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CHAPTER 1

Basics of J&K

1.0 Introduction

Jammu & Kashmir is the northern-most State of India and shares its borders with Himachal Pradesh and Punjab and the neighboring countries of Pakistan, China and Afghanistan. The state consists of three regions Jammu, The Kashmir valley and Ladakh. The natural beauty and picturesque locations have made it a favoured destination for tourists across the world. Jammu is famous for its temples while the Kashmir valley is known for its lakes and gardens (*Dr. Yash Paul, 2018*). The state has an area of 20230 sq. kms under forests which accounts for 22.67% of its geographical (101387 sq. kms) spread area, i.e. the area other than the area under illegal occupation of Pakistan and China. The per capita forest area accounts for 0.15 hectares as against 0.06 hectares at the National level. As per the land utilisation statistics for the year 2015–16 the state has a cultivable area of 868 thousand hectares which is only 9% of its geographical area. During the year 2015–16 the net area sown of the state was 754 thousand hectares constituting 7.44% of its geographical area and 31.21% of the reporting area (*Indian Economy 2016*).

Figure 1.1



Source: Annual Report 2011–12, MSME-DI, Jammu & Kashmir

1.1 Geographic/Social profile of Jammu and Kashmir

Jammu and Kashmir, situated between 32° 17' N and 36° 58' N latitudes and 73° 26' E and 80° 30' E longitudes, constitutes the northern most extremity of India. The Total area of Jammu and Kashmir is 222236 sq. Km. J&K is the 6th largest state of India occupying 6.76% of the country's geographical area. The state has abundant water resources in view of its blessed riverine geography. The state is surrounded by mountains except in the South-West side. A major portion of the state's terrain is hilly and its height from sea level varies from 3000 feet to 22740 feet. The state has road, and air links with rest of the country through south making it accessible from the South only. The rail link is upto Udhampur only. The following indicators are briefly explained below:

Population

The state occupies 19th rank in population, with 125.41 lakh souls as per 2011 census. The state has three distinct regions, viz. the Kashmir, Jammu and Ladakh comprising of 22 districts. Each region has a specific resource base. The state is further divided among 82 Tehsils, 86 towns and 6551 villages as per census, 2011. Administratively, the districts are divided into blocks for development purposes. There are 320 community development blocks in the state.

Population Density

As per 2011 census, the population density in the state is 124 persons per sq. km of area as against density of 382 persons per sq. Km in India. The state ranks 8th among states/UTs of the country in thin density of population. In fact the most marked characteristic feature of the State is low density of population. The low densities in many districts of the State are attributable to the nature of their terrain.

Sex Ratio

Sex ratio of 889 females per thousand males, places J&K at 29th rank in the country. Sex ratio of the country is 943 females per thousand males as per 2011 census. The low sex ratio of females to males is alarming and requires attention of all the sections of the society to give heed to “Beti Bachao” slogan pioneered by the Hon’ble Prime Minister.

Literacy Rate

As per Census 2011, literacy rate of the state is 68.74% with 78.26% male literates and 58.01% female literates. These figures show signs of improvement in the literacy when compared with the literate population of 2001 census. The overall literacy rate has improved by 13.22 percent points. In comparison to male literacy, female literacy has improved at a faster rate i.e. against 11.66 percentage points in male literacy female literacy increased by 15.01 percentage points. At all-India census-2011 determined 74.04% population as literates with 82.14% (male literate population) and 65.46% (female literate population). With the improvement in the literate population of the state, the gender gap has also reduced to 20.25% in 2011 as against

23.60% in 2001.

