
Employment Pattern in Kashmir: Problems, Prospectus and Solutions

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Abstract:

In Jammu and Kashmir about seventy to eighty percent of the population derives its livelihood directly and indirectly from the agricultural sector. It is observed that the State of J&K has certain inherent strengths that can be utilized to improve the income of its people and to provide employment opportunities on sustainable basis and there are many problems in the state related with study.. We also examined that employment structure in the state demonstrates skewed distribution biased towards tertiary sectors. The main objective of this study is to identify the problems and prospectus of employment in Kashmir and finally its solution.

Key words: employment patter, Kashmir, India

Introduction

Countries start with their production dominated by primary sector, then secondary sector start to dominate and finally tertiary sector dominates. Thus on this base, we get classification of jobs. These are primary, secondary and tertiary and quaternary jobs. The basic characteristics of Jammu and Kashmir economies are that it is a primary producing economy. A very high proportion of working population is engaged in

agriculture. In Jammu and Kashmir economy in 2005-2006 about 75 percent of the population derives its livelihood directly and indirectly from the agricultural sector. It is evident that the proportion of population engaging agriculture in developed economies is much less than the proportion of population engaged in agriculture in under developed economies like Jammu and Kashmir economy. According to Census 1961 the total labor force employed in primary sector was 75.8 percent which gradually decreased to 45.3 percent in 2011 census. Considering the secondary sector, less amount of forces were employed, reflects lack of small scale and heavy manufacturing industries in Jammu and Kashmir. However there was a terrific rise in percentage of labor force employed in service sector from 1961 to 2011. In 1961, the labor force employed in tertiary sector was 12.35 percent which rises to 49.2 percent in 2011 which means that there was sharp increased in employment in this sector. Employment pattern of the state has shifted from agricultural sector to non-agricultural sector that shows us the good path of development on the one hand and agricultural backwardness on the other.

It is observed that the State of J&K has certain inherent strengths that can be utilized to improve the income of its people and to provide employment opportunities on sustainable basis and there are many problems in the state related with study. We also examined that employment structure in the state demonstrates skewed distribution biased towards tertiary sectors. The main objective of this study work is to identify the problems and prospectus of employment in Kashmir and finally find its solution.

Hypothesis

In order to investigate the proposed problem, following hypothesis has been tested in the course of investigation:

H₀: There will be both problems and Prospectus of employment pattern

Objectives

The problem is proposed to be investigated with following objectives:

- To examine the problems of employment in the state.
- To examine its Prospectus

Methodology:

Source of data

The study work is based on both primary and secondary data. Small portion of the present study is based on data collected from primary survey. For collecting primary data in the area, sample was selected for information regarded to study work. However more study will be based on secondary data.

Statistical Tools and Techniques

Appropriate statistical techniques will be applied as follows

1. Pearson's Coefficient of Correlation: To analyze the degree or extent between two variables i. e; workforce and population of study area. Pearson's correlation coefficient is used by adopting the following formula:

$$R = \frac{\sum XY - n \bar{x} \bar{y}}{\sqrt{\sum X^2 - n \bar{X}^2} \sqrt{\sum Y^2 - n \bar{Y}^2}}$$

Discussion and Findings

A high percentage of population engaged in the agriculture sector shows that subsistence sector is the main sector of economy which provides major proportion of gross national output. Besides it throws light on the extent of labor force and population engaged in different sectors of economy. Broadly various occupations can be divided into three categories i.e.

Primary, secondary and tertiary. Agriculture, forestry, fishing, animal husbandry, poultry, farming, mining, quarrying are considered to be primary occupations. These occupations are primary connected with land and nature. These are primary because the products of these occupations are essential or vital for human existence. Secondary sector covers large and small scale industries, manufacturing units and construction. Their finished products are based on raw material produced in primary sector. The secondary sector is invariable in 3rd world countries and absorbs only a small section of labor force. Trade transport, communication, banking and insurance etc. are included in the tertiary sector. Kuznet and Colin Clark prefer 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.

Working Population of Jammu and Kashmir

The number of working persons constitutes the working population of the country.

Table: Working Growth Rates of J & K

Year	Total population	Total workers	%age
1961	3560975	1523621	42.7
1971	4616632	1373901	29.75
1981	5987389	2650044	44.3
2001	10069917	3688875	36.6
2011	12548926	6961637	55.47

Source: Compiled Form Census of India.

The number of working persons constitutes the working population of the country. The working population of Jammu and Kashmir was analyzed from 1961 to 2011. It was found that the correlation between population and work force is positive. The correlation between population and work force was 0.94, which is significant at 0.01 percent level of significance and positive. It reflects that there is a positive and

significant relationship between population and workforce. Therefore that the hypothesis “*there will be positive and significant relationship between population and work force*” is not rejected. However, this 1.4 table shows that the work force fluctuated from 1961 to 2011. In 1961 census the total growth rate was 42.7%, which declined to 29.75 in 1971 i.e. by 12.95 percent. Then increased to 44.3% in 1981 then again decreased to 36.6% in 2001 and again increased to 55.47% in 2011 i.e. by 18.87 percent from 2001. In 1981 census the total workers of the state was 2650044 which gone up to 3688875 in 2001 census, an addition of 1038831 but increase of 39.2% against the increase in population of 68.2% which is alarming disproportion. However from 2001 to 2011, there was significant increase in total workforce i.e. 18.87 percent.

