



Constraints for economic activities in hilly areas of J&K state: A case study of Ramban & Kishtwar Districts

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Abstract

The purpose of this research paper is to investigate the existing economic activities being carried on in Jammu & Kashmir state and to identify the major economic, human and material resources constraints or problems which are a hurdle for smooth running of such economic activities particularly in hilly areas. The data were collected from 100 households and 50 existing economic unit holders to come to logical conclusions.

Study shows that the hilly areas of J&K State have plenty of natural resources. But there are certain constraints like non-utilization of banking facility, lack of education and awareness, lesser State and Central government initiatives and low inclination towards new ventures, etc.

Study further indicates that there is need for proper efforts on the part of Government, as well, as private agencies to promote economic activities in hilly region of J&K state.

Keywords: economic activities, J&K State, natural resources, finance, government, private, effort

Introduction

Jammu and Kashmir state is located at the Western- most part of the country. Till early 1970s there were only a few resource-based industrial units in the State. After introducing special incentive schemes for the large, medium and small scale industrial (SSI) units in mid seventies, by 1992 about 32,000 SSI units were registered in the State. Likewise in the large and medium scale sectors about 86 units were established in the state. These three segments constitute the organised sector of the industry. The un-organised sector which is much larger relates to Handicrafts, Handloom and Sericulture areas providing employment to lakhs of people mainly in semi-urban and mostly in rural areas of the State. The un-organised sector produces articles of very high quality serving national and international markets worth crores of rupees.

J&K State is mainly a hilly state. It has 22 districts. Jammu, Kathua, Srinagar and Pulwama being relatively plain and rest of the districts are hilly in nature. Leh and Kargil are quite mountainous and snow clad districts of the state. The state of Jammu and Kashmir is bestowed with rich natural resources like forests, minerals, water, horticulture, etc. Besides, the State has good human resource also. It has a total population of 1.25 crores.

Ramban and Kishtwar districts are located in Doda region of J&K state. Doda region is located in the north and north east portion of Jammu province. The altitude of the region varies from 3,000 ft. to 15,000 ft. above the sea level. The land form is rugged mountainous terrain and lies surrounded by three major mountain ranges of North- West Himalayas, namely, Dulidhar, Peer Panjal and rest Himalayan ranges. There are numerous lofty ridges and peaks towering the tract. The tributaries of river Chenab have formed small plateaus which

are suitable for cultivation.

Ramban and Kishtwar districts are most mountainous and resource rich districts of the Doda region, as well as, of Jammu & Kashmir state. The districts are rich in minerals, forests, water, horticulture and sericulture, etc. The districts spread over an area of 9,066 sq.km. and has a population of 5.14 lakh. The number of inhabited villages in the districts under study are 284.

The industrial set up of hilly region is pre-dominated by small scale, tiny, and Khadi and Village industries. There are 11 registered small scale units in the area and all of them are reported to be active. However, there are large number of cottage crafts and tiny units in the un-organized sector engaged in manufacturing activity in the area. The small scale units are mainly engaged in the manufacture of metal base items, ready-made garments, chemical items, paper base items and repairing and servicing activities.

Others are engaged primarily in bee-keeping, processing of pulses and serials, tailoring, basket making, pottery making, black smithy and shoe making, etc.

However, industrial units in the region complain of operational problems of-

1. Raw - material
2. Financial assistance
3. Government policies
4. Marketing, etc.

Due to these above mentioned difficulties and such other problems the economic activity in the hilly region of J&K state is not flourishing. It is in spite of the fact that the state has huge material and human resources. What is needed is proper attention on the State, as well as, Centre government to give a boost to the economic activities in the hilly region of the State.

Objectives of study

The objectives of study are

1. To understand the status of natural resources-both human and material available in the hilly region of the State.
2. To study the status of existing economic activities being carried on in the hilly region of the State.
3. To study the efforts of both State, as well as, Central government in promoting economic activities in the region.
4. To understand major problems being faced by the people of the area in developing economic activities in hilly region of the state.
5. To suggest suitable measures to overcome such problems.

Research Methodology

The research methodology adopted for present study can be classified under two heads:-

1. Direct investigation method based on field survey of 6 villages selected from two blocks of the region covered under study;
2. Reliance on published and un-published data obtained from publications and reports and other academic work done by scholars.

The selected blocks are Ramban and Kishtwar (the major or most popular blocks of the area).

It was decided to draw a sample of minimum of 5 households or a maximum of 25 households or 25% of the total households whichever is less from each of 6 villages of two blocks to make the study fully representative. This way, information was collected from 200 common households and 100 economic unit holders to make a concrete analysis of the problem under study.

Material and Human Resources in Hilly Region of J&K state.

A. Material Resources

Following are major material resources found in the region:-

1. Land
2. Live Stock
3. Minerals
4. Horticulture
5. Sericulture
6. Power
7. Roads

B. Human Resources

1. Cultivators
2. Agricultural Labourers
3. Workers in Household Industry
4. Other Workers

The hilly soil of the State of Jammu & Kashmir has been endowed with abundance of natural resources.

