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TRENDS IN GROWTH AND COMPOSITION OF WORKFORCE PARTICIPATION IN KASHMIR ECONOMY SINCE 1980: PROBLEMS AND POLICY MEASURES

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ABSTRACT

Pattern of workforce changed as the State was struck with militancy issue. Due to serious unemployment and economic downturn, a large number of youth joined militancy during the early turbulent phase and also forced migration of Kashmiri Hindu and pundits took place to a large extent. Thus violence distorted the employment pattern. The workforce participation rates vary according to the stages of economic development, across age groups, and between sexes. About seventy five people are directly and indirectly dependent on agriculture which reflects backwardness of Jammu and Kashmir economy. On the other hand there is appearance of developmental path because the workforce is moving towards tertiary sector which generates more GDP and employment. High levels of growth and per capita income in recent years is accompanied by an unprecedented shift of labour from agriculture to non-agriculture during the last decades. The main objectives of the present study is to look the trends of workforce and compositional change of workforce in respect of gender and geographical area since 1980s when the state was hit by violence and to examine the sectoral changes in workforce. To analyze the problems and suggest policy measures.

Key Words: *workforce, Militancy, Migration, GDP and Employment, Developmental path, Gender and Geographical area.*

INTRODUCTION

Jammu and Kashmir State is the northernmost state of India. It is situated mostly in the Himalayan Mountains. State shares a border with the states of Himachal Pradesh and Punjab to the south and internationally with China to the north and east and the Pakistan occupied Kashmir and Gilgit-Baluchistan to the west and northwest respectively.

The State of Jammu and Kashmir has been a continuous victim by violence and has been quite unfortunate with regard to political instability right from 1980s. The state remains a bone of contention between India and Pakistan and three wars have been fought between these two countries. Both the countries have their own perspectives regarding the cause and course of conflict. Surely both the countries got innumerable loss but the people of Kashmir suffer the most. Violence retarded growth and development of state to a large extent. It reflects the structural change of occupation pattern that had taken place since 1980s, when the State was struck with militancy issue. Due to serious unemployment and economic downturn, a large number of youth joined militancy during the early turbulent phase and also forced migration of Kashmiri Hindu and pundits took place to a large extent. Thus violence distorted the employment pattern. However, the recovery is slowly taking place in the post turbulent phase when peace process started in 2004. Peace Process was an agreement held on 23rd January, 2004 by Indian Prime Minister Mr. Atal Behari Vajpay and Pakistani President Mr. Parvaz Mushraf in order to restore peaceful environment in both the countries including Jammu and Kashmir. Thus development took place. Development that brings persistent increase in output is related with change in productive capacity of workforce. The workforce participation rates vary according to the stages of economic development, across age groups, and between sexes. The basic characteristic of J&K economy is primary producing economy where large proportions of people are engaged in agriculture. About seventy five people are directly and indirectly dependent on agriculture which reflects backwardness of Jammu and Kashmir economy. On the other hand there is now appearance of developmental path because workforce is moving towards tertiary sector which generates more GDP and employment.

Historically, the most common pattern of change that has been observed in developed countries has followed a sequence of shift from primary to secondary and then to tertiary sector. In this pattern, an underdeveloped economy is characterized by a predominant share of primary sector, while with economic development the share of secondary sector increases and that of primary sector declines and subsequently after reaching a reasonably high level of development, the tertiary sector attains importance by becoming the dominant sector of the economy. These structural changes have been observed both in the relative share of gross domestic product and workforce. Agriculture's share of the labour force is highest in the poorest economies and declines systematically as GNP per capita rises.

Fourasite's Employment Structural Transformation divides the society into three stages viz; traditional civilization, transitional period and tertiary civilization. In the traditional civilization primary sector is dominating

sector in respect of employment whereas the transitional period is dominated by secondary sector and finally tertiary civilization is dominated by the tertiary sector:

Fourasite's Employment Structural Transformation				
Time Period	Primary Sector	Secondary Sector	Tertiary Sector	Total
Traditional Civilization	70 percent	20 percent	10 percent	100
Transitional Period	20 percent	50 percent	30 percent	100
Tertiary Civilization	10 percent	20 percent	70 percent	100

Sectoral shares of employment of selected developed countries in year 2006 have been observed. What is interesting is that by the end of the twentieth century most of the develop countries showed a remarkably similar employment structure of their economies. Thus, primary sector contributed less than 5 percent in employment, secondary sector 20 percent to 30 percent and services around 70 percent in all of them. The most striking feature is that today the employment structure of most developed countries is strikingly similar to their production structure, thus, reflecting a high degree of inter-sectoral equality in their productivity and income levels.