Table 1.1 Selected Socio Economic Indicators of J&K

Area in Sq. Kms.		222236*	
Agriculture Land		2416 (000ha)	
Forest Land		658 (000ha)	
Land use to non-Agri. uses		293 (000ha)	
Barren & un-cultivated land		298 (000ha)	
Total food grain (2007–08)		15707 (000 qtls)	
No. of Districts		22	
No. of Tehsils		82	
No. of C.D. Blocks		142	
No. of Panchayats (provisional)		4136	
No. of Villages		6652	
No. of Urban Areas		68	
No. of Urban Agglomeration		7	
Population –2001 (Census)	Total	Male	Female
Total	10143700	5360926	4782774
Rural	7627062	3977652	3649410
Urban	2516638	1383274	1133364
Region-wise Population			
Jammu		4430191	
Kashmir		5476970	
Ladakh		236539	
Population by Religion			
Religion	Total	Percentage	
Hindus	3005349	29.62%	
Sikhs	207154	2.04%	
Muslims	6793240	66.98%	
Christians	20299	0.20%	
Buddhists	113787	1.12%	
Jains	2518	0.02%	
Others	1353	0.01%	
Literates Absolute			
Total	Total	Male	Female
Total	4807286	3060628	1746658
Rural	3192078	2069618	1122460
Urban	1615208	991010	624198
Sex ratio (Female per 1000 Male)			
Total		892	
Rural		917	
Urban		819	

Source: Annual Report (2011–12), MSME-DI, Jammu and Kashmir.

It is pertinent to mention that literacy rate is derived after excluding the children in the age group of 0–6 years, which are by the definition of census treated as illiterate.

Urbanization

The percentage of urban population to total population was 27.37 percent in 2011 compared to 24.81 percent in 2001 in the state. Among all districts, Srinagar ranks first with 98.6 percent urban population followed by Jammu district with 50 percent urban population. Ramban district with 4.16 percent of urban population followed by Shopian with 6.15 percent are the least urbanized districts. As per Census 2011, there are 86 statutory towns in the State. The State is an important tourist hub both for national and international travelers with several holy pilgrim centres, rivers, and hills.

Climate

The climate of the state varies from sub tropical in Jammu plains to semi-arctic cold in Ladakh with Kashmir and Jammu mountainous tracks having temperate climatic conditions. The average annual rainfall also varies from region to region with 92.6 mm in Leh, 650.5 mm in Srinagar and 1115.9 mm in Jammu. A large part of the state forms part of the Himalayan Mountains. The state is geologically constituted of rocks varying from the oldest period of the earth's history to the youngest present day river and lake deposits.

1.2 Economic Profile of J&K

The State's economy is predominantly dependent on agriculture and allied activities. The Kashmir valley is also known for its sericulture and cold-water fisheries. Wood from Kashmir is used to make high-quality cricket bats, popularly known as Kashmir Willow. Kashmiri saffron is also very famous and brings the state a handsome amount of foreign exchange. Agricultural exports from Jammu and Kashmir include apples, barley, cherries, corn, millet, oranges, rice, peaches, pears, saffron, sorghum, vegetables, and wheat, while manufactured exports include handicrafts, rugs, and shawls (*Annual Report 2011–12*).

The Statistical description of 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 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. Updating the data from time to time and shifting the base year to 2011 under the directions and guidance of Government of India (GOI) undertaken by Directorate of Economics & Statistics reflects the structural and sectoral shifts that are likely to take place in a developing economy that could be properly gauged and captured. The shifting of base removes the wide gaps between Base year and the Reporting year caused due to inflation over a period of time.

The State Domestic Product (SDP) estimates of economy over a period of time reveal the extent and direction of the changes in the levels of economic development. GSDP estimates when studied in relation to the total population of the state indicate the level of per capita net output of goods and services available or standard of living of the people of the State.

The GSDP for 2017–18 at Constant (2011–12) prices is Rs.109136.52 crore as against Rs.12985363 India's GDP. As per [Table 1.2](#) the per capita GSDP for 2017–18 has been Rs.57858 as compared to per capita GDP of Rs.77431 at constant (2011–12) prices for 2017–18. While GSDP at constant prices recorded growth rate of 8.89% during 2017–18 over previous year, per capita GSDP for the same year has increased by 6.85%. The relative growth rate figures in GDP and per capita GDP for 2017–18 at constant prices were 6.5% (GDP) and 5.1% (Per capita GDP). Similarly GSDP at current prices for the year 2017–18 is Rs.140886.76 crore measuring the per capita income at Rs.101694. These statistics at all India are Rs.16627585 crore and Rs.126349 respectively for 2017–18. GSDP during 2017–18 has increased by 11.61% over previous year and per capita income has increased by 9.93% at current prices. Growth rate in GDP and per capita GDP at current prices are 9.50% and 8.1% respectively during 2017–18 over 2016–17. Numerical position of GSDP and GDP with Per capita Income along with growth rates is

