

INDUSTRY-LED GROWTH IN JAMMU AND KASHMIR

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Abstract: *Jammu and Kashmir is one of the most underdeveloped states of India. One of the reasons for its underdevelopment is the low growth rate of industrialization. Industrialization plays a vital role in the economic development of any region. This is even true for a developing economy like Jammu and Kashmir where the industrialization can produce avenues for absorbing the excess manpower and ensures the availability of mass consumption goods for a vast population. Hence industrialization in the state will not only boost the economy but will also restore peace. The process of industrialization helps in harnessing and transforming the raw resources into useful consumer products and effective means and tools of production and in the development of infrastructure. Here, we need to emphasize that tourism alone cannot be sufficient for the rapid economic growth in the state, because of the fact that tourism generates only 4 per cent of employment (Economic Survey 2014-15). Therefore, there is a need for economic diversification in Jammu and Kashmir in order to absorb the huge labour force in the state. In this direction present study will try to answer important questions such as, to identify the type of industries which have the potentiality to grow in Jammu and Kashmir and what are the employment opportunities in these potential industries and how industrialization affects economic growth?*

Keywords: Industrialization, Development, Economic growth

Research Area: Social Science

Paper Type: Research Paper

1. INTRODUCTION

Industrial development is of utmost importance to developing countries. As the industrial base of an economy expands, there occurs a sectoral shift from low-income primary sector to higher-income industry and that raises the standards of living of the people. The state of Jammu and Kashmir has not been very fortunate in this respect and lags far behind than the other parts of the country in industrial activity. The state has witnessed very little industrial activity during the first two decades of planning. Up to the Third Five Year Plan period, industrial activity in the state was limited to handicrafts and sericulture. The only industrial units worth the name were some forest-based units (Singh, 1998).

In spite of the good prospects for setting up of industries in the state indicated by its minerals (lignite, limestone and bauxite), adequate water resources and clean environment conditions suitable for the electronic and another high tech – industrial, the potential has not been optimally harnessed. As a result, instead of industrial growth, virtual industrial stagnation and even de-industrialization have crept in. In such a state of affairs, it is essential to find a remedial solution not only to integrate the state with the rest of the country but also for developing a strategy for industrial growth to achieve overall economic development (Singh, 1998).

Development of industries has become a mantra for development at all the pervasive levels and the State of Jammu and Kashmir is not an exception. Unfortunately, the progress of industrialization in Jammu and Kashmir has remained quite slow. It took up the process of

industrialization quite late partially because of the fact that the State remained in the grip of political uncertainty, the total absence of adequate infrastructure and lack of capital base

2. IS CONFLICT A PROBLEM FOR DEVELOPMENT, OR A FAILURE OF DEVELOPMENT?

Jammu and Kashmir is an underdeveloped state. One of the reasons for its underdevelopment is the low growth rate of industrialization. Industrialization plays a vital role in the economic development of any region (Agarwal, 1999). Earlier studies have repeatedly stated political instability as the main reason behind the poor development in the state, but there are other dimensions which need to be analyzed properly e.g. the important question whether it is lack of development particularly poor industrialization in the state which could be one of the possible reasons behind the conflict in the state. In India, there is evidence that states that had higher incomes and lesser police had less violence than ones that had more police and less income (Justino, 2011).

There are various studies which are evidence for countries that have low per capita income have higher conflict rates (Collier et al. 2003). Conflicts can be triggered by low economic growth which leads to a lower economic opportunity cost of rebellion against the state in poor areas. Low economic growth in certain areas can be the result of unequal distribution in gains from development or political marginalization. This aspect of Jammu and Kashmir is still unvisited; the present study will try to analyze how industrialization is going to affect the state economy with more jobs, more income ultimately leading the state towards prosperity.

