Source: Various Reports of NSS Data

The rapid increase in labour force creates pressure for creation of employment opportunities. If economic growth is jobless, the possibility of rapid growth of unemployment cannot be ruled out when labour force registers a high growth rate. During the period of 61<sup>st</sup> Round 2004-05 the percentage of the unemployed to the total labor force has also been increased. However, the 61<sup>st</sup> Round 2.3 per cent is lower than the all India figure of 2.4 per cent. In 72<sup>th</sup> Round of NSS data the trend was reversed subsequently J&K State stands at 1.85 against 0.78 at national level higher than national average.

#### **COMPOSITION OF WORKERS, 1983-2010**

According to *NSSO data*, agriculture sector witnesses declining trend of workforce and service sector shows rapid and accelerated trend and the status for absorbing the workforce. In 1983 workforce in agricultural was 79.5% and slumped finally to 61.05% in 2009-10. The mining and quarrying accounts less contribution and slightly improved however never reached to 1 percent. In case of construction, workforce absorbed significantly since 1983, 7.26% in 1983, 6.0% in 1993, 6.6% in 1999, 7.10 and finally 6.19 percent in 2009-10. The public administration, education, communication and other services performed tremendously and accounts 4.6 percent in 1983 which accelerated to 10.60 percent in 2010. However in overall service sectors growth rate is significantly increasing. The trends of workers in such activities are shown in table below:-



**Table 3.47:- Trends of Workers in various Categories, 1983 – 2010**

Occ. Cat.	Male					Female					Persons				
	1983	1993-94	1999-00	2004-05	2009-10	83	93-94	99-00	04-05	09-10	83	93	99	04-05	09-10
I	71.7	61.3	66.9	53.8	43.7	96.0	95.6	93.4	86.6	78.4	79.5	76.0	74.4	64.0	61.05
II	0.28	0.10	0.00	0.40	0.64	0.05	0.10	0.0	0.0	0.02	0.20	0.10	0.0	0.30	0.33
III	5.51	5.71	4.40	9.90	11.12	2.07	0.90	3.90	9.70	7.14	4.40	3.60	4.20	9.80	9.13
IV	0.92	2.0	0.70	1.6	1.7	0.0	0.0	0.0	0.0	3.8	0.63	1.10	0.40	1.10	2.75
V	10.5	9.9	10.2	10.2	12.24	0.39	0.70	0.20	0.10	0.15	7.26	6.0	6.60	7.10	6.19
VI	2.7	4.3	5.4	7.1	6.4	0.4	0.2	0.4	0.3	0.2	1.9	2.5	3.6	5.0	3.3
VII	2.0	4.6	2.5	5.8	7.4	0.0	0.0	0.2	0.0	0.1	1.4	2.7	1.7	4.0	3.8
VIII	0.2	0.9	0.2	0.4	0.6	0.0	0.0	0.1	0.0	3.6	0.1	0.5	0.2	0.2	2.1
IX	6.4	11	9.7	10.01	14.81	1.1	2.5	1.8	3.3	6.4	4.6	7.5	6.9	8.5	10.60
T	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

Source: Various issues of NSSO, 50<sup>th</sup> R, 55<sup>th</sup> R, 61<sup>st</sup> and 66<sup>th</sup> NSSO Rounds

NOTE: Occupation Categories: I=Agriculture, etc.; II=Mining & Quarrying; III=Manufacturing; IV=Electricity, Water etc; V=Construction; VI=Trade, Hotel and Restaurant; VII=Transport; VIII=Fin. Inter, bus. etc.; IX=Public Adm., Education communication; Service etc.

### TRENDS OF WORKFORCE FOR J&K STATE, 1981 - 2011

During the three decades since 1981, the proportion of main workers always exceeded. Their proportion to total workers was 68.6 percent against 31.4 percent of marginal workers in 1981 and 69.5 and 30.5 percent in 2001. Thereafter, main workers kept on declining steadily and stood at 61.17 percent against 38.82 percent in 2011. The analysis is depicted in the table below:-

**Table 3.48:- Analysis of Workforce from 1981 and 2011 (Lakhs)**

Year	Pop	Total Workers	Main Workers	Marginal Workers	Non-workers (Lakhs)
1981	59.87	26.50 (44.3)	18.18 (68.6)	8.31 (31.4)	33.37
2001	101.43	37.53 (37.0)	26.08 (69.5)	11.45 (30.5)	63.89
2011	125.48	43.22 (34.44)	26.44 (61.17)	16.78 (38.82)	82.26

Source: Compiled census of India

The rate of marginal workers during three decades from 1981 onwards was erratic. It declined to 30.5 percent during 2001. Thus, the decrease in the main workers and increase in marginal workers was dramatic in 2011.

### WORK PARTICIPATION RATE (AREA AND GENDER), 1981 to 2011

Crude work participation rate is analyzed and categorized in main and marginal workers in respect of gender and residence for the reference periods of 1981, 2001 and 2011. It is important to note here that during 1991 no survey was done due to outbreak of violence in the State. The Crude work participation rate in respect of gender and geographical area (1981-2011) is depicted in the table below:-

	1981			2001			2011		
	T	M	F	T	M	F	T	M	F
<b>Main+ Marginal</b>	44.26	55.81	31.31	36.63	49.83	21.96	38.85	56.1	20.4
Rural (Main + Marginal)	47.73	57.27	37.08	37.93	49.14	25.84	36.5	52.9	25.3
Urban (Main +Marginal)	31.27	50.41	9.39	32.71	51.80	9.50	37.2	56.3	14.5
Main	30.37	52.20	5.91	25.19	41.30	7.28	21.07	37.04	5.02
Main (Rural)	30.76	52.86	6.12	23.78	38.73	7.65	17.40	35.62	6.32
Main (Urban)	28.92	49.75	5.11	29.45	48.65	6.98	29.16	39.44	4.12
Marginal	13.89	3.61	25.40	11.44	8.53	14.68	13.37	14.18	12.26
Marginal (Rural)	16.96	4.41	30.97	14.15	10.41	18.19	15.08	18.14	16.44
Marginal (Urban)	2.34	0.66	4.27	3.26	3.15	3.40	10.58	8.34	7.66
Non-agri Workers (Rural)	18.39	25.81	5.61	38.90	41.29	33.98	53.42	57.72	45.24
Non-agri. Workers (Urban)	84.43	88.76	57.82	93.85	94.50	89.92	94.40	96.10	91.32

Sources:- Compiled Census of India

The crude work participation rate of male reflects slight change, 55.81 percent in 1981 and then proliferated 56.1 percent in 2011. Female crude work participation decreased by high proportion from 31.31 to 20.4 percent from 1981 to 2011 due to increase of girl enrolments in schools/institutions.

The crude work participation rate in rural was 47.73 per cent in 1981, which declined to 36.5 percent in 2011. However, female participation decreased more than male. Female crude work participation decreased by 11.78 percent (37.08 to 25.3) and male by only 4.37 percent. The crude work participation rate in urban areas was 31.27 per cent in 1981, accelerated to 37.2 per cent in 2011.

The crude work participation rate of main workers was 30.37 percent in 1981 and male accounts very high proportions of 52.20 percent. In 2011, the same holds 21.07% (main) and 37.04% (male), the female accounts only 5 percent.

The crude work participation rate of main workers by residence (rural) was 30.76 percent in 1981 and declined to 17.40 percent in 2011. The crude work participation rate of main workers by residence (urban) was 28.92 percent in 1981 and increased only 29.16 percent. Male accounts very high proportions than female in during the same periods.

The crude work participation rate of marginal workers was 13.89 percent and female accounts very high proportions of 25.40 % and male only 3.61% in 1981. In 2001 work participation rate (Marginal) accounts 11.44% and male risen to 8.53 % and female declined to 14.68 percent. The same accounts 13.57 percent,

14.18 and 12.26 percent in 2011 means male incremented to 14.18 percent and female decelerated further to 12.26 percent. The crude work participation rate of marginal workers by rural was 16.96% and female accounts very high proportions of 30.97 % and male accounts 4.41 % in 1981. In 2011 crude work participation rate (Marginal) by rural accounts 15.08 percent and female accounts 16.44 percent. The crude work participation rate of marginal workers by urban increased from 2.34 to 10.58% from 1981 to 2011. Male accounts only 0.66 % in 1981 and accelerated to 8.37 percent in 2011.

The percentage of Non-agricultural Workers (Rural) to Total Rural Workers contributes 18.39 percent in 1981 and 53.42 percent in 2011. In both the periods male accounts higher proportions. However, the female increased tremoudously from 5.61 in 1981 to 45.24 in 2011. The percentage of Non-agricultural Workers (urban) to Total Rural Workers contributes 84.43 percent in 1981 and 94.40 percent in 2011. In both the periods male accounts higher proportions.

#### **GROWTH RATE OF WORKERS FOR JAMMU & KASHMIR, 1983 to 2016**

It comes out that as compared with 1983 to 1993-94, during the post-liberalization period 1993-94 to 2004-05, employment growth decelerated. In terms of sectoral employment, there is a marked deceleration in employment growth in agriculture. In the case of secondary sector, acceleration in their growth of employment took place and in the tertiary sectors on the other hand, deceleration took place. But comparing the entire post-reform period 1993-94 to 2015-16 with the pre-reform period 1983 to 1993-94, it comes out that the employment growth rate decelerated for all major sectors except secondary sector. There is a visible acceleration in the growth rate of employment in the secondary sector. The Growth Rate of UPSS Workers (R+U) for State (1983/2015-16) is depicted in the table below:-

	Agriculture	Secondary sector	Tertiary sector	All
1983 to 1993-94	3.18	0.82	8.09	3.76
1993-94 to 2004-05	-0.018	8.69	2.02	1.7
2004-05 to 2015-16	1.8	9.23	0.14	2.85

Source: - Various Rounds, 61<sup>th</sup> & 73<sup>th</sup> NSS Round, Employment and Unemployment Survey,

### AGE GROUP OF WORKERS IN TERMS OF PERCENTAGE, 1981 - 2011

The age composition of total workers divides the whole age into three groups i.e. 0-14, 15-59 and 60+ and further classified workers into two main categories (Main & Marginal) in respect of gender and area wise.

It is examined among three groups, group 15-59 absorbs maximum proportion of workers i.e. (84.79% (M) & 81.92% (F) in 1981 and 87.87% & 86.58% in 2001 and 88.24% (M) and 87.44% (F) in 2011. It is important to notice that female accounts higher proportion of child labour (0-14) than male in all the three periods. In case of (Main + Marginal) by Residence Rural, group 15-59 possess maximum percentage 83.24% male and 80.52% female in 1981, 86.17% male and 85.86% female in 2001 and 85.64% male and 84.44 in 2011. The age group of workers in terms of percentage (1981 to 2011) is delineated in below:-

<b>Table 3.51:- Age Group of Workers in Percentage, J&amp;K, 1981 to 2011</b>																	
1981						2001						2011					
Male			Female			Male			Female			Male			Female		
0-14	15-59	60+	0-14	15-59	60+	0-14	15-59	60+	0-14	15-59	60+	0-14	15-59	60+	0-14	15-59	60+
<b>Total Workers</b>																	
7.47	84.79	7.74	14.31	81.92	3.77	3.37	87.87	8.77	8.01	86.58	5.41	1.84	88.24	9.92	4.32	87.44	8.24
<b>(Main + Marginal) by Residence (Rural)</b>																	
8.35	83.24	8.41	15.66	80.52	3.82	4.17	86.17	9.65	8.54	85.86	5.61	4.18	85.64	10.18	6.14	84.44	9.42
<b>(Main + Marginal) by Residence (Urban)</b>																	
3.76	91.32	4.93	9.34	88.38	2.29	1.13	92.56	6.32	3.72	92.50	3.78	1.08	94.16	4.76	3.80	93.62	2.58
<b>Main Workers</b>																	
5.20	86.97	7.83	13.88	82.94	3.18	1.53	89.56	8.92	5.36	89.20	5.43	1.90	90.60	7.5	6.68	88.24	5.08
<b>Main Workers by Residence (Rural)</b>																	
5.64	85.79	8.57	20.71	76.04	3.25	1.79	88.13	10.1	5.92	88.11	5.97	2.44	88.26	9.3	4.96	86.76	8.28
<b>Main Workers by Residence (Urban)</b>																	
3.50	91.60	4.89	9.19	89.05	1.76	0.91	92.90	6.19	3.23	93.39	3.38	0.70	93.92	5.38	2.22	94.42	3.36
<b>Marginal Workers</b>																	
40.24	53.32	6.44	14.41	81.68	3.90	12.4	79.54	8.04	9.47	85.14	5.40	10.41	80.56	9.03	7.57	83.48	8.95
<b>Marginal Workers by Residence (Rural)</b>																	
40.96	52.64	6.40	14.59	81.47	3.94	13.3	78.69	8.02	9.75	84.81	5.44	11.36	82.66	5.98	8.52	86.86	4.62
<b>Marginal Workers by Residence (Urban)</b>																	
23.07	69.53	7.40	9.51	87.57	2.92	4.38	87.37	8.25	4.70	90.69	4.61	5.24	86.37	8.39	4.34	91.72	3.94

Sources: Census of India, Various Issues

In case of (Main + Marginal) by Residence Urban, group 15-59 possess 91.32% of male and 88.38% of female in 1981, 92.56% of male and 92.50% of female in 2001 and 94.16% male and 93.62% in 2011 of work force. Group 15-59 accounts maximum percentage of work force in all the three periods even after sub-

category of main and marginal workers. In case of age group (marginal workers), male propound hallmark in the child labour group (0-14) accounts 40.24 percent of male in 1981 and particularly age group (0-14) of marginal workers by rural accounts 40.96 percent of male.

### **DISTRICTWISE WORK PARTICIPATION RATE FOR J&K, 1981-2011**

Among all districts, the crude work participation was found to be highest in Kargil district (54.94%) and lowest 34.90% in Srinagar district during 1981. In 2001, Punch replaced Kargil and installed the top rank of having 53.97 percent and Baramulla having lowest crude work participation rate of 31.76 percent. In both periods of 1981 and 2001, Udhampur accounts highest percent of male work participation rate. In case of female, Kargil accounts highest percent in 1981 and punch contributes highest percent in 2001. In 2011, Udhampur (51.96%) replaced Punch and evaluated at top rank. The crude work participation rate at district level in terms of gender during the reference periods is depicted in the table below:-

Districts	1981			2001			2011		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Kupwara	48.86	56.93	39.46	32.67	45.34	18.69	30.45	44.34	18.56
Baramulla	45.44	56.66	32.56	31.76	46.83	15.06	32.93	48.80	17.06
Srinagar	34.90	52.62	14.60	31.99	50.14	10.68	41.96	57.24	26.68
Badgam	48.73	58.65	37.46	35.91	48.53	22.34	41.95	58.50	25.40
Pulwama	50.70	56.53	44.19	32.58	46.95	17.36	31.34	44.32	18.36
Anantnag	42.44	56.18	27.27	33.69	45.95	20.39	33.50	46.70	20.30
Leh/Ladakh	50.39	59.46	40.15	49.58	58.32	38.97	48.64	54.36	34.92
Doda	43.36	55.52	29.90	46.00	52.72	38.56	42.29	50.08	34.50
Kargil	54.94	59.53	49.57	46.64	50.08	42.53	43.22	46.10	40.35
Udhampur	54.58	62.04	46.35	49.28	57.83	39.35	51.67	58.80	44.54
Punch	46.56	56.04	35.86	53.97	57.68	49.93	43.65	49.60	37.70
Rajauri	44.98	55.18	33.73	45.15	52.15	37.19	36.73	42.26	31.20
Jammu	39.43	52.46	25.02	33.25	50.56	13.32	39.09	59.76	18.43
Kathua	43.40	55.34	30.37	37.34	50.64	22.58	31.80	38.28	25.32

Sources: Various Reports of Census of India, (J&K)

### **CO-EFFICIENTS OF VARIATIONS AT THE DISTRICT LEVEL**

While examine work participation rates at the district level it is important to know the nature of disparity among the districts over time. For this we have calculated the co-efficient of variations for the period 1981 to 2011. The higher co-efficient shows an increasing disparity and the vice-versa. The male workers reflect low disparity against females in all the districts during the reference period.

1981			2001			2011		
Total	Male	Female	Total	Male	Female	Total	Male	Female
12.02	4.60	26.56	6.95	6.56	4.63	16.95	13.65	32.56

Calculated

### **DISTRIBUTION OF WORKERS BY EDUCATIONAL STATUS, 1981-2011**

The increase in educational level of workforce has been much faster during 1981-2011 compared to earlier decades. It may be observed from table that the literacy level among male workers gone up dramatically since 1981. In 1981, the literacy level among male workers stood at 37.25, 59.90 in 2001 and 68.3 in 2011 in terms of percentage. Likely the literacy level among female workforce, only one-tenth of the workforce was literate in 1981, which increased to one-third of the female workforce in 2001. The percentage of total male workers with educational level above matric was 5.05 percent in 1981; it accelerated to 28.07 percent in 2001 and 43.7 in 2011. The educational level of all workers during 1981-2001 is depicted in the table below:-

1981						2001						2011					
Male			Female			Male			Female			Male			Female		
L	BM	AM	L	BM	AM	L	BM	AM	L	BM	AM	L	BM	AM	L	BM	AM
37.25	32.20	5.05	9.75	8.49	1.26	59.90	28.70	28.07	27.56	14.02	10.07	68.3	24.5	43.7	40.1	22.2	19.2
Total Workers according to Education (Rural)																	
32.72	30.15	2.27	7.88	7.59	0.29	54.12	30.49	20.18	18.73	12.21	6.06	61.3	33.6	27.7	26.8	18.1	8.64
Total Workers according to Education (Urban)																	
56.24	40.81	15.43	37.90	22.10	15.80	75.87	23.47	49.89	52.63	12.52	42.58	83.5	30.7	52.8	73.2	27.4	45.8
Main workers according to Education																	
33.89	30.72	5.17	16.96	10.97	5.99	54.41	29.17	22.07	24.84	11.04	9.39	66.9	32.7	34.2	31.5	17.6	13.9
Marginal workers according to Education																	
35.89	30.72	5.16	16.94	10.97	5.98	53.29	35.15	14.07	23.87	15.67	5.15	59.4	39.2	20.2	29.8	18.5	11.3

L means literacy level; BM means below matric and AM means above matric  
Source: Compiled census of India

While trend in the educational level of workers is very increasing, but the educational level reveals that human resources need to be developed far more in coming decades, at least half the male workforce should be matriculate by 2020 and we strive to achieve one-third of the female workforce to be matriculate by that time. In the state of J&K literate male workers shows highest percent during the reference period in both rural and urban areas. As expected, urban areas shows higher educational level than the rural areas in both main and marginal categories.

## COMPARISON NSSO & CENSUS DATA: Non-Agricultural Workers

A striking observation which catches attention is the minor divergence between the two sources. Table gives the information of non-agricultural workers in terms of percentage to total workers according to NSS 38<sup>th</sup>, 55<sup>th</sup> & 67<sup>th</sup> Round and Censuses of 1981 and 2001 and 2011. It is examined trend of the non-agricultural workers to total workers in urban areas is more than 80 per cent from the both sources during three reference periods. Even last two censuses of 2001 and 2011, urban workers exceeded more than 90 in terms of percentage.

<b>Table 3.55:- Comparison Between NSSO &amp; Census Data, (Percent)</b>																	
NSS 38 <sup>th</sup> R			Census 1981			NSS 55 <sup>th</sup> R			Census 2001			NSS 67 <sup>th</sup> R			Census 2011		
T	R	U	T	R	U	T	R	U	T	R	U	T	R	U	T	R	U
31.1	20.3	83.9	36.1	15.6	84.4	37.1	12.8	87.2	51.0	5.5	94.5	49.6	10.6	89.4	58.5	4.8	95.2

Sources:- NSS Reports and Various issues of census

<b>Table 3.56:- Disparity Index between NSSO and Census Data</b>								
NSS 38 <sup>th</sup> & Census 1981			NSS 55 <sup>th</sup> R & Census 2001			NSS 67 <sup>th</sup> R & Census 2011		
0.09	0.13	0.07	0.17	0.38	0.23	0.11	0.36	0.24

Calculated

## TREND OF WORKFORCE IN RESPECT OF GENDER, 1981 – 2011

With population and number of educated increasing in the state, the avenues of employment generation have not increased proportionately. Work force increases with the increase of population, however, the pace of workforce is very low than population. The analysis of workforce during 1981 period, the State accounts 26.50 lakh of work force that stood 47.85 percent from total population. Male accounts 17.66 lakh (66.64%) and female accounts 8.83 lakh (33.35%). During 2001, the total workforce accounts 29.51 lakh, stood 29.31 percent from total population. Male accounts 26.41 lakh (71.60%) and female accounts 10.47 lakh (28.39%). In 2011, the same stood 43.22 lakh (34.44%) with male 71.60 percent and female 12.27 percent.

<b>Table 3.57:- Sex Wise Working Population of J &amp; K, 1981-2011 (Lakhs)</b>								
Year	Pop	Work force	%age	Male Workers	%age	Female Workers	%age	D. I
1981	59.87	26.50	47.85	17.66	66.64	8.83	33.35	0.601
2001	100.69	29.51	29.30	26.41	89.79	3.10	10.21	0.881
2011	125.48	43.22	34.44	30.95	71.61	12.27	28.38	0.805

Source: Economic census, Govt. of India, various issues

During the three decade period 1981 to 2011, workers-population ratio is low due to rapid growth of population, low female participation and under-enumeration and omission of unpaid family workers even when according to the accepted concept they are to be classified as workers.

Pearson *Correlation coefficient* between population and workforce is statistically calculated 0.91 that shows high and positive correlation. That workforce increased 26.50 lakhs to 43.22 lakhs in consonance with population growth 59.87 to 125.48 lakh from 1981 to 2011. It accounts that work force increased at low pace. The male working population increased continuously and female working population decelerated due to increase of girls' enrollment in the schools. Furthermore, apparently in Jammu and Kashmir, women do not undertake job due to social inhibitions.

While categorize workforce into male and female the David Sopher's Disparity Index was calculated in order to investigate the disparity between them. It is examined that in all the reference periods, period 2001 shows high disparity (0.88) between the male and female work force.

Correlations			
		Year	Total workers
Year	Pearson Correlation	1	.917
	Sig. (2-tailed)		.028
	N	5	5
Total workers	Pearson Correlation	.917	1
	Sig. (2-tailed)	.028	
	N	5	5

\*. Correlation is significant at the 0.05 level (2-tailed).

**David Sopher's Disparity Index**

$$D.I. = \log (X1/X2) + \log (100-X2/100-X1),$$

*M= male, F = female*

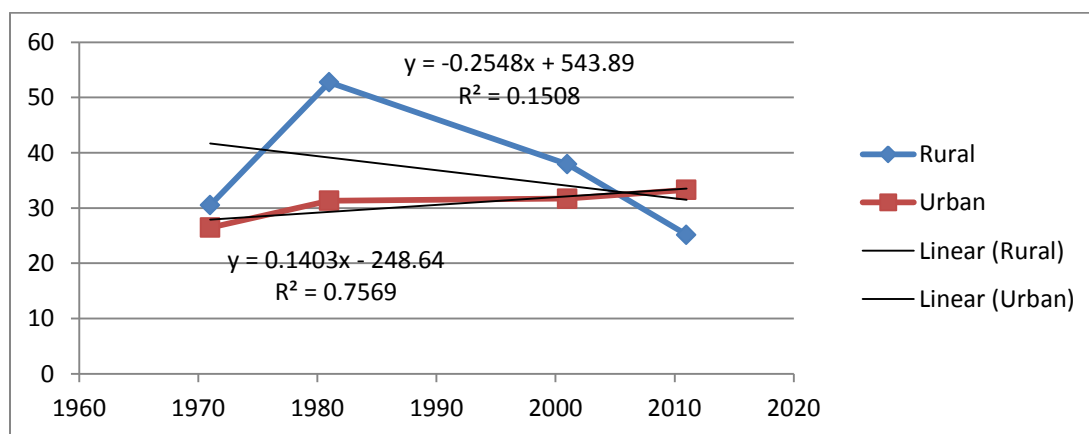


## TRENDS OF WORK FORCE IN TERMS OF AREA, 1981 – 2011

Jammu and Kashmir economy at the time of 1971 was overwhelmingly rural and agricultural in character. The cause is perceived due to migration when dynamic nature of workforce is examined area wise. It is found that rural workers decreased and urban workers increased. Migration is due to high job opportunity and high wages in urban areas. Since most industries are concentrated in and around urban areas. The only place of cities and towns undergoes industrialization and construction, with the result state's economy shift to cities. Migration took place by farmers for better jobs in urban areas. The area wise change in workforce and sectoral shift of labor force (primary to non-primary sector) is related with *Simon Kuznets Hypothesis*. The Kuznet's curve implies that as a nation undergoes industrialization, the center of nation's economy will shift to cities. The area wise shift of work force from rural and urban is shown in the table below:-

Year	Rural Pop.	Rural Workers	%age	Urban Pop	Urban Workers	%age	D.I
1971	37.58	11.46	30.5	8.58	2.27	26.47	0.086
1981	42.76	22.55	52.75	12.60	3.94	31.32	0.388
2001	75.64	28.69	37.93	25.05	8.19	31.71	0.119
2011	91.65	23.66	25.17	33.83	11.26	33.29	0.149

Source: Economic census, Govt. of India, various issues



Efforts to examine urbanization, rate of workforce dwindled 30.5 percent to 25.17% in rural areas and whereas in urban areas increased from 26.47 to 33.29 in percentage terms during 1971 and 2011. Given all these perceptions, it is calculated that DI during 1981 is more than other decades.

## CATEGORIES OF WORKERS, 1981-2011

We are witnessing a subtle but altering shift in the workforce pattern. As per reports of *Indicators of Regional Development (DES)*, the J&K State possess 43.23 lakh total numbers of workers which accounts 34.47 percent from total population against 26.50 lakh and 44.26% by 1981 census. It is pertinent to mention that cultivators have taken maximum proportion during 1981-2011.

Years		1981	2001	2011
Total population	Lakhs	59.87	101.44	125.41
Workforce	Lakhs	26.50	37.54	43.23
Workers per 100 of population	%age	44.26	37.01	34.47
Cultivators	Lakhs	18.25	15.92	12.45
Cultivators as %age of total workers	%age	68.87	42..40	26.80
Agricultural labourers	Lakhs	0.77	2.46	5.48
Agricultural labourers as %age of totalworkers	%age	2.90	6.56	12.68
Workers engaged in processing & manufacturing	Lakhs	2.25	2.35	2.46
Workers engaged in processing & manufacturing	%age	8.49	6.25	7.38
Other workers	Lakhs	5.23	15.81	23.54
Other workers as %age of Total workers	Lakhs	19.74	44.79	54.52

Source: Survey conducted by the Directorate of Economics & Statistics (J&K)  
Census of India (J&K), various issues

## TRENDS OF LABOUR FORCE INTO THREE MAJOR ECONOMIC SECTORS, 1981-2011

The 1970 period was a period of near stagnation for J&K economy. At the time of 70s large people were engaged in agriculture which is judged and reflected by the unbalanced occupational structure with 71 percent of working population or labour force occupied in agriculture or primary sector.

Among the three major sectors of economy- primary, secondary and tertiary sectors, there has been a decline, as expected, in the share of primary sector and increase in the share of tertiary in the total employment of labour force. Accordingly total labour force employed in primary sector was 71.55 percent in 1971 which decreased to 41.48 percent in 2011. It is due to advance of technology that absorbs less amount of labor force in agriculture fields. Secondary sector indicates a little erratic change and was around 10 percent. The basic cause reflects lack of small scale and heavy manufacturing industries, poor road and rail

connectivity and lack of infrastructure has been a constant hurdle in the industrial development of the State. The structural transformation has been almost entirely from primary sector to tertiary sector, bypassing the secondary sector.

This phenomenon is at variance from the Kuznet's hypothesis, which has been supported by historical experience of many newly industrialized countries. There is a terrific rise in the percentage of the labor force employed in **service sector**. In 1971 the total labor force employed in tertiary sector was 18.10 percent which rises to 51.11 percent in 2011 by tourism sector, communication and transport. The trends of labour force into three economic sectors during the period, 1971-2011 in terms of percentage are shown in the table.

Sectors	1971	1981	2001	2011
Primary	71.55	63.88	50.10	41.48
Secondary	8.94	12.07	6.21	8.41
Tertiary	18.10	24.05	43.71	51.11
	100	100	100	100

Source: Economic census, Govt. of India, various issues

District Handbook, Department of Planning, 2011

Note:- In 1991, no census was held in Jammu and Kashmir due to outbreak of violence.

