

Kashmir Problem and its Socio-Economic Impacts

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Abstract:

Kashmir popularly is known to be “The Paradise of Earth” (Bhuswargam) for its natural beauties. It is one of the most beautiful and charming places in the world. Unfortunately now it is considered to be one of the most disturbed places in the Earth. It is now infamous for a centre of militant activities. The tension was started there in late 1940's, with the partition of India. The tension exploded following the rise of radical Islamisation in the Kashmir valley during late 1980's. Gradually the beautiful place becomes a place of bloodshed that adversely impacts on its economic development and social stability. We shall deal with and try to understand in this paper what the Kashmir problem actually is, how the militancy in Kashmir adversely impacts on its economic development and social stability and what could be an effective mechanism to address the problems.

Key words: *Militancy, Conflict economy, NSDP, GSDP, Article 370*

Origin of the Kashmir Problem

Jammu and Kashmir (J&K) is an Indian state that has its own distinct and peculiar cultural ethos. The state has a predominant place as it shares the international boundary with Pakistan and China. It is enriched with the boundless beauty of snow-clad mountains, large natural lakes, forests, rivers and springs. Kashmir popularly is known to be “The Paradise of Earth” (*Bhuswargam*) for its scenic locations. It is unfortunate that the wonderful place is now a centre stage of geopolitical disturbances and militant activities. The Kashmir problem had actually started in late 1940's during the partition of India. In order to know the origin of the highly sensitive Kashmir issue, we have to go back long. The British Government had controlled two types of entities before the independence of India and Pakistan. One was mainly India which was under the direct control of the British and the other was small states, known as princely states, which were ruled by their hereditary rulers. The princely states through treaties were indirectly under the control of the British. The Independence act brought into existence two new sovereign states - India and Pakistan. It was actually the mainland India that was divided into two parts/states. Whereas the princely states are concerned, those became independent in principle since the suzerainty of British ceased and consequently the treaties were null and void. However, the fact is that since most of these states were in proximity of either India or Pakistan they had no other option but to join either India or Pakistan.

At that time Indian provinces are divided mainly into the categories of *Hindu majority*, *Muslim majority* and states which were under the governance of Kings/princes (*Princely States*). It was decided that all Hindu Majority States will be given to India and all Muslim

majority states will go to Pakistan. Princely States were given a choice, either to join India/Pakistan or to remain independent. The princely states having Hindu majority and a Hindu ruler joined India while the states with Muslim majority and a Muslim ruler joined Pakistan. Nevertheless, in all cases the matter was not as simple as that. There was a state which have Hindu majority but a Muslim Ruler (Hyderabad) and there was a state that have a Muslim Majority and Hindu Ruler (Kashmir). The King of Kashmir, Maharaja Hari Singh, during the time of partition in 1947 was in India. Pakistan had suspected that he will join India and could not entertain the idea of a Muslim Majority state with India, they attacked Kashmir. Maharaja Hari Singh panicked and to secure his position decided to sign the Instrument of Accession, which made Kashmir a part of India. In order to secure Kashmir, India had sent it's army which resulted in Indo-Pak war of 1947. Henceforth, the ceasefire took place through the United Nations and the Line of Control (LOC) was established. What was the main issue in question of the conflict between the two nations regarding Kashmir is that India claims Kashmir on the basis of 'Instrument of accession' signed by Hari Singh while Pakistan claims Kashmir because it is a Muslim majority state. After the war in 1947, the two nations had again involved in war in 1965, 1971 and 1999. India had overpowered Pakistan in every occasion. Now days there are serious disturbance are going on in the Kashmir valley. India has been facing continuous challenges to keep peace in the valley both from the within and outside elements. The inner outrage had started following the rise of radical Islamisation in the Kashmir valley. The geopolitical tension in Kashmir is commonly known and a much debated issue now days. We are not going to focus on the geopolitical issues but try to understand how the conflict adversely make an effect on the economic progress of the state which has an immense potentiality to flourish as an economically developed state.