3. REVIEW OF LITERATURE

Avinash (2000) observes, the J&K state, which had been a victim of the ongoing conflict, has come up on the national map as developing the state. The state has shown tremendous growth in registered small-scale industries over the years Agarwal (1988) has emphasized that the importance of small-scale and cottage industries are more in the absence of large and medium industries in the North-eastern region. Jammu and Kashmir is a similar kind of state having economic, political and geographical challenges. T.S Papola (1994) argued that the rural-farm sector provides 22 per cent of rural employment; the manufacturing activities mainly consist of textiles based and agro-based products and units producing construction materials. Shapiro, 2007 explains the role of industrial policy that will be as an instrument to expedite the process of industrialization. In perspective, it can be said that manufacturing industries are “escalator industries” for economic development.

Galenson and Leibenstein (1955) had an opposite stand and tried to show that labour intensive techniques might generate immediate output but little surplus since the wage bill would be large. Economic development preceded investment but the use of labour intensive techniques leaves a little surplus for investment because most of the earnings are supposed to be spent on consumption. Hence, according to them, the use of capital-intensive techniques in the process of production will increase the re-investible surplus by minimizing the wage bill. Kaveri (1998) made an attempt to discuss the issues related to provisions and facilities of bank finances to small-scale industries. It found out that due to economic liberalization and financial sector reforms, small-scale industries have a bright future ahead, provided that they remain economically viable. A World Bank Study (1978) has shown that all important requirements of more jobs and higher incomes are met by rural non-farm activities. The study suggests that these activities, which have a capital-labour ratio of less than \$50 at 1969 prices, deserve a high place in any employment oriented industrial strategy. The promotion of

small-scale industries has been widely recognized as one of the most appropriate means of developing industry in developing countries, which are facing mounting pressure of population, an acute shortage in investable capital funds, and lack of entrepreneurial and managerial abilities

4. THEORETICAL FRAMEWORK

Every branch of knowledge is constructed with well-built and powerful theoretical background. The subjects without a theoretical background will have to face many critics and its existence will be more problematic. In Economics the theory is much important because to explain, to predict, to frame policies, to judge economic performance, and as a tool to measure economic phenomena the theories are using in large extent. In research, the theoretical background will provide the existing knowledge on the selected field of study. Thus theoretical background will pave the way to construct the idea based on the finding of the study, that whether the study is actually supporting the existing theories or it brings new facts of knowledge in the branch of the subject. The vast theoretical and empirical arguments in favour of industrialization in economic development can be summarized as follows:

Simon Kuznets (1973) has defined economic growth as a long-term rise in capacity to supply increasingly diverse economic goods and services to people. This growing capacity is based on institutional, ideological adjustments and advancing technology. Kuznets has highlighted six main characteristics of modern economic growth. These six characteristics if fulfilled can lead a country towards development.

High per capita product and of the population in the developed countries, the rate of increase in productivity e.g., output per unit of all inputs. The third and the most important characteristics are the rates of structural transformation means a shift away from agricultural to non-agricultural activities and from industry to services. This shift will lead to a corresponding change in the occupational status of labour. The fourth one is urbanization and secularization. Fifth the economically developed country with good roads and transport has the propensity to link with the rest of the world. Sixth and last characteristics are the spread of modern economic growth. Kuznets had also highlighted the role of science as a basis of advancing technology. The main argument is that there is a significant interrelationship between all six characteristics. The overall argument was to sketch the major characteristics of modern economic growth which has been described by the author through six major characteristics of economic growth

4.1 Industries in J&K

The New Industrial Policy of 1991 was introduced to make Indian industry globally more efficient and competitive, introduced broad changes such as abolition of licensing in most of the industrial lines, removal of most of the regulations restricting the growth of large companies opening up many areas to the private sector previously reserved for the public sector, significantly, the New Industrial Policy of 1991 has started to have an impact in the State of J&K also. The impact of course was felt with a lag because of militancy that began in the 1990s. However, as militancy receded, the policy started to have an impact, the number of registered industrial units, as well as the level of employment in the respective units, has increased, since the year 1999.