Sectors	xt-xt-1	xt-xt-1	xt-xt-1	Sum	SCI
Primary	7.67	13.78	8.62	30.07	15.03
Secondary	3.13	5.86	2.2	11.19	5.59
Tertiary	5.95	19.66	7.4	33.01	16.50

1971-1981 Stands |Xt-Xt-1|

The above table 3.60 depicts that structural change index of sectors shows tertiary sector accounts highest change (16.50 percent) followed by primary sector. However, secondary sector produced small change of only 5.59 percent.

This is a welcome development as it reflects improvement in tertiary sector. Thus our hypothesis is accepted from this analysis which states "The Labour force in the state demonstrates skewed distribution biased towards tertiary sector".

#### **Structural Change Index Method (SCI)**

A commonly used method of measuring structural change in employment (and out-put) is the rate or coefficient of (compositional) structural change, often referred to as a SCI. The SCI for employment may be defined as half the sum of the absolute value of the differences in employment over time. The calculation is given by the formula:

$$SCI = \frac{1}{2} \sum |x_i(t) - x_i(t-1)|$$

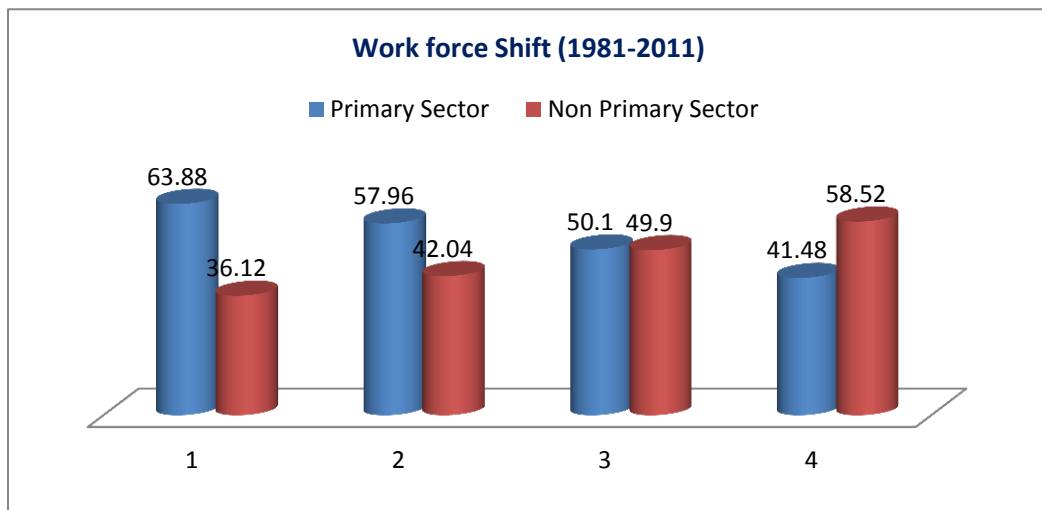
Where  $X_i(t)$  and  $X_i(t-1)$  represent each industry's percentage share in employment at time (t) and (t-1), respectively. The use of absolute values ensures that positive and negative changes in industry share do not cancel each other out when the values are summed across industries. The SCI is bound between zero and 100, with zero representing no structural change while 100 indicates a complete reversal of structural change.

## WORKFORCE TREND IN TWO MAIN SECTORS, 1981 to 2011

The employment percentage share of primary sector has decreased continuously during the entire reference time period. It has decreased from 63.88 percent in 1981 to 41.48 percent in 2011 while as in non-primary sector percentage share has increased from 36.12 percent in 1981 to 58.52 percent in 2011. Therefore, 22.40 percentage points' of employment shifted from primary sector to non-primary.

Year (Decadal)	1981	1991	2001	2011
Workforce in primary sector (%age)	63.88	57.96	50.10	41.48
Workforce in non-primary sector (%age)	36.12	42.04	49.90	58.52
Total	100	100	100	100

Source:-1) Census of India (Various Issues), Govt.of India, 2) Digest of Statistics; J&K



## SHARE OF CHILD LABOUR (5-14) IN WORK FORCE IN JAMMU AND KASHMIR STATE, 1981-2011

The child labour in Kashmir is a cause of concern for the government. Like other States, the State of J&K is also beset with the problem of child labour in view of its unique geographic features and other peculiarities. According to census 1981, the State of Jammu and Kashmir had nearly 1 percent of child workers. Its share increased steadily up to 2011. One important cause for increase in child labour in Kashmir is the prevailing strife in the valley. The ongoing armed struggle in the valley with political background has snatched patronage of

many children making them orphans and increasing the number of widows with resultant increase in the number of households with female headship. The loss of breadwinners is bound to compel the children of such families to adopt menial occupations for subsistence and survival of families (*Reports of NCPCR*). The share of Child Labour in work force in the state, 1981-2011 is shown in the table:-

<b>Table 3.63:- Share of Child Labour (5-14) in work force in Kashmir, 1981-2011</b>			
Year	1981	2001	2011
Percentage of Child Labour	0.85	5.7	7.6

Source: 1) Census of India/NCPCR/Rehabilitation of child labourers in India' (1991)

### **SECTORAL OUTPUT-LABOUR RATIO, 1993-94 to 2014-15**

At the onset of effects of new policy regime, in 1993-94, the share of primary, secondary and tertiary sector in the State economy (NSDP) was 37.52, 17.59 and 44.89 percent respectively. It was a period when the tertiary sector had started taking off. The share of a sector when related to PCY of the state shows that level of per capita income of a state and the primary sector share are inversely correlated. That is higher per capita income means the lower share of primary sector and vice-versa. On the other hand, there is a positive correlation between PCY level and the share of secondary and the tertiary sector.

In the year 2004-05, all states including J&K joined the tertiary sector led growth bandwagon except the states of Chhattisgarh, Jharkhand, HP and Punjab. The output/labour ratio gives the output produced per unit of labour. It gives efficiency of labour for a particular sector. In 2000-01, the output/labour ratio in primary, secondary and tertiary sector was 0.97, 0.55 and 1.28 respectively. That is to say, at the time of take off stage, the efficiency of labour was the highest in tertiary sector against other two sectors. Two important facts emerged. First, invariably, the state with higher output/labour ratio in tertiary sector has a higher PCY and secondly, during the new policy regime, the output/labour ratio has improved in almost all the states including J&K State. The state with higher labour efficiency is leading towards tertiarization process. This is a lesson for the state trailing for revolution that if higher growth level of income and higher PCI is to be achieved, the key to success lies in the development of human resources. The tertiarization of a region is a function of intellectual capital endowments.

Years	Primary	Secondary	Tertiary
1993-94	0.83	1.27	1.09
2000-01	0.97	0.55	1.28
2004-05	0.94	0.41	1.57
2014-15	0.99	0.52	2.08

Calculated

The analysis of structural change is indicative of the fact that transformation of State economy from primary to tertiary sector has bypassed the secondary sector altogether. The employment and output share in the tertiary sector has grown at a synchronous pace however; the output share has outnumbered the corresponding employment share which is matter of concern from the policy point of view.

The share of primary sector in output has decreased by 25.42 percent in contrast of workforce increased by 22.40 percentage points from 1981 to 2011. However, when fall of output is more than fall of employment in primary sector then the work supports Chenery's pattern of structural change.

Year (Decadal)	1981	2001	2011
Output of Primary sector (% age)	47.40	32.59	21.98
Out-put of non-primary sector (% age)	52.61	67.41	78.02
	100	100	100

Source: Census of India/Digest, (DSE, Govt. of J&K), Various Issues

It becomes clear that there is the presence of asymmetry between the output and employment share in shifting from primary to the non-primary sector. Same statement as noted by T.S. Papola at national level, "*A sharper decline in the contribution of agriculture in GDP than in its share in employment implies a decline in its relative productivity and increase in income differentials between agriculture and the non-agriculture sectors*". An opposite trend is seen in services, where the increase in GDP share has been faster than in employment.

Year (Decadal)	1981	1991	2001	2011
Workforce in Tertiary sector (in %)	21.87	32.53	43.67	54.53
Out-put of Tertiary sector (in %)	39.7	44.72	47.19	52.26

Sources:- Census of India/ Digest of Statistics; Govt. of J&K, various issues

It is clear that the employment and the output share in the tertiary sector move in the same direction, at different speed leads to a high degree of employment and output equality in the state economy which is a viable change so for the "Standard Structural Change Theory" is concerned as it leads to income and productivity.

However, during the three decade period 1981 to 2011, the employment elasticity of the tertiary sector dwindled 0.62 to 0.13 (*Digest, 2011, DES*). Therefore, the tertiary sector justified as fragile to become the absorber of last resort of the workforce in the state economy. The matter of concern for the state economy is that whether the tertiary sector sustains or not as it has by-passed the secondary sector of the state economy which is not feasible shift so for the "Standard Structural Change Theory" is concerned. So, policy makers have to frame the policies for the state economy that the secondary sector may get encouraged so that we complete the first stage of the Structural Change Theory.

Jammu and Kashmir economy has shown high levels of growth and PCY in recent years accompanied by an unprecedented shift of labour from agriculture to non-agriculture during the last decades. The reallocation of labour from traditional to modern segments in an economy having large surplus labour was conceived in the Lewisian framework as the process by way of which both accumulation of capital and exhaustion of surplus labour takes place.

Historical evidence from advanced countries as well as those of growing economies since 1960 suggests a negative association between growth in GDP per capita and the share of the labour force in the primary sector. The casual relationship between the process of accumulation of capital that drives growth and that of structural change was captured in Arthur Lewis's seminal work on underdeveloped economies. Lewis (1954) brought to the fore the central concern of developing countries having resource constraints such as low levels of investment and savings and at the same time reserves of surplus labour and high lighted how to generate capital accumulation from the surplus labour that these developing economies. The answer to this question relied in appreciating the fact that economies having large volume of surplus labour in primary sector have the option to increase accumulation of capital in the modern sector at a more or less

unchanged real wage so long as labour is not a scarce factor. Hence development is conceived as processes that progressively utilize available labour in a productive way and gradually reduces the share of decreasing returns activities in the economy, be it in agriculture or in non-agriculture.

In this context we discuss the present scenario of J&K economy which shows high levels of growth and PCY by an unprecedented shift of population from agriculture to non-agriculture since 1981. Now how does the structural change in employment in Kashmir since 1980s approximate Lewisian transformation? There is no doubt about the fact that the rapid growth in non-agricultural employment over the decades in J&K appear to be the kind of structural transformation *Lewis* conceived. Not only is there a market shift in employment from agriculture to industry and services, but it has almost happened keeping real wages in the modern sector more or less unchanged. Nevertheless, the Lewisian transformation does not imply only accumulation of surplus in the modern sector facing a fixed real wage scenario subsequently there should be gradual process of the exhaustion of the surplus labour.

At this moment leaving aside the dynamic issues related to technology and investment of accumulated surplus the simpler version would say that with a given technology, accumulation of surplus shall continue to increase as more and more labour are drawn out from traditional sector presuming that this transfer is engaging disguised unemployed population to productive employment, that is where labour produces more than they receive.

In this context shift in employment from agriculture to industry is justified on the ground that it essentially reallocates labour from diminishing returns activities to activities with increasing returns. And increasing returns scenario implies higher growth and higher labour productivity accompanied by no limit to employment at the subsistence wage level. The incentives for migration from traditional sectors, according to *Lewis*, could be a reasonable real wage gap, the inter-sectoral 'hill' between wages in two sectors. Although the shift employment from agriculture to non-agriculture with employment in the informal sector being the larger share cannot be explained by wage differentials alone. Informal



employment in non-agriculture may grow because of many reasons depending on productivity and incomes in the agriculture as well as relative income sharing opportunities in agriculture and non-agriculture. If the growth in agriculture slows down and the sector fails to produce additional employment opportunities, according to *Harris-Todaro model*, a small increase in the formal sector employment may result in large rural-urban migration. And in the extreme case when the formal sector employment happens to be contracting then also in all possibilities it could be accompanied by a relative large informal sector because those retrenched from formal sectors would find jobs in the informal sector.

It would be quite reasonable to conclude that the expansion of non-agricultural employment is a result of the push factor, that is, a result of declining incomes in agriculture and second, informal sector appears to be the last resort for those thrown out of formal sector jobs. In either of these cases there is no reason to believe that this process relocates labour from low productivity income sharing segment to the high-productivity income generating opportunities.

#### **AREA WISE WORKERS BY BROAD INDUSTRY DIVISION, 1993-2012**

Percentage distribution of workers in the principal status by broad industry division depicts that in the year 1993-94, statistics are indicative of the fact that in rural area, the dominant occupation is the primary sector. Structural change in employment pattern shows that in rural areas, the employment share of primary sector that was 64.1 percent in 1993-94 has come down to 40.01 percent in the year 2011-12. Employment share of secondary sector has improved to 25.24 percent in 2011-12 as compared to 16.1 percent in the year 1993-94.

Tertiary sector employment share improved from 19.5 percent to 34.75 percent during the same period. In urban area the share of primary is almost negligible in the year 2011-12. But the secondary sector employment has improved from 18.1 percent in 1993-94 to 25.0 percent in the year 2011-12. Share of tertiary sector that is still above the national mark of sixty percent has slightly gone down. So the table shows that tertiary sector is the major employer in urban areas and it is picking up in the rural areas.

**Table 3.67:- Area wise workers by Broad Industry Division (Percent)**

	Sector	Rural Male	Rural Female	Total Rural	Urban Male	Urban Female	Total Urban
1993-94	Primary	59.9	86.7	64.1	6.9	15.1	8.0
	Secondary	18.2	4.9	16.1	19.7	4.9	18.1
	Tertiary	21.8	7.8	19.5	73.8	78.0	73.8
1999-00	Primary	66.1	74.8	66.7	11.6	0.1	10.7
	Secondary	15.7	10.4	15.3	22.2	27.7	22.5
	Tertiary	14.4	14.9	17.9	66.4	72.3	66.6
2007-08	Primary	50.0	48.4	49.9	6.8	5.3	6.6
	Secondary	22.3	26.0	22.7	24.3	31.9	25.3
	Tertiary	27.6	25.6	27.5	68.8	62.8	68.1
2011-12	Primary	45.0	46.21	45.11	5.2	4.5	5.4
	Secondary	25.03	28.0	24.74	24.6	28.9	24.5
	Tertiary	29.97	25.7	30.15	70.0	66.6	70.1

Source: NSSO, Various Rounds

Another dimension of employment structure is the sex-wise distribution of labour force across the sectors, over a period of time (table). In the year 2011-12, share of services sector employment 70.0 percent for the male and 66.6 percent for the female in urban areas. In secondary sector, the employment share of female has been 28.9 percent against the mark of 24.6 percent for male. So the urban area is characterized by higher share of female workforce in secondary sector and slightly lower share in service sector. In rural area, the employment share, in secondary, of female is higher than the male. Temporal change in employment structure shows that the female share in primary sector in rural areas has drastically gone down and has moved to secondary and tertiary sector. In urban areas, the female workforce relieved by primary sector has gone to basically the secondary sector. In the structural change, the female has been gainer in moving to secondary and tertiary sector in the last two decades.

#### **GROWTH RATE OF LABOURFORCE FOR J&K STATE, 2007-12/2012-17**

According to *NCEUS Report (2011)*, growth rate in labour force between 2007/2012 was 1.59 million which increased to 1.76 million during 2012/2017. The cause of increase in rural areas was due to Employment Schemes like NREGA and NRHM. The growth rate in labour force during the reference period declined in the urban areas and however, female dwindled steeply.

<b>Table 3.68:- Growth Rate in Labour Force, 2007-12/2012-17 (in million)</b>			
Labour Force, 2007 to 2012			Labour Force, 2012 to 2017
Rural	Male	1.52	1.77
	Female	0.97	1.43
	Total	1.26	1.66
Urban	Male	2.95	2.24
	Female	2.25	1.03
	Total	2.84	1.92
Total	Male	1.88	1.86
	Female	0.93	1.39
	Total	1.59	1.76

Source: Report from National Commission for Enterprise in the Unorganized Sector

<b>Table 3.69:- Labour Force for 2012 and 2017 (in millions)</b>			
Labour Force for 2012			Labour Force Projections for 2017
Rural	Male	2.61	2.85
	Female	1.36	1.46
	Total	3.96	4.30
Urban	Male	1.11	1.24
	Female	0.19	0.20
	Total	1.30	1.43
Total	Male	3.72	4.08
	Female	1.54	1.65
	Total	5.26	5.74

Source: National Commission for Enterprise in the Unorganized Sector

### **LABOUR FORCE AGE GROUP-WISE (UPSS), 2007, 2012 & 2017**

The size of economically active population is determined by the age structure. Growth of population in the working age group (15 to 59) is at present around 2.4 per cent, substantially higher than growth of overall population. Since labour force participation is not uniform across age groups, the size of labour force is influenced by age structure.

The question is whether the deceleration in the labour force growth would continue into the future. It could be so if it has been caused by a structural change in the economy. Some decline in labour force growth could be due to a slower growth in working age population. The decline in participation rates observed needs to be carefully examined in terms of trends in different segments of the population and by different age groups and in a longer-term perspective. It is seen that decline in participation rates across age groups, in most of the cases, either fit into a longer term trend or changes are not very significant.

**Table 3.70:- Age-Sex MCWS Labour Force of J&K in 2007** (in million)

Group	Rural			Urban			Rural + Urban		
	Male	Female	Total	M	F	T	M	F	T
0-4	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5-9	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11-14	0.01	0.01	0.03	0.00	0.02	0.02	0.01	0.03	0.04
15-19	0.23	0.10	0.33	0.01	0.01	0.03	0.25	0.12	0.36
20-24	0.36	0.14	0.50	0.12	0.02	0.14	0.48	0.17	0.65
25-29	0.33	0.11	0.44	0.15	0.03	0.17	0.47	0.14	0.61
30-34	0.27	0.10	0.37	0.14	0.02	0.16	0.42	0.11	0.53
35-39	0.25	0.09	0.34	0.13	0.02	0.15	0.38	0.11	0.49
40-44	0.22	0.07	0.30	0.12	0.01	0.13	0.34	0.09	0.43
45-49	0.19	0.05	0.25	0.10	0.01	0.11	0.29	0.07	0.36
50-54	0.15	0.04	0.19	0.08	0.01	0.08	0.23	0.04	0.28
55-59	0.11	0.03	0.15	0.05	0.00	0.05	0.16	0.04	0.20
60+	0.23	0.04	0.27	0.05	0.00	0.06	0.28	0.04	0.33
Total	2.36	0.08	3.16	0.95	0.16	1.11	3.31	0.95	4.26

**Age-Sex MCWS Labour Force of Jammu & Kashmir in 2012** (in million)

Group	Rural			Urban			Rural + Urban		
	Male	Female	Total	M	F	Total	M	F	Total
0-4	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5-9	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11-14	0.00	0.00	0.00	0.00	0.01	0.01	0.00	0.01	0.01
15-19	0.18	0.10	0.27	0.00	0.01	0.03	0.18	0.11	0.29
20-24	0.38	0.17	0.55	0.13	0.03	0.16	0.51	0.19	0.71
25-29	0.39	0.13	0.52	0.17	0.03	0.20	0.56	0.16	0.72
30-34	0.31	0.10	0.42	0.16	0.02	0.18	0.47	0.12	0.60
35-39	0.26	0.09	0.35	0.15	0.02	0.17	0.41	0.11	0.51
40-44	0.23	0.07	0.30	0.14	0.01	0.15	0.37	0.08	0.45
45-49	0.21	0.06	0.27	0.12	0.02	0.13	0.33	0.07	0.40
50-54	0.17	0.04	0.22	0.10	0.01	0.10	0.27	0.05	0.32
55-59	0.13	0.04	0.17	0.07	0.00	0.07	0.20	0.04	0.25
60+	0.27	0.04	0.31	0.07	0.00	0.07	0.34	0.05	0.38
Total	2.54	0.84	3.38	1.10	0.16	1.16	3.64	1.00	4.63

**Projected Age-Sex MCWS Labour Force of J&K State in 2017** (in million)

Group	Rural			Urban			Rural + Urban		
	Male	Female	Total	M	F	Total	M	F	Total
0-4	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5-9	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11-14	0.00	0.00	0.00	0.00	0.01	0.01	0.00	0.01	0.01
15-19	0.16	0.08	0.25	0.00	0.01	0.01	0.16	0.10	0.26
20-24	0.36	0.16	0.52	0.13	0.02	0.15	0.49	0.18	0.67
25-29	0.45	0.15	0.59	0.18	0.03	0.21	0.63	0.17	0.80
30-34	0.38	0.13	0.51	0.18	0.02	0.20	0.56	0.15	0.71
35-39	0.29	0.10	0.40	0.17	0.02	0.19	0.46	0.12	0.59
40-44	0.25	0.07	0.32	0.15	0.01	0.17	0.40	0.09	0.49
45-49	0.22	0.06	0.28	0.13	0.02	0.15	0.35	0.08	0.43
50-54	0.19	0.05	0.24	0.11	0.01	0.12	0.31	0.06	0.37
55-59	0.16	0.05	0.21	0.08	0.01	0.09	0.24	0.06	0.29
60+	0.32	0.05	0.37	0.09	0.00	0.09	0.41	0.06	0.47
Total	2.78	0.91	3.69	1.23	0.17	1.40	4.01	1.08	5.08

Source: The Challenges of Employment in India, Volume II, NCEUS

MCWS (Modified Current Weekly Status) Approach in Labour Force Measuremen

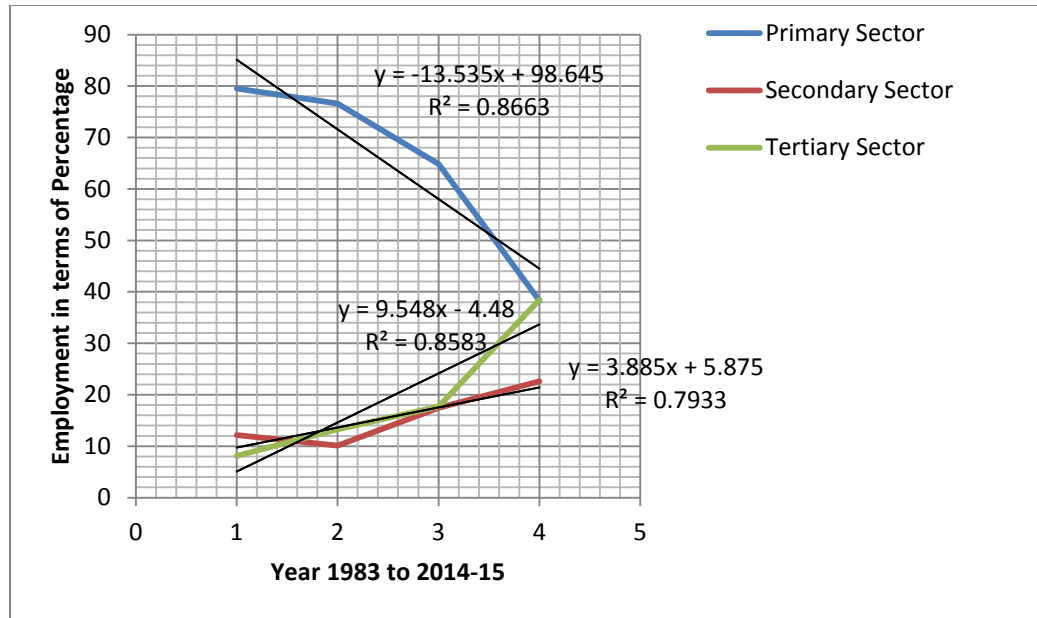
The decline in the LFPR in the younger age group reflects longer term trend of shift in activity status of this group towards education. This trend is likely to continue in future. In this background, the future projections of labour force in relation to working age population have to be considered. The participation rates for younger age groups have dropped much more than other age groups. In the 10-14 years age group, decline will be to near zero in the next 5 to 8 years as elementary education becomes compulsory.

### **SECTORAL EMPLOYMENT SHARES FOR J&K STATE, 1983-2015**

With economic development, agriculture is expected to decline in importance in terms of its share in employment and output. Proportion of primary sector in total employment has declined from 79.5 percent in 1983 to 35.30 percent in 2014-15. However the proportion of tertiary sector in employment increased tremendously from 8.1 to 38.46 percent between 1983 and 2014-15. The share in secondary sector rose nearly twofold of 12.14 to 22.64. The sectoral share of employment for State from 1983 to 2014-15 in terms of percentage is shown in table below:-

Sector	1983	1993-94	2004-05	2014-15
<b>Primary Sector</b>	<b>79.5</b>	<b>76.59</b>	<b>64.84</b>	<b>38.30</b>
Mining & Quarrying	0.20	0.10	0.30	0.26
Manufacturing	4.68	4.01	10.06	10.78
Construction	7.26	6.0	7.10	11.60
<b>Secondary Sector</b>	<b>12.14</b>	<b>10.11</b>	<b>17.46</b>	<b>22.64</b>
Trade & Hostelling etc.	1.9	2.5	5.0	9.38
Transport & Communication etc.	1.4	2.7	4.0	11.48
Finance, Insu., Real est. & business Services	0.4	0.6	0.2	8.03
Community, social & personal services	4.6	7.5	8.5	9.57
<b>Tertiary Sector</b>	<b>8.1</b>	<b>13.3</b>	<b>17.7</b>	<b>38.46</b>
All Non Agricultural	20.24	24.0	43.70	61.7
Total	100	100	100	100

Source: Estimates based on various rounds of NSSO data, Rounds of 38<sup>th</sup> R, 50<sup>th</sup> R, 6<sup>th</sup> R & 72<sup>nd</sup> of NSS



The decline in employment share of agriculture has been mostly compensated by an increase in the share of secondary sector in the pre-reform period but since the economic reforms the tertiary sector has been the main gainer of employment. Within the secondary sector, construction (7.26% to 11.60%) followed by manufacturing (4.40% to 10.50%) has sharply increased its share in employment. In the tertiary sector, transport and Communication (1.4% to 11.48) experienced a fast increase in its share in employment. Financial services (0.4 to 8.03) also registered a fast increase in its employment. Community, social and personal services which used to be the largest activity in the tertiary sector, is now the smallest in terms of employment. In every decade, the share of tertiary sector in employment growth increases by 9.54 percent and primary sector declined by 13.58 points.

The linkages between agriculture and other sectors of the economy have been extensively investigated in the study work. In the early analysis agriculture assumed to play the role of providing labour and raw material for the development of industry and services. It held that surplus labour forces available in the agriculture sector could be transferred for rapid industrialization as well for tertiary sector growth. In the subsequent analysis, the intersectoral linkages, both from the demand and supply sides gained prominence.

## **PRIMARY SURVEY ON KUPWARA**

## **FIRST FIELD WORK: WORKFORCE CONFIGURATION**

The district came into existence in 1979 as carved out from Baramulla district. The district is situated 90 kms from Srinagar city and spread over an area of 2379 sq.kms comprising 362 census villages. As per 2011 census, the population of district stood at 8.70 lacs (4.74 (M) & (F) 3.96) which are mostly rural (7.65 lacs) and only 12.03% of it resides in towns. Workforce (main workers) accounts 15.77% of its population. The district consists of 3 tehsils and 11 blocks.

In order to tackle the problem of the exact figure about work force of a country, state or a district, the first and foremost essential and pre-requisite condition is that the concerned department should have correct, accurate and reliable information. The only option is the employment exchange boards but these boards don't have the exact figure about the magnitude of work force. It is due to paucity of data and non-availability of reliable information about the actual number of work force that one has to adopt different methods to seek information through primary sources. Keeping the objectives and hypothesis of present research in view, an attempt has been made to collect complete and correct information.

The primary data has been collected through sample survey. The sample designed for the study is Purposive Multi- Stage Stratified Random Sampling.

The sample selected for the study is based on census 2011 data. The total number of households of the whole district as per census 2011 was 113929 with population 870354 and the average family size of the given district is 7 members per family. If we assume that the average family size is 7 members per family also at block level, then on this criteria, the maximum number of households are in block Kupwara (17105) followed by Langet (15641), Rajwara (12012), Kralpora (11720), Sogam (9972), Trehgam (8988), Kalarooch (7711), Ramhall (7481) Tangdar (6390) and Teetwal (5032). From Kupwara block 7 villages are selected and while from remaining blocks 4 villages from each block are selected. Villages are selected on the basis of *purposive sampling* with more concentration on economic activity. From each village 18 households are selected *randomly* and



finally a total of 846 HHs have been selected from 11 blocks with 90 households from block Kupwara, while remaining 76 HHs from each 10 blocks. From each HH, information has been collected from head of household and married female. The table under reference shows the quality of employment, which reveals that 38.74 percent of sample population in District Kupwara are working as labourers in unorganized sectors (*like agriculture, mining, wood cutters, animal rearing etc.*), 10.60 percent in engaged in business and skilled work, only 16.26 percent as farmer or cultivator (*cultivate own land*) and 34.40 percent have government jobs. The highest proportion of labour is found in Rajwara block with the distribution of 52.10 percent, followed by Kalarooch (50.34 percent). The lowest numbers of labour population are found in Tangdar with 22.26 percent. At block level, the higher number of business and skilled workers were found in block Tangdar followed by Ramhall, the highest number of government job/seekers also found in Sogam and highest number of farmers or cultivators in Kalarooch block.

