CONCLUSION

Economic profile of the state of Jammu and Kashmir on the eve of India’s Independence was extremely distressing. The economy was in an underdeveloped condition—characterized by the lowest per capita income and consumption-level amongst the states of the Indian subcontinent. Mortality rate was high and literacy rate was low. The major explanation for economic stagnation was the denial of state support to industry and agriculture, and the lack of investments on social infrastructure such as education and health services. It is pertinent to mention here that the state’s support to agriculture and industry is indispensable during a country’s early stages of development.

After 1947, on account of different developmental programmes, the economy of the state underwent great transformation. In some spheres it witnessed considerable gains and in some others the gains were commensurate with the all-India pattern. The achievements were palpable in the increase in–aggregate as well as per capita income, diversification of economic activities, growth of physical and social infrastructure, increase in literacy rate and decrease in mortality rate. The trends in the standard of living, as reflected by the consumption pattern, also signified marked improvements over the years. However, the dependence of the state on the financial transfers from the centre registered a tremendous increase since the inception of economic planning in the state. This was so because the political instability in the state translated into extremely weak governments, whose legitimacy was in question, and therefore, the willingness to pursue rational economic management in terms of either raising resources or pruning expenditure was extremely limited. The period under reference, therefore, witnessed lack of mobilization of enough resources within the state, subsidization of consumption, and a disproportionate expansion of the services sector. The state’s full production potential had remained constrained and its dependence on the outside markets, even for the products in which it enjoyed a comparative advantage or where there were vast potentialities, had grown over the years. Besides other things foodgrains,
vegetables, mutton, butter and ghee continued to be purchased from outside markets putting a high burden on the state exchequer.

During the period under study, agriculture- the predominant sector of the state economy- underwent tremendous transformation on account of the forward-looking policies of the new government. The thrust of policies in the first decade of planning was on institutional and agrarian reforms. The radical restructuring of land and land relations- land was transferred to the actual tiller with a ‘bundle of rights’ of permanent nature, without any compensation being paid to the original owner of the land- broke the subalternity of the peasant, which was materialized by the structure of property and institutionalized by law, thereby, freeing him from subjection and medieval autocracy. The substantial decrease in land revenue in the beginning and its subsequent abolition under the land reform programme did ameliorate the condition of the peasant and enabled him to save and invest money on other basic necessities of life. The economic emancipation of the peasant paved way for his social advancement as well, motivating him to educate his children and avail facilities of better health and cultural advancement. Land reforms also fostered the phenomena of occupational mobility, inter-caste marriages and gradual shift from joint to nuclear family pattern. However, although land reforms succeeded in empowering a large section of the cultivators but nevertheless, the arbitrary nature of the distribution led to unequal concentration of land among the peasantry. The objective of distributive justice was further mitigated by some of the provisions of the land reforms legislation, especially the exemption of orchards from the preview of ceiling laws and fixation of the ceiling limit on individual instead of family. The exemption of orchards from the ceiling limit became the main cause of the emergence of income inequalities in rural areas, giving rise to what is sometimes referred to as neo-landlordism. Nevertheless, the transformation of rural economy had far-reaching political consequences. Land reforms created an ever-lasting political constituency for the party in power in rural areas but at the same time it
antagonized the most influential section of Kashmiri society namely Kashmiri pandits, who being the main beneficiaries of the feudal and sectarian rule of the Maharajas, were hit hard by the land reforms. It is pertinent to mention here that since the orchards in Kashmir were economically very remunerative, therefore, the immunities of the highest echelons of the Kashmiri society remained more firmly in place than their counterparts in Jammu, which antagonized the latter and ultimately, in conjunction with certain other things, created a psyche of regional discrimination among the people of Jammu.

Simultaneously with agrarian restructuring the public investment in irrigation infrastructure stepped up significantly. Besides providing food security to the peasant of the hitherto un-irrigated lands thereby, leading to their socio-economic emancipation, canal construction had political dividends as well. The canal areas became political constituencies of the political figures who appeared to have contributed to the cause of canal building. However, despite being the heavily invested sector of the state economy the state in general and the Valley of Kashmir in particular could not be transformed into what may be called a hydraulic society. The potential of irrigation created and utilized in the state remained meager in comparison to the investments made. Therefore, irrigation in Kashmir proved a costly experiment.