Table No. 1: Number of industries and employment share in Jammu and Kashmir

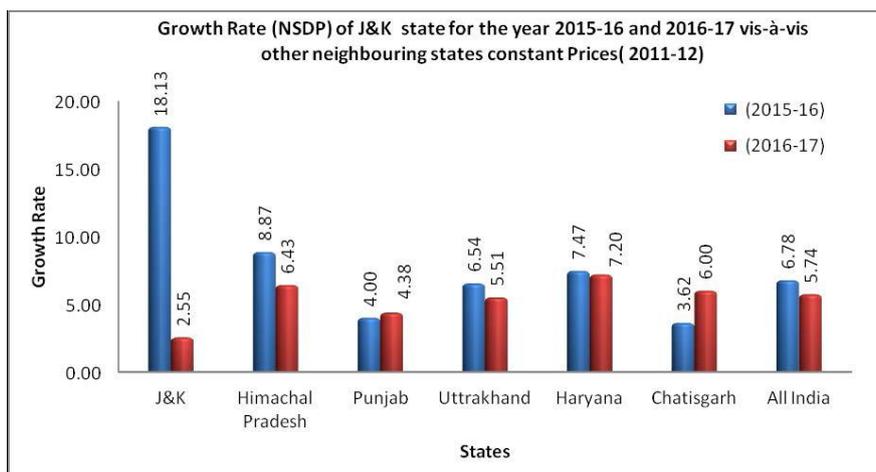
Year	No. Of Industries	Employment Share
1999-00	41950	183698
2000-01	42808	187399
2001-02	43689	193285
2003-04	45672	203428
2004-05	46818	209322
2005-06	48224	219127
2006-07	49426	225963
2007-08	50470	232915
2008-09	51441	232817
2009-10	52629	245774
2010-11	53544	251551
2011-12	54714	260393
2012-13	55742	267194
2013-14	56660	274011
2014-15	57788	276680
2015-16	58596	283105

Source: Economic Survey, JK 2017

Jammu & Kashmir has made good progress in the establishment of industrial units. According to the State Directorate of Industries and Commerce; there were 58596 registered factories in the state as on 31st March 2015-16, giving employment to 283105 workers. Of the 58596 factories, nearly one-fifth were engaged in food processing. The industrial sector is dominated by small scale units. The government is focused on the handicrafts sector, the traditional industry of the state, in view of its large employment base and export potential. Papier-mâché, wood carving, carpets, shawl-making and embroidery are among Kashmir's exquisite handicrafts. The sector, in particular carpets, earns substantial foreign exchange for the country. An Export Promotion Industrial Park with an investment of \$4.2 million has been established at Kartholi, Jammu. A similar park is being set up at Ompora, Budgam. The state government attaches a lot of importance to the private sector in the development of the state.

The State of Jammu & Kashmir is one of the most under-developed States of India, particularly in respect of mining & industries. Its backwardness is reflected in the occupational structure, residential patterns, composition of imports and exports, low social product and productivity. The economy of this Frontier State has lagged behind in economic development and process of modernization as compared to the Country as whole or neighbouring states like Himachal Pradesh, Punjab, Uttarakhand, Haryana, Chhattisgarh, becomes evident when we compare the Net Domestic Product (NSDP) and Per Capita Income of J&K State with other states of the country.

Fig.No.1: Growth Rate (NSDP) of J&K State for the year 2015-16 and 2016-17 Vis-à-Vis other neighbouring States constant prices (2011-12)



Source: Economic Survey, JK 2017

The growth rate of NSDP of Jammu and Kashmir in comparison with the neighbouring states is on a declining trend in the year 2016-17 as compared to 2015-16, that is mainly because of the unrest in the valley in the year 2016. The state was recovering well after the devastating floods of 2014, the state got a lot of central assistance in the form of aids and funds, and the resulting economy was leading towards prosperity in the year 2015-16 as clearly evident from the above graph.

