CHAPTER SEVEN

Conclusion and Policy Implications

This research sets out to investigate the relative significance of livelihood diversification strategy in two different settings in the State of Jammu and Kashmir. It also sought out to examine the patterns and processes of diversification of livelihood activities in an attempt to explain the factors that influence why and how rural people in localized contexts undertake diverse livelihood strategies; and, the outcomes of such strategies. In addition, the present study analyzes the role of the State in providing social security to the households through various on-going government schemes. The knowledge gained from the analyses of the challenges that rural households face in composing their livelihoods was expected to shed light on the prospects for improving the well-being of the households. In order to realize the objectives of the study, this research seeks to integrate quantitative analysis with the perceptions and real life experiences of the households themselves, using data and information generated specifically for this purpose.

In the light of the above background, we approached the issue of rural development and livelihood diversification in two ways: first, by examining the macro-context in which livelihood changes has been taking place in the State; and second, by studying the livelihood issues at the micro-context in the sample villages. The Sustainable Livelihood Framework was used in this study to analyze variations in resource endowments between the study areas, including their implications for livelihood opportunities. This analysis provided a general framework for explaining the patterns of livelihood activities of each study area. In what follows are the main findings of the study.

In the macro-context, it is seen that the State of Jammu and Kashmir provides an extremely interesting pattern of growth. While the Indian union has a booming service sector and a stagnating agricultural sector to contend with, the situation
is quite contrary in the State. With the escalation of militancy in the State, military presence has increased. It has affected adversely the service sector growth in the State. Also, industrial growth has been affected by militancy and in the absence of an alternative, people has turned to agriculture for survival. Fortunately, agriculture has been able to respond positively to meet the requirements of the people who depended on it and has registered impressive growth rates.

The cropping intensity has shown a slow increase. It is argued that a good part of the total cropped area is getting devoted to non-food grains. In other words, it is the cultivation of vegetables and fruit crops that has dominated. Dis-aggregated analysis across regions shows that the shift towards non-food grains is noted significantly in the Kashmir division and not in the Jammu division. Ladakh division also shows a trend towards diversification. Division-wise analysis revealed more improvement in Kashmir division than in Jammu division and Ladakh division despite turmoil. There is also an evidence of increase in the irrigated area (as well as irrigation intensity) in the State during the past three decades. Apart from area under non-food grains and gross irrigated area, the main drivers of growth in the States’ agricultural sector were the cropping intensity, the terms of trade and the per capita income. It is also seen that the importance of livestock keeping has tended to decline, which might be attributed

*inter alia* to the restricted access to common property resources (CPRs) in the State.

The agrarian structure of the State has been shifting towards marginal farms with respect to both ownership and operational holdings during the past three decades. The incidence of landless households is very low in the State as against the all-India situation. Changes in tenancy indicate that the households which do not operate as well as those which neither own nor operate any land have fallen substantially in the course of time. They were mostly engaged in the agricultural labor activities in the State. Further, the proportion of households owning but not operating land was found to be stagnant, which indicates that the cultivation was not remunerative for them.
Notwithstanding the shift to manufacturing and tertiary activities, cultivation still remains the dominant livelihood strategy among workers in the State. This is evident from the fact that about 64 per cent of the total workers in the State depended on the agricultural sector for employment in 2004-05. It is partly on the account of high percentages of rural illiterate workers among those engaged in cultivation. More disaggregated analysis suggests that majority of the workers engaged in cultivation had studied up to matriculation/higher secondary level. The other possible reason behind the clinging of vast majority of workers on agriculture is due to the lesser opportunities in sectors other than agriculture, which can be partially attributed to insurgency in the State.

The sustainable livelihood framework utilized in the present study invokes a broad conception of resources, considering livelihoods in terms of access to five types of capital assets. People create these resources through livelihood strategies, which continues to influence their choices and strategies. The analysis at micro-level shows that as far as access to livelihood capital is concerned, there is a clear bias against the lowest one-fourth of the households and poor households in both the regions. Livelihood diversity index supports our argument that diversification was more in the less-developed than in the developed region. Moreover, we find significant mean differences in the livelihood diversity at household level: by regions, by quartiles and by caste categories.

On the basis of regression results, we found evidence supporting the hypothesis that diversification increases income. In particular, households with more diversified portfolio have more income as compared to less diversified or specialized households. The findings of the research show that diversity increases household earnings regardless of the location.

In terms of livelihood diversity impact on outcome, we found that those residents who have more institutional support, higher education and more tendency to take risk have positive effect on household average earnings, while large size of the household, scheduled caste and female-headed household have a negative
effect on earnings. These findings are in line with studies undertaken elsewhere. On the other side, qualitative information highlights that the households in less-developed region have adopted livelihood diversification as a coping strategy to minimize the price risk, weather risk, and crop failure. The rearing of livestock played an important role in reducing risk. As one move from regions with lower levels of income to higher levels of income, a rise in the expenditure on education is noted. This indicates the accumulation of human capital. It is also seen that those who have more social capital and less insecurity are found to be less diversified.