After mid-1960’s Kashmir agriculture underwent further significant changes. The application of new technologies especially high yielding seed varieties and chemical fertilizers led to considerable increase in food production. However, although the high yielding varieties were neutral to scale, they were not neutral to resources; therefore, high yields could only be obtained under certain optimum conditions: optimal irrigation; intensive use of fertilizers; pest control using chemical pesticides, which were out of the reach of the ordinary peasant. No doubt, the degree of acceptability of the new technologies vary from cultivator to cultivator, depending upon the level of exposure, access to other complacent outputs especially fertilizers, and credit facilities but in case of Kashmir, the scale neutrality characteristic of the
technologies played key role in spreading the technologies to all categories of the farmers- small, marginal and large. Furthermore, the overall yield rates were not, in any way, positively correlated to farm-size and the gains of the new agricultural strategy were found to be size neutral. The new technology instead of increasing inequality led to the overall decline of the same among the progressive farmers. The inequality in farm income distribution, if any, was in line with the inequality in farm size distribution. Nevertheless, it is important to highlight here that besides market forces like supply and price, the adoption of new technologies in Kashmir was also determined by the peasant discourse on agriculture– HYVs were thought to render the soil weak in the long run and fertilizer use was believed to decrease taste of the crop. Having said this, however, it is important to mention here that the impact of the new technological changes in Kashmir was not as path-breaking as it was in the plains of India, especially Punjab. The productivity of food grains in Kashmir increased only marginally in comparison to that of Punjab. This was so because the technological environment was unfavourable with the research programmes too concerned to diffuse foreign technology without adequately adapting it to the local ecological and economic conditions. The institutional bases of research were poorly developed and the different research programmes and schemes had become highly individualistic and hence static by content, context and facilities. Upto the establishment of the Agricultural University, there was hardly any interdisciplinary interaction or coordination among the different research programmes and schemes. Therefore, the Mexican varieties could not be modified and acclimatized to the local conditions and new varieties specific to the climatic conditions, especially early maturing and cold resistant, of the state could not be evolved. Moreover, owing to different factors Viz. topographical constraints, low land-labour ratio, low cropping intensity, and the costliness and scale bias of the mechanical innovations the state remained poorly mechanized during the period under of reference. The agriculture of the valley continued to be dominated by ploughs and the use of improved machinery had not come into force on a large scale except in apple
farms. Therefore, due to a multitude of factors Viz. dearth of location specific high yielding variety seeds, low consumption level of fertilizers, lack of awareness of the cultivators regarding the requirements of the new seeds and poor mechanization, the state could not witness what in true sense is called Green Revolution.

Another significant development in Kashmir agriculture during the period under reference was the large scale commercialization of agriculture. However, unlike commercialization of agriculture in India, which was a pre-1947 phenomenon and was largely the result of the appropriation of revenue in cash and British industrial demands for raw materials and was promoted by the economic forces like railways, commercialization of agriculture in Kashmir was a post-1947 process. Commercialization of agriculture in Kashmir was neither a forced phenomena nor the result of any single factor, like exemption of orchards from ceiling laws as often believed, but was a voluntary process promoted by a multitude of factors which included: high remunerative value of the crops, land restructuring, decrease in the state demand of revenue and its subsequent abolition, heavy investments in the development of rural infrastructure, construction of roads, development of irrigation infrastructure, adoption of new policies for market creation– both local and distant-, and the introduction of new technologies viz. high yielding varieties of seeds, fertilizers and modern implements.

On account of the high returns per acre and short gestation period as compared to almonds and walnuts, apple had become the darling fruit of the grower and fruit industry in the state attained the status of apple industry. Although the productivity of the fruit was highest in India and well in comparison to the world average, however, in comparison to the countries like Belgium, Austria, Netherlands and Brazil the productivity was very less. Moreover, the weak links of the fruit sector were those of marketing and processing. The fruit market was dominated by forwarding or commission agents at Delhi operating through their agencies in Kashmir. Lion’s shares of
the returns were pocketed by the agents. Despite the establishment of a separate department of ‘Horticulture, Planning and Marketing’, in 1972, for attending the problems like low returns to growers, export of poor quality of fruit, non-availability of transport during peak season, shortage of packing material and monopolistic role of commission agents and traders, the influence of the forwarding or commission agents could not be removed considerably. This was so because the growers, especially small and marginal, were largely ignorant about the institutional credit facilities and very often preferred the agents over the banks as the same [agents] demanded almost no formalities while availing the credit facility of the bank was a cumbersome process. Nevertheless, an integrated approach to the cultivation and marketing of fruits was lacking all through the period. Although Kashmir produced some of the best fresh fruits of the world especially apples, peaches, plums, cherries, strawberry etc., there was hardly any export of these fruits outside India. The main problems in this regard were: lack of appropriate grading, packing, storage facilities etc. The benefits of subsidies provided through different government programmes were largely availed by non-target groups and the interests of the marginal and small growers, which constituted about 97% of the fruit growers, remained almost unprotected. Moreover, it is pertinent to mention that like tourism, the horticulture sector of the state economy was also exogenously determined– fruit markets being outside the administrative boundaries of the state. The transportation of fruit had its own problems as the cost of transportation was quite exorbitant. For long the transportation policy of the state was based on loading and unloading of fruit boxes en-route and it was with the abolition of the multi-route system within the state and subsequent entry of the state into zonal agreement with the northern states of India in 1970’s, that the position improved considerably.