Block/District	Labour	Business/skill	Farmer	Government Job
Kupwara	34.40	12.10	13.28	40.22
Langet	36.63	11.07	14.12	42.18
Rajwara	52.10	10.37	15.44	22.09
Kralpora	48.08	12.11	19.35	20.46
Sogam	36.14	8.70	10.72	44.44
Wawoora	41.18	8.04	14.40	37.22
Trehgam	37.20	10.64	13.42	38.74
Kalarooch	50.34	4.14	23.38	22.14
Teetwal	38.73	10.50	16.27	34.50
Ramhall	29.14	13.64	20.34	36.88
Tanghdar	22.26	15.10	18.22	44.42
<b>District Kupwara</b>	<b>38.74</b>	<b>10.60</b>	<b>16.26</b>	<b>34.40</b>

Source: Field Survey

Table illustrates that maxim population are working in the unorganized sector like agricultural labourers, animal rearing, forestry etc. where they are working on subsistence wages and every working hand is engaged with this low work.

The researcher did his field work on Kupwara block deeply by keeping the objectives in mind. Kupwara block has been chosen purposively from the 11

blocks of Kupwara District. There are three reasons for the purposive sampling. First block Kupwara has the highest working population, that is, occupies the rich land use and hub of various economic activities (townscape- for the people come from distant places) and second the researcher is basically the resident of district and well versed with the conditions of the district. Third, highest literacy rate has been recorded in block Kupwara.

However, it was not practically possible for individual researcher to conduct census of whole block. Therefore sampling method was used for present study. Thus various stages of survey were conducted in order to assess the configuration of workforce among population of block Kupwara, therefore two stage surveys was conducted. In the first stage, approximately 9% sample i.e. 3 villages through *purposive sampling* were selected from the whole universe in block Kupwara. Further in order to avoid a bias and to give due courage to whole study area, 2<sup>nd</sup> stage survey with large size of sample become mandatory. A 14% sample i.e. 6 villages out of 36 villages were selected for 2<sup>nd</sup> stage survey through *Random Sampling*. The comparative picture emerged from both the surveys.

After selection of sample villages, again survey from 18% HH in each village was conducted through questionnaire to collect correct and complete data in connection with economic activity. During the survey, all relevant information was gathered from 18 percent households. Besides this, data about their family background, socio-economic, educational, political and occupational status was collected. But due courage was given to all types of active working population.

This is done in order to analyze to what extent our sampling results are representative for the whole universe/population of block Kupwara. In the 1<sup>st</sup> stage census method has been done by choosing 9% (4 villages from the whole universe/block). After conducting door to door surveys, it was found that there were 8064 number of workers which accounts 48.44 percent, witnessed 5852 rural and 2212 urban workers and 6642 male and 1422 female workers. The work force was further interpreted into various categories and activities. We also analyzed the data into main workers (3034) and marginal workers (5030) and 2276 primary, 856 secondary and 4932 tertiary sectors. Since the 9 % is small and

is not able to represent the whole block, therefore the 2<sup>nd</sup> stage survey for comparison through Sampling has been undertaken, 14 % sample has been selected through stratified random sampling from the whole universe/38 village of Kupwara block of district Kupwara, which constitute 6 villages. Again analyze the data just done in the 1<sup>st</sup> stage. After this, 18% households in each village have been selected through questionnaire.

The information collected from these households selected through census and sampling methods has been put to various tests. The result are almost same which justifies the findings of sampling method indicating that sample chosen is representing the whole universe, what is true of this sample is true of whole population. The results showed not much significant difference as those obtained through census studies. Data collected through primary survey by sampling method is almost same at state level based on secondary data.

<b>Table 3.73:- Comparative Analysis between Census and Sampling Figure</b>								
<b>Official Data/Census</b>								
Place	Total Pop	Male (n1)	Female (n2)	Working Pop	Male W Pop (W1)	Female W Pop (W2)	Z- Value	P
District Kupwara	870354	474190 (54.48)	396164 (45.52)	229064 (26.32)	190899 (83.33)	38165 (16.67)	34.2	<0.001*
Block Kupwara	142047	78555 (55.30)	63492 (44.69)	37389 (26.33)	32734 (87.54)	4655 (12.46)	15.4	<0.002*
<b>Primary Survey of Block Kupwara (9 &amp; 14 sample &amp; 18 percent Questionnaire)</b>								
Sample Data	56818	26850 (47.25)	29968 (52.75)	24634 (43.35)	16661 (62.05)	7973 (26.60)	25.9	0.001

Source: Field Study \*Statistically (if P-value is less than 0.05, then there is Significant Diff)

In the sample data through primary survey,  $Z = 25.92$  which implies significant difference. P Value (Probability value) was calculated by using Z-Test for significance of proportion. At 5% level of significance ( $P = 0.002$ ), the null hypotheses has been accepted in favour of its field study. In the present study, we have set one of the hypotheses that “*Female Work participation rate accounts less against males*”. Thus data (primary and secondary) justified by applying the z-test. Thus high degee of work participation of men against women.

Z-Test for Significance of Proportion:- Under the null hypothesis, the test statistic is given by:

$$Z = \frac{P_1 - P_2}{\sqrt{\hat{P}\hat{Q}\left(\frac{1}{n_1} - \frac{1}{n_2}\right)}} \quad \text{Where } \hat{P} = \frac{n_1P_1 + n_2P_2}{n_1 + n_2} \quad \text{and} \quad \hat{Q} = 1 - \hat{P}$$

$P_1$  = Male Working Force/Total Male,  $n_1$  = Total Male,  $P_2$  = Female Working Force/Total Female,  $n_2$  = Total Femal

## COMPERISON OF PRIMARY AND SECONDARY DATA

The total workers are divided into two main categories of main workers and marginal workers. According to official data, the total workers of State stood at 34.47 percent of total population and female workers constitute 19.11 percent of total workforce percentage and male constitutes 48.11 percent. The share of Main workers is 21.08 percent and marginal workers 13.38 percent against 14.23 percent and 12.09 percent at district level. The primary data at block level (*based on Primary Survey, 9 % & 14 % sample & 18 % Questionnaire*) through door to door survey shows somewhat difference with official data. Accordingly block level data based on primary survey is significant in marginal workers and insignificant in case of main workers contradicts with state. Thus Kupwara is insignificant and asymmetry at state level in main workforce of females.

		Jammu & Kashmir		District Kupwara		Block Kupwara (Census)		Block Kupwara (Field Survey)	
		No. (lakhs)	%age	No. (lakhs)	%age	Number (thousands)	%age	Number (thousands)	%age
Total Workers	Persons	43.22	34.47	2.29	26.37	37.38	26.33	24.63	43.36
	Males	31.95	48.11	1.90	40.26	32.73	23.04	16.66	62.05
	Females	11.27	19.11	0.38	9.63	4.65	3.29	7.97	26.60
Main Workers	Persons	26.44	21.08	1.23	14.23	24.46	17.24	8.96	15.77
	Males	23.05	34.72	1.11	23.56	19.62	13.80	5.84	10.28
	Females	3.38	5.73	0.12	3.06	4.84	3.44	3.11	5.48
Marginal Workers	Persons	16.78	13.38	1.05	12.09	12.92	9.09	15.67	27.59
	Males	8.89	13.39	0.79	16.70	8.45	5.88	12.66	22.27
	Females	7.89	13.38	0.26	6.57	4.46	3.21	3.01	5.29
Non-Workers	Persons	82.18	65.53	6.41	73.63	104.65	73.67	32.18	56.64
	Males	34.45	51.89	2.83	59.74	31.91	22.46	7.72	13.60
	Females	47.73	80.89	3.57	90.37	72.74	51.20	24.45	43.03

Sources: - Directorate of Census Operations (J&K), Series II, Part XII-B & Primary Field

Place	Total Workers	Rural	Urban	P Sector	S Sector	T Sector
District Kup	229064	195993	33071	62440 (27.27)	32844 (14.33)	133780 (58.40)
Block Kupw	37389	32382	5007	12486 (33.39)	6224 (16.64)	18679 (49.95)
Primary Survey of Block Kupwara (9 & 14 sample & 15 percent Questionnaire)						
Sample Data	24634	18644	5990	8522 (34.59)	5370 (21.79)	10742 (43.60)

Field Work, P Primary, S Secondary and T Tertiary

It is examined that pattern of data collected through primary survey by sampling method is almost same at district level based on secondary data. The tertiary sector accounts highest proportion of workforce based on primary survey as well as data available on secondary sources.

## SECOND FIELD WORK: ECONOMIC AND PSYCHOLOGICAL IMPACT OF CONFLICT

Socio-Economic development can be achieved by providing proper atmosphere for academic achievements, vocational training for skill development. The research is residing in the conflict zone of Kashmir where the safe environment provided by education and employment has been destroyed.

During researcher's survey, observed cases of psychological and social unhealthy behavior of unemployed youth in areas. During door to door survey, relevant information was gathered from households. Conflict has made many young boys and girls' parent-less with the result they were forced to earn to survive. Thus reduce their capabilities in the global market. Again conflict increased the number of orphans in Kashmir and many of such orphans left their schools at primary or middle school level to fetch their family needs. All youth endeavor to meet their basic needs for their socio-psychological grooming. It increased the ratio of child labour of state. It is investigated that thousands of Kashmiri youth suffer from psychological disorders. Thus conflict hampers the socio-psycho development of youth. Further education system got highly deteriorated resulting to the failure of youth in their future. The psycho-economic impact is revealed by the field work done by researcher based on primary survey.

### RESULTS

Parameter		Frequency	% age	Cumulative
Gender	Male	170	54.48	100
	Female	142	45.51	
Age	14-22	38	12.17	100
	23-31	135	43.26	
	32-40	139	44.56	
Educational Level	Illiterate	45	14.42	100
	U G	138	44.23	
	P G	129	41.34	
Family Type	Nuclear Family	184	58.97	100
	Joint family	128	41.02	
	Total	312	100	

Field Survey

Table above 3.76 respondents profile gives outlook of respondents. Analysis of table above showed that; 54.48% of respondents were male and 45.51% of respondents were female. That 12.17% of respondents belong to age group of 14 to 22 years, 43.26% of respondents belong to age group of 23 to 31 years and 44.56% of respondents belong to 32 to 40 years. That 41.34% of respondents were having educational qualification of post graduate level, 44.23% of respondents were having educational qualification of Undergraduate level and 14.42% of respondents were illiterate. That 58.97% of respondents belong to nuclear families and 41.02% of respondents belong to joint families.

Analysis of below table 3.77 depicted psycho-economic impacts reveals many interesting facts. That 68.5 percent of respondents revealed that they feel difficult to sustain in today's world due to conflict surrounded them. 55.1 percent of respondents mentioned they face identity crises due to living in conflict zone. 84.0 percent of respondents revealed that conflict has greater negative impact on youth. 79.4 percent of respondents mention that conflict plays major role in youth unemployment. 63.5 percent of respondents revealed that their family has been affected economically due to conflict and 82.6% of respondents revealed that state's economy has been badly hit by ongoing conflict. 86.5% respondents reveal that psychological problems among youth have grown up since conflict erupted.

<b>Table 3.77:- Psycho-economic Impact of Conflict</b>			
Item	Frequency	%age	Cumulative
Do you feel conflict in Kashmir has made youth's life difficult to sustain in today's world?			100
Yes	214	68.5	
No	98	31.4	
Do you feel youth living in conflict zone face identity Crises?			100
Yes	172	55.1	
No	140	44.8	
Do you feel prevailing situation in Kashmir has negative impact on youth?			100
Yes	262	84.0	
No	50	16.0	
<i>Do you think conflict has played major role to increase unemployment?</i>			100
Yes	248	79.4	
No	64	20.5	
Do you feel ongoing turmoil situation hit the education sector?			100
Yes	299	95.8	
No	13	4.2	
Has your family been affected economically due to conflict in Kashmir?			100
Yes	198	63.5	
No	114	36.5	
Do you think state's economy has been badly hit by ongoing conflict?			100
Yes	258	82.6	
No	54	17.3	
<i>Do you feel psychological problems among youth has grown up since conflict erupted?</i>			100
Yes	270	86.5	
No	42	13.4	
Are you agreeing for promotion of industrialization in state?			100
Yes	282	90.4	
No	30	9.6	
Do you find shortage of employment opportunities in state?			100
Yes	238	76.3	
No	74	23.7	
Do you prefer government Job?			100
Yes	210	67.3	
No	102	32.7	
Do you prefer private Job?			100
Yes	102	32.7	
No	210	67.3	
Do you prefer to engage in any establishment (private/govt.) on low monthly emolument to avoid into depression during militancy phase?			100
Yes	208	66.6	
No	104	33.3	
Have you applied for a government or private job outside state?			100
Yes	198	63.4	
No	114	36.6	
Have you applied for a loan to start your own enterprise?			100
Yes	86	27.5	
No	226	72.5	
Have any cultivable or agricultural land occupied by Indian Army?			100
Yes	108	34.6	
No	204	65.4	

Field Survey

Item	Freq.	%age	Cumulative
Do you think that conflict has added to the social problem like late marriage?			100
Yes	168	53.84	
No	144	46.15	
Do you feel cultural degradation at present is because of conflict?			100
Yes	184	58.9	
No	128	41.0	
<i>Do you feel conflict in Kashmir has played major role in family breakdown?</i>			100
Yes	254	81.41	
No	58	18.5	
<i>Do you think conflict in Kashmir has raised child labour ratio?</i>			100
Yes	264	84.61	
No	48	15.38	
Have people from your village or area become victim of conflict at any point in their lives?			100
Yes	238	76.2	
No	74	23.8	
Do you feel conflict is major responsible player for drug addiction among youth in Kashmir?			100
Yes	220	70.5	
No	92	29.4	

Field source

Analysis of table 3.78 social impact shows 53.84% of respondents feel that conflict has played any role in social problem like late marriage; however 58.9% of respondents mentioned that conflict has increased cultural degradation. 81.41% of respondents mentioned that conflict has played great role in family breakdown. 84.61 % of respondents think that conflict in Kashmir has raised child labour ratio. 76.2% of respondents revealed that people in their village or area have witnessed conflict in their lives. 70.5% of respondents revealed that conflict has increased rate of drug addiction among youth.

### **Cross Tabulation 1**

Do you think conflict has played major role in increase unemployment in Kashmir?								
Valid		Yes	Percentage	No	Percentage	Total	Chi-square Value	P Value
Gender	Male	132	77.64	38	22.35	170	0.77	0.378
	Female	116	81.69	26	18.30	142		
Total		248		64		312		

The result is not significant at  $p < .05$ , if  $p < .05$ , then value is significant otherwise insignificant



### Cross Tabulation 2

Do you feel psychological problems among youth has grown up since conflict erupted?								
Valid		Yes	Percentage	No	Percentage	Total	Chi-square Value	P Value
Gender	Male	128	84.76	23	15.23	151	0.78	0.374
	Female	142	85.02	19	14.97	167		
Total		270		42		312		

The result is not significant at  $p < .05$ ,

### Cross Tabulation 3

Do you think conflict in Kashmir has played major role in family breakdown?								
Valid		Yes	Percentage	No	Percentage	Total	Chi-square Value	P Value
Gender	Male	112	76.71	34	23.28	146	4.0018	0.045
	Female	142	85.54	24	14.45	166		
Total		254		58		312		

The result is significant at  $p < .05$

### Cross Tabulation 4

Do you prefer to engage in any establishment (private/govt.) on low monthly emolument to avoid into depression during militancy phase?								
Valid		Yes	Percentage	No	Percentage	Total	Chi-square Value	P Value
Gender	Male	120	75.0	40	25.0	160	10.2632	.00135
	Female	88	57.89	64	42.10	152		
Total		208		104				

This result is significant at  $p < .05$ .

### Cross Tabulation 5

Do you think conflict in Kashmir has raised child labour ratio?								
Valid		Yes	Percentage	No	Percentage	Total	Chi-square Value	P Value
Gender	Male	146	83.90	28	16.09	174	0.1512	0.697
	Female	118	85.50	20	14.49	138		
Total		264		48				

The result is not significant at  $p < .05$

### Cross Tabulation 6

Have you applied for a loan to start your own enterprise?								
Valid		Yes	Percentage	No	Percentage	Total	Chi-square Value	P Value
Gender	Male	68	29.56	162	70.43	230	1.755	0.1852
	Female	18	21.95	64	78.05	82		
Total		86		226				

The result is not significant at  $p < .05$

Analyzing this Cross tabulation 1 show, 81.69% of female respondents mentioned that conflict has played major role in unemployment of youth in Kashmir, whereas 77.64% of male respondents also mentioned the same thing. However 22.35% of male respondents mentioned that conflict has not played any

role in unemployment in Kashmir. This was supported with 18.30% of female respondents. Analyzing the Cross tabulation 2 it was revealed that 85.02 percent of female respondents mention that conflict has increased psychological problems among youth; however 84.02 percent of male respondents also have same views.

Analysis of this Cross tabulation 3 reveals that 85.54% of female respondents mentioned conflict in Kashmir has played great role in family breakdown and this view was supported by 76.71% of male respondents. Analysis of Cross tabulation 4 reveals that 85.50% of female respondents says conflict in Kashmir has raised child labour ratio and this view was supported by 83.90% of male respondents.

Analysis of this Cross tabulation 5 reveals that only 29.56 % of male respondents have applied for a loan to start their own enterprise and this view was supported by only 21.95% of female respondents. It is evident that ongoing situation did not allow to take risk in the unavoidable and turmoil circumstances. This study mentions that conflict has given rise to the unemployment, with the result parents forced their children to join early labor hood. This study also showed the reason for the increase of unemployment among youth. It is found in Kashmir that conflict is responsible for the state's economic damage, which is supported by 82.6 percent of respondents.

Apart from psychological problem conflict brings physical, social, religious, educational etc. problems, the data of this study clearly showed that people feel conflict is directly connected with cultural, social, psychological and physical problems, many respondents revealed that drug addiction as well as late marriages are results of it. The data analysis showed that youth suffer from psychological disorders due to conflict hence it can have a greater impact on their working capabilities and even of their academic capabilities.

Deployment of huge armed personals in the state made civilians vulnerable became disabled psychologically as well as physically. The sayings of Hoover come true about Kashmir, "*Older men declare war. But it is youth that must fight and die. And it is youth who must inherit the tribulation aftermath of war*" (Hoover, 1944). This saying comes true about Kashmir where years ago older

men started armed conflict and youth started losing their lives, psychological balance, avenues of employment and many more. Often young people are compelled to enroll themselves into armed conflict through individual hunger and poverty or through family economic strains. The number of youth lost their lives, their beloved ones and many others are languishing in jails, detention centers and so many of them became psychological and physically disabled.

During field work a situation of perversion means false employment (appearance) which is *perverse employment* or what investigator call *negative employment* came into existence. A phenomenon that exists in Kashmir, a conflict region, that government jobs have saturated on the one hand and boys and girls are given good education training in universities and outside the state by their parents, spent lot of money on their children and when they complete education, they find no jobs in private sector and government sector due to full saturation. Families prefer to keep their children busy engaged in some any establishment on low emolument monthly so that they remain busy and this parents avoid their children to get in to depression. Parents give the petrol expenses, for example, Rs. 6000/- per month and monthly emolument they (children) get Rs. 4500/- per month, less than the expenses per month, just to avoid depression for their children. They (children) appear to be employed but their earning per month Rs. 4500-Rs 6000 is minus, thus they are *negatively employed*.

In conflict zone of Kashmir parents prefer to keep their children (educated) superficially engaged in private sector enterprise or even the government concern, without wage and work and also bear their daily routine expenses so that their children do not get into depression and avoid them to join anti-national movement. The person/s appear to be employed and socially they are pretended to be employed, but in economic terms they are neither employed nor disguisedly employed because their MP is equal to zero and their wage is either is equal to zero or plus but much lower than the maintenance cost. It is a situation of perversion but the benefit accrues in the form of mental health. Therefore this false employment (appearance) is *perverse employment* or what researcher calls *negative employment*.

### **THIRD FIELD WORK: INVESTMENT ON HUMAN CAPITAL FORMATION**

Investment in human capital increases productivity and education enhance labour efficiency. The increased investment in education is shown to lead to higher productivity and earnings for the individual and similarly, such investment results significant social rates of return.

Human capital formation can be viewed at two levels, individual and from the angle of society. As the individual level, by investing on his education and on improvement of technical skills, he can produce more, raise his income and live a higher standard of living, that is going to increase his productivity due to increase in human capital formation. From the point of society, what invests on schools and technical institutions to impart various types of modern skills is a sort of investment in man leading to increasing human capital formation.

In Jammu & Kashmir, the process of human capital investment is carried out in many ways. The most obvious of them is the formal education which starts from the primary level up to education level of universities. Given the less private sector opportunities the role of government in the development of the economy is obvious and is not exception with the human capital. In this the link between government spending and labour efficiency is evaluated and examined through interaction with the respondents. The analysis of the standard of education imparted for the human capital development is also done.

The data was gathered through structured questionnaire. A total of 160 questionnaires were issued to respondents, in three universities of Jammu and Kashmir. These are University of Kashmir (KU), University of Jammu (UJ) and Sher-e-Kashmir University of Agricultural Science and Technology (SKUSAT). The form of questions adopted in this questionnaire was close ended. Close ended questions are adopted because of the problems of analyzing divergent opinions. The research questionnaire adopted for the study was structured into two segments. The first is concerned with extracting biographic and demographic data of the respondent; such as sex, age and educational qualifications. Section second consists of questions which were related to the study.

### An analysis of perception of the stake holders

The necessary details of the respondents are provided as well which includes age, sex and education qualification.

<b>Table 3.79: - Number of Respondents by Sex, Age and Qualification</b>		
<b>Number of Respondents by Sex</b>		
Respondents	Number of respondents	Percentage (%)
Male	90	56
Female	70	44
Total	160	100
<b>Number of respondents by age</b>		
Respondents Age	Number of respondents	Percentage (%)
20-25	58	36.2
26-30	44	27.5
31-35	30	18.6
36-40	16	10
41 Above	12	7.5
Total	160	100
<b>Number of respondents by qualification</b>		
Respondents	Number of respondents	Percentage (%)
UG	50	31.3
PG	68	42.5
Others	42	26.2
Total	160	100

Source: Primary survey

<b>Table 3.80:- Correlation of educational curriculum and Personal Requirement: Respondents view</b>						
Respondents	KU	SKUAST	JU	Total	Chi-square Value	P-vale
Agreed	33	28	30	91	3.1046	0.540
Disagreed	8	12	14	34		
Undecided	9	10	6	25		
Total	50	50	50	150		

The result is not significant at  $p < .05$

Out of 150 respondents, 60.07 % (91) of the respondents agreed that the educational curriculum is not structured to meet the personnel requirements, 22.66 % (34) of the respondents disagreed while 16.66 % (25) were undecided.

<b>Table 3.81:- Correlation of educational Curriculum and sectoral growth: Respondents view</b>						
Respondents	KU	SKUAST	JU	Total	Chi-square Value	P-vale
Agreed	31	29	34	94	1.542	0.819
Disagreed	10	9	7	26		
Undecided	9	12	9	30		
Total	50	50	50	150		

The result is not significant at  $p < .05$

Out of 150 respondents, 62.06 % (94) of the respondents agreed that the educational curriculum is not structured to meet the sectoral requirements of J&K, 17.33 % (26) of the respondents disagreed while 20 % (30) were undecided.

<b>Table 3.82:- Correlation role of Institutions in labour market Efficiency</b>						
Respondents	KU	SKUAST	JU	Total	Chi-square Value	P-vale
Agreed	32	27	21	80	5.503	0.239
Disagreed	11	11	15	37		
Undecided	7	12	14	33		
Total	50	50	50	150		

The result is not significant at  $p < .05$

Out of 150 respondents, 53.33 % (80) of the respondents agreed that the educational curricular is not structured in manner to improve the labour market efficiency, 24.66 % (37) of the respondents disagreed while 22 % (33) were undecided.

<b>Table 3.83:- Role of Conflict causing unemployment by eroding the education system</b>						
Respondents	KU	SKUAST	JU	Total	Chi-square Value	P-vale
Agreed	44	42	39	125	2.923	0.570
Disagreed	4	5	9	18		
Undecided	2	3	2	7		
Total	50	50	50			

The result is not significant at  $p < .05$

<b>Table 3.84:- Role of institutions in increasing educated unemployment</b>						
Respondents	KU	SKUAST	JU	Total	Chi-square Value	P-vale
Agreed	37	27	32	96	5.712	0.221
Disagreed	08	14	08	30		
Undecided	05	09	10	24		
Total	50	50	50	150		

The result is not significant at  $p < .05$

Out of 150 respondents, 64.00% (96) of the respondents agreed that the educational institutions are playing the role in increasing the educated unemployment rate, 20.00% (30) of the respondents disagreed while 16% (16) were undecided. There are many justifications for the questions as far as the respondents are concerned.

The state of Jammu and Kashmir is the state with more scope for the privatization but very less existing private investment in the form of industries and opening new opportunities. Given this fact the whole eyes of the educated youth with

different skills rested on the government sector. The J&K state is only the state in India which has the bulk of educated unemployed youth. The discussion with the respondents leads one to conclude that the scope for the utilization of skills is missing which leads to brain drain in the state.

The Gap between imparting skills and requirement in the market for the utilization is another constraint in the labour efficiency in the state. The government has also failed to bridge the gap between the supply and demand in the job markets. The educated youth after achieving the skills are not absorbed by the market as private sector is missing and second way to absorb educated youth rests with the government but government allocation has failed

Based on the views of the respondents it can be concluded that poor funding by the state government is responsible for low development of human capital in Jammu and Kashmir with respect to imparting skills which are need of the hour and utilization of existing skills.

Respective efforts of the government have failed to channels the resources of human for the improvement of the growth of the economy. The gap of infrastructure between the institutes is increasing in the state. The labour efficiency of the students has remained underutilized and no efforts are made to increase the efficiency by increasing the production through diverting the human capital in industrial sector or service sectors.

## **CHAPTER 6**

# **ISSUES AND PERSPECTIVES ON UNEMPLOYMENT AND UNDEREMPLOYMENT**



## **CHAPTER 6**

### **ISSUES AND PERSPECTIVES ON UNEMPLOYMENT AND UNDEREMPLOYMENT IN JAMMU & KASHMIR STATE**

The state of Jammu and Kashmir has shown high economic growth but has not been able to meet the aspirations of the youth who are looking for opportunities for education and employment. Frequent disturbances have created an atmosphere of uncertainty, impacting employment creation which has alienated the youth. The current unrest environment surfaced since 90s makes it difficult to attract large scale private investment into the state, especially in the industrial sector. The alternative is to focus on the agriculture and services sectors that have the potential to generate jobs quickly. However, agriculture sector respond quickly i.e. in a short run to the investments and productivity.

In order to understand the situation of Jammu and Kashmir, it is important to understand the rapid demographic transition bearing historically unprecedented numbers of young people. Work opportunities, however, have not kept pace with increasing population. The problem of unemployment gains more importance because of increasing unemployment of the educated in the state. In the absence of industrial growth and negligible scope for absorption in the private sector, many have rendered unemployed and have joined the rank of job seekers (Rekha, 2016). The exceeding rate population caused abysmal problem of unemployment rate. The workforce registered an increase of 14.4 percent against un-desirous 23.2 percent of population during 2001 to 2011 period (*Digest, 2011-12, DES*).

Since much of the distortion in the economic structure was the result of the distortion in politics in Kashmir, the problems emanating from the economic sector continued to remain unaddressed. The only approach that the state government had in this regard was to ask for more aid from the central and the only approach that the central government has been having towards economic underdevelopment of the state is to offer package for unemployed youth in order to escape the backlash of discontented masses (*Chowdhary, 2016*).

Young people are a major human resource for development, key agents for social change and driving force for economic development and technological innovation. However, the same resource is a daunting and major challenge. The youth challenge is considered as the most critical for the economic development of conflict zone of Kashmir. The critical aspects of the challenge are mostly related to labour market entry where young people encounter difficulties in finding and maintaining a decent job. Failure to integrate youth into the labour market has appalling consequences for the development.

