INTRODUCTION

The state of Jammu and Kashmir lies on the northern fringes of the Indian sub-continent and exhibits a varied geography. In 1947, before 45 percent of its territory became the northernmost state of the Indian Union, the area of this largest princely state in British India was 222,797 sq. km. The state, richly endowed with natural resources and competitive advantages, stretches from 32° 17' to 36° 58' N latitudes and 73° 26' to 80° 30' E longitudes. Morphologically the state of Jammu and Kashmir can be divided into three main distinct physiographic units - Jammu, Kashmir and Ladakh which differ from each other not only in topography but also in culture. These regions are also referred to as Sub-Himalayan Jammu; Himalayan Kashmir and the Trans-Himalayan Ladakh.

The valley of Kashmir, which is the primary focus of our study, is situated in the bosom of the western Himalayas at an elevation of 6000ft, and is encircled by an unbroken chain of heaven high mountains. The scenic and beautiful valley is open to view, beyond the Pir Panjal, after crossing the Banihal tunnel. The valley of Kashmir presents an interesting morphology and the various regions on the criterion of geographical configuration are (i) the Valley Floor, (ii) the Karewas, (iii) the Side Valleys and (iv) the mountain

5 Kalhana in his introduction to the Rajtarangini says of the valley ‘It is a country where the sun shines mildly, being the place created by kashayapa as if for his glory. High schoolhouses, the Saffron, ice-water and grapes, which are rare even in heaven, are common here. Kailasa is the best place in the three worlds, Himalaya the best part of kailasa, and Kashmir the best place in Himalaya’, Walter Lawrence, The valley of Kashmir (Srinagar: Gulshan Publishers, 2002), p. 13. European and Indians alike have gone lyrical on the exquisite beauty of Kashmir. Bernier described it as the “Paradise of the East”; Jahangir wrote that ‘if one were to praise Kashmir, whole books would have to be written’ Sisir Gupta, Kashmir: A study in Indo-Pakistan Relations (New Delhi: Asia Publishing House, 1967), p. 27.
ranges. The average height of the valley is about 1,850 meters above sea level but the surrounding mountains are at an altitude of about 3000-4000 meters\(^6\). Of the physical features of Kashmir, mountain is the predominating feature and has strongly affected the history, habits and agriculture of the people.

Although the valley of Kashmir had been held by ‘outsiders’ from time to time– Akbar defeated the Chaks to annex Kashmir into the Mughal Empire in 1586, the Afghans seized Kashmir in 1756 and it was taken over by the Sikhs in 1819– however, the installation of the Dogra dynasty by the British in 1846 marked the beginning of perhaps the most oppressive phase of its history.

During the Dogra rule, the industrial development in the state was almost negligible and agricultural economy, the predominant sector of the economy, was stagnant. The agrarian structure, characterized by feudal land relations and primitive technologies, was extremely regressive. Resources were siphoned from agriculture without any *quid pro quo* thereby, subjecting it to an internal drain of capital. In fact, the Dogra state adopted policies inimical to the process of development and introduced changes which led to what A. Gunder Frank describes as the ‘development of underdevelopment.’

Against this background, there was a widespread consensus among political leaders about the directions of economic policy after the end of the Dogra rule and it was unanimously agreed that the state should take direct responsibility of the state’s development and must be the primary instrument for changing the existing economic structure and bringing about growth and development. In fact, National Conference, the main political party of the state, had framed a comprehensive plan for the Socio-economic, politico-cultural reconditioning of Jammu and Kashmir state, which was adopted in its September 1944 session in Srinagar as the objective of the party and came to be known as *New Kashmir Manifesto* (*Naya Kashmir*). It is therefore, not surprising to see that immediately after assuming power the new government

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envisaged to release the economy from the dominance of institutional depressants and therefore, embarked upon a series of agrarian reforms. In fact, Jammu and Kashmir was the only state in the Indian sub-continent where the most sweeping land reforms were introduced leading to the redistribution of land without giving any compensation to the expropriator. Agriculture witnessed further transformation on account of the development of irrigation infrastructure, transportation revolution and introduction of new technologies Viz. High Yielding Varieties, Fertilizers and Modern Implements. On the whole, the reconstruction of the state economy received further fillip with the inception of economic planning in 1951. Over the last decades the government launched several programmes aimed at tackling the problems of poverty, unemployment, disease and illiteracy.