Findings and Suggestions

Entrepreneurship development is nascent in our country in general and in the State of Jammu and Kashmir in particular. The social milieu and other institutional support system have not proved very conducive to lay the foundation of entrepreneurship development. People have been making efforts to float big and small industrial projects but such

efforts require to be accelerated to put up tangible results. The country cannot turn out to be an economic power unless entrepreneurship development is carried at a very fast rate.

The march towards economic growth and development has been greatly punctuated by un-coordinated efforts towards developing a class of entrepreneurs who could take a lead to fulfill the national objective. This requires a thorough examination of the factors responsible for slower growth of entrepreneurship development in the country.

The factors responsible for such a state of affair have been classified under two broad heads:

1. Basic and Fundamental Factors

These factors have been classified under three heads:

- a) Socio- psychological
- b) Politico- economic
- c) Lack of Institutional Support System

2. Operational Factors

Operational factors have been categorized as under:-

1. Finance
2. Raw Material
3. Labour
4. Technology
5. Marketing

Other major problems which the entrepreneurs face in marketing their products are enumerated as under:

1. Lack of standardization
2. Poor designing
3. Poor quality.
4. Lack of precision
5. Poor finishing
6. Poor bargaining power
7. Lack of service after sale
8. Scale of Production
9. Brand of preferences
10. Distribution contacts
11. Lack of knowledge of marketing
12. Competition
13. Ignorance of potential markets
14. Unfamiliarity with export activities-procedures and market know-how

The two districts taken for study purposes namely Ramban and Kishtwar fully represent the entire hilly region of the State. It is so in terms of geo- climatic conditions, material resources, demographic status, economic factors and socio-cultural conditions, etc.

The hilly belt of Jammu and Kashmir State is rich in natural resources. But these natural resources in the form of land, water, forests, minerals wealth, etc. have yet remained un-explored. This and such other factors, as a consequent, affected the entrepreneurial activity in the area. However, the major problems which hinder the economic activities in the region may be categorized as under:-

1. Inhospitable Terrain

Hilly districts of Ramban and Kishtwar are located in the north and north- east portion of Jammu province. The terrain is precipitous and full of narrow valleys and plateaus. As such

the climatic conditions in the region vary considerably from arctic cold to pleasant summers in some places and bearable winters to relatively scorching summers in other places. The districts are, however, rainfall deficient with the average annual rainfall hovering around 10.41 mm. Hence, it is categorized as drought prone area.

The districts being hilly terrain are at a lesser advantage as compared to plain areas of the State. The facilities which are enjoyed by the plain districts like Jammu, Srinagar or Kathua are not enjoyed by hilly districts like Leh, Kargil or Ramban and Kishtwar in the state. Ramban and Kishtwar districts being hilly region has the following problems:-

1. Transport and communication problem
2. Electricity and water difficulty
3. Education and training problem
4. Traditional beliefs and faiths leading to superstition

In addition to above the severity of cold climate poses a major problem for industrial activity. This makes it difficult for the manufacturers to carry on their activities smoothly. Moreover, the land being bushy and mountainous is less fertile. Entrepreneurial activities in agricultural sector are less fertile. Hence, the people of the area have to venture into other areas of activities.

Due to above discussed and such other related problems it becomes difficult to carry on smoothly the overall entrepreneurial activities in the region. Hence, to improve the economic activities the planners and policy makers must look into these problems to develop entrepreneurship activities in the area.

Problem of infrastructure

Lack of infrastructural facilities is another hurdle in the way of industrial activities in the district. The main infrastructural problems are related to-

1. Roads
2. Power and
3. Communication system

Roads

Road net-work forms the twin- districts' life-line as rail and air services are absent. The area remains cut off for want of adequate means of transport which is primary infrastructure for economic development. Some of the backward areas remain disconnected for a major part of the year though they are endowed with mineral wealth.

Lack of good road network gives rise to the problem of movement of men and materials which are essential for industrial activity. In order to improve economic activities in the region road net- work should be the priority of the government.

Power

Presently there are negligible facilities for power generation in the area. The hilly area offers immense potential for hydel power generation from river Chenab. Two major hydel projects- Dul Hasti (390 MW) and Baghliar (450 MW) are under implementation in the region. Further the availability of power supply suffers frequent interruptions and breaks. The problem is more acute during winters.

Communication

Communication system which remains centre- nerve for business activity remains underdeveloped in the area. During rains and winter season due to landslides and damage to communication network the hilly area remains cut off from rest of the State. Hence, this problem is another obstacle to economic activities in the area. The communication system may be improved through network and mobile system. Till the communication system is improved, the entrepreneurial activities will continue to be in the back seat.

Problem of human resource development

The occupational structure of the Work- Force in the hilly area reveals the predominance of cultivators and agricultural labourers. The category of 'other workers' follows the next. People engaged in household industry and manufacturing activity are negligible.