Education level is increasing at an alarming rate. However, the problem youth face is that they cannot earn their livelihood after completing their degrees. They remain jobless most of the time. The problem of educated unemployment constitutes a serious and menacing problem. The educated unemployed are more dangerous than uneducated person. Even the grievance if long continued the situation is explosive and constant threat to the security and stability of the State. The unemployed person belong to the category are “*not dumb*” drive cattle, but intelligent people and will not accept an uneven viable position lying down. If educated people remain idle, then state of affairs deserves strong condemnation. It involves wastage of human resources (*Bhatt & Anwar, 2013*).

The problem of educated unemployment in the context of Jammu and Kashmir State involves a more social waste than a private loss. The government has been fully subsidizing the education at all the stages of education ladder. However due to non-utilization and under-utilization, the educated manpower produced from the existing system decreases the social return (*Nisar, 2007*). Jammu and Kashmir is one of those developing state which continue to have the problem of unemployment and underemployment despite continuous policy emphasis and programmes to eliminate the problem. What is important at this moment is to look in to the reasons for the ever-increasing unemployment in the state and recognize our strength and potential. The State faces this problem despite its strong human and natural resources due to ferocities and lackadaisical policies, pursued by the subsequent governments which converted state economy into fragile economy and make the state of Jammu and Kashmir into conditions of

what is known as 'dependency syndrome'. Thus ferocities and imprudent policies have eroded our strengths (*Haq, 2015*).

Underdevelopment and unemployment in Jammu and Kashmir State is the manifestation of mismatch between physical and human resources technically known as structural unemployment. In simple words this type of unemployment exists when a large segment of working age population does not possess the appropriate skills and knowledge. The State owes many resources in connection with employment generation however, suffer shortage of skilled labour. This acute shortage of manpower has encouraged migration of casual workers from other states of India. As per report from *2001 census*, there are nearly 1.65 lakhs in-migrants and 2.24 lakh out-migrant workers in J&K State. It means 2.24 lakh are spread throughout India for job which accounts lack of job avenues in the state. Thus the state is rendering huge unemployment problem because result huge out-migrants takes place for the search of job. Consequently the impact seems extremely ambivalent. On the one hand there are no job opportunities in the state and on the other hand hopes are strained due to lack of skilled labour.

But the important points that our youth are not entering into the ventures, is a matter of their psychological makeup, imprudent policies and missing enlightened institutions which can be broken only by big push in education. It is the job of the academics in the higher educational institutions not only to create and disseminate the knowledge, but also to find the ways and means of its application through innovations. Education institutions are less significant and lot resentment among parents, students and industry due to lack of innovation and entrepreneurship in the universities. There must be link between university and industry. Whatever is produced from the university should be required in the industry. This brings us a very important corollary that human resource through education system and physical resources are moving in diverse directions with the result the input-output relation in a production function, as taught in the text books, does not hold for Jammu and Kashmir (*GK, April 28, 2015*).

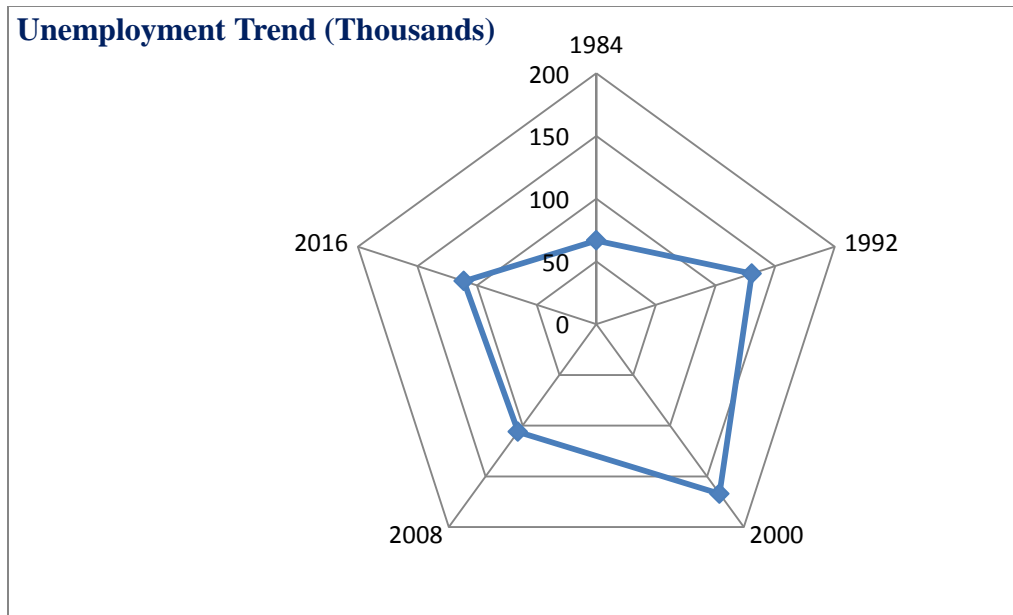
Even there is no perfect source of the magnitude of educated unemployment in the state of Jammu and Kashmir. That is why efforts

government always remain unavailing to achieve the target. Although the government fails to make effective steps in order to make registration compulsory in employment exchanges. The records in the employment exchanges cannot be taken as an accurate estimate of the magnitude of unemployment. The number of applications on the register of exchange stood at 130.47 thousand in 1992 against 66.74 thousand in 1984. It accelerated to 111.07 thousands in 2016 (*JK Economic Survey 2016-17*). The decrease in registration level is possible due to the fact that all unemployed do not get registered themselves. The table below depicts trend values of unemployment based on various J&K Annual Economic Surveys.

<b>Table 4.1:- Trend values of unemployment in J&amp;K State, thousands</b>			
Year	Unemployment Trend	Log	Growth Rate
1984	66.74	4.200804	8.74098
1992	130.47	4.871143	3.151475
2000	167.23	5.11937	-5.52531
2008	106.13	4.664665	0.570319
2016	111.07	4.710161	--

Sources:- Various issues, JK Economic survey (DES)

### Chart



Log = ln(trend value)

Growth Rate =  $(\exp((\text{next year trend} - \text{present year trend})/\text{gap}) - 1) * 100$

It is elucidated that education level and unemployed rate ranching at same direction. The analysis between the levels of education and the rate of unemployment is that young people with some education do not want to engage in low-productivity, low income work and in informal sectors. They tend to seek non-manual work, preferably in the organized sector. They have a very good reason for doing this, since the service sector actually offers the best quality jobs. The very fact is that their families have some capacity to support them. Thus unemployment is a luxury in the J&K state, which at least some of them can offer, since aspirations; ability to afford unemployment and level of education all move together, the outcome is a positive relationship between levels of education and the rate of educated unemployed (*GK, Ali, 2007*).

General education does not equip the educated with particular technical skills. The educated therefore, may not necessarily find employment even when the organized sector generates employment at a rapid pace. Moreover, wage differentials corresponding to differentials in the level of education are really market determined, excessive level of education leads to their unemployment, rather than narrowing of wage differentials between educated and illiterate.

Thus a positive relationship between the rate of unemployment and the level of educational could be established. It is observed that rate of unemployment is best indicator of labour market mismatches, generated by spread of general education.

#### **QUALIFICATION –WISE UNEMPLOYED JOB SEEKERS, 1981-2011**

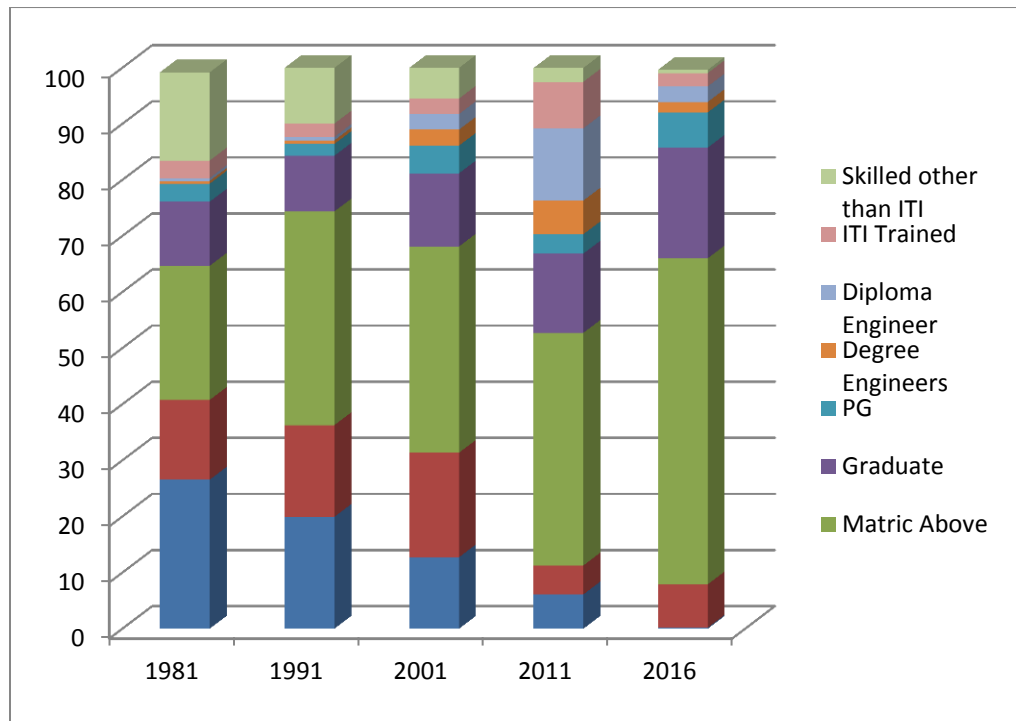
The table below gives a clear picture regarding qualification-wise number of unemployed persons in terms of percentage registered in different employment exchanges of the State. The unemployment at different levels of general education registered shows matriculate unemployed is higher than graduates and post-graduates. In 1981, the illiterate and matriculate up to Graduation accounted 26.15 and 23.92 percent followed by below matric category (14.21%) respectively. The matriculates show an increasing trend during 1981 to 2016. The matriculation up to graduation rose to 58.11% from 23.92. While the illiterate category shows steep decline. The qualification-wise unemployed person from 1981-2016 periods is depicted in the table below:-

**Table 4.2:- Qualification-wise Unemployed persons Register, 1981-2016, percent**

Category	1981	1991	2001	2011	2016
Illiterate	26.55	19.93	12.74	6.12	0.19
Below Matric	14.21	16.34	18.62	5.15	7.72
Matric & Above	23.92	38.10	36.77	41.46	58.11
Graduate	11.42	9.94	13.05	14.13	19.74
Post-Graduate	3.22	2.10	4.94	3.45	6.28
Degree Engineers	0.49	0.63	2.85	6.01	1.87
Diploma Engineer	0.51	0.62	2.78	12.89	2.77
ITI Trained	3.12	2.38	2.76	8.29	2.38
Skilled (other than ITI)	15.74	9.94	5.48	2.48	0.58
Total	100	100	100	100	100

Sources: - JK Economic Survey, various issues, Govt. of J&K

**Chart (Colum)**



The graduate unemployed shows regular increasing trends since 1991. These observations proves that incidence of unemployment is comparatively more pronounced among matriculation and above (undergraduates). Thus, the employment exchange data indicates the large magnitude of job seekers as the number of such persons has been swelling very fast. It is important to mention here that the figures given in the table do not give us exact magnitude of the unemployment in the State. It has two main defects. *Firstly*, all the

unemployed persons do not get themselves registered with the employment exchanges. *Secondly*, some of the registered may not be actually unemployed but only in search of better jobs.

The present problem of the degree holders and technical persons is that they are involuntarily unemployed, in which most unemployed are graduates and post-graduates. The growth of job for graduate and technical degree holders was lower than the growth rate in their number. Market rigidities and structural limitations prevent wage rates from declining to levels, where all graduates may be employed. The private rate of returns to graduate education is greater than private rate of return to matriculation. The cost of higher education is low which encourages the people to take higher education. Matriculates have to wait for some years for getting the job and in the waiting period higher education is the best way to utilize time (*Anwar & Bhatt, 2013*).

Among the middle income families *demonstration effect* operates, which makes parents to send their sons for higher education. The expansion of education has also led to devaluation of education. A decade ago a clerical job required matriculation, now the same job requires post-graduation.

The Jammu and Kashmir being a developing state, the level of unemployment and under-employment trend is being high. The industries like tourism, handicrafts and handlooms are measured in terms of their potential to create large employment opportunities shows low performance as the same industries are very intensive with violence. Being labour intensive in character, these industries are capable of absorbing more labour per unit of output as well as investment. Prior to the turbulent phase, their position privileged in the international markets. The glorious cultural tradition possessed by the artisans and tourists gave name and fame for their craft works and beautiful destinations throughout the world.

The historical perspectives reviewed in various literatures, highlight the progress of these industries flourished referred for invention of job opportunities. Till 1989, have been the major economic activities of the state. However, all sectors were hard hit following the outbreak of militancy during 90s. The

economic stability as well as employment opportunities of its people disrupted to a large extent.

The study has also demonstrated that the socio-cultural significance of tourism, measured in terms of employment is very large. However, the impacts of tourism are extremely ambivalent. On the one hand, tourism plays an important and certainly positive role in the economic development, cultural exchange and further promotes international relations of state. On the other hand many hopes that were placed on tourism as an engine of economic development have been disappointed and strained due to violence in state. So tourism needs pertinent care on sound efficacies.

The State lost 29 million tourists from 1989-2002 leading to revenue loss of \$ 3.6 billion due to out-break of insurgency (*Khan, 2015*). Tourism is the leading industry employment potential and state revenue. The revenue generation is expected to increase manifold provided the situation remains normal and tourists influx increases in a desired manner.

The state is revived to some extent depends upon the normalcy produced in the state. It is found that trends of employment in the three main sectors have proliferated by consensus intervention of various parties involved over some frequent years, to facilitate cooperation in an anarchic world. The self-interest parties in the state seek to establish cooperation through mutual agreement under certain conditions is also instrumental to some extent. Regimes are tailored to suit the specific interest of the state. The year wise employment trend level of three main sectors (*Tourism, Handicrafts and Handlooms*) is delineated in the table from 1987-88 to 2016-17.

Year	Employment in Tourism	Log	Growth Rate	Handicrafts	Log	Growth Rate	Handlooms	Log	Gr. Rate
1987-88	12.86	2.55	-33.24	1.79	0.58	-4.46	0.056	-2.88	-5.38
1995-96	0.76	0.27	22.47	1.30	0.26	6.10	0.038	-3.27	18.08
2009-10	10.60	2.36	-11.42	2.81	1.03	-3.96	0.331	-1.10	-8.79
2016-17	5.12	1.63	--	2.20	0.78	--	0.198	-1.66	--

Source:- Census from Handlooms in India, Ministry of Textile, GoI/ Digest of Statistics (DES)  
Report of Tourism Department, Govt. of J&K, various issues



The recorded size of above industries reflected high fluctuated erratic trend. However, it is important to analyze that size decelerated steeply in all the industries during the peak turbulent period of 1995-96. The main cause was the Azadi Movement, which led to chaos, militancy and insecurity.

In 2016, Kashmir had suffered a 55 per cent decline since 1978. The situation is going from bad to worse. We have just only 15-20 per cent occupancy in hotels and advance bookings even on the peak season only, down from 70-80 per cent a year ago. Hoteliers and travel agents are now forced to look for another business. It is worth mentioning that Government could give much importance on maintenance of civic law and order and internal security.

The calculated value of Location quotients for tourism and handicraft exceeds much more than 1.25 values at various points of time (table 4.4). However, periods of 1990, 1995 and 2000 exhibits less than 1 value doesn't imply the low employment potential of industries but the adverse impact of the terrorism in the same years as per *J&K in Indian Economy* source is concerned.

The State has proportionally more workers employed in a specific industry than the larger comparison area. For instance, the average relative concentration of handicraft employment of state compare to all India is 10.4 times higher.

The decline of these industries began towards the beginning 90s and become more accentuated by the middle of the 1996 due to highest horrific events recorded in the turbulent phase that convoked with convoluted susceptibility on potential industries. The militancy and militarization (occupied productive and tourist spots land area) compelled to encouraged import of handicraft and handloom made goods which led to decay of these industries. Ultimately converted state economy into fragile economy and make the state of Jammu and Kashmir into conditions of what is known as 'dependency syndrome'. Subsequently the wrecked economy eroded by the main sectors ruined lakhs of job avenues in the state. Although lot of damage has been done so far, yet there seems to be some ray of hope and situation can be reversed when industries are put in gear through prudent policies and by peaceful environment. This situation was not remedied by any alternative growth of new forms of industries (*Yasmen, 2013*).

**Table 4.4:- Employment trend at All India level, Location Quotients, lakhs**

Year	Employment In Tourism		LQ	Employment In Handicraft		LQ	Employment In Handloom		LQ	Total Employment	
	J&K	India		J&K	India		J&K	India		J&K	India
	1980	09.75	396.11	1.54	1.44	8.69	10.4	0.061	26.31	0.14	39.50
1985	12.86	404.24	2.15	1.75	8.70	13.5	0.053	23.77	0.15	40.78	2766.19
1990	0.92	452.56	0.12	2.25	10.01	14.7	0.047	25.19	0.12	46.05	3060.54
1995	0.76	423.42	0.18	1.30	14.02	9.5	0.038	31.97	0.12	35.64	3689.91
2000	3.44	483.13	0.57	3.29	19.67	13.6	0.037	47.51	0.63	49.51	4022.34
2005	12.64	424.39	2.31	3.48	22.84	8.3	0.035	45.73	0.59	56.86	4398.21
2010	10.60	339.31	2.38	2.80	29.94	7.12	0.331	43.31	0.58	63.22	4817.38
2015	16.74	373.15	3.81	3.57	37.76	6.7	0.152	41.88	0.25	69.88	4991.78
			1.63			10.4			0.32		

Source:- Government of J&K, Economic Survey (various issues), Srinagar, Directorate of Economics and Statistics  
 Census from Handlooms in India, Ministry of Textile, GoI  
 Census of India, various issues  
 NSSO, (Various Years)

Location Quotients:- A tool for comparing regional industry composition

$$\text{LQ} = \frac{\text{State's Industry Employment}}{\text{State's Total Employment}} \div \frac{\text{Country's Industry Employment}}{\text{Country's Total Employment}}$$

LQ =

$$\frac{\text{State's Industry Employment}}{\text{State's Total Employment}} \div \frac{\text{Country's Industry Employment}}{\text{Country's Total Employment}}$$

If LQ > 1, then area has proportionally more workers employed in a specific industry than the larger comparison area.

If LQ > 1.25, then area industry has potential to be classified as exporter

If LQ < 1, then may indicate opportunity to develop businesses in the local area

### Descriptives

VAR00002

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
1.00	8	2.4850	.92630	.32750	1.7106	3.2594	1.30	3.57
2.00	8	8.4638	6.01161	2.12543	3.4379	13.4896	.76	16.74
3.00	8	.0943	.10308	.03644	.0081	.1804	.04	.33
Total	24	3.6810	4.91854	1.00399	1.6041	5.7579	.04	16.74

### ANOVA

VAR00002

	Sum of Squares	Df	Mean Square	F	(P-value) Sig.
Between Groups	297.359	2	148.680	12.052	.000
Within Groups	259.057	21	12.336		
Total	556.416	23			

P- value < 0.05, H<sub>0</sub> is rejected

### Post Hoc Test

### Multiple Comparisons

Dependent Variable: VAR00002

Dunnnett t (2-sided)<sup>a</sup>

(I)	(J) VAR00001	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
1.00	3.00	2.39075	1.75614	.312	-1.7717	6.5532
2.00	3.00	8.36950*	1.75614	.000	4.2070	12.5320

\*. The mean difference is significant at the 0.05 level.

a. Dunnnett t-tests treat one group as a control, and compare all other groups against it.

It is clear that turbulent sustenance resulted erratic changes in the key sectors of economy. Thus hypothesis is accepted in the analysis which states “*The turbulent sustenance resulted in demographic changes in main sectors of economy*”. With political instability and unrest circumstances, sectors declined in importance in terms of its share in employment as well as in growth.

Unemployment is a social issue of serious concern. The survey carried out by NSSO provides estimates on various characteristics pertaining to employment and unemployment at the National as well as State level. Unemployment rate as per Usual Principal Status (UPS) in J&K 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.

The labor market did not function perfectly and could give rise to various problems. The new institutional arrangements that resulted, unemployment insurance and minimum wages prominent among them and further altered the operation of the market. The obvious way of doing so is by comparing labor markets over time. Research has revolved around *three* topics: changing structure of labor markets, incidence and effects of unemployment, and the policy response.

### **CHANGING STRUCTURE OF LABOR MARKETS**

Unfortunately the Jammu and Kashmir state has also been troubled by acts of terrorism by the neighboring country of Pakistan. The ongoing conflict since 1989 has not only deteriorated the social, but the economic setup as well. The state affected by conflicts had undermined development efforts, affected the living conditions of vulnerable groups and created mass unemployment.

Thus unrest circumstances have retarded economic growth and development of a state to a large extent. The economic sectors get encouraged whenever the normalcy is produced in the state. This phase of development is supporting the *Amartya Sen’s Economic Theory* by way of positive relationship between economic development and peace (*Bilal, 2013*).

The abrupt fleeing of the non-local workers (hailing from Bihar and UP) form the major chunk of workforce in Kashmir for construction and other development activities, brought crisis in the labour market in Kashmir. As per

reports (*labour bureau, 2015*), J&K constitute 55 percent non-local workers. However, non-local workers had reduced the work space for locals to large extent and caused unemployment in the State. People prefer migrant labour over Kashmiri ones as migrant labourers are technically sound and work on time and charge less. Even following the vicious cycles of killings and continual shutdowns hesitated them to stay in the valley.

While decomposed the labour force in various sectors, reflects the changing structure of labour market and sector responsible more for generating employment. A declining share of labour force in agriculture and allied sectors anticipated sustained rise in real PCY and favorable to economic development. However the slow pace of decline is a cause for concern and policy action. During the earlier phase of 80s, labour market clearly reflects the backwardness of economy as majority of the people were engaged with agricultural activities and primary sector stood the main occupation of the people, though there was gradual decrease hitherto. According to census 1981 and census 2011, the total percentage of labor force employed in primary sector dwindled by 22.4 percent points. Secondary sector indicates a little erratic change and stood around 10 percent during three decades as lack of small scale and heavy manufacturing industries, rail connectivity and lack of infrastructure has been a constant hurdle in the industrial development of the State. There is a terrific and continuous rise in the percentage of labor force employed in service sector since 1981. In 1981 the total labor force employed in tertiary sector was 12.89 percent which rises to 31.35 percent and 54.53 percent in 2001 and 2011 census respectively. The main cause was by development of tourism sector, communication and transport (*District Handbook, 2011*). *Kuznet and Colin Clark* prefers to call them service industries. Generally productivity in tertiary sector is very high. Hence transfer of population primary industries to secondary and eventually to tertiary activities is considered a reliable index of economic progress.

This gives fillip to the process of urbanization by way of migration of workforce that took place rapidly from rural to urban areas due to high job opportunity and wages in urban areas and most industries are concentrated in and

around urban areas. According to *Annual JK Economic Survey (DES)*, 2013-14, deceleration of work force from 30.5 to 25.17 percent in rural areas and accelerated 26.47 percent to 33.29 in urban areas between 1981 and 2011 supported the *Simon Kuznets Analysis* that implies as a nation undergoes industrialization as the center of nation's economy will shift to cities. As internal migration by farmers looking for better jobs in urban areas, causes significant rural-urban inequality gap. Rural population decreases and urban population increases. Inequality is expected to decrease when a certain level of average income is reached and processes of industrialization such as democratization and rise of welfare state allow for trickle down of benefits from rapid growth and increase of per capita income.

### **INCIDENCE AND EFFECTS OF UNEMPLOYMENT**

Insofar as the unemployment is unevenly distributed, its burden fall disproportionately on manual and unskilled workers for whom job attachment is low and frequent unemployment spells. However, unavoidable circumstances is one of the principal cause in which firms shed workers, skilled and unskilled, were equally vulnerable to job loss (*Jk Digest, 2011-12*).

Despite high unemployment, government after government has failed to create ample number of jobs to suffice the aspirations of job seekers. State have a weak private and industrial scenario that makes getting job a hectic task and this ads frustration and agony to unemployed youth. Currently, the public sector of the state is in quiet unhealthy shape with weak performance. Ironically the PSUs of the J&K state have properties worth billions of rupees at prime locations but unable to harness their rich potential fully in J&K so as to provide employment opportunities to youth.

Unemployment is the root of a number of social and economic problems because when a person is unemployed or even underemployed, he or she is unable in managing bread and butter for himself and his family. Rising rate of unemployment is one of the main reasons for late marriages and violence. Poverty is the immediate consequence of unemployment because when a person is unemployed, he earns nothing and becomes poor. According to *JK Economic*

*Survey 2016*, the total percentage of population living below poverty line is 10.35% for the year 2011-12 (*Tendulkar Methodology*). Thus, unemployment is directly linked with poverty i.e. unemployed one faces a lot of different problems. In response to this, he/she indulges in various illegal activities which are against what Emile Durkheim called the “*collective consciousness*”. Unemployment causes income inequalities, with a very few cornering a very large chunk of total income and very large number getting a very small proportion. Again consequences of unemployment make resources under-utilized.

Ground realities and surveys suggest that the menace of unemployment among the educated youth in Jammu and Kashmir has touched new heights with lakhs of candidates applying for a few thousand posts advertised by recruitment agencies. Critics maintain that successive governments have failed to tackle the alarming problem of unemployment while youth continues to be dilemma (*Anwar & Bhat, 2013*). Actually education system is very defective and is not job oriented, it is degree oriented. It is defective on the ground that is more general than the vocational. The first and foremost concern of today’s youth in Kashmir is quality education. Youth demands better education, skill based education. Thus, the people who have general education are unable to do any work. They are not able to find the ways of self employment. It leads to unemployment as well as underemployment. Thus, it acts as an obstacle on the way to get job.

According to *NSSO 64<sup>th</sup> Round*, the unemployment of J&K is increasing at an alarming rate and ranked first (6 lakh jobless) in North India. In 2011 report a US based development agency "Mercy Corps" found that 48 percent Kashmiri youth are unemployed. The main causes of unemployment were, less opportunities than other states, underdeveloped or no industrial sector, inefficient Govt., shutdowns, severe winters and bad connectivity and declining of Art and crafts. According to *JK Economic Survey 2016-17*, the state government itself admitted that the unemployment is the biggest challenge faced by the government with 58.79 thousand unemployed youth registered from Kashmir division compared to 45.78 thousand youth registered in Jammu division.

Most of the rural people are engaged directly as well as indirectly in agricultural operation. However, agriculture in the state is basically a seasonal affair. It provides employment only in a particular season of the year. Thus, agriculture has limited scope for job creation. The answer to unemployment problem lies only in the growth of micro, small and medium enterprises (MSME) sector having huge employment generation potential and depends if promoted properly by creating a congenial and conducive climate. However, the environment for the industries is lugubrious due to ferocity in Jammu and Kashmir. As a result of which the job seekers suffer a serious loss (*GK, March 28, 2018*).

The State government does not want the industries to be established in the state. It just pays lip service. The only incentives come from the central government. The state politicians know if industry is developed, people will try their hands in the industries, and the craze for government jobs will decrease. That will reduce the clout and influence of those politicians, who try to influence the people with the government jobs only. They have to protect their fiefdom.

Jammu and Kashmir is facing the brunt of turmoil resulting in negligible investments with business marred by uncertainties. The industries have come only in the Jammu region due to peace, work culture and better connectivity. Even the small industries are not up to the mark. As the central government has launched the “Udaan” scheme, however, that may take much time to show the results. The highest unemployment is by the reason that outsiders can’t buy any land and hence they do not open industries under Article 370. Besides, there is no mineral wealth which can be exploited by the local industrialists.

The Jammu & Kashmir is an isolated one as the youth are not aware and interested in different available jobs (like Junior Statistical Officers) at national level. The J&K is facing a severe dearth as the posts are lying vacant and aspirants of J&K State have been given special relaxation. The state government takes least pains in motivating educated youth for appearing in the various examinations conducted at national level (*Kashmir Reader, Sep. 21, 2017*).

During the planning period unemployment in absolute terms has increased. The main objective of our economic policies, right from the First FYP has been the

provision of gainful employment opportunities. However, every plan ends up with a greater backlog of unemployed people. That is, at the end of each FYP period, this state has more unemployed than at the beginning. This has happened because during the planning period trend rate of growth was considerably lower than the targeted growth (*Brighter Kashmir, January 29, 2018*).