Though there is a vast plethora of literature available on the post-1947 political history of Kashmir, with of course competing and conflicting notions, however, the economic history of the province during the period 1947-1989 was absolutely neglected by the historians. This was so because Jammu and Kashmir had been the bone of contention between India and Pakistan and a number of wars were fought on its soil between India and Pakistan, and India and China, which attracted the historians and other scholars to study its political history while ignoring the economic, cultural and other branches of history.

Even for the overwhelming majority of the economists, the study of the state’s economy had not been the area of concern and therefore, the economy of the state remained the least studied sub-national economy of India. Nevertheless, the little number of studies conducted by economists and research organizations on various aspects of the state economy Viz. *Agricultural Development of States in India, vol.1: Jammu and Kashmir* [N. S. Gupta and Amarjit Singh, 1979], *Poverty, Planning and Economic Change in Jammu and Kashmir* [M. L. Mishra and M. S. Bhat, 1994], *Panorama of Agriculture in Jammu and Kashmir* [Nisar Ali, 1992], *Economic Consequences of*
Introduction

*Agrarian Reforms in Kashmir* [Unpublished Ph.D thesis of B.A Khan, 1982] mostly deal with the sectoral problems of the State Economy at different points of time and, hence, offer limited options for macro-economic planning. Only few studies have attempted to study the transformation of the state economy in its entirety. These studies besides others include: Techno-Economic Survey of Jammu and Kashmir [NCAER, 1969] and Development Review Committee Report [Government of Jammu and Kashmir, 1976]. The NCAER’S Survey presented a detailed review of various aspects of the state economy such as agriculture, livestock, fisheries, forests, minerals, power, industries transport, tourism, finance, pattern of growth etc.; identified the factors responsible for the economic backwardness of the state and presented a strategy of development for the decade 1966-76. The survey however, covered the period of the first four Five Year Plans only. The Development Review Committee highlighted some important issues of the economy but the potential sectors of the economy, especially agriculture, were given only a surface treatment. Besides, the aforementioned studies a number of commissions were set-up by the state government to analyse and examine the policy decisions of the state from time to time. Some of such Commissions were: Land Commission [1963], Gajendragadkar Commission [1967], Bhagwan Sahay Commission [1968], Sikiri Commission [1980].

The lack of concern of the economists towards the study of the economy of Jammu and Kashmir during the period [1947-1989] can be explained on account of the fact that although there had been an overwhelming presence of state economies in the overall level of economic activity of the country, however, the spotlight had traditionally been on national macro-economic situation and there was lack of adequate appreciation of the potential of sub-national economies. The basic analytical framework to study the macro-economics of the states, therefore, could not evolve. Furthermore, since each subject has its own specific ambitions and follows its own specially designed methodology to achieve its fixed targets, therefore, the studies by economists
are of no match to the studies by the historians who approach a given economic structure through an entirely different way.

The importance of the micro/regional economic studies came to be acknowledged world over in the 1980's when Postmodernism was at its zenith, at the height of academic fashion, marking a profound impact on development theory and development studies.\(^7\) Around the same time there was an important political change in India wherein regional political parties started playing a key role in the formation of government at the centre level; and this combined with the intellectual impact of liberalization and globalization, had dissolved the cohesiveness of national debates about economic development\(^8\). The re-orientation of the national economy, in 1991, from the statist, centrally directed and highly controlled economy to what is being described in the current economic Jargon as *market friendly economy* played a key role in promoting the sub-national economic studies in India. This was so because not only did the reforms ushered in a phase of globalization, thereby accelerating the process of greater integration of the Indian economy [macro-economy] with the world economy but it also opened new horizons for the sub-national or state economies. However, this phase of the globalization of the Indian economy coincided with the emergence of insurgency in Kashmir; thus attracting the historians and other scholars to study the political history while continuing the negligence of the other branches of history especially economic history.