Sectoral Shares in Employment of Selected Developed Countries in Year 2006			
Countries	Percentage Sectoral Shares in Employment of Selected Developed Countries in Year 2006		
	Agriculture	Industry	Services
United Kingdom	1	25	74
United States	2	24	74
France	3	25	72
Japan	5	31	64
Germany	3	33	64
Italy	5	32	63
Australia	5	21	74

Source: Computed from World Development Report, 2006.

A Sectoral shares in employment of developing countries of Asia for year 1960 and 2006 has been analyzed. In consonance with historical experience of developed countries the share of primary sector in employment has been continuously declining in all of these countries including India. However, in these countries this corresponding shift in labour force from primary sector to other sectors has been relatively much slower as compared to their GDP shares.

Sectoral Shares in Employment of Asian Developing Countries in Year 1960-2006						
Countries	Primary sector		Secondary Sector		Tertiary Sector	
	1960	2006	1960	2006	1960	2006
China	69	43	18	25	13	32
Indonesia	75	42	08	18	17	40
Thailand	84	42	04	21	12	37
Philippines	61	35	15	14	24	51
Malaysia	63	14	12	31	25	55
Republic of Korea	66	08	09	25	25	67
Pakistan	61	53	18	18	21	29
India	74	53	11	19	15	28

Source: Computed from World Development Report, 2006.

Agriculture as we know plays a very prominent role for development of economy of Jammu and Kashmir State. Around 70 percent of the population in the State gets livelihood directly or indirectly from the Agriculture and allied Sectors. The State comprises of three regions namely Jammu, Kashmir and Ladakh having distinct geographical outlook and agro climatic zones. Each zone having own characteristics that largely determine the occupational pattern and productivity of workforce. Handicraft activities occupy an important position in the economic structure of J&K State. Being environment friendly, these activities are best suited to the state as they are more labour intensive and less capital intensive in nature, therefore having scope for employment generation at a large scale. Accordingly the total labor force employed in primary sector was nearly seventy percent in 1961 which decreased to forty one percent in 2011. It was due to advance of technology that absorbs less amount of labor force in agriculture fields and migration of labor force to urban areas. Secondary sector indicates a little erratic change and was around 10 percent. The basic cause reflects lack of small scale and heavy manufacturing industries, poor road and rail connectivity, heavy snowfall during winter and lack of infrastructure has been a constant hurdle in the industrial development of the State. There is a terrific rise in the percentage of the labor force employed in service sector. In 1961 the total labor force employed in tertiary sector was twelve percent which rises to more than fifty percent in 2011. The main cause of contribution of tertiary sector was by tourism sector, communication and hotels and restaurants. **Kuznet and Colin Clark** prefers to call them service industries. Generally productivity in tertiary sector is very high. Hence transfer of population primary industries to secondary and eventually to tertiary activities is considered a reliable index of economic progress.

The area wise change in workforce means migration from rural to urban areas and sector al shift of labor force is related with *Simon Kuznets Analysis*. The Kuznet's curve implies that as a nation undergoes industrialization, the

center of State's economy will shift to cities. As internal migration by farmers looking for better jobs in urban areas, causes significant rural-urban inequality gap. Rural population decreases and urban population increases. Inequality is expected to decrease when a certain level of average income is reached and processes of industrialization such as democratization and rise of welfare state allow for trickle down of benefits from rapid growth and increase of PCY.

OBJECTIVES

The main objectives of the present study are:

1. To look the trends of workforce and compositional change of workforce in respect of gender and geographical area since 1980s when the state was hit by violence which resulted human immigration and economic downturn. Thus it becomes important to study the workforce since 1980 when the conflict surfaced and large proportion of youth joint militancy which reflected change in occupational pattern of workforce.
2. To examine the sectoral changes in workforce in terms of composition.
3. To analyze the problems and suggest policy measures.