Economic Growth Prospect of the State of Jammu and Kashmir

J&K is the northern-most state of India covering an area about 222,236 sq km. The state consists of three regions: Jammu, the Kashmir valley and Ladakh. It is the sixth-largest state in terms of area and 17th in terms of population. However, for administrative purposes, the state is divided into two main divisions, Kashmir (including Ladakh region) and Jammu. The climate of Jammu and Kashmir varies considerably with its topography. The climate is primarily temperate. Important rivers flowing through the state include the Indus, the Chenab, the Jhelum, the Tawi and the Ravi. Urdu, Kashmiri and Dogri are the official languages; Hindi, Pahari and Ladakhi are also spoken in some parts. The state shares borders with Himachal Pradesh and Punjab, and the neighbouring countries of Pakistan, China and Afghanistan. The state has some specific advantages, exploiting that the state can grow faster and develop its economy, emphasizing special importance on Agriculture & Horticulture sectors, Small scale & Cottage industries, infrastructure sector and obviously on tourism. The growth of specified sectors has enough scope to create jobs and helps the state to flourish and prosper. Let us understand how the sectors can be instrumental in question of the economic development of the state.

Agriculture sector: Traditionally agriculture or farming crops is the prime source of income of the people of J&K. About 80 per cent of its population depends on it. That is the predominant sector of economy of the state. The state is divided into three agro-climatic zones: Jammu, Kashmir and Ladakh. Each of them has its own specific geo-climatic condition, which determines the cropping pattern and productivity. Rice, maize, wheat and barley these are the main crops of the state. Rice is the chief crop of Kashmir zone, followed by maize, barley and wheat. Jammu region dominates both in maize and wheat production. In the Ladakh region, barley is the major cereal crop followed by wheat. The production of three important food crops, namely, rice, maize and wheat, contributes a major portion of the food grain in the state and accounts for 84 per cent of the total cropped area; the balance 16 per cent is shared by inferior cereals and pulses. Hence, where rural areas of J&K are concerned it is quite visible that agriculture (farming crops and pulses) sector has lot of potentiality to generate employment in the state.

Horticulture specially farming fruits occupy an important position in the farming system of Jammu and Kashmir. The state has three agro-climatic conditions: sub-tropical, temperate and cold arid. Each agro-climatic region has its own potential to grow specific fruits. Temperate fruits like apple, pear, peach, plum, apricot, cheery, walnut, etc. grown at elevation of 1000 to 3000 metres above sea level are important cash-fetching fruits of the state. Nearly 75 per cent of the country's temperate fruits, mainly apples, are grown in the state. These fruits not only supplement the diet of the people in the state and country, but form an important item of our exports. The horticulture sector plays a significant role in Jammu & Kashmir in providing employment. From the stage of tree plantation to the point of its marketing, it has a good potential in employment creation. A vast natural resource base has enabled J&K to develop land for cultivating major fruits. With varied agro-climatic conditions, the scope for horticulture is significantly high in the state. Food processing and agro-based industries (excluding conventional grinding and extraction units) thrive in the state. It is also important to note that J&K has an ideal climate for floriculture and an enormous assortment of flora and fauna. The state has Asia's largest tulip garden. So, there is also a tremendous potentiality to generate income associating with the floriculture sector.

Small-scale and Cottage Industries

We understand small-scale industry as a sector which can generate decent income but does not require much investment. The sector might be considered to be an important activity allied to agriculture that strengthens the productive base of agricultural economy and generates self-employment. An important feature of such sector is that in some extent they are demographically oriented. We have identified three such sectors, namely fisheries, diary and livestock, that are very much associated with the region of J&K and potential to provide a good dividend.

Fisheries: The fisheries sector is considered to be a major source of food and also a means of attraction for tourists. The demand of fish gradually increases in that region because of the local population and in presence of defence personnel and tourists. There is wide gap between supply and demand for fish in the state. It is a fact that the length of 27,781 km of rivers and streams can provide the facility for the farming of over 40 million tons of fish. The Government has been also working to develop suitable and necessary infrastructure for the production of fish by making state-owned trout hatcheries and fish farms. In addition to the fishermen, nearly 10,000 workers are employed in the fisheries sector and there is good scope for expanding employment opportunities through the development of this sector.

Dairy: With a steady growth in the production of milk, Jammu and Kashmir has become a milk surplus state. The milk production increased from 3.69 lakh metric tonnes in 1995-96 to 6.66 lakhs metric tonnes in 2001-02 and it grows continuously. The population in J&K continuously increases and so also in India. As the demand for milk and milk products has been increasing at a faster rate, there is a lot of scope for dairy development in the State. The sector has good potential for creating considerable job opportunities. From the current stage of subsistence activity, dairy development can grow through modernization and thereby increase income and employment opportunities.