4.2 Industrialization and Economic growth

The Gross State Domestic Product (GSDP) and its related aggregates are perhaps the only indicators of the state economy that showcase whether the state has made any progress in economic terms over a period of time. It highlights the economic progress made by individuals of the state by indicating the per capita income which reflects changes having taken place in the standard of living of the people of the state. GSDP is generally termed as State Income which is grouped into three main sectors namely, i) Agriculture and allied activities, ii) Industries sector and iii) Services sector.

Strategically located, the state of Jammu and Kashmir constitutes the northernmost part of India. The state is vested with a good mineral base and significant Hydro-power potential. Endowed with natural beauty and rare flora and fauna, the state holds immense potential to attract tourists from across the world. The Industries Sector of Jammu and Kashmir is now playing its due role in the economic development of the State and in generating employment opportunities for the unemployed youth. Previously, it used to be only the Handicrafts, Handlooms and Cottage Industry providing livelihood to a large population at different stages of production, sale and export. The Government is working on a defined strategy for exploitation of the potential and development of the sector. The introduction of industrial policy 2014 and 2016 respectively are being considered as the most comprehensive industrial policies of the state.

Table No. 2: The trend of per Capita income in Jammu and Kashmir

The trend of per Capita income	(Figures in Rupees)	
	Year	Constant prices
2011-12	53173	53173
2012-13	52413	56834
2013-14	54066	61108
2014-15	50641	61185
2015-16	59824	73054
2016-17 (1R)	61349	77918
2018-19 (A)	65615	86108
2018-19(crude)	69221	94992

Source: Economic survey, JK 2017

The per capita income during 2017-18 at constant 2011-12 prices (NSDP) is estimated at Rs.65615 while the per capita income of Rs. 61349 was registered in the financial year 2016-17. The per capita income during 2017-18 at current prices is estimated at Rs. 86108 while per capita income during 2016-17 stood at Rs. 77918 at current Prices. The projected per capita income at current and constant 2011-12 prices for the year 2018-19 are roughly estimated at Rs. 94992 and Rs.69221 respectively.

Table No. 3: Net State domestic product (crores) by sectoral break-up at current/constant prices

S.No.	Year	Primary Sector	At current prices			Total	At Constant Prices			Total
			Secondary Sector	Tertiary Sector	Primary Sector		Secondary Sector	Tertiary Sector		
1	1980-81	497.44	135.4	416.66	1049.5	497.44	135.4	416.66	1049.5	
2	1985-86	794.61	321.97	812.65	1929.23	551.48	184.48	493.88	1229.84	
3	1986-87	862.11	353.78	918.12	2134.01	519.24	214.17	512.41	1245.82	
4	1987-88	801.01	351.13	934.12	2086.26	406.22	211.36	492.05	1109.63	
5	1988-89	1087.18	323.48	1137.01	2547.67	517.6	188.1	551.77	1257.47	
6	1989-90	1130.51	339.4	1218.47	2688.38	490.69	210.04	584.62	1285.35	
7	1990-91	1258.89	384.56	1264.81	2908.26	523.48	228.59	607.82	1359.89	
8	1991-92	1390.51	340.08	1519.28	3249.87	523.58	229.68	637.22	1390.48	
9	1992-93	1525.07	404.85	1634.64	3564.56	531.55	234.08	686.64	1452.27	
10	1993-94	2063.78	967.65	2468.77	5500.2	2063.78	967.65	2468.77	5500.2	
11	1994-95	2492.38	827.8	2681.26	6001.44	2324.98	929.43	2490.58	5744.99	
12	1995-96	2653.73	1161.03	3158.29	6973.05	2387.08	908.25	2736.15	6031.48	
13	1996-97	3131.72	1087.38	3631.79	7850.89	2547.55	843.87	2929.23	6320.65	
14	1997-98	3307.91	1233.22	4316.73	8857.86	2343.83	977.1	3231.31	6652.24	