HYPOTHESIS

H₁: The growth of workforce has increased in relation to increasing population in Kashmir since 1980

H₂: There are sectoral changes in workforce in terms of composition since 1980

H₃: Female workforce participation accounts less compared to male workforce.

H₄: The workforce participation has been biased towards tertiary sector in Kashmir since 1980

METHODOLOGY AND DATA SOURCES

Study work is based on both Primary and Secondary sources. The Secondary sources will be DSE (J & k), NSSO, CSO, ASI, SHRC, population census and various newspapers and periodical reports. The primary source depends on field survey.

The secondary data will be collected from:

1. Reports, Journal, Magazine and News papers.
2. Central Statistical Organisation (CSO).
3. Annual survey of industries (ASI).
4. State and District Employment Exchange Records.
5. Population census.
6. National Sample Surveys Organization.
7. Directorate of Economics and Statistics: Govt. of J&K

STATISTICAL TOOLS AND TECHNIQUES

1. **Percentage:-** Total workforce x 100 / Total population
2. **Structural Change Index Method (SCI):-** A commonly used method of measuring structural change in employment (& out-put) is the rate or coefficient of (compositional) structural change, often referred as SCI. The SCI for employment may be defined as half the sum of absolute value of the differences in employment over time. The calculation is given by the formula:

$$SCI = \frac{1}{2} \sum |x_i(t) - x_i(t-1)|$$

Where $X_i(t)$ and $X_i(t-1)$ represent each industry's percentage share in employment at time (t) and (t-1), respectively. The use of absolute values ensures that positive and negative changes in industry share do not cancel each other out when the values are summed across industries. The SCI is bound between zero and 100, with zero representing no structural change while 100 indicates a complete reversal of structural change.

3. **Karl Pearson's Coefficient Correlation:-** In order to prove our 1st hypothesis, "*The growth of workforce has increased in relation to increasing population in Kashmir since 1980*", Pearson's Coefficient Correlation is used to examine or analyze the degree or strength between two variables i.e. workforce and population. : Karl Pearson's coefficient of correlation is given by:

$$r(x, y) = \frac{Cov(x, y)}{\sigma_x \sigma_y}, \quad r(x, y) = 0.82$$

4. **Z-test for significance of proportions:** In order to prove our 3rd hypothesis, “Female workforce participation accounts less compared to male workforce”. Under the null hypothesis, the test statistic is given by:

$$Z = \frac{p_1 - p_2}{\sqrt{\hat{P}\hat{Q}\left(\frac{1}{n_1} + \frac{1}{n_2}\right)}} \quad \text{Where } \hat{P} = \frac{n_1p_1 + n_2p_2}{n_1 + n_2} \quad \text{and} \quad \hat{Q} = 1 - \hat{P}$$

P_1 = Male Working Force/Total Male, n_1 = Total Male, P_2 = Male Working Force/Total Male, n_2 = Total Male

5. **Kuznets Analysis:-** In order to show the transformation of output from primary sector to non-primary sector, the following Kuznets equations have been used.

$P = P_p + P_n$; Where P_p = primary sector net product, P_n = non-primary Sector net product, P = total national product

Then, $\Delta P = \Delta P_p + \Delta P_n$

$\Delta P = (\Delta P_p/P_p) P_p + (\Delta P_n/P_n) P_n \dots\dots (2)$, Writing R_p for $\Delta P_p/P_p$, R_n for $\Delta P_n/P_n$:

$\Delta P = P_p R_p + P_n R_n \dots\dots (3)$,

$P_p R_p = \Delta P - P_n R_n \dots\dots (4)$

$P_p R_p/\Delta P = 1 - (P_n R_n/\Delta P)$,

$P_p R_p/\Delta P = (\Delta P - P_n R_n)/\Delta P$

$P_p R_p/\Delta P = -P_n R_n$,

$P_p R_p = \Delta P (-P_n R_n)$ (Changing with negative sign exponent)