Another most important cash crop of the state was saffron. The crop offered extraordinary opportunities of progress for the region but its cultivation was limited and hindered not due to natural factors but mainly due to socio-
economic and institutional factors. Illiteracy hindered the adoption of modern agricultural technology and no efforts were made to replace the traditional/oldest varieties of seeds with high yielding varieties, thereby, making the grower to believe in the superstitious notions hence, limiting its extension. Saffron marketing in the state was highly un-organized. It was largely in the hands of middlemen and their firms. The sum margin of the commission of different middlemen resulted into a low profit for the growers. The present study has shown that in marshy and flood prone areas of the valley, which were not fit for the main cash crops, the technological and infrastructural changes injected dynamism into agriculture by greatly increasing the production and productivity of land, thereby making the cultivator, especially paddy cultivators, to look upon agriculture as something more than a way of life.

The Cropping pattern of Kashmir underwent significant change after 1947. This was the result of the development of irrigation infrastructure, introduction of new technologies and commercialization of agriculture. There was tremendous decline in the area under inferior crops like buck wheat, and other coarse cereals and spurt in the growth of horticultural activities. Hill slopes, marginal lands, culturable wastes, pastures, forest land and some lands under major crops like paddy and maize were converted into orchards. It is pertinent to mention that although the area under the food cereals increased but the area under the rice, which continues to be the staple food of Kashmir, increased at the lowest rate thus; highlighting the fact that rice had lost its popularity in the Kashmir during this phase.

The period under reference registered considerable improvement in living standards and consequently a tremendous growth in population as well, which in turn created more demand for food, clothing and additional housing. In comparison to other states of India, the state of Jammu and Kashmir had a younger population. This demographic situation could have been turned out into an extraordinary opportunity had the state trained and educated its youth.
to fit the demographic gap that had opened up in the developed world. However, due to the lack of visionary outlook of the state, the youth bulge in the state could not act as a productive asset- contributing to economic growth, more level economic distribution and poverty alleviation. Instead the youth bulge in combination with urbanization, lack of professional education, lack of industrialization and high unemployment, acted as a suitable ground for social unrest. The whole pressure of the population was therefore, put on the agricultural sector hence drastically reducing the land-man ratio and leading to the large scale fragmentation and sub-division of landholdings, making them economically unviable. Though the use of tractors and development of irrigation infrastructure helped in bring in more land under cultivation, however, the mushrooming of new colonies- horizontal construction of real estate’s- led to the further shrinking of the agricultural land. Having said that it is important to mention that though man-land ratio in Kashmir was considerably more in the dry belts however, agriculture by and large remained a subsistence sector except in those areas where the cropping pattern was dominated by cash crops.

Livestock the most potentate sector of the state economy among the non- crop sectors underwent appreciable change during the period of the study. Being the most important secondary source of income to an overwhelming majority of the rural population the anti-poverty schemes in the state were mostly livestock- based schemes. However, though there was an appreciable increase in livestock production in the state yet the quality of the livestock population had not undergone any significant change. The most probable reason for the same was that the entire exercise of programme implementation in the livestock sector had centered round Trial-Error Abrogation approach which resulted in wastage of resources. Apart from this the potential of the sector was constrained by the shrinking of common grazing lands and pastures due to human encroachment. Nevertheless, no serious efforts were made during the period under reference to safeguard the common
property sources, so essential for the development of the sector, and hardly any efforts were made to develop rich and quick growing varieties of fodder on high mountain meadows and barren slopes.

The present study reveals the fact that by and large the economy of Kashmir during the period under reference was a dependent economy. Also the growth of so called productive sectors Viz. horticulture, handicrafts and tourism was exogenously determined. The different sectors and sub–sectors of the economy worked in an autonomous way and there was a high degree of disarticulation between them. The traditional forward linkages for production of primary products and backward linkages in the industrial production were not developed.