Decadal Sectoral Occupational Structure

The present occupational structure clearly reflects the backwardness in J&K economy. We shall now examine whether occupational distribution of labor force has changed since 1961. We notice that since 1961 until now agriculture remains the main occupation of the people. The sectoral occupation of different sectors is given below in table.

Table: Sectoral Occupational Structure (percentage)

Occupation	1961	1971	1981	2001	2011
Primary	78.6	71.55	64.04	50.1	45.1%
Secondary	9.03	8.94	14.07	6.2	8.4%
Tertiary	12.35	18.10	21.45	43.7	49.2%

Source: Compiled Census of India.

According to census 1961 the total labor force employed in primary sector was 75.8 percent which gradually decreased up to now shown in table 2.7. In 1971 the total percentage of labor force employed in primary sector was 71.55 percent, but in 1981 and 2001, there is decline of 64.04 percent and 50.1 percent respectively. It further decreased to 45.1 percent in 2011. It was

due to advance of technology that absorbs less amount of labor force in agriculture fields and migration of labor force to urban areas. Secondary sector indicates a little erratic change. In 1961 9.03 percent of labor force was employed in this sector. In 1971, 1981, 2001 and 2011, 8.94 percent, 14.04 percent, 6.2 percent and 8.0 percent were employed in this sector. It means that there was fluctuation i.e. up and down at low level. The basic cause of less amount of labor employed in this sector reflects lack of small scale and heavy manufacturing industries, poor road and rail connectivity, heavy snowfall during winter which disconnects all routes and relations and tribal and hilly regions and rough terrain. Lack of infrastructure has been a constant hurdle in the industrial development of the State. Due to closed economy, Jammu and Kashmir State has not been able to invite FDI and develop industrial sector and other causes especially political instability. Thus industrial structure is in shambles thereby failing to absorb a big chunk of educated youth of State. There is a terrific rise in the percentage of the labor force employed in service sector. There was great shift from agriculture sector to service sector. In 1961 the total labor force employed in tertiary sector was 12.35 percent which increased to 18.10 percent in 1971, 21.45 percent in 1981. In 2001 percentage contribution become double from 1981. In 2001, the total labor force employed in tertiary sector was 43.7 percent further which rises to 49.0 percent in 2011. The main cause of contribution of tertiary sector was by tourism sector, communication and hotels and restaurants. This is a welcome development as it reflects improvement in tertiary sector. Thus our hypothesis is accepted from this analysis which states that “Employment is skewed towards Tertiary sector”.

Prospects

The State of J&K has certain inherent strengths that can be utilized to improve the income of its people and to provide employment opportunities on sustainable basis, which are:

- I. Strong base of traditional skills not found elsewhere;
- II. Untapped natural resource;
- III. A natural environment which has been very profitably utilized by other countries for high income- environment friendly tourism industry.

In order to sustain growth and employment in its economy, the State Government should articulate an Employment Policy focusing on:

- I. Improving the productivity of, and thereby income of those engaged in industries based on traditional skills,
- II. Shifting the agricultural work force to high value-added/ high-income agriculture/horticulture;
- III. Transforming the service industry in the State, driven by tourism, from informal and low income to modern by setting up a world class tourism infrastructure, largely on the basis of private investment and entrepreneurship; and
- IV. Creating a vibrant self-employed-professional workforce.

The policy would need to incorporate the following objectives:

1. To exploit the full growth potential of the sectors and sub-sectors which are important to the state's Economy.
2. To create necessary infrastructure and extension services for diversification of agriculture and setting up new enterprises in manufacturing or services sector.
3. To rehabilitate people who have suffered loss in employment due to the slowdown in the economy.
4. To assist the self-employed workers to upgrade themselves through provision of credit, marketing, technological and training facilities.
5. To utilize the government consumption expenditure to promote off take of commodities produced in J&K.

6. To improve prospects of long term growth by creating physical infrastructure such as transport and communication services.
7. To improve the efficiency of utilization of resources already invested in electricity, irrigation and transport sectors.
8. To carry out reforms in delivery of education, health, civic and other community services.

Government of J&K would also need regularly to update the Employment Policy statement. Manpower Planning would be an important element of this Employment Policy of the state, the Planning Department of the state government if required could seek assistance of the Planning Commission of India in this task.

The economy of Jammu & Kashmir has suffered from disturbed conditions prevailing in the State for almost two 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), Food Processing, 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 in the initial stage. The special industrial package announced for J&K has been a step in the right direction. The government is taking all possible steps and making all possible efforts in providing gainful employment to the youth of the 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 following eight sectors of economy have been identified for generation of gainful employment opportunities in state on sustainable basis:-

- I. Agriculture (including Horticulture, Floriculture, Food Processing and Animal Husbandry),
- II. Handlooms and Handicrafts,
- III. Industries (including Small Scale industries and Rural industries),
- IV. Tourism & travels,
- V. Education & health,
- VI. Large infrastructure projects (Roads & Railways),
- VII. Information Technology & Telecommunication,
- VIII. Construction Sector.