Livestock: In Jammu and Kashmir, animal husbandry plays a significant role as 0.13 per cent of gross domestic product (GDP) of the state coming from this sector. The state has a precious wealth of livestock in form of cattle-buffalo, sheep, goats, poultry, etc. It is a traditional business in that region. The cattle and poultry amongst all the livestock are considered the most important tool for the development of the rural economy. The production of pashmina shawls and other animal products like carpets, shawls and blankets of Kashmir earn handsome foreign exchange for the nation. Therefore livestock industry in the state has vast scope for development rendering quick economic returns. In terms of livestock production, there is a gap between demand and supply. Due to the climatic condition there is great demand for meat and warm clothes in the valley. The breeds of animals available in the valley are not able to provide both components in sufficient quantities. This sector provides direct employment to about two lakh people, indirectly benefiting people who are dependent on agriculture.

Cottage Industry

Handloom and Handicrafts: The handloom and handicraft industry, the state's oldest traditional cottage industry, has special socio-economic significance due to its vast potential for economic activities like the generation of employment and revenue. All the three regions of the state have unique specialties in this sector. Jammu holds the domain in Basholi painting, calico painting, phoolkari; Kashmir specializes in carpets, shawl, wood carving, papier mache, chainstitch, crewel; and Ladakh's areas of expertise covers wood carving and painting, clay moulding, pashmina weaving, carpet, and thanka painting. Due to its large

employment base and exports potential, the industry has been receiving priority attention of the government. The Government of J&K has undertaken various programmes and introduced schemes to support the sector. The handicrafts of that region are world famous and the traditional handicraft industry has emerged as a large industry. The state is also famous for its small-scale and cottage industries such as carpet weaving, silks, shawls, basketry, pottery, copper and silverware, papier-mâché and walnut wood. The cottage handicrafts industry generates direct and indirect employment of more than four lakh people in the state. It is in record that amount of merchandise exports from this sector during the financial year 2017-2018 stood as US\$ 148.31 million.

Infrastructure sector:

The sector has many avenues. We shall just consider here from the perspective of the potentiality of generating hydro power & transmission, development of road & transport facility, real-estate sector and Information Technology & Telecommunication.

Power: The state has a huge potential of generating hydro power estimated at 20,000 MW of which less than 20 per cent has been exploited so far. The state has managed to install just 3263 MW hydro power generating capacity. In order to achieve its full generating capacity a long way to go. J&K buy power from other states for its requirements. There is a huge gap between demand and supply of electric power. If the state is able to exploit its full potentiality of generating hydro power, it would be power surplus state and can sell power to other states, which will boost exchequer of the state and will create employment.

Transport: Traffic on the roads like all other states in India are increasing rapidly in the state of J&K. In addition with the traffic growth J&K like other hill areas facing challenge other operational and commercial problems like frequent landslide, narrow roads and short working season of about six-seven months. Till date the rail – road mix of transport in the state is very low. The city of Jammu city has some rail-connections but Kashmir valley as well as Ladakh is totally dependent on road transport. The state, with three civil airports at Jammu, Srinagar and Leh, is connected to the rest of the country through air transport also. It depicts that a massive infrastructural projects are required in the state which again provides income and job opportunities among the people of J&K.

Information Technology (IT) & Telecommunication

IT is a sunrise industry in the state and the sector is growing at a fast pace with a revenue of over US\$ 51 million in 2009-2010. The State Government has taken certain initiatives under the IT policy to develop this industry and a special attention has been given to connect remote villages. Around US\$ 30 million worth projects are being implemented to provide core infrastructure for the growth of IT industry and e-governance initiatives in the state. A task

force in the IT sector is being constituted with experts from companies functioning in the state.