The present study has, therefore, been undertaken to objectively analyse the economic trajectory of Kashmir since 1947 and aims at understanding the development processes in the state from the historical perspective. It is worth mentioning here that economic history and development have always been

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\(^7\) Tom Brass, *Peasants, Populism and Postmodernism: The Return of the Agrarian Myth*, (London: Frank Cass, 1999), p. xi. It is worth to mention here that though *postmodernism* is a set of plural discourses lacking coherence however; its dominant feature is that of its incredulity towards Meta-Narratives and the emphasis to move from the General to the Specific or from the Macro to the Micro.

intimately related, with the issues of development and growth being the overwhelming pre-occupations of economic history from its very inception right to the present.\(^9\) According to Coats, ‘economic historians have always regarded the study of long term economic change as an integral part of their work, if not its raison d’être’.\(^{10}\) Goldin also rightly remarks:

‘In economic history the questions typically concern, how whole economies have developed, why some grew while others did not, and what the consequences of economic growth have been. In this way economic history is very much related to development economics’\(^{11}\)

The study however, primarily focuses on the post-1947 agricultural developments in Kashmir not only because agriculture formed the backbone of the economy and continues to be the predominant occupation of the overwhelming majority of the population of the state, but also because of its special powers in reducing poverty. According to the *World Development Report, 2008*, “Agricultural growth has special powers in reducing poverty across all country types. Cross-country estimates show that *Gross Domestic Product* [GDP] growth originating in agriculture is at least twice as effective in reducing poverty as GDP growth originating outside agriculture”\(^{12}\). Economists have, therefore, long recognized the importance of this sector for initiating and sustaining economic growth. The famous economist Kuznets rightly argues that a rise in productivity in agriculture is a pre-condition for economic growth and structural change. Moreover, agriculture and especially the agriculture of the *Less Developed Countries* is the stage on which the world drama of population is being played. Studying Kashmir agriculture in a historical perspective is also significant in view of the fact that owing to topographical constraints industrial

\(^{9}\) Economic growth, in its modern meaning of the term, is mostly an economist’s concept, normally defined in quantitative terms as a rise in per capita income over a period of time while as, economic development, on the other hand, is a much broader concept encompassing all aspects of social transformation from industrialization to modernization

\(^{10}\) A.W. Coats, Economic Growth and Social Historian’s, inaugural lecture; reprinted in Harte, (ed.), Study of Economic History.


sector, which in the words of Montek Singh Ahluwalia was the darling of development of India\(^{13}\), could not be developed in Kashmir, thereby providing a central position to agriculture in the state economy. It is thus not surprising to see that although the political economy of India does not have any centre at all the economy of the state of Jammu and Kashmir continues to be dominated by agriculture.

Apart from other things the present study is also significant because it recognizes the fact that although the state of Jammu and Kashmir can be seen as a microcosm of India, given its diversity in ethnicity, language, culture and religion, however, the development models used to study the economy of India and other South Asian economies are largely irrelevant to Kashmir and thus of little importance. This is so not only because of the topographical characteristics of the state, making it a distinct geographical entity in the Indian sub-continent, but its social institutions are also at variance with those of the sub-continent. Also, Jammu and Kashmir by virtue of its special and unique constitutional position in the Indian Union is a case *sui generis*. The institutional structures within which tax, transfers and public spending are designed and implemented are different from other states. Therefore, though there may be some grain of truth in Gunnar Myrdal's theory that the development failure in India is the result of the continuance of traditional attitudes\(^{14}\)– old religious attitudes, cultural patterns, and social structures– but the same model holds little relevance in case of the state of Jammu and Kashmir. The present study besides other things aims at highlighting the factors which were largely responsible for the slow growth of the economy of the state and its dependence on other economies. No less purpose of the study is to bring in focus the interventionist role of the state and its impact on the


\(^{14}\) For details about Gunnar Myrdal’s Theory see *Asian Drama: An Inquiry into the Poverty of Nations*. 
pattern of development\textsuperscript{15}. It is also believed that this crude attempt would be of some help to the scholars with the research agendas of exploring of entanglement among ecology, states, markets and social life. Furthermore, it is pertinent to mention here that the present researcher has tried in general to resist the twin temptations of prescription (of what is to be done) and prognostication (what is going to happen); the major objective has been to understand what has happened.