While as tourism- both domestic as well as international – may provide possibilities for employment generation in the hotels, catering and entertainment and travel sectors as well as a market for handlooms and handicrafts, there are equal chances of gainful self employment in the other above defined sectors as well.

Potential and Scope for Employment Generation in the State

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 such as Health and education, 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 (Department of J&K Affairs) 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:-

- I. Accelerating the rate of economic growth of the state.
- II. More effective implementation of employment-oriented schemes and program me's.

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, Tourism and Food Processing etc. The disturbed conditions prevailing in the State have affected them adversely to varying degree. While some of the workers have suffered loss of employment, majority are working at very low levels of income and productivity. Also, in many of the identical areas, especially horticulture and food processing, a large potential for growth lies untapped waiting to be exploited.

Different sectors and sub-sectors of the State's economy would require different kinds of interventions for revival/growth depending upon the nature of the activity, the impediments to growth and the institutions 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. The 11th Five Year Plan (2007-2012) for the state of J&K of the order of ` 25834.00 crore among other things is focused to boost, in particular, labor intensive manufacturing sectors like food processing, leather products, footwear and textiles, and service sectors such as

tourism and construction. Construction sector would generate substantial additional employment. The Task Force constituted by the Central Government on creation of employment and self employment opportunities in the state of J&K during the year 2003 has projected employment opportunities in the following three categories to the extent of percentage as indicated against each:-

A	Self-employment	38.17 percent
B	Wage-employment	45.18 percent
C	Regular salaried employment	16.65 percent

It has been projected that within the plan investment during the 11th Plan period five lakh jobs would be created. Taking into consideration the percentage of Regular salaried employment of 16.65 percent, around 85,000 jobs would get created under this category. However the regular salaried jobs do not include the jobs only in State government Departments/Organizations but also in the private sector with a small percentage. Further on the basis of the analysis of figures available for the last seven years, it has been estimated that on an average 4733 employees retire from service every year in the state. The likely number of retirees during the years 2009 and 2010 has been put to 9000, thus constituting an average of 4500 retirees per annum approximately. During the last ten years of 9th and 10th plan periods, it has been analyzed and assessed that 11000 jobs were created annually within the plan investment under regular salaried employment category in the entire state. Based on this average and taking into account the average retirement of the employees of about 4500 yearly, the total number of around 77500 job opportunities under the category would be provided during the 11th plan period in the government sector. The remaining nearly 7500 jobs shall have to be created in the private sector out of the total number of 85,000. The left over employment opportunities of around 4.15 lakhs shall have to be created under self employment and wage

employment categories to the extent of 1.90 lakhs and 2.25 lakhs respectively, based on the calculations worked out by the Central Task Force constituted for J&K state.

The government has been duly engaged in the process of drawing of the best available talent for public services through the PSC and Service Selection Board. During the years 2007, 2008 and 2009 (ending October) 3610 vacancies and 20866 vacancies have been referred to the Public Service Commission and Service Selection Board respectively against which 2659 recruitments have been made through Public Service Commission while as 16679 posts of different categories have been filled up through Service Selection Board during period under report. In addition to this 6871 Class IV posts are presently vacant in various government departments out of which 2213 posts have been referred to the Divisional Commissioners and Deputy Commissioners for recruitment. 1845 Class IV posts were allotted to the Deputy Commissioners for settlement of pending militancy related SRO 43 cases against which 1471 vacancies have been filled by the end of October 2009. Further 7035 posts have also been referred to the Police Recruitment Board for absorption in the Police Department. The available vacancies of the different categories of posts are being filled up by the government expeditiously.

Sher-e-Kashmir Employment & Welfare Programme for the Youth (SKEWPY)

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-

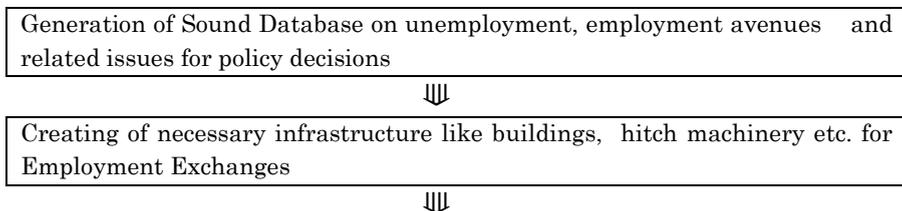
Kashmir Employment & Welfare Programme for the Youth (SKEWPY)". Under SKEWPY, the Government of Jammu and Kashmir has planned to create some 5 lakh job opportunities in the state in the next coming five years. The employment opportunities would be available in next five years in the following sectors:-

Employment Opportunity of Sectors in coming Five Years from 2009

S.NO.	Sector where employment opportunities would be available in the next five years.	Number of job opportunities.
1	Govt. sector	100,000
2	Handicrafts, Handlooms, Food processing, Leather, Silk, Wool etc. (2000 Industrial units)	20,000
3	Women Development Corporation (5000 units)	50,000
4	J&K Entrepreneur Development Institute Seed Capital Scheme (5000 units)	50,000
5	Overseas Employment	7000
6	Skill Upgradation, retraining, skill Development programmes through NASSCOM (IT).	5000
7	Skill Development through JKEDI, RSETIs, these are Handicraft and Handloom training Centers.	200,000
8	PM's Initiative (8000 ITI Trainees annually)	40,000
9	Poultry Sector	10,000
10	Sheep and Dairy Sector	5000
11	Tourism sector	5000
12	State Volunteers Core	8000
	Total	5,00,000

For creating 5 lakhs job opportunities, sound institutional arrangements and effective operational strategies are to be put in place by the Government.