In a survey report of TRAI in 2014 shows that the overall tele-density in India had increased from 76.35 at the end of August, 2014 to 76.75 at the end of September, 2014. Where as, the overall tele-density in J&K is 69.98. Rural tele-density is 45.6 and urban tele-density is 132.73 for J&K state. There is a huge gap between rural and urban areas in question of tele-density. The fact is that in the absence of private operators, Bharat Sanchar Nigam Limited (BSNL) is the only basic telephone services providing body in the state. The Jammu and Kashmir Telecom Circle has five Secondary Switching Areas (SSA), namely Jammu, Srinagar, Udhampur, Rajouri and Leh. It is very clear that the state is lagging behind in the sector of telecommunication and its use than rest of India. A lots of investments required in hat sector, which for obvious reason will give a god dividend to the people of J&K.

Real-estate sector

The increasing concentration of population in the urban areas of Jammu and Kashmir has created the usual problems of shortage of houses, inadequate supply of drinking water and problems of drainage and sewerage, pollution, unemployment, poverty, etc. The continuous growth of population has created demand of housing market but with the increasing demand of houses the necessity and demand of drinking water, sewerage, waste water treatment and waste recycling also increasing. The continuing urbanization and relentlessly growing urban population have increased the problem of urban life. In order to address the problem rapid infrastructural development is required. Governments have taken some notable projects regarding this front and that will help the local people job assurances

Tourism

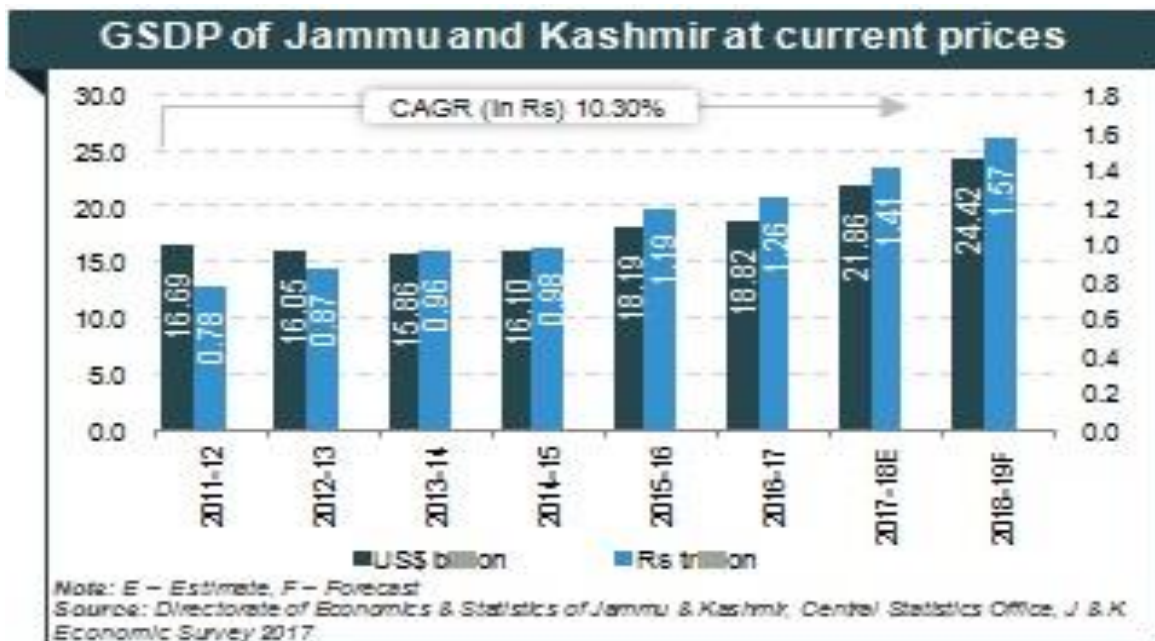
Kashmir is known as the paradise on earth because of its numerous scenic spots and attractions. The other important aspect of tourism potential is the existence of shrines, monasteries, temples and cave temples in the three regions. The tourism sector has immense backward and forward linkages in terms of both income and employment and can contribute significantly to the economy. The growth of tourism sector directly and indirectly contributes to growth of other sectors. Tourism, once the mainstay, is now languishing and the challenges faced by this sector are many. The problem is that the services of the local transport at present are not up to the international standard. But it is the climate of armed militancy in Kashmir during the last two decades impedes the flow of tourists to the valley. The economy therefore has been severely impacted. Urgent steps are essential to revive the tourism sector in the State for its economic development and social stability.