The employment opportunities are not keeping pace with the population growth. Education system prepares youths for *white collared jobs*. Highly educated are waiting for the job in the situation of uncertainty and who also belong to extremely poor sections of the society. Young populations across the world are generally seen as drivers of socio-economic growth, but in Kashmir, the youth bulge is a problem and lack of avenues to engage youth in meaningful ways drives youth towards destructive activities. Unemployed youths are betrayed by the anti-social elements and for destabilizing economy by using them as tools for creating mayhem (*State Times, December 13, 2017*).

In context of uncertain and industrially backwardness both the state and central Government are working on to develop entrepreneurship as a resource to cope up with the problem of unemployment. The uncertain and conflict situation further dampens the risk appetite of the youth for entrepreneurship and self-employment. Nothing is being done so that the huge job market that lies in between government sector and self-employment can be tapped. There is not a single effort to fill the gap between the labour shortage and unemployment (*Haq, 2015*).

Jammu and Kashmir economy, by and large, continues to be in a state of underdevelopment. The volume of economic activities which could provide increasing avenues of employment, determined largely by agriculture and non-agricultural sector remain low. This unfortunate situation of slow growth characterized the state economy even after turbulent period. After the attainment of independence, there was a favorable atmosphere for rapid industrialization but performance remained far short of the plan-targets after militancy. It is obvious that the unemployment situation is grim indeed. However, it is necessary to find out the causes responsible for the wide spread unemployment.



---

## PROBLEMS

- 1 Less productive investment i.e. no manufacturing sector exists, Industrial graveyard (Business Today, Nov.5, 2017).
  - 2 No internal resource mobilization. The state failed to become self-sufficient. As Prakas (2000) notes, “It failed to give to mobilize its own resources for economic growth”.
  - 3 Maximum brunt of violence discouraged FDI, (J&K PHD Chamber of Commerce and Industry, 2011)
  - 4 Work opportunities have not kept pace with the increase in population (Planning Commission, 2003).
  - 5 Irregular power supply and State receives only 15% of generated power as royalty from major power projects run on J&K rivers (Eco. Survey, 2016).
  - 6 Lack of investment in private and public sector thus no long run employment policy implemented (Bhutt & Pandow, 2012)
  - 7 Poor tourism avenues due to out-break of violence (GK, Oct, 2017)<sup>228</sup>
  - 8 Lack of good road network and landlocked nature of state became the disincentives to invest in the industry here (Rekha, 2016).
  - 9 Lack of MNCs propelled low job opportunities (Daily Excelsior, Oct. 27, 2018).
  - 10 Increase of in-migrant workers leads unemployment to local workers (GK, Jul 4, 2017).
  - 11 Rough terrain and growth of unrest stood stumbling block for industrial development in Jammu and Kashmir (J&K Ec. Survey, 2011-12).
  - 12 Shortage of skilled labours encourages in-migrant workers (Expert Report, 2011).
  - 13 Diversion of huge resources to unproductive sectors (CAG, Govt. of J&K, 2011)
  - 14 Shortage of capital and entrepreneurial abilities (GK, March 28, 2018)
  - 15 Traditional way of education unable to keep pace with the changing market demands (J&K Higher Education Plan, 2011-12).
  - 16 A target of every plan ends up with backlog due to corrupt regime of government (J&K Development Report, 2011).
  - 17 Slow capital formation inhibited the growth potential activities
  - 18 High incidence of child labour (NCPCR, 2012).
  - 19 Inequalities and disparities existed across regions and social groups cause underemployment and poverty (Inequalities in J&K, EPW, Feb.18, 2018).
  - 20 Resentment against wretched conditions of work often led to localized agitations and strikes (Rekha, 2019).
  - 21 Sub-division of ancestral land results uneconomical size of land holdings i.e fragmentation and parcelisation (Land Commission Report, 1968, J&K Govt)
  - 22 Lack of connectivity between consumption market and producing centers (Development Report of Planning Commission, 2011)
  - 23 High corruption and missed enlightened institutions (GK, Sept. 26, 2013)
  - 24 Current account deficit and fiscal deficit (Economic Survey, 2017)
  - 25 Lack of awareness of different jobs available at centre level (The RK, 02/08/18).
  - 26 Manifestation of mismatch between physical and human resources technically known as structural unemployment (GK, Apr 28 2015).
  - 27 Lackadascial and imprudent policies pursued by subsequent governments.
-

Keeping the above points in view, there are many more obstacles, keeping acute pressure in every field for getting job. Thus the real challenge in front of policy makers is to create enough jobs in the market for educated workforce. As per NSSO Survey, youth unemployment among illiterate is less as compared to educated youth. Even the illiterate youth is willing to do all sorts of work whereas educated ones look for jobs in their respective fields.

Even no effort has been made to know the exact or approximate number of the jobless youth in the state (*J&K Budget Analysis, 2017-18*). While government proposes ‘Aadhaar-seeded registration with the Employment Department’ be made necessary, in order to get the actual numbers of unemployed people. However, the fact is that only those people register themselves at Employment Exchanges, who want to opt for some self-employment scheme. Thus data will not be exact or at the best it will provide much-inflated figures. That is a real obstruction for a target oriented policy formation to cope with unemployment. It is time for policy makers to think and try to eradicate the unemployment of Jammu and Kashmir and overhaul the system for urgent action. The problem of unemployment in the state of Jammu and Kashmir is one of the most serious challenges to the Government, Policy Makers and the Society as a whole. The government till now does not show any serious means to tackle it.

As the ‘policy response’ in context of this section is concerned (elaborated in next chapter), the central and state government adopted a variety of measures in response to the emergence of high rate of unemployment. The response was conditioned by the contemporary perceptions of the nature of the unemployment. Prior to turbulent phase, the unemployed were referred as vagrants or vagabonds, however, terrorists or stone-pelters now. The unemployment had been seen as a problem of State rather than the individual. The effects of unemployment on the behavior of the unemployed and specifically on their incentive to seek work have been a subject of great controversy over last three decades (*Naqshbandi, 2011*).

The Jammu and Kashmir State has been in isolation from other states in complementary policies by the central government in light of contemporary issues. In order to escape the backlash of discontented and disenchanting masses,

they adroitly passed employment schemes for the youth who are vulnerable to the destruction pressures. So, in order to provide gainful employment on sustainable basis and tackle the disturbed condition, Union and State government made many schemes in order to engage state youth. A study describes the highly politicized nature of unemployment and the difficulty of facing its effects as the long-term unemployed resort to illegal activities.

The central government must display greater involvement and consider the needs and wants of the Kashmiri people to make the people feel recognized. This can be achieved by sending greater assistance to people in the valley ending corruption, injustice and inefficiency. Investment on infrastructure will improve the life of the people and would lead to less resentment against India (*Subhash, 2002*).

The fragility of the economy and the weak governance in Kashmir played a significant role in creating the conditions for conflict. What is needed, therefore, is the reconstruction of enabling conditions for functioning peacetime economy.

### **SURVEY ON MIGRANT WORKERS**

The Jammu and Kashmir State owes many resources in connection with employment generation; however, violence made them halted and distorted particularly human resource. Consequently there emerges labour shortage for traditional agriculture purposes or for manual work as well as for trained and skilled personnel in emerging areas. Due to this acute shortage of manpower, in the farm and construction sector over the recent decades, has encouraged migration of casual workers from other states of India. The three core factors compelled the migrant workers are;

- I. Higher wage
- II. Availability of Work
- III. J & K employers are kind enough and never treat them as bonded labour

#### **Part I. Age-Sex Composition of Sample Migrants**

The sample is comprised of various age groups for migrant workers. The group (15-25 years) of the migrants accounts maximum of 36.25 percent, followed by 31.87 percent of group 26 – 35 (Part I). All the sample migrants are male.

#### **Part II. Educational Level**

About 23.12 percent of respondents have no formal education, 25.63 percent have primary education and 49.38 percent have secondary education and 3 respondents have graduation degree (Part II).

### Part III. Place of Origin

Part III provides the details about the native State of the migrants. Migrants from Bihar constitute 32.50 percent of the sample, while Rajasthan and Jharkhand contributed 26.87 and 16.25 percent. Thus, about 75.62 percent of the migrants are from Bihar, Rajasthan and Jharkhand, while remaining percent of 24.37 percent are from other states. This, however, does not imply that the migrant workers in Kashmir are dominated by workers from Bihar and Rajasthan. The concentration of migrants from Bihar and Rajasthan in researcher's sample is high possibly due to the reason that the area that we surveyed was dominated by migrants from these two states. This is not surprising, because migrants from the same place prefer to stay in the same locality.

**Table 4.5:- Primary Survey on migrant Workers**

Part I. Age Composition of Sample Migrants			Part II. Educational Level of the Migrants		
Age Group	Frequency	Percent	Educational level	Frequency	Percent
15-25 years	58	36.25	No formal Schooling	37	23.12
26-35 years	51	31.87	Primary Education	41	25.63
36-45 years	33	20.62	Secondary Education	79	49.38
46-60 years	14	8.76	Graduation	3	1.87
61 years & Above	4	2.5	Post- Graduation	0	0.0
Total	160	100.0	Total	160	100.0
Part III. State of Origin of the Migrants			Part IV. Year of First Migration		
States	Frequency	Percent	Year	Frequency	Percent
Bihar	52	32.50	1990-1996	7	4.38
Rajasthan	43	26.87	1997-2003	12	7.5
Jharkhand	26	16.25	2004-2009	17	10.62
Other States	39	24.37	After 2010	124	77.50
Total	160	100.0	Total	160	100
Part V. No. of years living in J&K State			Part VI. Reasons of Migration		
Year	Frequency	Percent	Reasons of Migration	Freq	Percent
0 – 1 Year	74	46.25	High Wage Rate	73	45.62
1 – 2 Year	48	30.0	Availability of Work	40	25.0
2 – 3 year	21	13.12	Better Working Condition	15	9.37
3 – 4 year	11	6.87	Accumulation of Savings & repayment of debt	12	7.5
4 – 5 year	6	3.75	Meeting Household Expenditure	11	6.87
5 year & Above	0	0.0	Others (Purchase of land/ House Construction)	9	5.62
Total	160	100.0	Total	160	100.0

Field Survey

#### **Part IV. Year of First Migration**

About 77 percent of the respondents (124) migrated to Jammu & Kashmir for the first time after 2010, whereas the rest had prior migration experience to States like Delhi, Rajasthan and Punjab. About 10.62 percent had migrated in between 2004-2009 and 4.38 percent had first migrated before 1997.

#### **Part V. Number of years living in J&K State**

Part V reports the number of years that the respondents have been living in Jammu and Kashmir. About 46.25 percent respondents have migrated to J&K State within one year, 30 percent migrated within 1-2 years, 13.12 percent migrated within 2-3 years and 6.87 percent migrated 4 – 5 years. However, those who have migrated to Jammu & Kashmir State long back have not entirely been in the same place, but they also moved to other districts of J&K for work.

#### **Part VI. Reasons of Migration**

The major reasons of migration are the poor economic condition and low wages in native region. When asked about the specific reasons for migrating to Jammu and Kashmir, about 45.62 percent respondents reported that they migrated to Kashmir specifically because of higher wage rate in Kashmir, whereas 25.0 percent reported availability of work and another 9.37 percent reported better working condition in Kashmir as the main reasons for migration to Kashmir. The other reasons mentioned were repayment of debts, financing education and marriage of dependents, etc. This suggests that migration mostly occurs for the creation of outside support system for livelihood. Further, dominance of economic reasons also suggests that it is primarily the differences in economic opportunities among different States that pushed for migration of workers to other States. A few respondents, having prior experience of migration to other states, reported Kashmir as a more natural resource place than other states.

#### **Occupation – Before and After Migration**

Before migration to Jammu and Kashmir, about 20.0 percent of the respondents were unemployed and another 13.75 percent were students, whereas about 25.62 percent were bricks maker, 18.12 percent were construction mason and 15 percent were carpenters and painters. However, there has been barely any improvement in

the nature of works even after the migration. About 29 percent respondents are engaged as helper to mason, bricks maker and carpentering and painting in various construction sites. The remaining 15 percent of respondents, who are working independently, either went to different places in search of work or used to stand in some market places from where somebody picked them up for work.

<b>Table 4.6:- Occupation – Before and After Migration</b>					
Occupation of the Migrants before Migration			Occupation after Migration		
Category	Frequency	Percent	Category	Freq.	Percent
School-leaver	22	13.75	Bricks making	41	25.62
Unemployed	32	20.0	Helper bricks making	20	12.50
Bricks maker	41	25.62	Construction mason	29	18.12
Construction mason	29	18.12	Construction helper	18	11.25
Carpenter and painting	24	15.0	Casual labour	19	11.87
Self-employed in Agriculture	12	7.5	Carpenter & Painting	24	15.0
Total	160	100.0	Helper carpentering and painting.	9	5.62
	160	100.0	Total	160	100.0

Field Work

#### **Skill Level – Before and After Migration**

Of the workers employed before migration in Kashmir, only about one fourth of them were engaged in activities that require some skill. Before migration about 72.50 percent respondents were engaged in unskilled activities, 9.37 percent were engaged in semi-skilled activities and 18.12 percent were engaged in skilled activities. After migration, about 55.0 percent respondents were engaged in unskilled activities, while about 16 percent respondents were engaged in semi-skilled and 28.75 percent in skilled activities each. Looking at the mobility of the skill level after migration, it is noticed that the level of unskilled workers decelerated from 72 to 55 percent. Thus, there are both upward and downward mobility of the workers in nature of work they engaged after migration.

<b>Table 4.7:- Skill level-Before and After Migration</b>						
Category	Before Migration		After Migration		Chi-Square Value	P-value
	Frequency	Percent	Freq.	Percent		
Unskilled work	116	72.50	88	55.0	10.64	.004874
Semi-skilled Work	15	9.37	26	16.25		
Skilled Work	29	18.12	46	28.75		
Total	160	100.0	160	100		

Field Work

The result is significant at  $P < .05$

### Wages and Income Level of the Migrants

After migration, the migrants received an average daily wage of about Rs. 275 (with max. of Rs. 350 and min. of Rs. 200). This was 3 to 4 times higher than the wage rates in the native places of migrants. The average number of working days for the migrants is 24 days per month, with maximum of 30 days and minimum of 15 days per month.

The income level of the migrants *before* migration is reported in Table 17. Before migration about 39.37 percent respondents have monthly income less than Rs. 1000 and for another 22 percent have monthly income was less than Rs. 2000. And 16.25 percent respondents have monthly income between Rs. 2000-3499, whereas only 3.7 percent have the monthly between Rs. 5000 - 6999 before migration. Nobody was count above the income of 7000. The monthly income of the workers *after* migration rose highly. No respondent from migrants were earning less than Rs. 2000. More than 50 percent of respondents earn more Rs. 5000 after migration against 3.75 percent before migration. Only 3.7 percent earned less than Rs. 3500 per month, but higher than Rs. 2000.

Category	Before Migration		After Migration	
	Frequency	Percent	Frequency	Percent
Rs. 500 – 999	63	39.37	0	0.0
Rs. 1000 – 1999	36	22.5	0	0.0
Rs. 2000 – 3499	26	16.25	6	3.7
Rs. 3500 – 4999	29	18.12	53	33.12
Rs. 5000 – 6999	6	3.75	82	51.25
Rs. 7000 & Above	0	0.0	19	11.87
Total	138*	100	160	100.0

Field Survey

A comparison of the income level before and after migration is worthwhile at this point to infer whether migration really makes difference in financial well being of migrants. However, such a comparison is difficult as information on income before migration is not available for all the respondents and as some respondents had migrated more than 5 years earlier, so comparing their income at that time with current income without adjustment of the price level is difficult. Despite this limitation, a close look at the income levels before and after migration reveals that there has been a shift from the low-income

brackets to the high-income brackets after migration i.e. improved financial position of respondents.

### **Latest Trend of Migrants in Jammu and Kashmir State**

As per report from 2001 census, there are nearly 1.65 lakhs in-migrants and 2.24 lakh out-migrant workers in Jammu and Kashmir State. It is clear that 2.24 lakh can be spread throughout India for job. It is important to mention that the migration growth rate stands at 0.4 percent from 1991-2001 and 0.37 percent from 2001-2011. There is a dire need of new job avenues. State rendered huge unemployment and is counted among the top job seeker state (6.31 lakh, *J& K Digest, 2011*) in the country due to the absence of desirable industrial growth and limited scope for absorption in the private sector. Due to limited job opportunities available for job seeker youth, the number of job seeker youth has been increasing with every passing year and huge out-migrants takes place for the search of job. The table below reflects the in-migrant and out-migrant trend for the state.

In-migrants (2001)	Out-migrants (2001)	In-migrants (Percent)	Out-migrants (Percent)	D.I	Migration Rate (per 100) 1991-2001	Migration Rate (per 100) 2001-2011
165084	224236	42.40	57.59	0.17	0.4	0.37

Source:- Census of India, 2001, Migration Data, Table D-1,  
 NSSO 67<sup>th</sup> R & Col. Estimated from Census 2011 by LTSR  
 Economic Survey of India 2017, Organization for Economic Co-operation and Development

David *Sopher's* Disparity Index measures the relative disparity 0.17 between in-migrants and out-migrants during the reference period of 2001. Thus, deficiency of manual labourers is a major problem faced by the state. Farmers, contractors, businessmen and other categories of employers complete their operations in time by migrant workers due to scarcity of native manual workers.

The present education facilities in the state do not have the capacity to provide diversified employment for the new generation in the state itself. So the newly educated workforce in state has become highly mobile willing to earn a living in any part of the world today. They usually seek out *white collar jobs* in profession such as banking, engineering or management, leaving the state scarce of conventional/traditional labour. At the same time high wages, rapid urbanization and shortage of skilled workers make Kashmir attractive destinations



for migrant labourers. The vacuum created by the scarcity of local skilled labour makes room for them. Employers also prefer workers from other states as they demand wages much lower than that of their native counterparts. Thus emergence of migrant labourers in to the labour market of State was a relief to the manual labour deficit market and they supply cheaper labour force in the labour market.

Migrant workers help to the economic development of the state by providing the required labour force and hold important position in the economy of the state. Thus the role of migration cannot be underestimated. It is a mechanism through which the short-term supply and demand for labour in a labour market is counterbalanced and helps in manpower planning. Moreover, migrants are agents of changes. They can make changes in the wage rates, employment patterns, living and working conditions, trade union attitudes and policies, government policies and so on. They contribute much to the economic and social development of destination even if they may be looked down by the natives.

Many native labourers find it difficult to work in native places even the migrant workers undertake various activities at lower wage rates irrespective of nature or status of the work. They are ready to undertake dangerous, hazardous, hard, difficult and filthy occupations, which are rejected by native's workers.

Undoubtedly migrant workers have been instrumental in keeping alive the economy of Jammu and Kashmir State. They carry out sowing and harvesting of crops, including paddy, work in brick kilns, construction work and pack fruit to be exported to other states. The rapid flow of migrant workers in state has an effective role in the developmental sphere on one hand and putting a huge pressure on the basic amenities on the other, which may become a future threat for the long term economy of the state. Another problem is that authorities in the state are unaware of the actual number of migrant workers in the state. The local labours remained unemployed and migrant workers accepted low wage employment. They are simply taking away capital from J&K and are contributing to their own states' economies (Ali, 2007).

**CHAPTER 7**

**POLICY MEASURES:  
EVALUATION OF STATE  
POLICY ON EMPLOYMENT**

## **CHAPTER 7**

### **POLICY MEASURES: EVALUATION OF STATE POLICY ON EMPLOYMENT**

Employment generation is the key channel through which economic growth translates into prosperity for the population. In a growing economy, employment growth with rising productivity is the most effective mechanism available to the poor to participate in the growth process and raise their standard of living. High economic growth, therefore, unless accompanied by quality employment opportunities will raise inequalities. Thus, gainful employment generation is the bedrock of attaining growth with equity and alleviates poverty. Emphasis is laid for enhancing employment opportunities to achieve the long cherished objectives of inclusive growth. Focused attention is given to the necessary infrastructure regarded as the engine of economic growth. It is the physical infrastructure that strengthens the economy, boosts investment, attracts prospective entrepreneurs and reduces the unemployment incidence through numerous positive forward and backward linkage effects of primary, secondary and tertiary sectors of the economy.

The state has shown high economic growth but has not been able to meet the aspirations of the population especially the youth. The ‘Expert Group, 2011’, (*constituted by PM for J&K, 2010*) was set up in the context of enhancing the employment opportunities in Jammu & Kashmir and to formulate a jobs plan involving both the public and private sectors, especially for the youth on employment over two primary issues of one identifying and enhancing employment opportunities in the various sectors and second skill development for improving employability of youth.

What is important at this moment to decipher is to look in to the reasons for the ever-increasing unemployment in the state. The number is increasing and continues to inflate year after year. Since neither the requirements in different government offices nor the resources of the state would do and would permit to create as many jobs, as the number of jobless, therefore, the unemployment of

educated jobless youth continues to attain dangerous proportions. Besides, Jammu and Kashmir State lacks private sector initiative of industry which is often an important driver for skill acquisition. Thus creating a large number of jobs will require a two pronged strategy. The first would be to identify sectors with large employment generation potential and suggest interventions to kick start the growth process and the second, a human resource development initiative focused on improving skill sets through improving access to education and focused placement oriented training.

To increase the access of the youth to educational opportunities and optimize their full academic potential and turn to productive activities, the Expert Group recommended four initiatives - *first*, a Special Scholarship Scheme for J&K, *second*, faculty development programmes *third*, initiative by Delhi Public School and *fourth*, special initiatives by Indira Gandhi National Open University for J&K. If the capacity of the educational institutions in J&K is to be built up, it is essential to enhance the faculty skill set (*Expert Group, 2011*).

The state of Jammu & Kashmir, facing serious challenges of development despite its strong human and natural resources, merits attention of the academia and policy makers, to adopt a realistic development model in conformity with its own attributes. The job of higher educational institutions is not only to create and disseminate the knowledge, but also to find the ways and means of its application through innovations. However, transition to knowledge society is a very complex task requiring radical changes to be made on all the fronts simultaneously and effectively (*Greater Kashmir, April 28, 2015*).

Researcher attempted to convey that underdevelopment and unemployment in J&K, in essence, is the manifestation of *mismatch* between physical and human resources technically known as structural unemployment. In simple words this type of unemployment exists when a large segment of working age population does not possess the appropriate skills and knowledge necessary to engage itself in exploiting its given resource endowments.

In such a situation the state must make a radical shift in its policies especially in the education sector to remove this impediment so as to give birth to

specialized workforce capable to manage all the potential sectors on modern lines and according to the socioeconomic requirements of the society. This must ultimately give rise to a vibrant private sector capable to shift the employment burden away from the government.

The government must in turn give way to the private sector to emerge because it is not the business of the government to do the business. The private sector is not the one comprising a few industrialists and business tycoons, but the one consisting of our own youth. To inculcate such a capability among the youth means that our youth must be sufficiently equipped with entrepreneurial abilities necessary to vibrate all the potential sectors (sleeping giants) of our economy. It is clear in unequivocal terms that our curricula ought to be designed to accommodate such a strategy. There is no single university of India does fall among the first two hundred universities of the world in terms of provision of quality education, and that we need to provide education according to the needs and requirements of the societies.

The Jammu and Kashmir economy bestowed with a rich base of resource endowments by all means is not only capable to survive as an independent economic entity, but fulfils all those conditions required to provide a base for sustainable development. Ironically face a situation of massive unemployment, especially educated unemployment, even though in presence and availability of abundance of resources of which our state furnishes a classic example. However, due to lackadaisical policies, pursued by the subsequent governments and the political strife during the last almost four decades, all the strengths of our economy have ultimately been converted into its weaknesses making the state of Jammu and Kashmir to look like a state as if it cannot survive on its own producing the conditions of what is known as 'dependency syndrome'.

However, it may be pointed out that nature has bestowed every country or region with certain peculiar features characterized in its strengths and weaknesses which through properly crafted policies can bring the dividends by exploiting the strengths and eliminating the weaknesses. But unfortunately in case of the J&K economy the lackadaisical policies and their implementation fasten with internal

strife on account of guerrillas have actually eroded the strengths and enlarged the weaknesses. Although lot of damage has been done so far, yet there seems to be some ray of hope. Situation can be reversed provided prudent policies are put in gear through enlightened institutions, which, of course, seems to be the priority of the present dispensation.

The point researcher always raise, is that it is high time to come out of the generally accepted dogma that growth and development in an underdeveloped region is subservient to big push by a few industrial giants that will percolate the benefits down the society in accordance with the “*trickle-down*” theory based on Adam Smith’s “Invisible hand” principle. Often argument in economics is made on the lines that output (growth) is a function of inputs like men (human resources) and material (physical resources) but in case of Jammu & Kashmir state this has failed to realize owing to some unexplained phenomenon. It is clear that for the growth to respond, presence of men and material is only a necessary condition but not a sufficient condition.

The sufficient condition states that for the growth to respond the quality of inputs (men and material) must match or, in other words, the inputs used in the production process must be complementary to each other. This brings to a very important corollary that in Jammu & Kashmir state, the human resource development through prevailing education system and physical resources or societal requirements are moving in diverse directions with the result the input-output relation in a production function, as taught in the text books, does not hold. Thus, until this mismatch between human skills and the geographic resource endowments are addressed unemployment and under development are bound to emerge. Now, once the malady is diagnosed applying the solutions should become easier. The remedy to this problem apparently seems to lie in revamping our education sector by crafting appropriate policies giving due consideration to the type of curriculum most suitable to produce graduates and post graduates with the appropriate skills to harness our resource potential in line with our socio-economic requirements.

But the moot question that why youth are not willing to enter these ventures, is a matter of their psychological makeup, imprudent policies and missing enlightened institutions creating a vicious circle which can be broken only by big push in education and must convert into virtuous circle of prosperity only in the long run. While so doing an attempt should be made to prepare an entrepreneurial class of young educated youth that will strengthen the supply side of the economy by automatically creating the employment opportunities with their own skills and efforts amidst difficult situations.

However, such entrepreneur class cannot be produced through short term technical courses, as currently the thrust seems to be, but by involving them from the very beginning of their basic education. Any short term attempt may produce a semi-entrepreneur technical class with undesirable demand side effects on the job markets making it difficult for the governments to supply the jobs.

To establish the broad contours of the problem it is important to estimate the employment-unemployment trend at national level for which the NSSO is an important source. As per various rounds of *NSSO*, the labor force in J&K increased from 4.01 million in 1999-00 to 4.37 million in 2004-05 and 5.10 million in 2014-15 correspondingly workforce increased from 3.94, 4.27 and further 4.32 million. Notwithstanding this, the addition to the workforce has marginally fallen short of the additions to the labor force in successive periods of the NSS rounds leading to an increase in the absolute number of unemployed persons in the state. The trends of labor force, work force and unemployment (UPSS) of J&K state at All India level is given below in the table: -

<b>Table 5.1:- Labor Force, Work Force and Unemployment (UPSS) Million</b>												
	Jammu and Kashmir					All India					Disparity Index (J&K Vs India)	
	55 <sup>th</sup> R	61 <sup>th</sup> R	Gr. Rate	72th R	Gr. Rate	55 <sup>th</sup> R (1999-0)	61 <sup>th</sup> R (2004-5)	Gr. Rate	72th R (2014-15)	Gr. Rate	D.I (55 <sup>th</sup> R)	D.I (72 <sup>th</sup> R)
Labor Force	4.01	4.37	2.17	5.10	1.73	403.15	470.14	4.07	494.24	0.55	0.28	0.50
Workforce	3.94	4.27	2.03	4.32	0.13	394.17	458.99	3.87	481.74	0.53	0.29	0.61
Unemployed	0.07	0.12	9.32	0.08	-2.44	8.98	11.15	5.56	3.80	-11.27	0.24	0.63
Unemployed /Labourforce %	1.7 %	2.23 %	--	1.85 %	--	2.2%	2.4 %	--	0.78%	--	--	--

Sources:- 55<sup>th</sup> NSSO Round (1999-0), 61<sup>th</sup> Round (2004-5), 72th R (2014-15)

The rapid increase in labour force creates pressure for creation of employment opportunities. If economic growth is jobless, the possibility of rapid

growth of unemployment cannot be ruled out when labour force registers a high growth rate. During the period of 61<sup>st</sup> Round 2004-05 the percentage of the unemployed to the total labor force has also been increased. However, the 61<sup>st</sup> Round 2.23 per cent is lower than the all India figure of 2.4 per cent. In 72<sup>nd</sup> Round of NSS data the trend was reversed. Subsequently in 72<sup>nd</sup> Round J&K State stands at 1.85 against 0.78 at national level higher than national average.