The plan made by Govt. is presented in the form of flow-chart shown below:-



Reorganization of District Employment Exchanges through staff to meet future demands



Skill Development / Up gradation / Entrepreneur / Development Programme



Institutional Arrangements for skill development, entrepreneur skill development-JKEDI, NASSCOM, RSETIs,



Financial Arrangements for setting up of units through JKEDI seed capital Scheme, WDC, Banks etc.



Final set-up of industrial unit, self-employment unit, private enterprise, etc.

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. Unemployment allowance- a helping hand, has been offered to all those who are matriculates and above and have not got absorption anywhere, neither in Govt job nor in any self employment pursuit, will be paid an unemployment allowance till they attain the age of 37. The other avenues identified include establishment of “*Overseas Employment Corporation*” for overseas job placement. Under this initiative, the Corporation shall keep liaison with the placement agencies, foreign embassies, Ministry of Labor and Department of Overseas Employment etc.

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. The role of this Corporation is expected to grow after subsiding of global recession. Wage employment schemes catering to seasonal unemployment particularly in the

countryside will be strengthened. A target of creating 125 *lakhs* person days annually under wage employment schemes in the state has been set by the Govt. For this purpose, “State Employment Guarantee Council” has taken up the matter with the Ministry of Rural Development, Government of India, for extending the scope of the schemes by incorporating relevant activities in the list of already available “Permissible Works”.

Voluntary Service Allowance (VSA)

The State Government provides, by way of financial support, a monthly Voluntary Service Allowance (VSA) to all educated youth having educational qualification of matriculation and above for the next three years. Age for eligibility is 26 years to 37 years and annual family income should not exceed `1.50 *lakh* under the said scheme. VSA is paid, on a monthly basis, through the concerned District Employment and Counseling Centers, on a non-cash basis (through bank transfer); w e f. April 1, 2010 as per the following gradation:-

- I. ` 600/- per month in favor of each eligible person who has passed the Matriculation examination but not 10+2 examination;
- II. ` 650/- per month in favor of each eligible person who has passed 10+2 examination;
- III. `700/- per month in respect of eligible persons who have passed 10+2 examination and possess additional skill based qualifications such as ITI/ and other equivalent qualification;
- IV. `850/- per month in case of eligible persons having passed 10+2 examination and who have additional professional qualification (recognized) equivalent to a three year diploma from a recognized polytechnic institution;
- V. `1000/- per month in favor of eligible graduates and above below the post graduation level; and

- VI. `1200/- per month in respect of post-graduates and engineering and medical graduates and equivalent levels in the field of computer science, technology and education.
- VII. An additional financial element of `50/- per month is admissible in favor of women across all the five categories mentioned above.

Following achievements have been made under the scheme during the last 2 years:-

Year	Total no. of applications received	Total number of applications disbursed	Amount Disbursed
2010-11	27585 lakhs	24724 lakhs	939.22
2011-12	35221 lakhs	29837 lakhs	1348.69

Jammu and Kashmir State Self Employment Scheme

As an alternative to wage-paid employment, various self employment schemes have been introduced in the J&K State for providing self employment to the unemployed educated youth. The “**Jammu and Kashmir State Self Employment Scheme**” being implemented by Employment Department provides loan assistance to the educated unemployed youth of the State for establishing their own employment generating units since 1995.

Recruitment Rallies

On the request of State Government and in coordination with the Employment Department, various defense agencies like **Indian Navy, Indian Air Force and JAKLI** have been holding recruitment rallies at frequent intervals since 1998 for enrolment of educated youth of the State in their organizations. The details of rallies conducted and selections made during these rallies till date are as follows:-

	Indian Navy	Indian Air Force	JAKLI
No. of Rallies conducted	23	26	08
No. of candidates selected	358	2161	279

Self Help Group Scheme

The State Govt. launched a scheme during the year 2003 for allotting work contracts to Self-Help Groups of unemployed Degree/Diploma engineers. The following guidelines have been laid down for formation of Self-Help Groups:-

1. The members of each Self Help Group should not be less than 5 and not more than 10.
2. The Self Help Groups should be registered with the Registrar of Firms (Director I&C) as firms.
3. Members should necessarily be Diploma Engineer (3 years) or Degree holders.
4. None of the members or the group leader should be employed elsewhere.
5. The members of the Group should not be listed in more than one Self Help Group in the same District or some other District.
6. All original documents should be verified by Officer in-charge personally.
7. On the fulfillment of these conditions, the group is registered as a Self- Help Group and an Identity Card is issued to the Self Help Groups.

Jammu and Kashmir Overseas Employment Corporation

The Government has setup Overseas Employment Corporation (*Vide Cabinet decision No. 151/12/2009 dated 29.10.2009*) with an authorized share capital of 100.00 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 corporation has been registered with the registrar of companies during the month of 13th of October, 2010 and it has established office at Nehru Place, New-Delhi.