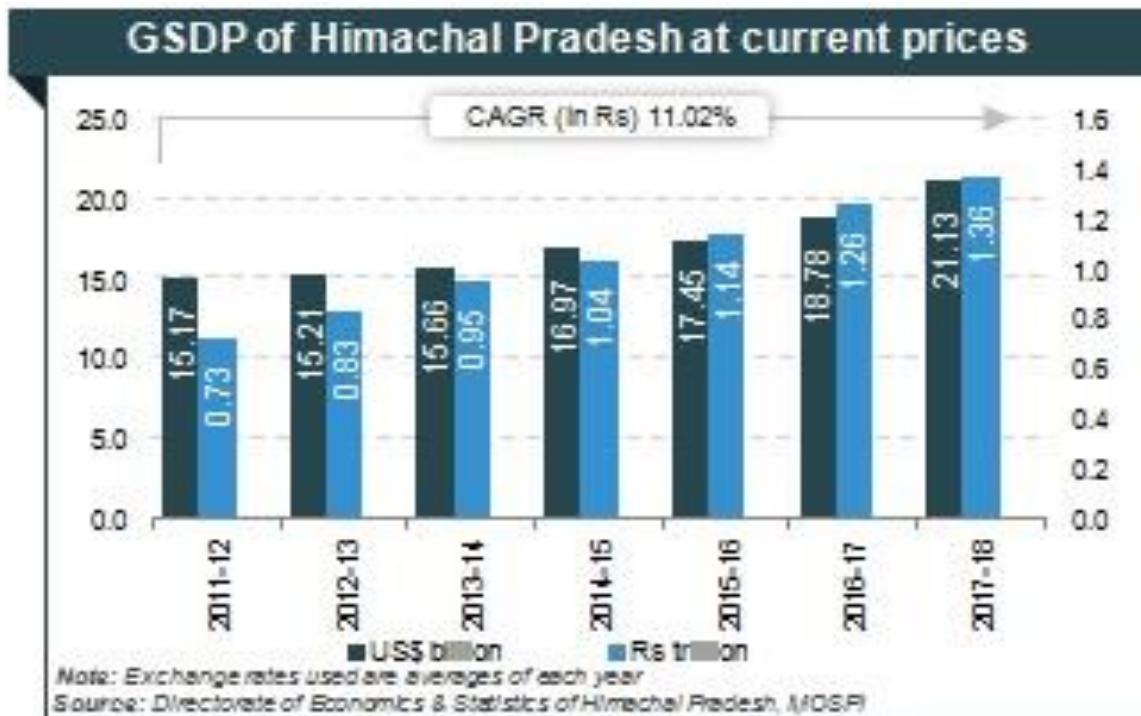
Adverse Impact of Development due to Conflict

The state of Jammu and Kashmir in spite of huge potentiality for economic progress and employment has been continuously performing poor in all aspects of development. The continuous conflict and unrest in Kashmir have made an adverse impact in that region. It was depicted in The Economic Survey Report-2016. The survey presents an understanding of the fact that how the economy of the state gets affected by “uncertainties and conflict area”. The report makes a comparison between two neighbouring hilly states Kashmir and Himachal Pradesh (HP). It is found that HP in spite of having half the geographical area and population than that of JK has done exceeding well in all aspects.