Industry-Led Growth in Jammu and Kashmir

15	1998-99	3831.73	1902.54	5393.94	11128.21	2558.12	1043.09	3404.12	7005.33
16	1999-00	4581.07	2696.47	6255.43	13532.97	4581.07	2696.47	6255.43	13532.97
17	2000-01	4729.5	2914.55	6684.35	14328.4	4534.4	2815.64	6567.44	13917.48
18	2001-02	5099.29	3350.29	7006.84	15456.42	4802.8	2896.92	6485.18	14184.9
19	2002-03	5797.13	3598.7	8004.04	17399.87	4908.31	2894.15	7104.7	14907.16
20	2003-04	6417.18	3973.44	8601.1	18991.72	5265.81	3040.34	7367.02	15673.17
21	2004-05	7000.63	6428.7	9862.88	23292.21	7000.63	6428.7	9862.88	23292.21
22	2005-06	7339.08	7138.37	10800.65	25278.1	6990.76	6773.19	10607.14	24371.09
23	2006-07	7643.3	8010.28	11998.51	27652.09	7075.14	7277.7	11441.47	25794.32
24	2007-08	8038.24	8973.03	13708.78	30720.05	7147.95	7586.65	12652.72	27387.31
25	2008-09	8410.38	9969.49	15910.45	34290.32	7302.75	7715.65	14083.63	29102.03
26	2009-10	9161.88	10986.14	18570.18	38718.2	7261.47	7975.87	15275.81	30513.15
27	2010-11	11692.47	12040.7	2300695	4674012	776266	7787.1	16706.13	32255.89
28	2011-12(P)	1153871	1634289	3363197	6151356	1153871	1634289	3363197	6151356
29	2012-13(P)	1415509	1641471	3757324	6814305	1062079	1707110	3503839	6273028
30	2013-14(2R)	1641403	1802584	4314065	7758052	1165209	1924328	3726316	6815853
31	2014-15(1R)	1712837	1932188	4549569	8194593	1050148	1946097	3778442	6774686
32	2015-16(A)	916409	2288984	5271067	9476460	1186590	2020522	4224097	7341209
33	2016-17(Proj)	2310186	2539979	6057890	10908055	1283242	2192359	4467194	7942796
34	2017-18(proj)	2723554	2946724	6940045	12610323	1393401	2372531	4844931	8610863

Source: Directorate of Economics & Statistics, J&K.

P: Provisional

1R: Ist Revision

2R:2nd Revision

A: Advance estimates

The constant estimates from 1980-81 to 1992-93 are on 1980-81 prices for 1993-94 to 1998-99 prices are on 1999-00 Prices and from 2005 to 2010-11 on 2004-05 basis.

The net state domestic product sector indicates that the share of industries in overall GSDP in Jammu and Kashmir is increasing at reasonably, the share was 134.5 crores in 1980-81 increasing to 2288984 crores in the year 2015-16 at current prices and at constant prices the share was 134.5 crores in the year 1980-81 and 2020522 in the year 2015-16. The projected share of industries for the year 2016-17 and 2017-18 in NSDP both at current and constant 2946724 and 2372531 crores respectively. Hence, it can be concluded that the industries are contributing to the economic growth of the state in a positive manner.

Table No. 4: Net State Domestic product and per capita income of Jammu and Kashmir