$P_n/P_p = R_n/R_p$

REVIEW OF RELATED LITERATURE

In this chapter, an attempt has been made to review the related and earlier literature on “**TRENDS IN GROWTH AND COMPOSITION OF WORKFORCE PARTICIPATION IN KASHMIR ECONOMY SINCE 1980: PROBLEMS AND POLICY MEASURES**”. The chapter has been divided into three sections:

SECTION 1: INTERNATIONAL LEVEL

The following work conducted at international level related with work is given below:-

1. Carree Martin, Thurik Roy, S. Andrevan and A. David (2008), published the research work “Does Self-Unemployment Reduce Unemployment?”, by *Journal of Business Venturing*, investigated the

dynamic relationship between self-employment and unemployment rates. They examined that high unemployment rates may lead to self-employed activity and higher rates of self-employment may reduce unemployment in subsequent periods.

2. **Martin Gonzalez and Menendez Alicia (2006)** published the research work “Why Have Urban Poverty and Income Inequality Increased So Much? Argentina, 1991-2001”, by Journal of Economic Development and Cultural Change, University of Chicago analyzed the trends in labor force and poverty among Argentina households during Nineties. The study found that changes in labor force participation are associated with a reduction in the poverty rate.
3. **Fernandes Reynaldo and Felicio Fabiana (2005)**, published the research work “Worker Effect in Brazilian Metropolitan Area”, by Journal of Economic Development and Cultural Change, University of Chicago evaluate the “added worker effect” (AWE) i.e. temporary participation of wives in labor force whose husbands have become unemployed in the six major Brazilian metropolitan areas. The results showed a positive AWE that is much more substantial than those found for the U.S economy. The finding of AWE for Brazil suggests that liquidity constraints prevent Brazilian male from consumption.

SECTION 2: NATIONAL LEVEL

1. **Fallon, P. (1983)**, published the research work “Education and the Duration of job search: An Empirical Analysis based on a survey of Delhi job seekers” by Journal of Development Economics and Cultural Change, University of Chicago investigated why job seekers tend to experience longer search. The empirical analysis based on a survey of Delhi job seekers indicates that duration of search is mainly determined by educational level. Higher the education level, longer the job search.
2. **Bhattacharya, B. B (1997)**, published the research work “Changing Composition of Employment in Tertiary Sector”, by Economic and Political Weekly has conducted the empirical study on changing composition of employment in tertiary sector. Tertiary sector accounts large percentage of employment not only in the developed countries but in the urban areas of developing countries also. The main purpose of this paper is the transformation of employment in the tertiary sector is associated with economic development.
3. **Sandaram K (2001)**, published the research work article, “Employment-Unemployment Situation in the Nineties” by Journal of Economic and Political Weekly, examined the changes in the size and structure of workforce, labor productivity. The finding of the study shows a slow growth of work force relative to that of population and reduction in the share and size of the workforce in agriculture.

SECTION 3: STATE LEVEL

Enough work has been done on at international or national level. However, no study work was done at state level however, small attempt has been made in the form of articles which are published and unpublished related to **“Trends in Growth and Composition of Workforce Participation in Kashmir Economy Since 1980: Problems and Policy Measures”**.

REPORTS AND ANALYSIS OF WORKFORCE DATA

Changes in the size, composition and distribution of population are closely associated with the demographic structure of workforce in an economy. The workforce participation rates vary according to the stages of economic development, across socio-culture, age groups, and between sexes. J&K economy has been primarily agricultural which contributes about one third to the total economy and employs more than half of the workforce. The agriculture is not able to absorb a significant number of additional workers due to advancement of technology in agriculture field. However, with modernization, urbanization and industrial development, there is likely to be a shift in the occupational structure of the workforce. Change in development includes a reallocation of workforce from agriculture to non-agriculture activities.

GROWTH OF LABOUR FORCE INDIA

The size of labour force in a country is of crucial importance for the level of economic activity. Size of labour force in a country is determined by the number of people in the age group 15-59. Hence, the size of labour force depends on all economically active population including the unemployed. In India, 39.26 percent of population constituted the labour force in 2001 however, 45 percent or more of labour force in various developed countries. During three decades period, labour force in India more than double. In 2011, it was 48.17 crore as against 18.07 crore in 1971. Moreover, the labour force did not increase at a uniform rate during the three decades since 1971. It may be noted that the rate of growth of labour force was 2.96 per cent per annum during the 1970s. It declined to 2.37 percent per annum during 1980s but the trend was reversed subsequently as the average rate of growth of labour force rose to 2.78 percent per annum during 1990s.