given here under:-

Table 1.2

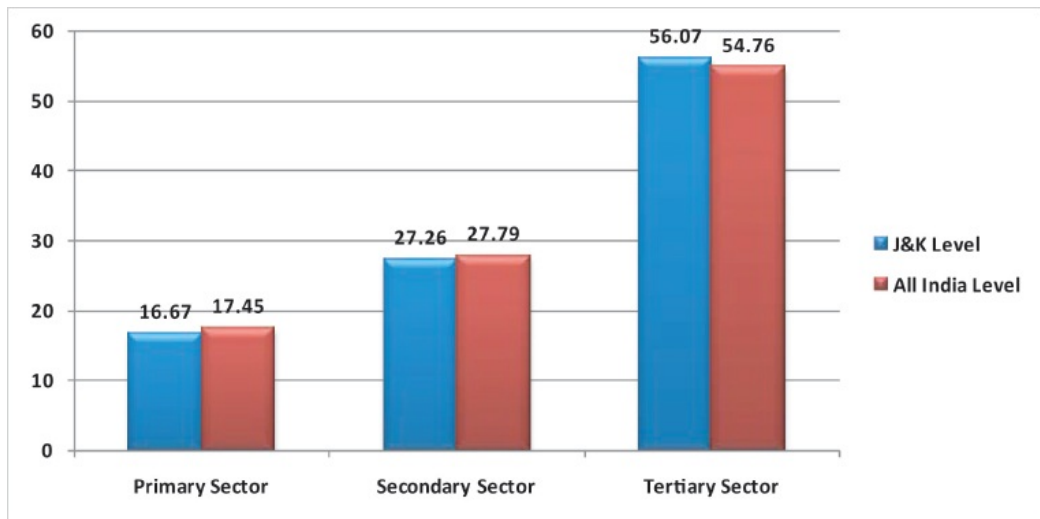
GSDP/GDP for the Year						
S. No.	Item	Unit	At Current Prices		At Constant (2011–12) Prices	
			J&K	All India	J&K	All India
			2017–18	2017–18	2017–18	2017–18
1.	GSDP/ GDP	Crores	140886.76	16627585	109136.52	12985363
2.	Per Capita Income	Rs	101694	126349	78776	98673
Growth Rate						
1.	GSDP/ GDP	Percentage	11.61	9.50	8.89	6.5
2.	Per Capita Income	Percentage	9.93	8.1	6.85	5.1

Source: Annual Report on Jammu & Kashmir in Indian Economy (2016).

Sector-Wise Contribution

The sectoral contribution of the GSDP at constant prices for the year 2017–18 in percentage terms has been 16.67%, 27.26% and 56.07% of Primary, Secondary and Tertiary sectors respectively. Corresponding figures of All India level GDP at constant prices are 17.45%, 27.79% and 54.76% for primary, secondary and tertiary sectors respectively (See [Graph 1.1](#)).

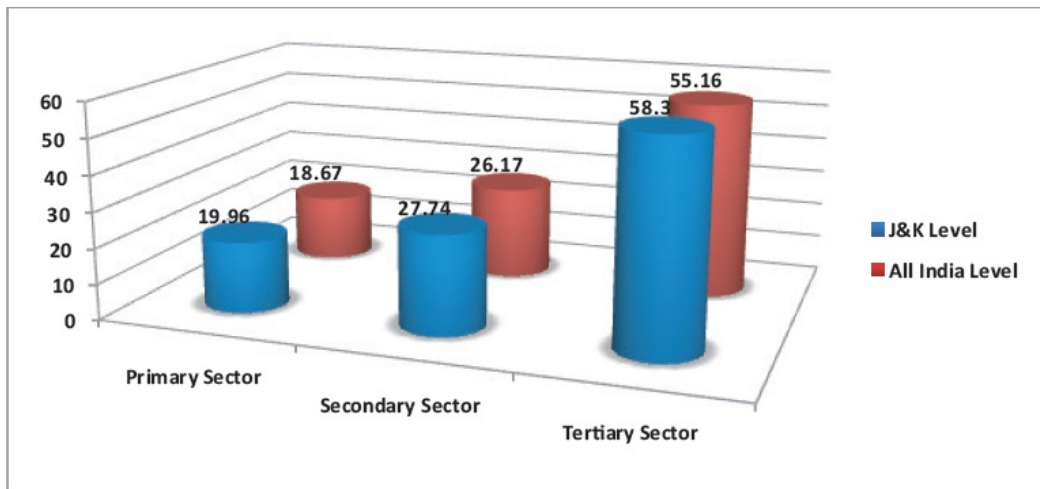
Graph 1.1 Sector-Wise GSDP and GDP For the year 2017–18 (Constant Price)