Industry-Led Growth in Jammu and Kashmir

S.No o.	Year	Rs in crores		Per capita income Rs	
		At current prices	At constant prices 1880-81	At current prices	At constant 1980-81 prices
1	1980-81	1049.5	1049.5	1776	1776
2	1985-86	1929.23	1229.84	2874	1832
3	1986-87	2134.01	1245.82	3108	1809
4	1987-88	2086.26	1109.63	2954	1571
5	1988-89	2547.67	1257.47	3517	1736
6	1989-90	2688.38	1285.35	3618	1730
7	1990-91	2908.26	1359.89	3816	1784
8	1991-92	3249.87	1390.48	4157	1779
9	1992-93	3564.56	1452.27	4457	1816
10	1993-94	5500.2	5500.2	6543	6543
11	1994-95	6001.44	5744.99	6915	6619
12	1995-96	6973.05	6031.48	7783	6732
13	1996-97	7850.89	6320.65	8667	6978
14	1997-98	8857.86	6652.24	9491	7128
15	1998-99	11128.21	7005.33	11591	7296
16	1999-00	13532.97	13532.97	13816	13816
17	2000-01	14328.4	13917.48	14268	13859
18	2001-02	15456.42	14184.9	15019	13784
19	2002-03	17399.87	14907.16	16739	14341
20	2004-05	23292.21	23292.21	21734	21734
21	2005-06	25278.1	24371.09	23240	22406
22	2006-07	27652.09	257994.3	25059	23375
23	2007-08	30720.05	27387.31	27448	24470
24	2008-09	34290.32	29102.03	30212	25641
25	2009-10	38718.1	30513.15	33650	26519
26	2010-11	46740.12	3225589	40089	27666
27	2011-12(P)	6151356	6151356	51382	51382
28	2012-13(P)	6814305	6273028	56201	51762
29	2013-	7758052	6815853	63202	55496

Industry-Led Growth in Jammu and Kashmir

	14(2R)				
30	2014-15(1R)	8194593	6774686	65598	54289
31	2015-16 (A)	9476460	7341209	74580	57858
32	2016-17(proj)	10908055	7942796	84485	61639
33	2017-18(proj)	12610323	8610863	96361	65950

Source: Directorate of Economics & Statistics, J&K.

P: Provisional

1R: 1st Revision

2R:2nd Revision

A: Advance estimates

The constant estimates from 1980-81 to 1992-93 are on 1980-81 prices for 1993-94 to 1998-99 prices are on 1999-00 Prices and from 2005 to 2010-11 on 2004-05 basis.

The per capita income of Jammu and Kashmir has increased reasonably well, the above table illustrates how the per capita income of the state has increased from 1776 in 1980-81 to 65950 in 2017-18 at a constant price, while as the NSDP of the state has increased from 1049.5 crores in the year 1980-81 to 8610863 crores.

Table No. 5: Progress trend in 3 major sectors of Jammu and Kashmir economy at current prices (Rs in crores)

S.no.	Sector	Base year 2011-12(p)	2012-13 (p)	2013-14 (P)	2014-15 (P)	2015-16 (2R)	2016-17(1R)	2017-18(A)	2018-19 (rough est)
1	Agriculture and Allied	13063.47	20.08	8.75	- 11.62	39.45	8.47	9.37	10.63
2	Industry	20996.73	2.36	3.60	5.63	9.70	3.80	9.37	8.40
3	Services	40700.53	12.82	11.72	6.21	15.85	6.87	12.39	12.39
4	Total (GSVA)	74760.73	11.15	9.06	2.71	18.12	6.45	11.11	11.15

Source: Economic survey, JK 2017

Growth trend of the industrial sector in Jammu and Kashmir has been fluctuating over the years, the reason behind is the political instability in the state. It is being considered that the industrial sector is worst affected by the unrest in the valley in particular. The reason behind the reasonable growth rate of the industrial sector in Jammu and Kashmir in the year 2015-16 is mainly because the period was peaceful and state was recovering from divesting floods of 2014, the state received a huge amount of financial assistance in the form of aids and packages from central government. The decline in the growth rate of industries in the year

2016-17 was mainly because of political unrest after Burhan want,s death in the valley. The growth rate shows improvement once again in 2017-18 due to the peaceful atmosphere in the state. The comprehensive industrial policies of 2014 and 2016 have boosted the industrial sector up to a great extent, particularly the small-scale industries. The industrial sector is positively affecting the economic growth of the state, with more jobs and contribution to NSDP.