It will be interesting to decompose the workforce and find out the potential sectors responsible for employment generation. As expected the share of the primary sector in employment has been consistently declining dropping from 55.6 per cent in 1999-00 to 44.89 per cent in 2009-10. The share of secondary and tertiary sector increased, however the 67<sup>th</sup> round of NSSO however provides some corroborated evidence of higher job creation by the services sector as compared to industry. However the slow pace of economic growth in agriculture is a cause for concern and policy action.

**Table 5.2:- Trends of Workforce in terms of size and percentage**

	Workforce (lakhs)								Shares in Percentage		
	55 <sup>th</sup> (1999-0)	Log	61 <sup>th</sup> (2004-05)	Log	Gr. Rate	67 <sup>th</sup> (2009-10)	Log	Gr. Rate	55 <sup>th</sup>	61 <sup>th</sup>	67 <sup>th</sup>
Primary	16.34	2.795	22.57	3.116	8.36	26.22	3.266	3.82	55.6	53.9	44.89
Secondary	4.79	1.566	9.62	2.263	19.04	13.66	2.614	9.16	16.3	23.6	24.39
Tertiary	8.29	2.115	10.46	2.347	5.98	18.52	2.804	12.10	28.1	25.5	31.71

Source: - Report of the Expert Group on Employment in J&K, 2011, NSSO, Various issues

As NSSO collects data on the activity status of the workforce gives useful insights for gauging the quality of employment generated. Usually economic development involves transition from self-employed to RWS (Regular Wage and Salaried) status. NSS data on the RWS workers is considered a good approximation of organized sector employment. In Jammu & Kashmir, the Regular Wages & Salaried (RWS) workers increased in absolute numbers by 3.69 lakhs in the period 1999-00 to 2009-10 but the share fell by 1.53 per cent. The workers in the self-employed (SE) category increased by 19.43 lakh between the 55<sup>th</sup> and 67<sup>th</sup> Rounds and the share increased by 4.65 per cent, thus shows positive relationship. A possible explanation is that a number of employment intensive sectors in like horticulture, tourism and handicrafts have still not scaled up and are



run by small household enterprises often characterized by proprietor- owners. The absolute number of workers in the casual labour (CL) category increased marginally but their share in the total jobs declined in the last reference period.

**Table 5.3:- Workforce distribution by activity status and shares**

	Workforce (lakhs)			Activitywise (Percent)		
	Self-Employed	Regular Wages & Salaried	Casual Labour	SE	RWS	CL
55 <sup>th</sup>	20.21	5.43	3.79	68.7	18.4	12.9
61 <sup>st</sup>	31.27	7.08	4.29	73.30	16.6	10.1
67 <sup>th</sup>	39.64	9.12	5.28	73.35	16.87	9.77

Source:- NSSO, Various Reports

However, the *DECC data* shows a much higher figure of unemployed at 4.48 lakhs in November 2009 and 5.89 lakhs in March 2010. The variations in the two sets of data could be due to conceptual and methodological differences. It may thus be useful to view the NSS number of unemployed as the baseline number for strategizing on the number of jobs that need to be created and the DECC numbers regarding ‘job seekers’, as the inspirational ceiling number.

As per statistics available with the Directorate General of Employment & Training (*Report, 2017*) about 1.50 lakhs unemployed youth have registered themselves with the different Employment Exchanges in the state for immediate attention. In order to reduce the unemployment the following points must be considered to frame the policies to eradicate the plague of unemployment.

- I. Promotion of labour intensive generation activities e.g. horticulture, regeneration of degraded forests, watershed development etc.
- II. The non-farm activities in the rural areas should be given preference. There is lot of service activities required in the remote and rural areas in the field of education, health and in respect of information technology.
- III. The major employment generation sectors like tourism and handicrafts are required to be encouraged and new tourist spots should be explored.

The State of Jammu & Kashmir has certain inherent strengths that can be utilized to improve the income of its people and to provide gainful employment opportunities on sustainable basis, which are like strong base of traditional skills not found elsewhere; untapped natural resource; a natural environment which has

been very profitably utilized by other countries for high income- environment friendly tourism industry (*DES, 2011-12*).

In order to sustain growth and employment in its economy, the State Government Should articulate an Employment Policy focus on:

- Improving productivity and income of traditional skill based industries,
- Shifting agricultural workforce to high value-added;
- Transforming service industry, by setting up a world class infrastructure;  
Creating a vibrant self-employed-professional workforce,

The policy would need to incorporate the following objectives:-

- To exploit full growth potential of sectors and sub-sectors.
- Setting up new enterprises in manufacturing services sector.
- To assist self-employed workers to upgrade themselves through provision of credit, marketing, technological and training facilities.
- To improve prospects of long term growth by creating physical infrastructure such as transport and communication services.
- Improve efficiency of utilization of resources.

### **SECTORAL INITIATIVES TOWARDS EMPLOYMENT GENERATION**

The economy of Jammu & Kashmir has suffered from disturbed conditions prevailing from almost three decades. It would, therefore, be necessary to put the economy back on the rails to enable the average person to get employment opportunities. This would require giving fillip to the economic activities that have traditionally been the mainstay of the State's economy and continue to hold significant potential for growth and employment. Such activities include agriculture (including horticulture), handicrafts and handlooms, tourism etc. It would be equally necessary to ensure diversification of the State economy, especially expanding the industrial base by promoting private capital inflows into the State through various incentives and concessions (*Digest, 2016*).

The government is taking all possible steps and making all possible efforts in providing gainful employment to the youth of state, but it may not be possible for the government to provide government jobs to all. Under these circumstances possibilities have to be explored for absorbing the youth by way of creating work

opportunities in the private sector as well. In this direction the sectors like agriculture and animal husbandry, handicrafts, tourism, and Information Technology etc. of economy have been identified for generation of gainful employment opportunities in the state on sustainable basis.

## **SECTORAL INITIATIVES**

### **Agriculture and Animal Husbandry**

The state is predominantly an agricultural economy with about 70 percent of the population deriving its livelihood from agriculture and allied activities. However, the lack of private investment, distance from major markets, several layers of intermediation and virtual absence of postharvest infrastructure have restricted the development of agriculture. In the recent past, policy focus on increasing productivity in agriculture, has led to the launch of a number of central government schemes like *Rashtriya Krishi Vikas Yojana (RKVY)*, *Macro Management of Agriculture (MMA)*, *National Bamboo Mission and Integrated Scheme of Oilseeds, Pulses, Oil palm and Maize*. The funds allocated to J&K under the schemes of the Department of Agriculture have been increased Rs. 76 crores to almost Rs. 200 crores during 2007-08 to 2010-11 period– an increase of 250 per cent (*Agriculture Production Dept, 2011-12*). The state currently engages agricultural graduates on a contractual basis to carry out agricultural extension effort. The Rehbar-e-Zirat employees are responsible for disseminating improved agricultural technologies and practices and further for monitoring the implementation of the various rural development programmes.

### **Animal Husbandry**

The livestock sector, with a contribution of 11 per cent to the GSDP is making deep inroads in the rural economy of J&K by providing gainful employment to about 12 lakh small and marginal farmers. There is a large untapped potential in this sector since the high demand for meat, poultry items and milk in the state far outstrips the supply.

The highly labour intensive livestock sector with its capacity to cater to the poor and absorb large number of skilled and unskilled workers. For instance, increased public investment in the poultry sector will increase the growth

potential and attract private investments. The government has taken a number of initiatives in this sector, some of which are working well. The *first* initiative in the poultry sector the centrally sponsored *Rural Backyard Poultry Scheme*, under which the state government provides low input technology birds (easy to rear and disease resistant) to BPL farmers for rearing in the backyards. The *second* intervention, which will also lead to direct employment generation, is the *Private Paravet Scheme*. According to the report of Planning Commission, 2011, the state established 3000 centers and introduced a Paravet scheme in which educated unemployed youth from rural areas are to be trained in artificial insemination and veterinary first aid to animals.

Thus, agriculture and animal husbandry with their large employment potential need investments for production. The sector supports vulnerable sections of the population and can be an important employment creator for unskilled workers.

### **Horticulture**

Horticulture contributes 7-8 percent of the GSDP and provides employment to around 30 lakh people in Jammu & Kashmir. It has been growing in importance contributing to land productivity, employment and exports. Moreover, the forward and backward linkages in the sector which include inputs, packing, processing and transportation have significant untapped employment potential in the state.

A Centrally Sponsored Scheme MIDH has been launched for the holistic development of horticulture in the State from 2014 which integrates the ongoing schemes of National Horticulture Mission, Horticulture Mission for North East & Himalayan States. Mission for Integrated Development of Horticulture (MIDH) is a Centrally Sponsored Scheme for the holistic growth of the horticulture sector covering fruits, vegetables, mushrooms, spices, flowers, aromatic plants etc. (*Report: Horticulture Department, Govt. of J&K, 2018*). High Density Apple Plantation scheme is 100 percent state funded scheme launched in 2017 to achieve the objectives of enhanced production and productivity and raising the income of the farmers (*Report: Horticulture Department, 2012*).

## **Tourism Sector**

The tourism sector with its potential for employing people across the skill spectrum and positive externalities for other sectors like handicrafts, handlooms and transport occupies an important place in the development and employment strategy of Jammu & Kashmir. The tourism sector with a revenue generation of more than Rs 3000 crores provides employment to about 5 lakh people (*JK Economic survey, 2014*). This sector will require significant private investment which is currently constrained by negative perception regarding the security situation and the lack of clarity on the land policy. Researcher recommended development and expansion of tourism infrastructure, transportation, communication and other facilities to make tourism a successful sector in the state. Moreover, more and more tourist spots should be explored. The other strategy that can give quick returns to religious tourist spots requires development of recreational activities like investment in water sports, creation of shopping malls, cultural festivals and exhibitions as potential tourist magnets and fast connectivity of bus services.

The most important on the tourism front is to inspire the confidence of potential tourists as a safe and secure destination. The most urgent task is to prepare a tourism vision document. Besides, there is a need to have a Master Plan with clear timelines to operationalize the vision. The state government on its part has set up 20 development authorities for regulated development of select tourism destinations (*Tourism Department, Govt. of J&K, 2012*). Ministry of Tourism, GOI have launched the SWADESH Darshan scheme in 2014 with the vision to develop theme based tourist circuits on the principles of high tourist value, competitiveness and sustainability in an integrated manner by synergizing efforts to focus on needs and concerns of all stakeholders to enrich tourist experience and enhance employment opportunities (*Survey, 2016, DES*).

## **Handicrafts**

The handicraft sector in J&K occupies an important place with a fine tradition of craftsmanship, employing 4-5 lakh artisans, 179 major craft clusters and revenue generation of Rs 1000 crore plus annually (*JK Digest, 2016-17*). The

central and state governments have taken number of initiatives to address these growth bottlenecks like established *Carpet Mega Cluster* in Srinagar area (The scheme envisages training 10,000 artisans). The state government consider, an embroidery crafts cluster in the state, based on the experience of *Narsapur Lace Mega Cluster* in Andhra Pradesh. The advantage of this would be a large participation by women who are engaged in this craft.

The Ministry of Textiles has recently launched an *Integrated Skill Development Scheme* that proposes to train 26.75 lakh persons over a period of 5 years. The objective of the scheme is to address the trained manpower needs of the textile sector including handicrafts, handlooms and sericulture by developing a cohesive and integrated framework of training based on industry needs. This will increase the employability of the target population. The scheme also seeks to create a trainers pool by conducting advance training programmes at a cluster level and also training in design development programmes to help produce diversified products to meet contemporary market trends (*DHDD, J&K, 2016 -17*).

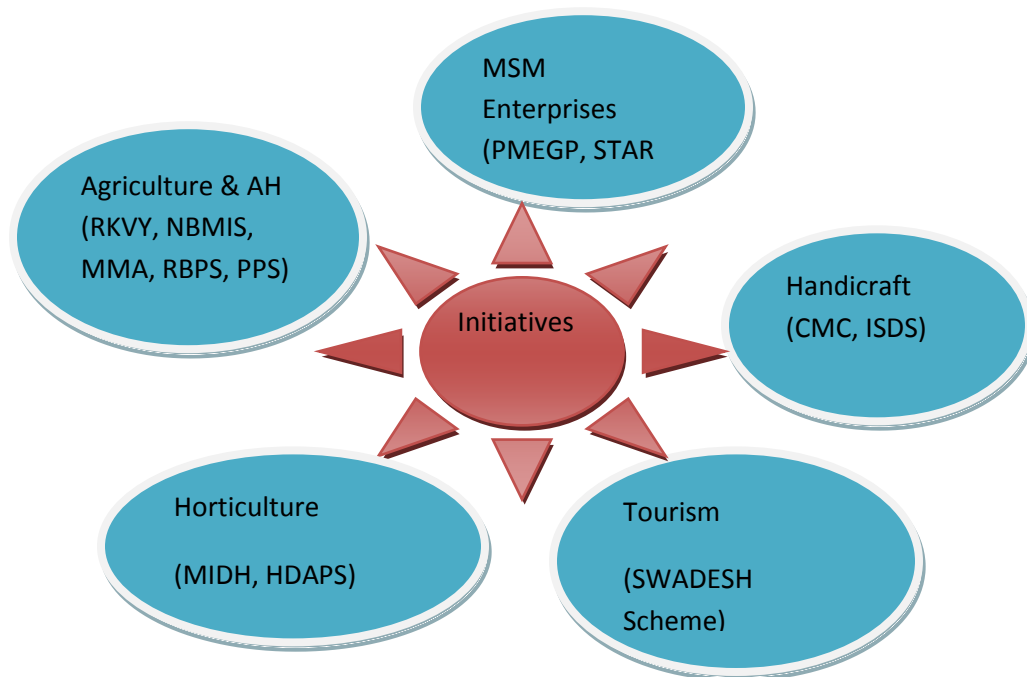
Although unemployment in the state is a major challenge and government is taking every step to overcome this problem by focusing on employment potential sectors sectors. Even former Chief Minister (Mehbooba) said “private sector should be encouraged to invest in the state and the sectors like tourism, handicrafts and horticulture which has high employability rate must stress, she said” (*Article by PTI, Aug 13, 2017*).

### **Medium Scale and Micro Enterprises**

The role of Micro, Small and Medium Enterprises (MSME) in the economic and social development of the country is well established. The MSME sector has not done well in the state and has been rendered uncompetitive due to a number of reasons like violence, inadequate local demand, poor credit flows and distance from markets. According to the estimates by the state government (*MSME-DI Annual Report, 2015-16*) there are a total of 39.44 thousand industries consisting of 39.36 small and 0.77 medium and large scale units which provide employment to almost 1.24 lakh persons in J&K. However, according to the *Task Force Report* (2010) on MSME, the employment numbers are much higher at 4.3 lakhs.

The PMEGP (Prime Minister Employment Generation Programme), a centrally sponsored credit linked subsidy scheme launched recently envisages the generation of employment opportunities through establishment of micro enterprises in rural as well as urban areas. The scheme has a total outlay of more than Rs 4000 crores, and has been working very well in J&K since 2009. This scheme also has a component for skill development to build capacities of the rural artisans (*Economic Survey, 2016*). The National Skill Certification & Monetary Reward (STAR scheme) scheme launched in 2015 for encouraging skill development among the youth by providing monetary rewards for successful completion of approved training programmes.

#### SECTORAL INITIATIVES



#### POTENTIAL AND SCOPE FOR EMPLOYMENT GENERATION

While preparing any plan for sustainable employment generation, it has to be kept in view that the prospects of any large scale expansion in the public sector jobs are not very bright. Even if steps are taken to fill all the gaps in manpower required to deliver public services in crucial areas, the contribution of government jobs at the margin would not be more than 17 percent as per the calculations worked out by the Task Force constituted by the Ministry of Home Affairs (GoI)

in the year 2003 for creating one lakh employment and self employment opportunities in the state of J&K. Taken together with the jobs in other formal establishments, the share of regular salaried jobs in the employment generation programme is not expected to be substantial. Therefore, other avenues would have to be explored for providing sustainable employment to the people of the State particularly through the following two routes:-

- *Accelerating the rate of economic growth of the state*
- *More effective implementation of employment-oriented schemes and programmes*

Extending support to entrepreneurs to set up small and medium enterprises for self employment would appear to be the most effective and durable way of doing this. A large number of workers in J&K have traditionally been self-employed in activities such as Handlooms and Handicrafts, Horticulture etc. The disturbed conditions prevailing in the State have affected them adversely to varying degree. Also, in many of the identical areas, especially horticulture and food processing, a large potential for growth lies untapped waiting to be exploited.

The comprehensive employment policy launched by J&K State in December, 2009 envisages a holistic programme to tackle unemployment problem laying emphasis on employment in private sector, self-employment and skill development for enhancing employability. The District Employment & Counseling Centers had been conceived to have a dynamic and proactive approach in dealing with the changing scenario of unemployment at each level. In 2016-17, 4.13 lakh youths are unemployed youth of the state have registered themselves with these DECCs (*J&K in India Economy-2017, DES*).

Different sectors and sub-sectors of the State's economy would require different kinds of interventions for revival depending upon the nature of the activity that are in place to encourage or promote growth. Specific interventions through Government schemes and the special employment programmes like PMRY, REGP, SGSY, NREGS and JK Self Employment Scheme would be important for giving better employment orientation to growth of the state economy.



In order to provide gainful employment opportunities on sustainable basis and tackle the disturbed condition of State, Central government and State government made many schemes in order to engage J&K youth. Depending upon the different situations and unrest circumstances, many employment generating programs were launched from time to time. The researcher is culpable of some important successful schemes. The first and foremost scheme during the early turbulent phase was the “*J&K State Self Employment Scheme*” implemented in 1995 by provides loan assistance to the educated unemployed youth of the State for establishing their own employment generating units.

Secondly, the State Govt. launched a *State Help Group scheme* in 2003 for allotting work contracts to Self-Help Groups (SHG) of unemployed Degree/Diploma engineers. The size of each Self- Help Group should not be less than 5 and not more than 10. The SHGs should be registered with the Registrar of Firms as firms. Under the scheme so far 302 groups have been registered with Registrar of Firms involving 1548 engineers besides, 802 number of works were allotted so far costing Rs. 4314.70 lakhs (*JK Economic Survey, 2013-14*).

Established in 1997, the Jammu & Kashmir *Entrepreneurship Development Institute* started its regular activities in February 2004 and has already set up three regional centers of the State. The main objective of the Institute is to create awareness and facilitate entrepreneurship in Jammu and Kashmir by imparting entrepreneurship education, skill up-gradation trainings, disseminating knowledge and bringing about behavioral changes towards the concept of entrepreneurship at the social level. Besides, the Institute conducts and facilitates entrepreneurship research to help aspiring, budding or established entrepreneurs in their successful enterprise creation. The aim is to make entrepreneurship as one of the most important components of the state’s economic development and progress.

Besides, JKEDI implements a host of government sponsored employment schemes, which inter-alia include Seed Capital Fund Scheme (SCFS) of the Sher-e-Kashmir Employment and Welfare Programme for Youth and the Youth Start-up Loan Scheme. It also implements Education and Term Loan schemes of the

National Minorities Development and Finance Corporation (NMDFC), Ministry of Minority Affairs.

The *Overseas Employment Corporation* was launched in 2009 with an authorized share capital of 100.0 *lakhs* with the purpose to facilitate the educated and skilled labor force of the J&K State to seek employment within and outside the country.

The proposed Corporation shall also create a knowledge bank for aspirers of overseas employment, particularly on matters of legal requirements for migration, work environment in foreign lands, mandatory formalities and formats prescribed by employer countries and organizations etc. The Corporation shall also handle matters of employment opportunities with other countries as well. A target of creating 1.25 *lakhs* person annually under wage employment schemes in the state has been set by the Govt. For this purpose, “*State Employment Guarantee Council*” in 2010 has taken up the matter with the Ministry of Rural Development, GoI, for extending the scope of schemes by incorporating relevant activities in the list of already available “*Permissible Works*”.

The Expert Group in consultation with the Ministry of Rural Development, GoI has developed a special placement linked, market driven skill training programme for the J&K youth. The scheme will provide placement-linked, market driven skill training to 50,000 to 100000 youth in 3 to 5 years. The objective of the special scheme is to provide options and opportunity to all youth in J&K regardless of their educational qualification to select training program for salaried or self-employment as per their interest.

Udaan, the *Special Industry Initiative* (Udaan) for J&K is founded by Ministry of Home Affairs and implemented by National Skill Development Corporation. Udaan programme is a special initiative to address educated unemployed in J&K and focus on graduates, post-graduates and three year diploma engineers. The aim is to provide skill and job opportunities to 40000 youth over a period of 5 years and to provide exposure to move outside state. It also aims to corporate India with rich talent pool available in the J&K State. Jammu & Kashmir State has a large talent pool of youth who are well educated but are unable to find employment due to lack of soft skills or hands-on training.

The *Mahatma Gandhi National Rural Employment Guarantee Scheme* helps create food security, prevent distress migration and generate durable economic assets in the rural communities and provide 100 days wage employment in a year to the rural households who register themselves for unskilled manual labour. The activities like providing of wage employment to the Job Card holders who volunteer to do manual work on the notified wages and Creation of assets like foot bridges, flood protection structures, road connectivity, play fields, land protection etc. is being carried out under the scheme.

The main aim of the scheme is to provide 100 days wage employment in a year to the rural households who register themselves for unskilled manual labour.

<b>Table 5.4:- Achievements of MGNREGS</b>				
Year	Finance (Rs. In crores)		Physical (lakhs)	
	Total Availability	Expenditure	Targets (Person day generation)	Achievement (lakhs PDs)
2015-16	796.25	786.69	311.90	316.31
2016-17	859.71	853.89	263.65	312.68
2017-18	667.83	651.94	119.01	106.17

Source:- Directorate of Economics and Statistics, J&K Govt. 2017-18

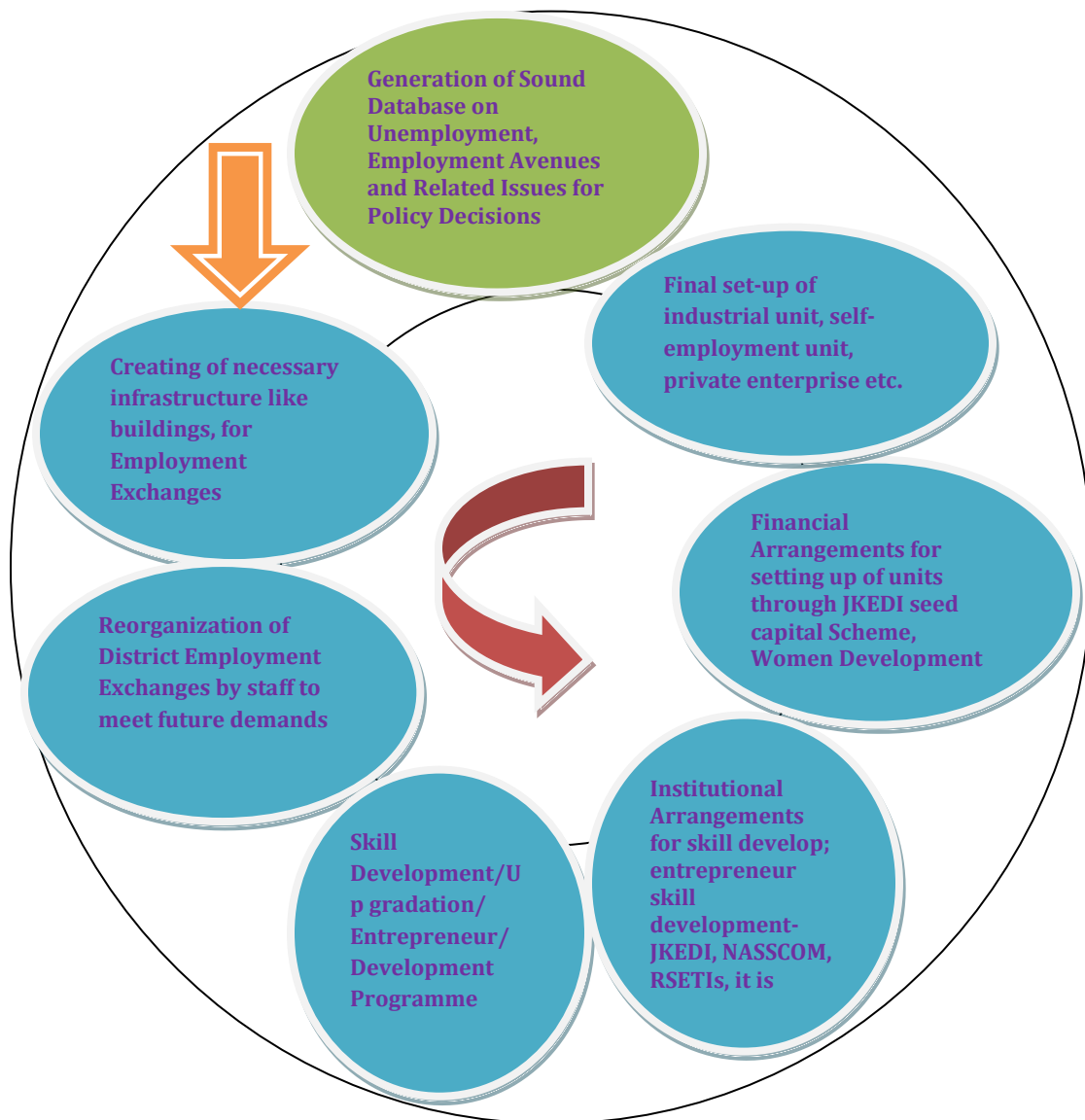
Besides, the results of EUS (*Employment and Unemployment Survey*) 2015-16 reveal that about 20.4 per cent of the households have been benefitted from MGNREGA. This programme arresting stress migration and provides job opportunities at the doorstep of people.

The most importantly and priority, the Government of Jammu and Kashmir, conscious of the unemployment situation, especially unemployment among educated youth in the state, announced the launch of Sher-e-Kashmir Employment & Welfare Programme for the Youth (SKEWPY). SKEWPY is the state policy on Employment aiming at addressing all the issues relating to unemployment. The policy was launched on the 5th of December, 2009, which marks the 105th birth anniversary of Sher-e-Kashmir, Jenab Sheikh Mohammad Abdullah and hence named as “Sher-e-Kashmir Employment & Welfare Programme for the Youth”. Under it, the Government of Jammu and Kashmir has planned to create some five lakh job opportunities in the state in the next coming five years. For creating 5 lakhs job opportunities, sound institutional arrangements

and effective operational strategies are to be put in place by the Government. The focus of the new policy is not only to creation of self employment in the private sector but on creation of job opportunities in other sectors including Govt. sector and creation of other employment avenues as well. The policy no doubt lays focus on self employment but welfare aspect has not been forgotten at all.

The plan/arrangements made by the government are presented in the form of flow-chart shown below:-

**THE PLAN PRESENTED IN THE FLOW-CHART SHOWN BELOW:**



Union Government provides an important support to the economy of the State and focus on to engage and training to unemployed youths of the State in various employment programmes. To achieve targets, Government is implementing following Centrally Sponsored Schemes in the state:-

### Evaluation of Most Important Employment Schemes and Achievements

Scheme/ Program me	Begin Year	Objectives	Target <input type="checkbox"/> (Annually)	Achievement (Mean)	Percentage
<b>J&amp;K SES</b>	1995	Loan assistance to the educated unemployed youth	Up to 5 lakh	386240	77.2
<b>EST&amp;P</b>	1998	Employment through Skill training & Placement	Up to 2500	1015	40.60
<b>State Help Group Scheme</b>	2003	SHG of unemployed Degree/Diploma engineers.	Up to 1 lakh	37453	36.9
<b>J&amp;KEDI</b>	2004	Create awareness and facilitate entrepreneurship	Up to 1 lakh	6363	63.63
<b>PMEGP</b>	2008	Employment opportunities through micro enterprises.	Up to 1 lakh	41226	41.22
<b>SKEWPY</b>	2009	Addressing all the issues relating to unemployment	Up to 1.25 lakh	84277	67.2
<b>J&amp;K Overseas Employment Corporation</b>	2009	Facilitate educated and skilled labor force to seek employment within and outside the country.	Up to 1.25 lakh	76448	61.12
<b>MGNREGA replaced NREGA</b>	2009	Provide at least 100 days wage employment in a year	Up to 15 lakh	965426	64.36
<b>VSA</b>	2010	Financial support to the unemployed educated youth	Up to 1 lakh	42458	42.45
<b>SEES, J&amp;K</b>	2011	Skill training to Youth	Up to 15,000	11552	77.01
<b>SIIJ&amp;K/ Himayat</b>	2012	provide skill and job opportunities & exposure to move outside state	Up to 41000	12566	30.64
<b>NRLM (Umeed) replaced SGSY</b>	2012	Gainful self-employment and skilled wage employment opportunities through SHGS.	Up to 6000 SHGS	4619	76.93
<b>NULM replaced SJSRY</b>	2014	Employment through Skill Training & Placement	Up to 10,000	7443	74.43

Sources:- Source: www.indiastat.com; www.nrega.nic.in; Ministry of Rural Development, G.O.I., Annual Report 2012-13.