Source: Prepared by author

The sectoral percentage contribution in GSDP at current prices on same series for the year 2017–18 works out to 19.96% of primary sector 27.74% for secondary sector and 58.30% of Tertiary sector. On the other hand at all India level percentage of GDP at current prices stood estimated at 18.67%, 26.17% and 55.16% for Primary, secondary and tertiary sectors respectively (Refer [Graph 1.2](#)). It is clearly observed that the tertiary sector is emerging as major contributor to GSDP as well as GDP.

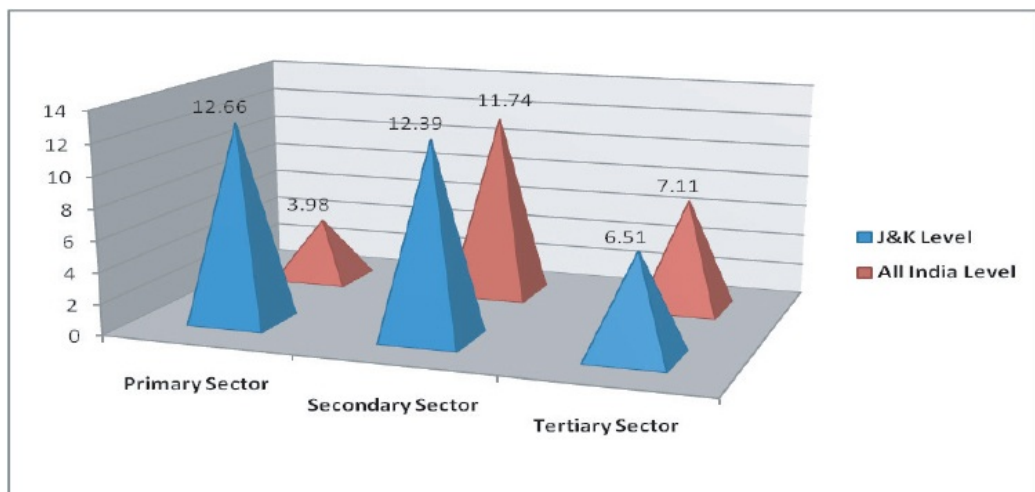
Graph 1.2 Sector-Wise GSDP and GDP For the year 2017–18 (Current Price)



Source: Prepared by Author

Growth rate figures of GSDP at current prices in **Graph 1.3** reveal that maximum growth of 12.66% is for primary sector followed by 12.39% by tertiary and 6.51% by secondary sectors respectively. The relative growth rates of GDP at all India level are 3.98%, 11.74% and 7.11% for primary, tertiary and secondary sectors respectively.

Graph 1.3 Sector-Wise Growth Rates of GSDP and GDP for the year 2017-18 (Current Price)



Source: Prepared by Author

Analysing the growth rate in GSDP by industry of origin as per the statistics for 2017–18 at constant (2011–12) prices, highest growth of 82.96% has been observed in “Mining & Quarrying” followed by 22.43% by ‘Trade Hotels Transport & Communication’ and lowest growth of 4.65% has been observed in “Construction” during 2017–18. Moreover at the current prices in 2017–18, maximum growth rate estimate of GDP at 13.4% in respect of “Community, Social and Personal Services” sector and minimum 2.8% by “Agriculture Forestry and Fishing” has been recorded over the same period (Refer to [Table 1.3](#)).

Table 1.3 Industry-Wise Growth Rates for the year 2017–18 (Constant & Current prices)

Growth Rates for the Year				
S. No.	Item	Unit	At Current Prices	At Constant (2011–12) Prices
			J&K	
			2017–18	2017–18
1.	Mining & Quarrying	%	–	82.96
2.	Trade, Hotels Transport & Communication	%	–	22.43
3.	Construction	%	–	4.65
4.	Community, Social and Personal Services	%	13.4	–
5.	Agriculture Forestry and Fishing	%	2.8	–

Source: Prepared by Author

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