J&K Entrepreneurship Development Institute (JKEDI)

In order to address the problem, the present Government has taken a land mark initiative by way of launching the Sher-e-Kashmir Employment Development & Welfare Programme for youth (SKEWPY) with a strong focus on entrepreneurship Development through the medium of Seed Capital Fund Scheme. Under the Scheme, an EDP is offered as a package which apart from training, sensitization and consultancy inputs also include in incentive in the form of nonrefundable seed money to enable to prospective entrepreneurs to start their ventures and make their projects bankable. JKEDI has been given the responsibility of implementing the scheme with J&K Bank as the strategic partner. An amount of `25.00 crore is available during the current financial year under the scheme. Even though, the scheme was to be implemented from April 1, 2010, yet its actual implementation starts only from September 17, 2010 with the signing of MOU between Labor and Employment Department and JKEDI with Jammu and Kashmir Bank Limited. Since then, the Institute has trained 2766 candidates in various sectors in 95 batches. 1392 DPRs have be submitted to Bank and the Bank has disposed of 1290 DPRs after examination. 615 candidates have submitted their bonds and the Institute have released Seed Capital to the tune of `21.60 crore in their favor. ***Prime Minister of India on August, 18, 2010 constituted an Expert Group under the Chairmanship of Dr. C. Rangarajan to formulate a jobs plan for the State of Jammu & Kashmir for enhancing employment opportunity in the State especially for the youth.*** The recommendations made by the expert group for employment generation in the State are summarized as below:- 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. Learning from the experience of the rest of India, the Expert Group focused a lot of its attention on the latter.

Skill Development and Direct Employment

India's growth trajectory has used the skills of the educated middle-class to boost services ranging from IT and software to, airlines, banking, hotels and telecommunication. In J&K, the long drawn militancy and the disturbed political environment have eroded the skill base of the youth in the state. Besides, this problem of skill gap is sharper in J&K due to the lack of private sector initiative in industry which is often an important driver for skill acquisition. The Expert Group is recommending two initiatives, the first is Skill, Empowerment and Employment Scheme for J&K (SEE J&K) and the second is a Special Industry Initiative for J&K (SII J&K).

Skill, Empowerment and Employment Scheme for J&K

The Expert Group in consultation with the Ministry of Rural Development (MoRD), 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 1, 00, 000 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.

Special Industry Initiative (SII J&K)

J&K has a large talent pool of youth who are well educated but are unable to find employment due to lack of soft skills or lack of practical/hands-on training. To engage the youth, one

initiative could be to identify 10-20 companies across industry sectors to partner with an educational institution and run special training programs to enhance employability of 8000 youth per annum in J&K over a five year period. This would translate to 40,000 youth in J&K becoming employable in various sectors across India. This could be operationalized through a scheme to be executed in the PPP mode with 50:50 cost-sharing between the government and the private sector.

Special Scholarship Scheme of J&K (SSS J&K)

I. The Expert Group recommends that 5000 scholarships per annum may be awarded for the next 5 years. Out of the total, 4500 scholarships (90%) could be for general degree courses, 250 for engineering (5%) and 250 for medical studies (5%). This will benefit 25,000 students.

II. If the capacity of the educational institutions in J&K is to be built up, it is essential to enhance the faculty skill set. One important dimension to this is the interaction of the academicians with the industry to understand their expectations of entry level student skills. An interesting example of this connection is the Faculty Enhancement Programme (FEP) conducted by the Infosys Development Centers which have trained 4900 faculty members from engineering institutions.

III. IGNOU has agreed to launch an interactive platform for registering students in J&K for job placements. They will establish Regional Placement Cells (RPC) in Srinagar and Jammu which will provide a platform for prospective employers to communicate with job seekers of Jammu, Srinagar and Leh through virtual job portal, job fairs, placement drives and walk-ins, provide career specific counseling and guidance, carryout competency mapping of all job aspirants.

Sectorial Initiatives

- I. The focus areas for the state in agriculture would be to launch projects especially in the micro sector for assured irrigation, upgrade soil testing facilities to ensure macro and micro nutrient analysis, engage agricultural graduates on a contractual basis to carry out agricultural extension effort and promote basmati rice cultivation in mission mode. To undertake these-special allocation under the Rashtriya Krishi Vikas Yojana is suggested.
- II. The highly labor intensive livestock sector with its capacity to cater to the poor and absorb large number of skilled and unskilled workers is important to the J&K economy. With productivity increase, this activity has the potential to augment agricultural incomes. Increased public investment in the poultry sector, emphasis on tackling disease and infertility in dairy, improvised agronomic practices for quality fodder production are specific areas which will increase the growth potential of the sector and attract private investments.
- III. Horticulture sector in J&K accounts only for 13% of the net sown area but contributes 45% of the State's Agriculture GDP. It has been growing in importance contributing to nutritional security, land productivity, exports, farm incomes and employment. Besides mechanization and revival of Saffron Sector, rejuvenation repairing of orchards, innovative use of biotechnology, creation of satellite Mandis is also required.
- IV. The tourism sector with its potential in 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 J&K. To start with, the state must put in place a PPP policy that will address land related concerns in a practical manner for the tourism sector especially in creating hotels and resorts. The other initiatives are regular flights connecting different regions in the state, developing tourist circuits, training youth in the hospitality and adventure tourism and creating an integrated online tourism portal in PPP mode.