Table No. 6: The growth of the industry sector by sub-sector wise at constant price (2011-12) price (Rs in crores)

S. No.	Sector	Base year 2011-12(p)	2012-13(p)	2013-14(p)	2014-15(p)	2015-16(1R)	2016-17(1R)	2017-18(1A)	2018-19(Rough estm.)
1	Mining and quarrying	329.31	405.71	358.76	269.56	615.02	341.82	625.39	680.61
			23.2	(-11.57)	(-24.86)	128.16	(-44.42)	82.96	8.83
2	Manufacturing	7975.6	7438.51	7607.05	7840.25	8751.66	9229.35	9805.9	10442.3
			(-6.73)	-2.27	-3.07	-11.62	-5.46	-6.25	-6.49
3	Electricity, gas, water supply and other utility services	6162.33	7315.23	7559.85	5174.33	8808.97	9143.27	9717.52	10331.67
			-18.71	3.34	-31.56	70.24	3.79	6.28	-6.32
4	Construction	6529.49	6399.93	7071.6	6734.45	7078.59	7405.91	7750.6	8116.43
			(-1.98)	10.49	(-4.77)	5.11	4.62	4.65	4.72
	Total industry sector	20996.73	21559.38	22597.26	20018.59	25254.24	26120.35	27899.41	29571.01
			2.68	4.81	(11.41)	26.15	3.43	6.81	5.99

Source: Economic Survey JK 2017

Industry is likely to grow at 6.81% during the year 2017-18 (Adv. est) as compared to 2.68% in 2012-13, 4.81% in 2013-14, (-)11.41% in 2014-15, 26.16% in 2015-16 and 3.43% in the year 2016-17 at constant (2011-12) prices. Among the subsectors, “mining & quarrying sector” expects a growth rate of 82.96%, while as “manufacturing” 6.25%, “construction” 4.65% & “electricity, gas & water supply” 6.28% during 2017-18 (Adv. est.). The corresponding figures for these sub-sectors for the year 2016-17 were (-) 44.42%, 5.46%,

4.62% and 3.79% respectively. The projected growth rate for the sector for the year 2018-19 is roughly estimated at 5.99%.

Table No. 7: Comparative growth – J&K state vis-à-vis country

	GSDP		GDP	
Year	Constant 2011-12 prices	Current prices	Constant 2011-12 prices	Current prices
2012-13	3.22	11.36	5.46	13.82
2013-14	5.34	9.72	6.39	12.97
2014-15	-3.32	2.84	7.51	10.79
2015-16	18.39	19.44	8.01	9.94
2016-17	3.29	7.48	7.11	10.98

Source: Economic Survey JK 2017

The growth rate GSDP of Jammu and Kashmir in comparison with the GDP of the country has remained low except for the year 2015-16 were the growth rate of GSDP is almost double both at constant and current prices in comparison of GDP of the country. The reasons behind the poor growth rate are the political instability and the geographical challenges the state is facing.

5. CONCLUSION AND SUGGESTIONS

Industry-led growth in Jammu and Kashmir had faced a severe crisis in the recent inflicted insurgencies and unrest. The youths of the state had lost confidence and did not have anything to hold back on. At this juncture, the State Government decided to promote the Jammu and Kashmir Industries. This way they can create job opportunity and build a positive picture of the state. They stressed more on the Manufacturing Industries of Jammu and Kashmir as it will help to generate revenue for the state. Armed with rich raw material resources and eager workers, the state government is inviting major industrial houses to set up manufacturing industries in the state.

The industrialization in Jammu and Kashmir is having its own challenges in the form of lack of capital, unskilled labour, missing railway connectivity and most importantly the geographical challenges in the particular. The conditions are not favourable for heavy industries, Hence, the focus of the government should be more on small-scale industries. Although the number of small-scale industries has increased over the years and are contributing more towards the employment generation in the state, nevertheless more industries like food processing industries, wooden industries, Manufacture of machinery and equipment, Manufacture of chemicals and chemical products, Manufacture of fabricated metal products, except machinery and equipment and Manufacture of furniture should get more emphasis from the government of Jammu and Kashmir. The main findings of the present paper show a positive correlation between industrialization and economic growth in

Jammu and Kashmir. The employment opportunities have increased in the industrial sector leading towards higher a per capita income.

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