Notwithstanding the implementation of many policies and programs to provide welfare to the masses by the State government, the issue of social insecurity continues to be high in Jammu and Kashmir. It is evident from the analysis of our field survey that as we move from one dimension of security to another, the study highlights the glaring disparity in various dimensions of security in the sample regions of the State. This brings an argument that the special status attained by the State seems to be unfavorable in providing certain levels of security. It does not, however, mean that there has been a dearth of policies and programs in the State. But the efficiency in realizing adequate public good out of them has always been at low ebb. The following paragraphs pertain to the implications of the research findings.

There was huge debate in the literature regarding the meaning of livelihood diversification. It may occur both as a deliberate household strategy and as an involuntary response to deal with an uncertain environment at household level. It is not the intention here to resolve conflicting interpretations of diversification. There is no need to do so because the causes and consequences of diversification are differentiated in practice by location, assets, income, opportunity and social relations, and it is not therefore surprising that these manifest themselves in different ways under differing circumstances. The point here to be noted is that households respond differently to their vulnerability depending on the level of their asset ownership. These differences in five-fold assets were also observed in our sample households as depicted by pentagon and analysis suggests a clear
bias against the lowest one-fourth of the households and poor households in both the regions. Livelihood diversity index supports our argument that diversification was more in the less-developed than in the developed region. This is also supported by the econometric analysis. Though livelihood diversity increases income of the households irrespective of the location, from policy point of view, our results suggest that livelihood diversification is not solely a panacea to achieve sustainable rural livelihoods. This is reflected in the low levels of monthly per capita income (or consumption) of the households belonging to the less-developed region despite multiple sources of income in the region as compared to the developed region.

A strategy for sustained improvements in livelihood in an inaccessible mountainous state has to be based on the specificity of its location and resource base. We have noted from the analysis that there is less scope for the expansion of land for cultivation as land base is degrading and is expected to get more meager in the near future. More precisely, diversification has to be based on a comparative advantage that its natural resources offer. Owing to variations in climate, soil and nature of irrigation, agricultural operations and the system of cultivation would naturally vary from region to region in the State. In hilly areas, the optimum strategy would be to bring the maximum area under forests to promote afforestation. At lower elevations, where transport and marketing facilities exist, orchards should be extended, while in the valley and plains, more area should be brought under cultivation.

Nonetheless, it is argued that dependency on agriculture for survival may not provide sustainable livelihood to households, which necessitates them to find out some supplementary sources to attain a decent living. The situation is more rampant when it comes to the State of Jammu and Kashmir. The prevailing atmosphere of armed militancy in Kashmir during the past decade has been a major factor for slowdown of economic activities and is not conducive to attract more private investment in the State. Consequently, it has left the industrial sector in its infancy, thereby impeding the employment and income-generation opportunities. Moreover, we found the glaring disparity in the benefits derived
from various government programs in terms of social security across sample households in the study area. Broadly speaking, the role of the State in providing social security to the households was not very much impressive as indicated by the surveys conducted by the Government of India in the State. The main problem, they found, is with both design and implementation of the programmes.

There has not been a suitable strategy for the potential sectors to achieve higher rates of economic growth. Lack of good governance and sound fiscal management has also been responsible for the poor economic growth of the State. As a state with unique features and strategic location, the speedy development of Jammu and Kashmir calls for an integrated approach. A sound policy should be devised to exploit the potential in the sectors of strength. Sectors such as horticulture, handloom and handicrafts, biotechnology, tourism and information technology have high potential for development and strong inter-linkages with the rest of the sectors. From the policy perspective, the study indicates the need to create a favorable environment for dynamic diversification of the rural economy in two ways: first, by promoting agriculture and non-farm income linkages in the rural space, and second, by increasing investment in education. To achieve sustainable rural livelihood, it is also imperative to maintain peace in the State which would in-turn promote a conducive environment for private investment.

Like any other studies, it has its own limitations, which no practical research methodology is likely to overcome as they are inherent in the complexity of livelihoods analysis itself. In particular, further research is required to extend the integrated approach to include more explicitly gender-based analyses, urban livelihood systems, and analyses which rigorously grapple with seasonal and long-term secular change to provide more systematic longitudinal analyses of livelihood changes and processes of diversification (and possibly concentration). Limited time, financial and other resources available to carry out a PhD activity did not permit such analyses, which are obvious gaps in this research. Thus, there is a huge scope to carry out some of these analyses in future. Hence, this
would help to gain a fuller understanding of livelihood systems in Jammu and Kashmir and its neighboring states than this research has been able to provide.