V. The Handicraft sector in J&K occupies an important place with a fine tradition of craftsman, employing 4-5 lakh artisans, 179 major craft clusters and revenue generation of 1000 crore plus. Highly labor intensive, the sector contributes significantly to employment generation but has underperformed due to lack of a Kashmir brand, poor quality control, obsolete designs, exploitative middlemen and competition from machine-made fabrics. Both the central and state governments have taken number of initiatives to address these growth bottlenecks like establishing a carpet cluster in Srinagar area, obtaining a Geographical indication for Sozni embroidery, Pashmina and Kani shawl and starting a skill development scheme for craftsmen. While expanding the scope of the current schemes some other actions to boost the growth in this sector are concentrated. Moreover encouraging craft tourism will enable artisans to find ready markets outside the State.

VI. The role of Micro, Small and Medium Enterprises (MSME) in socio-economic development and employment generation is well established. The sector has not done well in the state due to a number of reasons including inadequate local demand, poor credit flows and distance from markets. Sharp focus on improving access to finance by reviving the J&K State Financial Corporation (JKSFC), increasing the

scope of Prime Minister's Employment Guarantee Programme (PMEGP) and purchase preferences in government procurement will help the revival of this sector in J&K. As peace returns to the State, Private investments and large industry will also come back bringing sustainable growth and jobs.

- VII. IT sector is emerged as an important employment potential and foreign exchange earner, but in J&K it is still in the process of spreading its wings. The sector has attracted a number of young entrepreneurs but the growth in the sector has been constrained by lack of connectivity, reluctance of talent from the rest of the country to work in the State and poor network of educational institutions in IT. The long term strategy for success in the sector would require peace, connectivity, vibrant hospitality sector and skilled manpower.

Problems

The level of employment in every economy depends upon many economic factors. Among these factors the rate of growth of population has an important bearing on the volume of employment. With the rising rate of population growth, the size of economically active population will increase however in real terms opportunities will decrease. If the job opportunities in all three sectors, i.e. primary, secondary and tertiary do not commensurate to the economically active population i.e. labor force, it will result in generation unemployment.

The state of J&K is rich in natural resources such as land, forests, water and minerals and its climate is suitable for the establishment of many important industrial activities such as manufacturing of silk, cotton and woolen textiles, chemicals, etc, but in spite of this, the state has failed miserably to make the best use of these resources for the betterment of people. The

state of J&K is facing serious problem of under utilization of human resource. There is acute shortage of trained personnel in the state of J&K. The majority of the workers in both agricultural and Industrial sectors are illiterate and untrained and consequently, their productivity is extremely low. The labor force of the state is less efficient due to low wages, uncongenial working conditions and absence of training facilities. Therefore, it follows that the state is not making the optimum use of human resource, and in fact, under –utilization of man power is one of the important factors responsible for retarding economic growth in the state.

Agriculture is the main occupation of the people of J&K. Although agriculture is the biggest industry in J&K engaging 75 percent of the total population, yet it is in the strong grip of backwardness. Keeping the facts in view, there are many problems in the state related with study. The **first** problem is violence and turmoil in the state. Due to dispute and conflict over Kashmir region, the educated youth find it endanger to move outside state for opportunities of better jobs. Most of India moves towards greater openness in the world arena, however, Kashmir region is closed one due to animosity between India and Pakistan over this region. Violence and turmoil adversely affected our industries. Tourism as the one of the main industries in the Kashmir valley has suffered tremendously due to violent activities. It has declined substantially since late 1980s when military gained momentum. It is estimated that state lost 29 million tourists from 1989-2002 leading to tourism revenue loss of \$ 3.6 billion. Tourism is considered to be an economic bonanza for J & K state because industrial development is very limited to hilly terrains. Being a labor-intensive industry, the scope of employment in tourism is very vast. Tourism is regarded as multi-segmented industry, therefore provides different types of jobs like hotel managers, receptionists, guides, tour operators, travel agents, photographers & many other jobs which are required to

strengthen the tourism. Thus long years of militancy and violence have adversely affected tourism sector along other sectors.

Second, rough terrain and lack of infrastructure has been a constant hurdle in the industrial development of the state particularly Kashmir region. The industrial structure whether public or private is in shambles thereby failing to absorb a big chunk of educated youth of the state. Due to weak or no private sector, the educated youth of the State have cloned themselves only towards government sector which is already disguised and seems to have reached a point of saturation in terms of absorption of educated manpower.

Third, Self-employment schemes launched by the government have got poor response particularly from rural educated youth of the state due to cumbersome procedure of getting finance for such schemes and lack of orientation and entrepreneurship training among them.

Fourth, there has been damage to the physical infrastructure due to militancy and the disturbances have also eroded the intellectual capital. The youth have had to live with disruptions in education, which has impacted their ability to compete. The relatively better off, were able to send their children abroad or to reputed institutions within the country but others with limited means did not have this option.