Directorate of Economics and Statistics, (Govt. of J&K), various reports

MSME-DI Jammu Annual Reports

Report of Expert Group to Formulate a Jobs Plan For State of Jammu & Kashmir, 2011

SKEWPY = Sher-E-Kashmir Employment & Welfare Programme For Youth

J&KSES = J&K State Self Employment Scheme

SEES, J&K = Skill, Empowerment and Employment Scheme for J&K

EST & P = Employment Through Skill Training & Placement

SII J&K = Special Industry Initiative for J&K or Himayat

NRLM = National Rural Livelihood Mission

NULM = National Urban Livelihood Mission

VSA = Voluntary Services Allowance

PMEGP = Prime Minister Employment Guarantee Programme

SGSY= Swarnajayanti Gram Swarojgar Yojana,

SJSRY= Swarnajayanti Shahari Rozgar Yojana

Monitorable targets set by J&K Govt.

In spite of various initiatives from time to time, government fails to fulfill the targets or provide gainful employment opportunities on sustainable basis. Ironically the number of educated unemployed is increasing and will continue to inflate year after year. Since neither the requirements in different government offices nor the resources of the state would do and would permit to create as many jobs, therefore, the unemployment of educated young men will continue to attain dangerous proportions. The high proportion of unemployment of the educated youth leads different destructive activities. The problem calls for immediate attention.

Fostering Peace in Kashmir is very momentous. The effort to build a free-trade area in South Asia over the period of a decade offers a unique opportunity for laying the groundwork to resolve the problem. The aim was to develop an integrated market in the region, which could develop into a common market. Such a market could later encompass other parts of South Asia. Trade liberalization is expected to improve exports which generate employment. However, it depends on whether the benefits percolate to unskilled workers or skilled workers.

Based on the study work, the following broad two recommendations are given:

- 1. Appropriate Macro Policies:** - Appropriate macro policies are important for generating employment. In other words, one has to examine whether macro policies in the State are pro-employment and pro-poor in the post reform period. Investments are important for higher growth which can improve employment if invested in labour intensive sectors. One of the reasons for the low growth in employment in the post reform period could be low growth in public investment. Fiscal reforms are supposed to reduce fiscal deficit, improve social sector expenditures and capital expenditures. These are expected to improve employment prospects.

Improvement in Education has not been able to take advantage of “demographic dividend” because of low skills. It is important to realize however that we can only reap this demographic dividend if we invest on human resource development and skill formation in a massive way and create productive

employment for our relatively young working” (Approach to 11th FYP). Modern industry needs skill education and that is why educated find it hard to get jobs.

Although J&K Government has established an institutional mechanism for planning and management of state’s labour force and also for implementation of various legislations through various institutions like the State Labour Department, Provident Fund Organization, State Insurance Corporation (ESIC) and Jammu and Kashmir Building and Other Construction Welfare Board, however, the situation on ground is very grim. An appalling situation has aroused wherein locals are starving for work and outsiders are getting absorbed with ever increasing pace. There is an immediate need to adopt globally used policies of labour economics in order to recognize the dynamics and functions of the labour markets.

Education system is a mindset. We are unable to break the shackles of British education system. It is regrettable to get current students teaching through age old technology when the world is striding towards technological development every day, every hour.

2. **Active Labour Market Policies Skill** improvement is one of the important things needed in active labour market policies. Expanding capacity through private sector initiatives in higher learning needs to be explored while maintaining quality. Conditions of work and promotion of livelihoods are important for raising the incomes of youth workers. Since majorities are in the informal sector, protective measures are also required. Minimum Level of Social Security like life insurance, health insurance has to be given to unorganized workers.

Self help groups and micro finance institutes should be encouraged for livelihood promotion. Cluster development should be undertaken for improvement in productivity of self employed. Existing self employment programmes (e.g. Prime Ministers Rozgar Yojana and wage employment programmes (National Rural employment Guarantee Scheme) should be strengthened.

Employability of youth has to be increased through skill development and vocational training. The Government has realized the importance of skills. The mid-term appraisal of 11<sup>th</sup> Plan says “*improved training and skill development has to be a critical part of the employment strategy*”. A Coordinated Action Plan

for skill development has been approved by the Cabinet to have a target of 500 million skilled persons by 2022 (*Chandrasekhar, Jayati et al, 2006*).

Unemployment has become such a complicated issue, that it requires urgent steps to eliminate its scourge. Half-hearted measures or temporary solution will not yield any fruitful results. The foremost requirement is the overhauling of the existing educational system. We have to change the system from producing white collar job seekers, to practical job oriented technocrats, capable to start their own ventures. There should be perfect co-ordination and integration between education and industry. We have to plan and exploit our industrial potential to the fullest extent, to provide jobs to our fellow youths. If there are more industries, there will be more avenues for employment. If more and more industries are established and more commodities are produced, there will be vacancies not merely for technically trained men but also for laborers – skilled and unskilled. Thus, rapid industrialization alone opens up new avenues for the educated people. Thus government has announced a package of incentives under its New Industrial Policy of 1998. Through this initiative, the government aims to attract industries in the state and create new employment opportunities for the local youth. The state government should take steps immediately to remove all the obstacles in order to get rapid industrialization and overall economic development. For this purpose, there is need of permanent agreement between two countries so that peace full environment will be created once for all and encouraged all sectors including industrial sector rapidly.

Keeping the above recommendations in view, researcher further discusses premier measures that can help us in eradicating or minimizing unemployment evil.

- I. **Expanding Volume of Work.** Foremost solution to the problem of unemployment lies in enlarging the opportunities for work. This needs to be done to clear the backlog of unemployment and to provide jobs to the large additions being made to labour-force. The work to be expanded has to be both in the sphere of wage-employment and self-employment.

The ultimate avenue of more employment has to be found in the industrial sector, as also in the service sector. Even the high industrial growth in the Jammu and



Kashmir has not been of much help in this regard. Hence for a fairly long time to come, the key-role for employment needs to be assigned to the growth of agriculture. Significant contribution in this sphere can also be made by small-scale and cottage industries. Growth rate of economy has to be raised to a higher rate. However, in promoting an employment oriented production-structure, it is important to ensure that it is consistent with the comparative advantage of the state and has a built-in bias for modernisation and technological up gradation.

**II. Raising Capital Formation.** It is also necessary that the accumulation of capital is stepped up. It helps employment expansion in two principal ways: *One*, it becomes possible to maintain the existing activities, as also to expand the current activities and to set up new ones. An increase in agricultural production depends much upon new irrigation facilities, more implements, etc. In the same way, setting up of industrial and service activities requires capital assets as buildings, machinery, etc. *Secondly*, capital formation directly generates employment in capital goods sector. The production of 'mother machines' i.e., the machines which produce machines, give rise to employment. This also provides capital goods for the production for consumer goods and services.

**III. Appropriate Mix of Production Techniques.** It is also necessary to choose such a combination of capital-intensive and labour-intensive technologies of production as may generate maximum employment. On the face of it, labour-intensive activities such as cottage/household activities and also many agricultural operations, promise much by way of employment. But such an argument should not be carried too far. In the choice of technologies, another important thing to be kept in view is the total impact, direct and indirect, that a technology produces on employment. From this angle, capital-intensive technologies, are by and large, more employment-creating. This is so for several reasons: *One*, the secondary and tertiary employment-linkages are larger than in labour-intensive technologies. *Two*, labour when employed in capital intensive industries, give rise not only to capital goods, but also generate employment in industries which provide inputs to them. Labour-intensive industries do not produce such like employment-effects. *Three*, capital intensive technologies being more productive, give rise to large

surpluses for additional investment. As such, these technologies become a continuous source of additional employment. *Four*, since capital intensive industries ensure higher wages, these lead to higher demand for wage-goods. This in turn, leads to the generation of employment in consumer goods industries. One has to choose the right mix of technologies which may provide maximum employment at higher wage rates and provide surplus for further investment.

**IV. Special Employment Programmes.** Till the economy matures to a level where every one finds job as described above, it is necessary, as an interim measure, to undertake special employment programmes for those who do not have benefit from this type of growth in the short run. The number of persons to be helped in this way will be large. The need for supplement programmes is all the more important for poor people, residing mostly in rural areas and small towns. There are large many seasonally unemployed, mostly those associated with agriculture, which need supplementary seasonal employment. Quite many, though employed such as artisans, do not earn enough to meet their needs even for necessities. They also need supplement employment.

Different types of people for whom special employment programmes are needed, are landless agricultural labourers, marginal farmers, village artisans, tribal people living in the remote areas of state as also the people living in the hilly areas. Specific employment programmes have to be such as suit specific group of people and specific areas. These programmes may be in the form of direct employment as rural capital works, or in the form of providing assets like animals, sewing machines, hand/power driven looms etc., or these may be in the form of the supply of infrastructural facilities like marketing, credit etc. to help them.

**V. Manpower-planning.** For achieving the aim of employment for all, it is necessary to manage human resources in a scientific manner. *One*, it is essential to adopt effective remedies to cut down the growth rate of population. This will no doubt reduce the growth rate of labour supply, notwithstanding only after some time, but it will make for the adoption for an appropriate employment policy and the solution of unemployment problem. *Two*, the supply of skilled labour needs to be tailored to the requirements of the rate and pattern of employment-

oriented development. This should also take care for the imbalances. *Three*, while high-level skill-formation through education and training will be confined to a small proportion of labour-force, it is essential to improve upon the capabilities for the development of vast masses of people. *Four*, in providing employment under special programmes, it is necessary to ensure that these accord with the characteristics of the target group/area as also with the overall development plans for various sectors.

Therefore measures has been suggested which allow program administrators and policy makers to continually monitor progress across multiple programs. Furthermore, additional flying measures has been suggested by the researcher are:-

- VI.** Resolution of conflict via peaceful dialogue should be preferred. There is need of peace full environment. CM (Omar Abdullah) said, *“The youth must explore other options other than Govt. jobs. But for that, peace has to return to the state”* (Greater Kashmir, May 22<sup>nd</sup>, 2012).
- VII.** Demilitarization is the need of the hour. As productive and cultivated areas are deployed on military forces.
- VIII.** Need of political stability. Instability turns productive resources into unproductive.
- IX.** Implement the New Pension Policy (No Pension for Fresh Recruits). Youth explore jobs equally in the private sector.
- X.** Rapid industrialization in accordance with natural resource endowment position.
- XI.** Invite FDI for large scale employment generation in Kashmir.
- XII.** Efforts uninterrupted power supply. All business runs by electricity.
- XIII.** Develop unexplored tourism destinations. J&K tourist police Force to be enhanced at all the tourist destinations.
- XIV.** To develop linkage between industry and university.
- XV.** Modernization and mechanization of agriculture should be done.
- XVI.** Necessary measures to get registered with employment exchanges so that exact magnitude of educated youths can be known.

These measures can go a long way in solving most of the problems. The basic task is to provide additional employment opportunities through skills. General

improvement in the working conditions, enforcement of legislative measures, provision of social security, etc. are all the secondary measures.

To maintain the pace of gainful employment growth, achieve broad based, sustainable, and fast economic growth. To achieve such growth rates, government will need to work with business leaders to implement reforms. The digital economy could unlock work opportunities and flexibility for lakhs of workers. Cross-sector collaboration can be pursued between government and industry to remove barriers to digital adoption. This collaboration would aim to expand the ability of workers and harness digital technologies in order to become more productive. It is high time for policy makers to think and eradicate unemployment in Jammu and Kashmir and overhaul the system for urgent action.

Furthermore need to address demand-supply mismatches and lack of detailed information about geography-specific employment opportunities. It will also need to tackle challenges such as low awareness and aspiration, high dropout rates during training, inadequate employer linkages, and a passive approach to seeking employment. Demand-driven models for skills training can establish a higher return on investment for skills training programmes and could result in more sustainable benefits to both workers and employers.

In the foregoing chapter, it can be concluded that the way of success or failure in creating employment depends on the governance system that are crucial for overall development and destiny maker of respective state. The policy makers and politicians should make an attempt to ensure that each young person is able to shape positive and desirable identity. Therefore, attempt should be made to draw attention by outlining some of the essential way out.

## **CHAPTER 8**

### **SUMMARY AND CONCLUSION**

## **CHAPTER 8**

### **SUMMARY AND CONCLUSION**

The change in development affects the structure of the work force. It can be concluded that the work force growth is accompanied and assisted by structural transformation unevenly in the sectors due to unpretentious development. The decline of work force share in primary sector is compensated by the increase in the share of tertiary sector gives fillip to the process of urbanization by way of migration from rural to urban areas. This dynamic nature accelerated more State Gross Domestic Product and employment generation. Work participation rates among districts shows high disparity over time. To be very brief, two major challenges that state is confronting are ferocity and lackadaisical or imprudent policies, pursued by the subsequent governments that eroded our strengths and potential. There is dire need of permanent agreement for the resolution of conflict between India and Pakistan so that peace full environment will be created once for all and all economic sectors will be encouraged rapidly. The state must make a radical shift in its policies especially in the education sector in order to remove its impediments so that we can give birth to capable workforce. Actually the remedy lies in revamping the education sector by crafting appropriate policies for appropriate skills in line with the socio-economic requirements of the society.

Underdevelopment and unemployment in Jammu and Kashmir is the manifestation of mismatch between physical and human resources technically known as structural unemployment. This exists when a large segment of working age population does not possess the appropriate skills and knowledge.

The present study began with an attempt to understand the ‘Jammu and Kashmir Economy in Historical Perspective’ through an interpretation of demographic features in terms of its growth, trends, patterns as well as spatial distribution. It attempted to analyze historical development of state. The second chapter ‘State of Economic Growth and Development’ gives brief account of state’s performance in terms of growth and development.

The present monographic study represents a modest effort by analyzing the pace of population with workforce growth. Jammu and Kashmir is passing through the phase of population explosion and economic development has failed to maintain pace with population growth. The study tried to elucidate one of the challenges the state however continuous to wrestle with is 'violence' which has reduced the efficacy and efficiency of natural resources bestowed upon region.

The 'Review of Literature' aims to present an outline of the theoretical and methodological underpinning of research until now done on this topic. The purpose of the 'Methodology' evolved towards data sources and statistical tools used in order to make research work successful. The methodology on the study work deals with the objectives of workforce growth trend and changes in composition of workforce in respect of gender and geographical area since 1980s when the state was hit by violence which resulted human immigration and economic downturn. Thus whole employment pattern has been distorted. The present investigation is carried out to examine the sector wise changes in workforce and bottlenecks in harnessing its potential. The study further investigates historical legacy and labour market vacuum in the state.

For achieving these given objectives, the study is based on the primary and secondary data. The study evaluate historical time series data on demography, work participation, government reports and other related unpublished work related to state of economy, population and demography and assess the trends attributed to turbulent conditions. The primary data has been collected through sample survey. The sample designed for the study is Purposive Multi-Stage Stratified Random Sampling. The methodology used in this study was also attached with non-probability method with quantitative approach.

The chapter 'Trends and Structure of Occupational Pattern and Work force' reveals the broad pattern of work force and deep introspection regarding structural breaks, secular acceleration or deceleration that could have been present in the series and number of alternative methodologies applied fit and useful for the analysis.

The 1970 period was a period of near-stagnation for Jammu and Kashmir Economy. From time immemorial, land was treated as the property of ruler and was cultivated by tenants down to the pre-reform period. It was overwhelmingly primary producing economy where large proportions of people were engaged in cultivation. About seventy five people are directly and indirectly dependent on agriculture which reflects backwardness of Jammu and Kashmir economy. However, there seems appearance of developmental path after every decade due to dynamic nature of work force that generates more GDP and employment. This gives fillip to process of urbanization by way of migration. Synchronously migration took place from rural to urban areas as urban areas are the hub of various economic activities.

The area wise change in workforce from rural to urban areas and sector al shift of work force from primary sector to non-primary sector is related with *Simon Kuznets Hypothesis* implies that as a region undergoes industrialization, the center of region's economy will shift to cities for better jobs and higher wages in urban areas.

Jammu and Kashmir is a conflict zone. During my door to door survey, some important relevant information was gathered from households. During field work a situation of perversion means false employment which is perverse employment or what investigator call negative employment came into existence. A phenomenon that exists in a conflict zone of Kashmir, that government jobs are saturated on the one hand and boys and girls are given good education training in universities and outside the state by their parents, spent lot of money on their children and when they complete education, they find no jobs neither in government sector nor in private sector. Families prefer to keep their children busy superficially engaged in some establishment on low emolument per month in order to avoid their children to get in to depression or join into the anti-nation group. Parents bear their cost or daily routine expenses. They socially are pretended to be employed, but in economic terms they are not employed because their MP is equal to zero and their wage is much lower than the maintenance cost. It is a situation of perversion but the benefit increase in the form of mental health.



Therefore this false employment is perverse employment or what researcher calls negative employment.

The chapter 'Issues and Perspectives on Unemployment and Underemployment' made an attempt to explore the problems confronting state. The Kashmir being a conflict ridden zone has far less opportunities for employment than rest the other states of country. Violence is the basic problem from which other problems emanate. It became the stumbling block for economic development. There are virtually no engines of job creation and resources are used inefficiently for maintaining law and order. Apart from ferocities the State faces lackadaisical policies, pursued by the subsequent governments which converted state economy into fragile economy.

The chapter 'Policy Measures: Evaluation of State Policy on Employment', explores job avenues and schemes launched for gainful employment opportunities on sustainable basis and tackle the disturbed condition of State. In spite achievements of various schemes, major challenges remain. Although lot of damage has been done so far, yet there seems to be some ray of hope and situation can be reversed when prudent policies are put in gear through enlightened institutions. In such a situation the state must make a radical shift in its policies especially in the education sector to remove its impediments so that we can give birth to capable workforce on modern lines i.e. equipped with entrepreneurial abilities necessary to vibrate all the potential sectors of economy. There is also dire need of permanent agreement for the resolution of conflict between the two countries so that peace full environment will be created once for all and all economic sectors will be encouraged rapidly.

The foremost requirement is the overhauling of the existing educational system. We have to change the system from producing white collar job seekers, to practical job oriented technocrats, capable to start their own ventures. The measures can go a long way in solving most of the problems. The basic task is to provide additional employment opportunities through skills. General improvement in the working conditions, enforcement of legislative measures, provision of social security, etc. are all the secondary measures.

The last chapter has the concluding observations. This chapter has summarized the main findings of research.

### **SALIENT FINDINGS**

A conclusion of the study work is summarized into following finding points.

- 1 An increase of 14.4 percent of workforce against 23 percent of population between the period of 2001 and 2011 delineates low pace of workforce.
- 2 The female working population decelerated (33.35% to 28.38%) due to increase of girls' enrollment in the schools during 1981 to 2011.
- 3 The work participation rates fluctuated between 37% to 45% during the reference periods of 1981 and 2011.
- 4 Working population at the time of 1981 (63.88%) was overwhelmingly rural and agricultural in character
- 5 Migration took place from rural to urban area for high job opportunity and high wage supporting *Simon Kuznets Hypothesis*.
- 6 Unbalanced occupational structure is examined with 71% of labour force absorbed during 1981 and less than 50% during 2011 in primary sector.
- 7 According to census 1981, the J&K State constitutes 44.26% of workforce, 30.37% as main workers and 13.89% marginal workers.
- 8 According to census 2001, the State constitutes 37.0% of workforce, 26.30% are main workers and 10.70% marginal workers.
- 9 According to census 2011, the State constitutes 34.44% of total workers, 21.07% constitutes main workers and 13.36% marginal workers.
- 10 The size of the workforce has been increased since 1981. In 1981 census, 26.50 lakh, 37.53 lakh in 2001 and 43.22 lakh in 2011.
- 11 Matric and above (up to graduation) accounts highest proportion of job seekers. That is, 38.10 percent in 1991 and 58.11 percent in 2016
- 12 Labourforce towards tertiary sector generates more GDP and employment.
- 13 The decline of employment share in primary sector has been mostly compensated by the increase in the share of tertiary sector.
- 14 Synchronously output and employment share move in the same direction from primary to the non-primary sector.
- 15 Female work participation rate accounts less against males. Z test shows significant difference at district (34.2) and block level (25.92).
- 16 Nature of disparity over time among districts in work participation rates is observed by the co-efficient of variations (16.95% in 2011).
- 17 Since 1981, the main workers poked large proportion than marginal workers (more than 60 percent).
- 18 Age group 15-59 absorbs maximum percent of workforce, i.e. more than 80 percent during all the reference periods.

- 19 The unemployment trend increased from 66.74 thousand to 111.07 thousand between 1984 and 2016.
- 20 With the passage of time, Labour force moved towards tertiary sector.
- 21 During field work a situation of perversion means false employment which is perverse employment call negative employment came into existence.
- 22 The tourism sector recorded fluctuated trend in absorption of employment. The year 1990, 1995 and 2010 reflected negative growth rate of -97.87, -20.35 and -0.68 due to unavoidable circumstance prevailed in the state.
- 23 Less productive investment taking place i.e. no manufacturing sector or foreign direct investment (DFI) exists
- 24 No internal resource mobilization. Huge resources spent on internal security.
- 25 J&K State has highest Unemployment rate of 4.9% than its neighboring States viz. Punjab (2.8%), H.P (2.0%), Delhi (4.7%), Haryana (3.2%) as per 68<sup>th</sup> Round based on UPS.
- 26 There is no long run employment generation policy due to lack of investment in both private and public sectors.
- 27 Out-migrants account more against in-migrants due to lack of job avenues. Disparity Index calculated 0.17 during the reference period of 2001.
- 28 Lack of linkage between industry and the university.
- 29 Manifestation of mismatch between physical and human resources
- 30 Imprudent or lackadaisical policies, pursued by the subsequent governments converted state economy into fragile economy
- 31 The 'Expert Group, 2011, set up in the context of enhancing the employment opportunities suggested two pronged strategy. The first to identify sectors with large employment generation potential and the second, human resource development initiative focused on improving skill sets.
- 32 Resolution of conflict via peaceful dialogue should be preferred.

In the conclusion, the findings of the study and a detailed conclusion of the present study undertaken has been presented. This chapter gains significance as it attempts to study the change in trend and pattern of workforce in quick glance. The cursory suggestions sought by researcher for improving the system have been highlighted in this chapter.

This chapter in nutshell makes a thoughtful effort to understand some important issues of present monographic extensive research and summarises the view points and makes the assessment of the study work in short form.

## **CHAPTER 9**

## **BIBLIOGRAPGY**

## CHAPTER 9

### **BIBLIOGRAPGY**

#### **BOOKS**

1. Ajit Bhattacharya (1994), "*Kashmir: The wounded Valley*", New Delhi: UBSPD, p. 129
2. Ali Nisar (1987), "*Growth and Development of small scale Industries*", Deep and Deep Publications, New Delhi, P.52.
3. Arthur Lewis, "*Economic Development and Unlimited Supplies of Labour*", 40<sup>th</sup> Edition, Vrinda Publications Private Limited, Mayur Vihar, Delhi, 2010.
4. A. S. Anand (2006), "*The Constitution of Jammu and Kashmir: Development and comments*", New Delhi: Universal Law Publishing Co. Pvt. Ltd, 2006), p. 223.
5. Baba A. M. (2012), *General Knowledge of J&K*, Kashmir Book Depot, Srinagar.
6. Baba A. M. (2012-13), *General Studies Manual of J&K*, Kashmir Book Depot, Srinagar, 2012-13, page 28-42
7. Balraj Puri (1981), "*Jammu and Kashmir: Triumph and Tragedy of Indian Federalization*" Sterling Publisher, New Delhi, 1981
8. Bamzai, P.N.K. (2008), "*History of Kashmir*", Gulshan Publishers Srinagar.
9. Bipan Chandra (2007), "*India since Independence*", New Delhi: Penguin Books Pvt. Ltd.
10. Bhargava R.C. (1969), "*Economic Background*" Universal publications, Srinagar, p. 119.
11. Bookman, M. Z. (1991), "*The Political Economy of Discontinuous Development: Regional disparities and inter-regional conflict*", New York Press
12. Chowdhary Rekha (2016), "*J&K: Politics of Identity and Separatism*", Manohar Publishers and Distributors, Daryaganj (New Delhi)
13. Darpun P. (2016-17), "*Indian Economy*", Annual Magazine
14. Ganguly & Bajpal (1994), "*India and the Crisis in Kashmir*", Asian Survey, 34(5), 401-416.
15. Harris-Todaro, "*Model of Migration and Unemployment*", 40<sup>th</sup> Edition, M.L.Jhingan, Vrinda Publications Private Limited, Mayur Vihar, Delhi, 2008.
16. Ian Copland (1991), "*The Abdullah Factor: Kashmiri Muslims and the Crisis of 1947*", The Political Inheritance of Pakistan (London: Macmillan, 1991), p. 233.
17. Jamwal S. (1994), "*Economy of early Kashmir*", Published by Indian History Congress, Vol. 57 (1996), pp. 154-158 , [www.jstor.org](http://www.jstor.org)
18. Jasbir Singh (1998), "*The Economy of Jammu & Kashmir*" Wattan publications Srinagar
19. Jasbir Singh (2004), "*The Economy of Jammu and Kashmir*", Publisher: Radha Krishan Anand And Co, New Delhi
20. Joseph K. (1992), "*Danger in Kashmir*", Jammu: Vinod Publishers and Distributors, P.7-22
21. Kaldor, "*Model of Distribution*", 40<sup>th</sup> Edition, Vrinda Publications Private Ltd., Delhi, 2010.
22. Kalhana (1148 A.D), "*Rajtarangani*"- A History of Kashmir, QUORA, [www.quora.com](http://www.quora.com)
23. Khan B.A, (1981), "*Economic consequences of Land and Kashmir State*", unpublished Ph. D thesis, Department of Economics, University of Kashmir
24. Malik I. (2005), "*Kashmir: Ethnic Conflict, International Dispute*", Karachi: Oxford University Press, p. 26
25. Mishra, S.K and Puri, V.K (2008), "*Labour Force Growth and Occupational Pattern*", Indian Economy, 28<sup>th</sup> Edition, Himalayan Publishing House, Darya Ganj, New Dehli-110002.
26. Mishra, S.K and Puri, V.K (2010), "*Employment and Unemployment in India*", P-157-75, Indian Economy, Himalayan Publishing House, Darya Ganj, New Dehli-110002.
27. M.L Misri and Bhat M. S (1994), "*Poverty, Planning and Economic Change in J&K*", New Delhi: Vikas Publishing House Pvt. Ltd, 1994), p. 28.

28. Naqshbandi M. (2011), *“Child Labor in Kashmir”*, LAP Lambert Academic Publishing.
29. Norris D. (1994), *“Kashmir- the Switzerland of India”* Gulshan Publishers Srinagar
30. Papola, T.S. (2008), *“Labour Regulation in Indian Industry”*, Vol. 1(10), New Delhi: Bookwill Publishers.
31. Pati R. (1991), *“Rehabilitation of Child Labourers in India”*, Ashish Publishing House, New Delhi
32. Ramachandra Guha (2008), *“India after Gandhi”*, New Delhi: Picador India, p. 255.
33. Rekhi, Tara (1993), *“Socio-economic justice in J&K”*, New Delhi: Ideal publications.
34. Satyaki Roy (2008), *“Structural Change in Employment in India Since 1980s”*, ISID Vasant Kunj, New Delhi - 110 070
35. Sehgal R (2011), *“Kashmir Conflict and Self-Determination”*, LAP Lambert Academic Publishing, pp. 30-32.
36. Sisir Gupta (1967), *“Kashmir: A study in India-Pakistan Relationships”*, Asia Publishing House, Bombay, p. 29.
37. Srivastava, O.S. (1966), *“Theory of structural Changes in Economy and the process of Economic Growth,”* Vikas publishing House, New Delhi.
38. Tim Dyson (1988), *“The Cause of Demographic Change”*, Experiment Research in South India, Madison: University of Wisconsin Press
39. Tim Dyson (1988), *“India’s Demographic Transition and its Consequences for Development”*, Edited by Kapila in Indian Economy, 2013-14, Acad. Foundation, New Delhi
40. Uma Kapila (2013-14), *“Employment Problem in India and the Phenomenon of Missing Middle”* Indian Economy Since Independence, pp 903-06, 24<sup>th</sup> Edition 2013-14
41. Vaidyanthan (2005), *“Indian Economy since Independence 1947-70”*, New Delhi: Orient Longman Pvt. Ltd. 2005, p. 348.
42. Victoria Schofield (2001), *“Kashmir in Crossfire”*, London: B Taurus Publishers
43. Vyas, V. S. (2012), *“Challenging of Transforming Indian Agriculture”*, Academic Foundation, New Delhi
44. W.S. Thomson and F.W. Notestein (2008), *“Theory of Demographic Transition”*, 40<sup>th</sup> Edition, Vrinda Publications Private Limited, Mayur Vihar, Delhi, 2008.