The present study is based on wide range of sources, both conventional and Non-conventional. Among the conventional sources the focus is on primary sources which included administrative reports, plan documents, budget reports, census reports and other official documents, private diaries, and newspapers. However, much of the data available in the official sources especially census reports are misleading, deceptive with frequent and confusing changes in definitions and categories that cannot be used without great care and circumspection. Moreover, the fragility of the data together with the a lack of adequate disaggregated data, which poses a serious limitation on any attempt to use advance quantitative tools, makes it very often difficult to draw conclusions and make generalizations. It is therefore, very difficult to write economic history of Kashmir by simply letting the data to speak for themselves. Dobb rightly remarks\textsuperscript{16}:

\begin{quote}
It seems abundantly clear that the leading questions concerning economic development …cannot be answered at all unless one goes outside the bounds of that limited traditional type of economic analysis in which realism is so ruthlessly sacrificed to generality, and unless the existing frontier between what is fashionable to label economic factors and as social factors is abolished.
\end{quote}

I have attempted to transcend this limitation by reading the sources against the grain and tapping into an eclectic variety of Non-conventional sources.

\textsuperscript{15}The state has always been seen at the centre of the study of development. This is not just because of its overwhelming importance in promoting or obstructing development. In addition, how the nature and role of the state is understood is part and parcel of how the economy and development are conceived. For more details on the role of State in Development see, Jomo KS and Ben Fine, (eds.), \textit{The New Development Economics After the Washington Consensus} (New Delhi : Tulika Books, 2006).

sources Viz. Folk narratives, oral histories, and interviews to make the study more that of a historical narrative than, to use Emmanuel Le Roy Ladurie’s classic description: ‘history without people’.17

The present study is based on eight chapters and a short conclusion at the end. Chapter one attempts to explore the different dimensions of the economic trajectory of the state since 1947. Besides examining the economic policies of the state, it also brings in focus the main issues which have constrained the economic development of the state. In this chapter an attempt has been made to understand the reasons responsible for the state’s continued dependence on central financial transfers. The chapter concludes with a brief discussion on the structural changes in the economy and brings in focus the sub-sectoral compositions of the State Domestic Product to let one conclude the real nature of the economic changes after 1947.

Chapter two discusses the institutional changes in the agricultural sector. It traces the evolution and revitalization of landlordism under the Dogra rule and its subsequent abolition after the end of Dogra Raj. Besides, examining the nature and implementation of the programme of land reforms due emphasis has also been given to the economic, social and political consequences of this agrarian change.

Chapter three examines the impact of technological changes Viz. high yielding varieties of seeds, fertilizers and modern implements on agricultural productivity. The chapter examines why the adoption of new technologies was not as path-breaking as they were in the neighboring state of Punjab. The crux of the chapter is to highlight the response of the cultivator towards the new technologies and the efforts of the state regarding the development of the institutional basis of research.

Chapter four corresponds to the development of irrigation infrastructure. Besides highlighting the importance of private canals to the

state agriculture the chapter also brings in focus the efforts of the state regarding the construction of Medium and Major Irrigation schemes. The chapter also examines the productive and protective role of canal construction in the state. The impact on cropping pattern is also examined.

The main objective of the fifth chapter is to examine the factors which gave agriculture a commercial orientation. Besides highlighting the significance of horticulture to the state economy the chapter also deliberates upon the main problems faced by the growers. The chapter also brings in focus the efforts of the state towards the development of fruit industry in the state and adequately highlights the weak links of the industry. The questions: why apple and saffron emerged as the chief commercial crops in Kashmir, why saffron cultivation could not be diffused to other areas, have been answered in this chapter.

The impact of technological changes, commercialization of agriculture and development of irrigation infrastructure on cropping pattern of the valley is discussed in chapter six. The chapter also depicts the relationship between the socio-economic position of the peasant and choice of crops cultivated.

The seventh chapter highlights the livestock potential of the state and discusses the major programs launched in the state for the development of the sector since 1947. The status of common property resources [CPR] and their impact on livestock rearing is also examined in the chapter.

The final chapter of the study examines the relationship between population growth and its consequences on agricultural production. Besides exploring the reasons for the decrease in the net area cultivated the chapter also examines the land-man ratio across different topographical regions of the valley. The study ends with a brief conclusion which summarizes the main findings.