Fifth, Political instability set back to investment both domestic and foreign investments which in turn lead to un exploitation of huge natural resources for which the state of J&K is known for . Political instability also channeled the local investment into real estate rather than into productive sectors like agricultural and industrial sector. Political instability, since 1990s has lead to huge diversion of resources from productive sectors to the maintenance of law and order problems.

Sixth, there is Shortage of entrepreneurial abilities. It is known fact that entrepreneurs play a vital role in economic

development. According to Schumpeter, it is the entrepreneur who takes the responsibility of advancing the economy economically through experiment and innovation. Indeed, no economy can achieve any tangible success in the field of development unless daring and dynamic entrepreneurs come forward and play positive role in up lifting the economy through experiment, discoveries and innovations. Unfortunately, the state lacks entrepreneurial abilities. This has also been one of the major causes of industrial backwardness of the state.

Seventh, there is inadequate attention paid by the state government to industrial development of the State. It is now widely accepted fact that it is the responsibility of the state to provide necessary infrastructure for industrial development. The state has to start new industrial units and invest more in those industrial concerns which do not attract private investment. The public sector in the state of J&K has to play a vital role in improving the performance of its own industrial units. Besides, it has also to provide tangible facilities to induce private investors to expand their units on the one hand and start new ones on the other.

Eighth, there is deficiency of Capital. Capital plays a significant role in economic development of a country. Capital is a backbone of economic development. In India, the rate of capital formation is very low. Low income and wasteful consumption are the main cause of low levels of savings and investment in the economy. What is true of the country is also true of the J&K State. The low rate of economic growth in J&K economy is the result of low rate of capital formation and the state can't advance economically unless the rate of capital formation is increased.

Ninth, there is critical Climate in J&K. Kashmir possesses a variety of climate owing to the widely differing altitudes. For instance, Jammu has tropical climate, while Kashmir situated in the sub-tropical area is subject to an extraordinary variations of temperature. After of May, it is

similar to that of Switzerland and before that (December to March) snowfall is in intense which restrict people to work and the intense cold as are in Arctic regions in winter.

Tenth, the State of Jammu Kashmir is surrounded on all sides by mountain ranges big and small. Due to these mountain ranges the state is isolated. All these mountains come within the volcanic range and therefore earthquakes of great intensity occur here.

Eleventh, the educational system is yet in a lopsided position where main focus is given on theory rather than on practical knowledge. As a result educated youth of the state have failed to keep pace with the changing market demands of the present day economy.

Keeping the above facts in view, people are suffering many other problems also in finding the employment opportunity. Injustice and inequality in employment opportunities creates chaos with regard to law and order which endangers social and political stability. The intensity and magnitude of the problem make the efforts of the government futile in providing relief, absorbing the abundant and underutilized human resources and increasing the level of material well-being. Rural population is facing a burning problem in finding jobs in secondary and tertiary sectors and whose contribution is more than 70 percent in J&K. The plight of health services is equally bad and there is lack of information and opportunities of job. Life is tough for the job seeker youth. Whatever may be the scheme or contract, the labor has to compromise on various fronts. He has to bribe in every step. He migrates to cities and sometimes tries his luck in petty or serious crimes for quick money. Frustrated by joblessness, educated youth take place in toxic substances to overcome stress and anxiety. Thus he is alienated from both village and town.

It was observed that due to conflict situation in Jammu and Kashmir the parents feel insecure to send their youth

outside state for better job opportunities. I would like to quote the statement of Hurriyat Conference chairman Mirwaiz Umar Farooq (Greater Kashmir Sep. 12, 2009), ***“discrimination against Kashmiris in the selection for government jobs won’t be tolerated as kashmiri youth are kept away from government jobs which is a part of conspiracy against the younger generation of valley. He further add that kashmiris were being labeled as terrorists to prevent them from moving outside state for job, youth are being denied passports, visas and other travel documents on this ground. It is being done deliberately to restrict them from moving ahead in life”***. Majority of respondent said that it is better to earn five or six thousands here than to move outside state for fifteen or twenty thousands. After all it is the closed structure of our economy which has made our awareness or outlook also closed. These indicators show that the state is moving far away from the goal of industrial and overall economic development.

Solutions

It is suggested that the state government should take steps immediately to remove all the obstacles in order to get rapid industrialization and overall economic development. The state should reduce its expenditure on unproductive items and the resources released therefore should be utilized for the developmental programmes’. The government of Jammu and Kashmir should fulfill certain efficiency criteria’s expressed in terms of following broad policy goals:-

1. Educated youth of J&K have cloned themselves only towards government jobs due to security reasons. There is urgent need to implement the New Pension Policy (that is, No Pension for Fresh Recruits from 2010) announced by the cabinet. This policy will help to reduce the burden as the present youth will explore and find

their jobs almost equally in the private sector as is being done in the government sector.