### **RESEARCH ARTICLES AND JOURNALS**

45. Akanda M A. (2005), *“Structural Changes in Land Use and Rural Livelihoods of Bangladesh”*, Medwell Journals (Pakistan Journal of Social Sciences), Vol. 3 (1) P. 175-181
46. Azeng, Therese F. and Yogo, Thierry U. (2013), *“Youth Unemployment and Political Instability in Selected DCs”*, Working Paper Series No 171, DRDADB, Tunis, Tunisia.
47. B. Hazari and J. Krishanmurthy (1970), *“Employment Implications of India’s Industrialisation: Analysis on Input- Output frame work”*, Review of Economics and statistics.
48. Barry E. (1989), *“Unemployment & Underemployment in Historical Perspective”*, Berkeley: IRLE, Working Paper No. 18-89, University of California,
49. Bhalla G. (2008), *“Globalization and Employment Trends in India”*, IJLE, Vol. 51, Page 9-10
50. Bhattacharya, B. B (1997), *“Changing Composition of Employment in Tertiary Sector”*, Economic and Political Weekly March 15.
51. Bose, S. (1999) *“Kashmir: Sources of Conflict, Dimensions of Peace,”* EPW, Vol. 34(13).
52. Bossaert D., Demmke C. & Timo Moilanen, (2012), *“The Impact of Demographic Change and its Challenges for the Workforce in the European Public Sectors”* cited by European Institute of Public Administration (Working paper 2012/W/01 EIPA).
53. Burki S. (2007), *“Kashmir: A Problem in Search of a Solution”*, Washington, DC: United States Institute of Peace, 2007, p. 15.
54. Butt K. & Pandow (2012), *“Investment, Industrial Growth and Conflict in Kashmir: An Analysis”*, SSRN Electronic Journal, January 2012, DOI: 10.2139/ssrn.2944651

55. Chandrasekhar, C.P., Jayati G. and A.Roychowdhury (2006), "*The Demographic Dividend and Young India's Economic Future*", Economic and Political Weekly, No.49, Vol.41.
56. *Development Strategies for J&K*, 1960, Observer Research Foundation, New Delhi, pp. 21- 25
57. *Economic Features of J&K (2013)*, Published by International Journal of Engineering Development Research, www.ijedr.org/Papers/IJEDR1704091
58. Fallen P. R, (1983), "*Education and the Duration of job search: An Empirical Analysis based on Delhi job seekers*", Journal of Development Economics, Vol.12, Issue 03, pages 327-36.
59. Faroq Rather (2013), "*Armed Conflicts in J&K and Its Impact on Society*", IJSRP, Vol. 3 (2)
60. G. M Bhatt & Anwar S. (2013), "*Higher Education and Educated Unemployment in Jammu & Kashmir*", UPJSSR, Vol. 4 (1), PP 1-14
61. Habibullah, W. (2004), "*The Political Economy of the Kashmir Conflict: Opportunities for Economic Peace building and for U.S. Policy*", Retrieved April 22, 2010.
62. Habibullah, W. (2009), *Political Economy of the Kashmir Conflict: Opportunities for Economic Peacebuilding and for US Policy*", DIANE Publishing
63. Hafsa Kanjwal (2017), "*Building a New Kashmir: Politics of State-Formation in a Disputed Territory*", PHD thesis, University of Michigan, 2017, ORCID ID: 0000-0002-5879-9906
64. Hassan Khalid (2009), "*History Revisited: Narratives on Political and Constitutional Changes in Kashmir (1947-1990)*", Working Paper 233, ISEC, Bangalore - 560 072, India,
65. Hoover Clark (1944), "*older men declare war. But it is youth that must fight and die*", Speech in Chicago, 23rd Republican national convention (27 June 1944)
66. *Inequalities in J&K*, EPW, Feb.18, 2018
67. Islam A. (2014), "*Impact of Armed Conflict on Economy & Tourism*", IOSR-JEF, Vol. 4 (6)
68. Jones Z; Corey S; & Farha T. (2010), "*Economic Development as a Tool to Reduce Secessionism in J&K*", Publications Office: La Follette School of Public Affairs Madison,
69. Kalis N. and Shaheen D. (2013), "*Geo-political Significance of Kashmir: An overview of Indo-Pak Relations*", IOSR-JHSS) Vol. 9 (2), PP 115-123, www.Iosrjournals.Org
70. Kashmir Study Group. (1997), "*The Kashmir Dispute at Fifty*", Larchmont: KSG.
71. Khan B. (2013), "*Violence & Turmoil Adversely Effected J&K Economy*", IJERT, Vol. 4 (1),
72. Khan, B (2015), "*Occupational Structure of Kashmir: Case study of block Kupwara*", European Academic Journal, ISSN 2286-4822, Vol. II (6), 2014.
73. Khan Bilal (2016), "*Trends in Growth of Workforce in Kashmir since 1980*", Journal-NAIRJSS&H, ISSN: 2454-9827 Vol. 2, Issue 12 Dec 2016.
74. Kraska, J. (2003), "*Sustainable Development is Security: The Role of Trans-boundary River Agreement as a Confidence Measure in South Asia*", Yale Journal of International Law, 2003.
75. Lewis, S., Mitra K., et al (1996), "*Sub-national Movements in South Asia*", Oxford: Westview Press.
76. Lovass, Mastrone, Skafté & Wiederkehr (2014), "*Conflict in Kashmir*", Department of Culture and Global Studies, Aalborg University
77. Mahendra Dev & Motkuri V (2011), "*Youth Employment and Unemployment in India*", Indira Gandhi Institute of Development Research, Mumbai, Working Paper, April 2011
78. Maiti Moinak (2014), "*Understanding the Employment challenges in India*" published by International Research Journal of Social Sciences, 2014.
79. Martin G. and Alicia M. (2006), "*Why Have Urban Poverty and Income Inequality Increased So Much? Argentina, 1991-2001*", JEDCC, Vol. 55, p. 109-138, University of Chicago.
80. Miguel, E., & Sergenti E. et al (2003), "*Economic Shocks and Civil Conflict: An Instrumental Variables Approach*", Retrieved April 22, 2010, Duke University
81. Naik Showket (2011), Land Reform Measures in Kashmir During Dogra Rule, *JSTOR*, Vol. 72, PART-I, pp. 587-603,
82. Naqshbandi M. M (2011), "*Child Labor in Kashmir*", LAP Lambert Academic Publishing.

83. Nengoo A. (2015), "*Employment and Unemployment Scenario of J&K*", IJSRST, Vol. 1 (3).
84. Papala, Alakh & Sharma, (2006), "Flexibility, Employment and Labour Market Reforms in India", EPW, May 27, Retrieved 2012.
85. Papola, T. S. (2008), "*Employment Challenge and Strategies in India*", International Labour Organization Publications.
86. Prabhat Patnaik (2004), "*On Changing Course: In India: An Agenda for 2004*", New Delhi Social Scientist – Sahmat, 2004
87. Prakash Siddhartha (2000), "*Political Economy of Kashmir since 1947*", EPW, Vol. XXXV, No. 24
88. Rahman M. (1996), "*Divided Kashmir: Old Problems, New Opportunities for India, Pakistan, and the Kashmiri People*", Boulder: Lynne Rienner
89. Ramotra, K. C. (1989), "*Female Work Participation: A Geographical Perspective with Special Reference to Marathwada*," Indian Geographical Journal, Vol 64 (1), Pages 80-87
90. R. B. Bhagat & R.C Dass (2008), "*Levels, Trends & Structure of Workforce in India, Census Based Study 1981-2001*", International Institute for Population Sciences, Mumbai-400088
91. Rao, R. (2009, July 13), "*New target for Banihal rail line: 2017*", Retrieved April 21, 2010.
92. Rashmi Sehgal (2011), "*Kashmir Conflict: Solutions and Demand for Self-determination*", International Journal of Humanities and Social Science, Vol. 1 No. 6; June 2011.
93. Reynaldo F. and Fabiana F. (2005), "*The Entry of Wild into Labor Force in Response to the Husbands Unemployment*", JEDCC, Vol. 53, P.887-911, July 2005, University of Chicago.
94. Rob Wilson, Geoff Briscoe (2004), "*The impact of human capital on economic growth*", Luxembourg: Office for Official Publications of the European Communities, 2004
95. Qadri B. and Kasab (2017), "*Educational Unemployment in J&K: Causes, Consequences and Remedial Measures*", Asian Journal of Managerial Science, Vol. 6 (2) , 2017, pp.58-66
96. Saika Anuva (2000), "*Employment Pattern of Rural Women: A Case Study in Jorhat District of Assam*", Journal of Agricultural Economics, Vol. 59, Issue No.1, Jan-March 2000.
97. Sandaram K (2001), Special article, "*Employment-Unemployment Situation in the Nineties*", Journal of EPW, Issue: 36, No.11, March 17-23, 2001.
98. Schofield, V. (2002) "*Kashmir: The Origins of Dispute*", BBC News UK Edition (16/01/02).
99. Schaffer, T. C. (2005), "*Kashmir: The Economics of Peace Building*", Washington, D.C.: The CSIS Press.
100. Shekhawat, D. A. (2008), "*Peace Process and Prospects for Economic Reconstruction in Kashmir*", Peace and Conflict Review, 3(1).
101. Siddhartha Prakash (2000), "*Political Economy of Kashmir since 1947*", EPW, p. 2054.
102. Singh R. N (1981), "*Occupational structure of Urban Centers of Eastern Uttar Pradesh*", published by IOSR, Vol. 23 (1), 1981
103. S. Mahendra Dev & M. Venkatanarayana (2011), "*Youth Employment and Unemployment in India*", published by Indira Gandhi Institute of Development Research (IGIDR), 2011
104. S. S. Gill (1966), "*Unemployment and Under-Employment of Permanent Farm Workers*", Arthavijnana, Vol. 2, No. 4, Pune, December, 1966, pp. 255-260.
105. Subhash Kapila (2002), "*United States obsession with the Kashmir issue: An analysis*", SAAG, Jan 2002
106. Tella Rafael and Macculloch Robert, J (2002), "*The Determination of Unemployment Benefits*", Published in Journal of Labor Economics, vol.20, No.2, University of Chicago.
107. Thurik A. Roy, Carree Martin A, Stel A. and David B. (2008), "*Does Self-Unemployment Reduce Unemployment*", Journal of Business Venturing, Vol. 23, Issue 6, P. 673-686.
108. Wajahat Habibullah, (2004), "*The Political Economy of the Kashmir Conflict: Opportunities for Economic Peace Building*", United States Institute of Peace, Retrieved 8 April, 2013
109. Walter Korpi (2001), "*Distributive Conflict and The Great Trough in Unemployment*", Published by Swedish Institute for Social Research, Stockholm University, September 9, 2001



110. Wani S. (2015), “*Nature of the Dogra State and the condition of the Muslims of Kashmir (1846 – 1930)*”, IJSR, Vol. 5, Issue 5, May 2015, ISSN 2250-3153
111. Yasmeen, E. (2007), “*Employment Scenario in Jammu & Kashmir: An Analysis of Causes and Strategies*”, P.G. Dept. of Economics, University of Kashmir, Srinagar-190006.
112. Yasmin E. (2013), “*An Evaluation of Handicraft Sector of J&K*”, European Academic Research, Vol. I, Issue 4/ July 2013 ISSN 2286-4822

### **GOVERNMENT REPORTS AND DOCUMENTS**

113. Census of India 1921, J&K, Part I, Vol. XXII, Lahore, 1923, pp. 161-2.
114. Census of India 1941, J&K, Parts I and II, Vol. XXII, Jammu, 1943, p. 7.
115. Land Committee Report, J&K Govt., 1951-52
116. Census of India 1971, Vol. I, India Part II A, Union Primary Census Abstract.
117. Census of India, 1981 (Series 8, Jammu & Kashmir), Registrar General of India
118. Census of India 2001, Series 2, J&K Provisional Population Totals, Paper – 1.
119. Census of India 2001, Series 2, Jammu & Kashmir Provisional Population Totals, Paper-2 of 2001, Rural Urban Distribution of Population.
120. Census of India 2001, Directorate of Census Operations (J&K), 2001, Series II, Part XII-B
121. Census of India 2011, J&K, Series -02, Part XII-B, Primary Census Abstract.
122. Census of India, 2011 (Jammu & Kashmir), Office of the Registrar General and Census Commissioner, India, Ministry of Home Affairs, GoI.
123. 2<sup>th</sup> Economic Census (1980), Ministry of Planning & Programme Implementation (Department of Statistics), Central Statistical Organization, New Delhi.
124. 3<sup>th</sup> Economic Census (1990), MOPPI, (Department of Statistics), CSO, New Delhi.
125. 4<sup>th</sup> Economic Census (1998), Ministry of Statistics & Programme Implementation (Department of Statistics), Central Statistical Organization, New Delhi.
126. 5<sup>th</sup> Economic Census (2005), MOSPI (Department of Statistics), CSO, New Delhi.
127. 6<sup>th</sup> Economic Census (2013), MOSPI (Department of Statistics), CSO, New Delhi.
128. NSS 32<sup>nd</sup> Round (1972), National Sample Survey. However, in 1972, NSS replaced to NSSO under Ministry of Planning & Programme Implementation (Department of Statistics), Central Statistical Organization, New Delhi.
129. NSS 38<sup>th</sup> Round (January 1983-December 1983), National Sample Survey. In 1972, NSS replaced to NSSO under Ministry of Planning & Programme Implementation (Department of Statistics), Central Statistical Organization, New Delhi.
130. NSSO 50<sup>th</sup> Round (July 1993- June 1994), Employment & Unemployment Survey, MOSPI, Department of Statistics, Central Statistical Organization, New Delhi.
131. NSSO 55<sup>th</sup> Round (January 1999- June 2000), Employment & Unemployment Survey, MOSPI (Department of Statistics), CSO, New Delhi.
132. Statistical Abstract of India, 1999, MOSPI, CSO, New Delhi, New Delhi.
133. NSSO 59<sup>th</sup> Round (January 2003- Dec. 2003), Employment & Unemployment Survey, MOSPI (Department of Statistics), CSO, New Delhi.
134. NSSO 60<sup>th</sup> Round (January 2004- June 2004), Employment & Unemployment Survey, MOSPI (Department of Statistics), CSO, New Delhi.
135. NSSO 61<sup>st</sup> Round (2004-2005), “Employment and Unemployment Situation in India”, Report No. 515, Government of India.
136. NSSO 63<sup>rd</sup> Round (July 2006 – June 2007), Unorganised Services Enterprises, MOSPI (Department of Statistics), CSO, New Delhi.
137. NSSO 64<sup>th</sup> Round (July 2007- June 2008), Employment & Unemployment Survey and Migration, MOSPI (Department of Statistics), CSO, New Delhi.

138. NSSO 65<sup>th</sup> Round (July 2008- June 2009), Domestic Tourism, MOSPI (Department of Statistics), CSO, New Delhi.
139. NSSO 66<sup>th</sup> Round (July 2009- June 2010), Domestic Tourism, MOSPI (Department of Statistics), CSO, New Delhi.
140. NSSO 67<sup>th</sup> R (July 2010- June 2011), MOSPI (Department of Statistics), CSO, New Delhi.
141. NSSO 68<sup>th</sup> Round (July 2011- June 2012), Domestic Tourism, MOSPI (Department of Statistics), CSO, New Delhi.
142. NSSO 71<sup>st</sup> Round ((January-June 2014), Social Consumption: Education, MOSPI (Department of Statistics), CSO, New Delhi.
143. NSSO 72<sup>nd</sup> Round (July 2014- June 2015), Domestic Tourism, MOSPI (Department of Statistics), CSO, New Delhi.
144. JK Economic Survey, Directorate of Economics and Statistics, Govt. of J&K, 1980-81
145. Economic Review of J&K, Directorate of Economics and Statistics; Govt. of J&K, 1984-85
146. JK Economic Survey, Directorate of Economics and Statistics, Govt. of J&K, 1995-96
147. JK Economic Survey, Directorate of Economics and Statistics, Govt. of J & K, 1999-2000
148. JK Economic Survey, Directorate of Economic and statistics, Govt. of J&K, 2001-02
149. JK Economic Survey, Directorate of Economics and Statistics, Govt. of J&K, 2006-07
150. JK Economic Review: Directorate of Economics and Statistics, Govt. of J&K, 2007-08.
151. JK Economic Survey, Directorate of Economic and statistics, Govt of J&K, 2009-10
152. JK Economic Survey, Directorate of Statistics and Economics, Govt. J&K 2011-12.
153. JK Economic Survey, Directorate of Statistics and Economics, Govt. J&K 2013-14.
154. JK Economic Survey, Directorate of Statistics and Economics, Govt of J&K, 2016-17
155. Digest of Statistics (1971-72), Directorate o f Economics and Statistics, Planning and Development Department (Govt. of J&K).
156. Digest of Statistics (1977-78), Directorate of Economics and Statistics, Planning and Development Department (Govt. of J&K).
157. Digest of Statistics (1980-81), Directorate of Economics and Statistics, Planning and Development Department (Govt. of J&K).
158. Digest of Statistics (1990-91), Directorate of Economics and Statistics, Planning and Development Department (Govt. of J&K).
159. Digest of Statistics (1995-96), Directorate of Economics and Statistics, Planning and Development Department (Govt. of J&K).
160. Digest of Statistics (2000-01), Directorate of Economics and Statistics, Planning and Development Department (Govt. of J&K).
161. Digest of Statistics (2011-12), Directorate of Economics and Statistics (Govt. of J&K).
162. Digest of Statistics (2016-17), Directorate of Economics and Statistics (Govt. of J&K).
163. Annual Report 1997-1998, Ministry of Health and Family Welfare, GoI
164. Annual Report 1999-2000, Ministry of Health and Family Welfare, GoI
165. Annual Report 2008-2009, Ministry of Health and Family Welfare, GoI
166. Annual Report 2013-2014, Ministry of Health and Family Welfare, GoI
167. State Finance Commission Report, First Five Year Plan (1951-1956), Govt. of J&K.
168. State Finance Commission Report, 2nd Five Year Plan (1956-1961), Govt. of J&K.
169. State Finance Commission Report, Tenth Five Year Plan (2002-2007), Govt. of J&K.
170. State Finance Commission Report, 11<sup>th</sup> Five Year Plan (2007-2012), Govt. of J&K.
171. State Finance Commission Report, 12<sup>th</sup> Five Year Plan (2012-2017), Govt. of J&K.
172. A Review of Progress, 1961, Department of Information, Govt. of J&K.
173. A Review of Progress, 1969, Department of Information, Govt. of J&K, pp. 1-2.
174. A Review of Progress, 1998, Department of Information, Govt. of J&K, 1998

175. Agriculture Census (J&K), 1970-71, Department of Agriculture & Cooperation, Ministry of Agriculture, Govt. of India, Krishi Bhawan, New Delhi.
176. Agriculture Census (J&K), 2001, Department of Agriculture & Cooperation, Ministry of Agriculture, Govt. of India, Krishi Bhawan, New Delhi.
177. Agriculture Census (J&K), 2005-06, Department of Agriculture & Cooperation, Ministry of Agriculture, Govt. of India, Krishi Bhawan, New Delhi-110 114
178. Agriculture Census (J&K), 2015-16, Department of Agriculture, Cooperation & Farmers Welfare, Ministry of Agriculture, Govt. of India,
179. Report from Department of Agriculture Kashmir, Govt. of J&K, 2001
180. Report from Department of Agriculture Kashmir, Govt. of J&K, 2007
181. Report from Department of Agriculture Kashmir, Govt. of J&K, 2010
182. Report of the Land Compensation Committee, Govt. of J&K, 1951-1952,
183. Land Commission Report, 1968, Govt. of Jammu & Kashmir
184. Techno-Economic Survey of Jammu and Kashmir', Published by NCAER, New Delhi, 1969.
185. Pocket Book of Population Statistics (MOSPI), India, 1983
186. Report on Economic Reforms, Government of Jammu and Kashmir, 1998
187. Report of the Committee on Economic Reforms for J &K, Govt. of J&K., 1998, p. 12
188. Annual Report, 1999-2000, Animal Husbandry Department, Jammu Division, Govt. of J&K.
189. District Census Handbook 2001, DC Complex, Kupwara (J&K)
190. Investment Opportunities for Tourism: Vision 2020, June 2002, Tourism Department of J&K.
191. Report: Religion Data, Registrar General and Census Commissioner, India (2004)
192. Report of the Task Force on Development of Jammu and Kashmir, "Growth Generating Initiatives", Government of India (2006), Retrieved April 22, 2010.
193. Report of Tourism Department, Govt. of J&K, Nov. 15, 2007, Retrieved April 27, 2010.
194. District Level House Hold Survey and Facility Survey (DLHS), 2007-08: India.
195. Socio-Economic Profile of J&K, 2008, Directorate of Economics & Statistics (Govt. of J&K)
196. Handloom Census of India, 2009-10, Development Commissioner, Ministry of Textile, GoI.
197. World Trade Report (Annual Publication) - World Trade Organization, 2010
198. Report of Agriculture Department, "SWOT Analysis", April 10, 2010, Govt. of J&K
199. Report of Expert Group to Formulate a Jobs Plan for the State of J&K (2011), Constituted by the Prime Minister on August, 18, 2010
200. Report: Jammu & Kashmir PHD Chamber of Commerce and Industry, (Govt. of J&K), 2011
201. Report: District Employment and Counseling Centers (2011), Govt. of J&K
202. District Census Handbook, 2011, Department of Planning, DC Complex
203. Report of Comptroller and Auditor General (CAG) of India, (J&K), 2011
204. Report of Planning Commission, GoI, Development of Jammu & Kashmir, 2011
205. Report from the office of Commissioner Commercial Taxes, Srinagar, Department of commercial Taxes, Govt. of Jammu & Kashmir, 2011.
206. Report from J&K Higher Education Plan (Government of J&K), 2011-12
207. Indicators of Regional Development, 2011-12 (Part-I), Directorate of Eco. & Statistics (J&K Govt.)
208. Report from Agriculture Production Department, Govt of J&K, 2012.
209. Report from National Commission for Protection of Child Rights (2012), GoI, India,
210. Report from Department of Horticulture, Planning and Marketing, J&K Govt., 2012
211. Report from Tourism Department, Government of J&K, 2012
212. Annual Employment and Unemployment Survey Report (2014) released by Labour Bureau under Union Ministry of Labour and Employment.
213. Report Fifth Annual Employment Unemployment Survey 2015-16, Ministry of Labour & Employment, Labour Bureau, GoI
214. Indicators of Economic Development, 2015-16, Directorate of Economics & Statistics (J&K)

215. Annual Report MSME-DI (2015-16), Micro Small and Medium Enterprises Development Institute, Jammu
216. Report from Directorate of Handicraft Development Department, J&K, 2016 -17
217. National Family Health Survey, 2016-17, Mumbai: International Institute for Population Sciences.
218. National Commission for Enterprise in the Unorganized Sector, “The Challenges of Employment in India”, Volume II, NCEUS, 2007-12/2012-17
219. Employment Exchange Statistics, Directorate General of Employment & Training, Ministry of Labour & Employment, 2017
220. J&K in Indian Economy, 2017, Directorate of Economics and Statistics (Govt. of J&K)
221. Economic Survey of India 2017 (Inter-state migration in India), Organization for Economic Co-operation and Development
222. Fifteenth (15<sup>th</sup>) Finance Commission, Department of Finance, Govt. of J&K, 2017-18
223. Handloom Industry: Vision 2020 (J&K Development Report of Planning Commission)

### **NEWSPAPER CLIPPINGS**

224. *How Chronic is Chronic Unemployment in J&K*”, Greater Kashmir, Sept. 24 2007, Nisar Ali,
225. *Youth must explore other options other than Govt. jobs*” Greater Kashmir, May 22<sup>nd</sup>, 2012.
226. *Economic Structure of Jammu & Kashmir*”, Greater Kashmir, Jan 29 2013, Ajaz Ayoub
227. *Creation of jobs for political interests and high corruption in J&K*”, GK, Sept. 26, 2013,
228. *Remedy to Growing Structural Unemployment in J&K*, Greater Kashmir, 28/4/15, Imtiyaz ul Haq
229. *Jammu & Kashmir: An economy in turmoil*, Greater Kashmir, Oct 17 2016, Anil Sasi
230. *In JK unemployment rate is higher than All India level*”, GK, Jan 22, 2017, Mukeet A.
231. *Managing Kashmir’s youth bulge*”, Live Mint, Mar 27 2017, Nikhil Raymond Pur
232. *Less opportunities for employment in Kashmir*”, Greater Kashmir, May 02, 2017
233. *Is unemployment biggest hurdle for youth in Kashmir?*, Times of India, May 14, 2017, Singh S.
234. *State government must address the unemployment*”, Rising Kashmir, July 03, 2017,
235. *Increase of In-migrant workers leads unemployment to local workers*”, GK, Jul 4, 2017,
236. *Entrepreneurship Development in J&K*”, Daily Excelsior, August 11, 2017,
237. *Economic Significance of Horticulture, handicrafts and tourism*, Article by PTI, Aug 13, 2017
238. *Unemployment as Grave Social Problem*”, Kashmir Reader, Sept. 21, 2017, Shameem Nazir
239. *Less productive investment in J&K*”, Business Today, Nov.5, 2017,
240. *Unemployment ruining the future of Youths in J&K*”, Daily Hunt, 9 Dec. 2017, Bhat B.
241. *Unemployment—causes and solutions in J&K*”, State Times, Dec. 13, 2017, Lal B. & Sharma
242. *Unemployment scenario in Jammu Kashmir*”, Rising Kashmir, Dec. 22, 2017, Altaf Hussain
243. *Unemployment: An Ample Problem in Kashmir*”, Brighter Kashmir, Jan. 29, 2018, Husian A.
244. *J&K’s draft Trade Policy envisions e-trade, branding handicrafts*”, GK, Feb 4 2018, Malik S.
245. *Unemployment Problem in Kashmir*”, Early Times, 19 March, 2018, Rustam
246. *Shortage of capital and entrepreneurial abilities*”, Greater Kashmir, March 28, 2018
247. *Lack of awareness of different jobs available at centre level*”, Raising Kashmir, 02/08/2018,
248. *Low job opportunities due to lack of multinational companies*”, Daily Excelsior, 27/10/2018,

-----

## Appendix

House Hold Survey

Questionnaire/Interview Schedule

### “TRENDS IN GROWTH AND COMPOSITION OF WORKFORCE IN KASHMIR ECONOMY SINCE 1980”: A Case Study of District kupwara

District/Block \_\_\_\_\_ Village/Town \_\_\_\_\_ Name of Head of HH \_\_\_\_\_

**Family Profile**

S. No.	Name	Age	Sex	Education Level	Nature of Work	No. of working days during one year	Salary

**Subjective Type**

S. No	Name	Age	Are you registered in Employment Exchanges (yes/no)	If not, why?	How many times did you apply for a job?		Why didn't you get it?
					Govt. Job	Pvt. Job	

**II**

S. No.	Name	Age	Do you like govt. job or pvt. Job? Give reason	Have you applied for a loan to start your own enterprise? If yes, for what purpose? If no, why? Mention reasons.	Have you applied for a job govt. / private outside state? If not, why?

**III**

S. No	Name	Age	Have land field available?	If Yes, how much for cultivation?	How many are engaged in cultivation in the family?	
					No.	Age
			Yes/no	Acres		

**IV**

S. No	Name	Age	Do you find shortage of employment opportunities in state? Mention reasons.	Have any information of small/medium scale industries located in your area/town? Give reasons.

**VI**

S. No	Name	Age	Are you agreeing for promotion of industrialization in state?	What are hindrances for its promotion?	Why is govt. job like R-e-T, R-e-Z with meager payment of Rs. 1500/m preferred in State?

**VII**

S. No	Name	Age	Is there lack of job opportunity in State? Mention some cause?	Which compel you to join militancy or migrated to outside state?

**IX**

Do you feel prevailing situation has negative impact on youth?	Do you feel conflict raised unemployment?	Has family affected economically due to conflict?	Do you feel psychological problems among youth has grown up since conflict erupted?
Yes/no	Yes/no	Yes/no	Yes/no

**X**

S. No	-----?	-----?

Sig. of Respondent

Scholar/Investigator

Date \_\_\_\_\_

Thank You for your good Response