As agricultural operations are seasonal, people also carry out other allied activities like handloom weaving, cocoon rearing, etc. Some are engaged in forests and road construction activities as paid workers.

There are no proper facilities for specialized courses or educational institutions. The number of candidates seeking admission to it is on a decrease. Moreover, the handicrafts and handloom departments have also not been showing good performance. No special efforts have been made to prepare entrepreneurs who could launch training industrial activities in the hilly region. This all, again, leads to poor economic activity in the area.

It highlights two set of problems:-

1. Basic and fundamental and
2. Operational

Basic problems have acted as a blockade for the development and growth of entrepreneurship in the districts. The districts under study being owing to physical and other factors, have not been able to create the needed socio- psychological climate for economic activities. People by and large led a life of satisfaction with a status quo in their economic activities. They could not come out of their shell owing to lack of interaction with people from other parts of the country.

The districts under study owing to their hilly terrain and deficient means of transport and communication could not take the advantage of hospitable politico-economic environment. In spite of the announcement of new industrial policy by the state government there are no entrepreneurs either within or outside the districts who could come forward and take advantage of the liberal incentives for establishing industrial activity in the region under study. Likewise the institutional support system is also lacking which has provided a blow to entrepreneurship development. Some of the institutions like SIDCO which is of promotional nature has not made any tangible contribution towards economic activities in the area under study. Nor the State government has come up in a bold way like Punjab in 1970s and 1980s where industrial enterprises were established and sold to the entrepreneurs. In addition, this hilly area could not have the visionaries like Munjals who could motivate their family members and villagers to come forward and establish the net-work of ancillary units.

Entrepreneurship could not develop in the backward districts of Ramban and Kishtwar on account of the operational problems which have been identified as (i) Infrastructural (ii) Marketing (iii) Finance and (iv) Human resource development. The region is grossly deficient in infrastructural facilities in the form of roads, power and communication system. No entrepreneur from other parts of the country could ever think to start with any industrial activity in the face of infrastructural bottlenecks. Work on laying such infrastructure has started but it involves a long gestation period. Marketing is another operational hurdle which may discourage any entrepreneur to establish the industrial enterprise. Till the marketing system is assured to new entrepreneurs there cannot be any break-through in entrepreneurial activity in the district. Finance is also a formidable problem which could frown any established risk-taker. The financial institutions either at the State level or at the country level have not dealt with this problem seriously. In fact, all the operational problems are inter-connected with the result that finance continues to be a very serious problem in the absence of infrastructural and marketing facilities.

Human resource development has not been considered as a potent variable for entrepreneurship development by the State government. Consequently, the hilly region does not have adequate facilities in the form of professional and technical institutions out of which professionally and technically trained young boys and girls could come out to start new ventures. Nor there are adequate facilities for those who are carrying on small enterprises to update their skills and know-how for better results.

The problems identified as above, unless removed will not lead to entrepreneurship development in hilly region of J&K State.

Conclusion

The study of constraint for economic activities in hilly areas of J&K State seeks to suggest optimal use of the material and human resources existing in the area. This requires a detailed analysis of environmental setting which will provide a clear picture of strengths, weaknesses, opportunities and threats. The study has made a detailed analysis of socio-political, economic and technological environments. This provided a clue to the strengths of hilly region in the form of agriculture, horticulture, mineral and forest resources. It also provided the composition and pattern of human resources including the pattern of preferences indicated by the people. The study also identified and described the opportunities in the form of incentives provided by the government and the institutional support system to undertake the process of establishing the industrial units by prospective entrepreneurs. A detailed study was also undertaken regarding weaknesses in the form of the mindset of the people, lack of infrastructural facilities and difficult terrain in which the districts under study are beset. SWOT analysis provided the clue for undertaking measures not only for removing the problems but also to make the needed inputs available in the form of finance, marketing and training and development. These inputs have to be provided by a strong and reliable institutional support system which has to be created by the government after taking a liberal view of the backward and problem filled districts like Ramban &

Kishtwar. Since the hilly region under study is not only a backward but also a problem oriented area it may not be able to fulfill some of the conditions for establishing different institutions needed for industrial development. Under these circumstances the government may ignore certain formalities to make the area free of problems and encourage it to march towards peace and development.

It is also highlighted in the study that apart from transforming the mindset of the people by introducing reforms in the educational system and also through effective awareness programmes to be conducted by the Government and NGOs, the people of the area have to be persuaded and motivated to go in for establishing industrial units by taking advantage of incentives and other facilities available under the New Industrial Policy of the State government. Further, the entrepreneurship development programme should be built in the educational system so that young boys and girls after completing education up to matric or +2 levels will automatically have preference for self-employment. In addition, the youth of the region may also be encouraged through short-term entrepreneurship development programmes under PMRY and other such schemes of Central and State governments. It has also suggested training institutes for skill creation in different trades and vocations in the form of establishing ITIs and other engineering institutions.

With developed human resource it will exploit the material resources which lead to the development of industrial and other economic activities in the hilly region of the state.

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