2. Being closed economy, J&K State has not been able to invite Foreign Direct Investment (FDI) and develop industrial sector due to its natural endowment position and other causes especially political instability. It has been unfortunate that during past six decades the governments in power have failed in creating an industrial culture in the state and instead have promoted a "*Babu Culture*". It is high time for discouraging babu culture and promoting entrepreneurship and industrial culture which could gainfully absorb a big chunk of educated youth of state and sustainable development of all sectors.
3. Youth of J&K especially of rural Kashmir are averse to develop the habit of entrepreneurship culture, depend on traditional crafts and do not believe in new innovation. So to make these people aware about latest trends in career planning and for choosing their careers especially at the +2 level, career counseling sessions are being held from time to time by the department of employment at various educational institutions in the Jammu and Kashmir State where renowned career counselors both from within and outside the State are invited to deliver the career talks. There is need to make such programmers a routine and a part of curriculum at Secondary level. The issue of financial assistance to the trained personnel has to be regularly reviewed in the State Level Bankers Committee, District Consultative Committee and Block Level Bankers Committee in order to encourage these technically qualified youths to state consumer goods industries like mobile companies, mobile repair systems or other units related to their ITI skill.

4. For the correct estimation, the government should take all those necessary measures which will attract youth to get registered with employment exchanges so that exact magnitude of educated youths of the state is known and reliable data is available. Because any recruitment made by the selection committees likes Public Service Commission, Service Selection Board etc. are done on the basis of employment exchange figures which are far less than the actual. For this purpose the Compulsory Notification of Vacancies Act should be effectively implemented. The new employment policy is an encouraging and welcome step in this direction undertaken by the present Omar Abdullah Government, but there is need of complete and full implementation of this policy.
5. The educational system is yet in a lopsided position where main focus is given on theory rather than on practical knowledge. Practical knowledge should be given to the present youth. As a result educated youth of the state can face the changing market of world.
6. Because of dispute over Kashmir region, the educated youth find it endanger to move outside state for opportunities of better jobs. Most of India moves towards greater openness in the world arena, however, Kashmir region is closed one due to animosity between India and Pakistan over this region. There is need of permanent agreement between these two countries so that peace full environment will be created once for all in the state.
7. Economic sectors are also affected by political factor. Political instability set back to investment both domestic and foreign investments which in turn lead to un exploitation of huge natural resources for which the state of J&K is known for. Political instability also channeled the local investment into real estate rather than into productive sectors like agricultural and

industrial sector. So there is need of political stability in our State.

8. Manpower too plays a significant role in the economic development. No region can advance economically unless it has sufficient man power to take full advantage of the natural resources and thus promote the cause of economic development. The labor force supplied by population must be efficient to make optimum use of available resources. Efficient and skilled laborers accelerate the growth of economy whereas inefficient and unskilled force retards it. Just as development depends upon the full utilization of the natural resources, in the same way it also depends on the full utilization of the human resources. Therefore, it is essential to make full use of human capital to accomplish the goal of economic advancement of the people.
9. Government should fulfill basic targets of plans and policies. Youth inherent many of the environmental, economic and social problems created over the past decades. More enlightened societies are aware of the problems but become frustrated in their individual attempts to solve these problems. Educated youths have no stable and durable employment. The main objective of our economic policies, right from the first FY Plan has the provision of gainful employment opportunities. However, every plan ends up with a great backlog of people.
10. Agriculture sector should not be totally neglected. All sectors are mostly dependent on it. Occupational pattern of the state has shifted from agricultural sector to non-agricultural sector that shows us the good path of development on the one hand and agricultural backwardness on the other. For the sustainable development of the state it is necessary that agricultural

sector of the economy should be developed which can give support to both manufacturing as well as service sector of an economy.

11. There is need of peace process which leads towards progress to all sectors of economy from all sides. Chief Minister Omar Abdullah said (*Greater Kashmir, May 22nd, 2012*) the issue of unemployment cannot be solved by providing government jobs to the unemployed youth. Speaking at a public gathering in Nagam area of Budgam district, Omar made it clear that his Government cannot provide jobs to all educated unemployed youth. "There is no state in India or any other part of the world where unemployment issue has been addressed by providing Government jobs," he said. ***"The youth must explore other options other than Government jobs to earn their livelihood. But for that, peace has to return to the state."*** Omar said *"today there's a huge rush of tourists in Kashmir and all hotels are jam-packed. The tourists don't get vehicles to travel towards different tourist destinations as most of light motor vehicles have prior booked. A private taxi driver is able to earn 30,000 to 40,000 a month. So why shall he ask for a Government job if this thing continues. But for this thing to continue, peace has to return to the Valley."* So prerequisite solution is peace in state which will bring all progress to state.
12. Today the state of J & K is facing serious problem of under utilization of human resource. There is acute shortage of trained personnel in the state of J&K. The majority of the workers in both agricultural and Industrial sectors are illiterate and untrained and consequently, their productivity is extremely low. It follows that the state is not making the optimum use of human resource, and in fact, under –utilization of man

power is one of the important factors responsible for retarding economic growth in the state.

In J&K State the unemployment rate currently stands over 6 percent and despite various measures from the government, it has not declined. In the backdrop of so many employment generating schemes it is expected that the problem of unemployment can be tackled very efficiently but the poor implementation has made the process very difficult though not impossible. Government needs to adopt a proactive approach in this case and should take all necessary steps to remove hurdles in implementation of schemes and make the all implementing agencies right from sponsorship to establishment of income generating units accountable. Moreover, in all districts a grievance cell particularly for this purpose should be established. To solve this gigantic problem government needs to have a firm decision, commitment and a will.

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