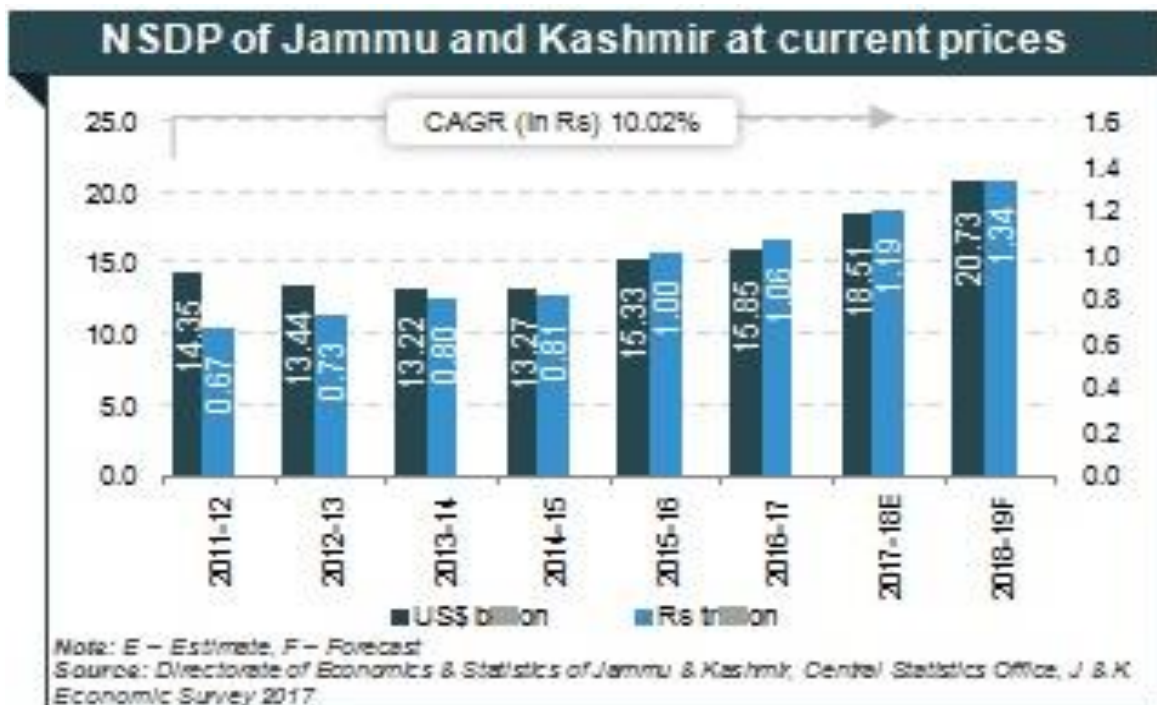
According to the report of “India Today State of the States 2018: Complete rankings” HP had secured 2nd place in tourism in the year 2017, while Jammu and Kashmir had able to secured just place 11th in the same year. J&K is the northernmost state of India and a global tourist destination. In addition to traditional recreational tourism, a vast scope exists for adventure, pilgrimage, spiritual, and health tourism. J&K in spite of having all advantages to be a global destination of tourism is lagging far behind. HP has also been doing better performances in respect of Per Capita Income (measured as Per Capita Net State Domestic Product) at current prices since the last three years and corresponding percentage change over the previous year than that of J&K. It is also noted that the Hydro Power potential of both JK and HP is estimated at 20,000 MW each. However, the fact of the matter is that where HP has secured to generate 6370 MW of electricity, J&K has managed to generate just 3263 MW electricity. That is almost half the capacity of HP.

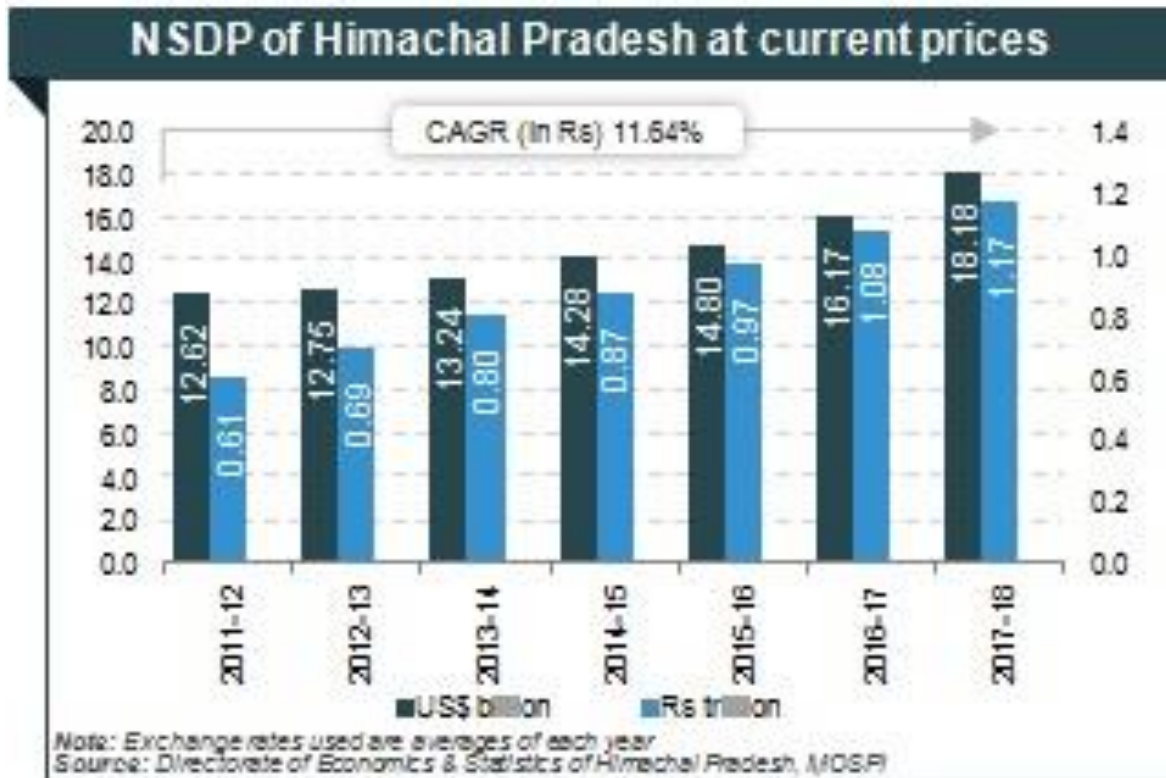
A graphical comparison between J&K and HP on Growth State Domestic Product (GSDP)





A graphical comparison between J&K and HP on Net State Domestic Product (NSDP)





It has been lagging behind most of the states in regard to the growth of Net State Domestic Product (NSDP) at current prices. The slow growth of the state can be attributed to various factors. The climate of armed militancy in Kashmir during the past two decades has been a major factor. Low productivity in agriculture and allied sectors has impeded employment and income generation. Poor industrial infrastructure along with the poor investment climate has left the industrial sector in its infant stage. 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 the poor economic growth of the state. The turmoil in Kashmir since the last 26 years has played a devastating role for both Human Resource and the Economy of J&K

Conclusion

It is the peace, peace and peace that can protect the sliding of the economy of J&K. it is the fact that mere presence of security personnel cannot effectively bring peace in that region. At the same time it is also true that the lack of security do more harm to J&K and the people live there. The region is facing challenges from two directions. One that is internal and the other is external. A section or group of people continuously for their vested interest has been misguiding and provoking the youth of Kashmir and encourages raising voice against their motherland. A section of youth mostly in their adolescent stages is either taking arms in their hands or pelting stone to security personnel. The external threat is coming from a neighbouring nation. It seems that the internal threat is more dangerous than the external one. The Government of India and the State Government of J&K should look after the internal threat more precisely and sincerely. The youth of Kashmir who by the influence of

misguidance has taken wrong way should be judged compassionately and should take all necessary steps to return the mainstream of the society. Government should aware the people of Kashmir from the grassroots level about the huge potentially of their economic growth and to success it all necessary measures should be taken. It is the fact that Government has already taken various schemes for the betterment of people of Kashmir but more need to do regarding that front. J&K has all potentially to be a global investment destination and it would be possible only when the much needed peace will come. In that context it seems to that Article 370 should be reconsidered. The article simply describe as an instrument that accords a special status to the state of Jammu and Kashmir. The article was created when the ruler of J and K signed the instrument of accession. The article was created on basis of the ground that Kashmir needed more time to integrate into India. It was decided that there was a need to exempt Kashmir from the basic provisions of the Indian constitution and hence 370 was introduced. This is only a temporary provision. . Under clause of 370 the President of India has the right to repeal it vide a public notification. The assembly of the state needs to give their consent. The intent of introducing the article was to give the state time to become part of India. A section of politicians and people says in favour of the article that it is a bridge between state and centre and it preserves the identity and culture of the people. It offers a lot of liberty to the people of J&K. However, the fact of the matter is that the article deprives the state of industrial development as it does not allow outside investment. Preventing outsiders from buying land in Kashmir actually impedes the development of the economy of the state. It points out that time has come to serious consideration of repealing article 370 and it is for the sake of outside investment and economic prosperity for the state. The social stability of a state or nation primarily depends on its economy. If a state is economically futile, different types of conflicts and disturbances will arise. And it is also the fact that without the participation of native people a state or nation cannot flourish. If all sorts of measures (including political steps) have to be taken to turn out the economy of J&K, all sections of people of that region bound to associate with that growth trajectory, which effectively helps to reduce the tension in that region.

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