Year	Labour Force (in crore)	Average Annual Growth Rate
1971	18.07	
1981	24.20	2.96
1991	30.60	2.37
2001	40.22	2.78
2011	48.17	2.69

Excluding Assam and J&K, **Source:** Tata service Ltd, Statistical Outline of India,

LABOUR FORCE, WORK FORCE AND UNEMPLOYED

The NSS provides data on two important parameters namely labor force and workforce. The labor force is defined as the 'economically active' population that supplies or seeks to supply labor for production. Hence it includes both employed and unemployed persons. The workforce is the technical term used by the NSS for the employed.

	Jammu and Kashmir		All India	
	55 th Round (1999-0)	61 th Round (2004-5)	55 th Round (1999-0)	61 th (2004-5)
Labor Force	4.01	4.37	403.15	470.14
Workforce	3.94	4.27	394.17	458.99
Unemployed	0.07	0.1	8.98	11.15
Ratio of Unemployed to Labor Force	1.7%	2.3%	2.2%	2.4%

Source: Compiled census of India

The labor force in J&K increased from 4.01 million in 1999-00 to 4.37 million in 2004-05. In the five year period from 1999-2000 to 2004-05 the work force in J&K increased from 3.94 million to 4.27 million falling a little short of the increase in labor force. In this five year period, 3.3 lakh jobs were found by the workforce in various sectors of the state economy. Notwithstanding this, the addition to the workforce has marginally fallen short of additions to labor force in successive periods of the NSS rounds leading to an increase in absolute number of unemployed persons in the state. In 2004-05 the state had around one lakhs unemployed persons. In 2007-08 this number was higher at 1.3 lakhs. Moreover percentage of unemployed to total labor force has also been increasing, but in 61st NSS Round at 2.3 per cent it was lower than all India number of 2.4 per cent.

GROWTH RATE OF WORKFORCE IN JAMMU AND KASHMIR

There is a positive Impact of population growth on workforce that is workforce increases with the increase in population. The workforce of state was analyzed from 1981 to 2011. Correlation coefficient between them was found out 0.82 which shows high and positive correlation between population and workforce. Therefore hypothesis “*growth of workforce has increased in relation to increasing population*” is not rejected.

Table 1.3: Working Population with Sex wise of J & K 1971-2011.

Year	Total Pop	Total working Pop	Male working Pop	Female working Pop
1981	5987389	2650044	1766215 (66.64)	883829 (33.35%)
2001	10069917	3688873	2641348 (71.60%)	1047527 (28.39%)
2011	12548926	4322713	3095090 (71.60)	1227623(28.39)

Source: DES, Govt. in J& K

AREA WISE WORK FORCE BETWEEN RURAL AND URBAN POPULATION

Workforce is examined area wise and it is found that rural workers decreased and urban workers increase due to migration from rural areas. Migration is due to high job opportunity and high wages as most industries are concentrated in and around urban areas.

Table 1.4: Area wise work force between rural and urban population

Year	Rural Pop.	Rural Workers	%age	Urban Pop	Urban Workers	%age
1981	4276986	1855967	43.19	1260403	394077	31.3
2001	7564608	2269319	29.99	2505309	819556	32.8
2011	9165609	2366411	25.17	3383317	1126352	33.2

Source: Economic Survey, 2013-14, Govt. of J& K

COMPOSITION OF WORKING POPULATION FOR J & K STATE (CENSUS 1981)

The categories of workers were divided into cultivators, agriculture labours, livestock, hunting, forestry, fishing, mining and quarrying, manufacturing, HH industry, construction, trade and commerce, transport, storage and communication and other service.

Cultivators	10,33,897	56.85%
Agriculture Labours	63,540	3.49%
Livestock, hunting, forestry, fishing etc.	64,929	3.54%
Mining and quarrying	3,294	0.18%
Manufacturing processing service and repairing.	96,332	5.30%
Household industry and other house industry.	108,049	5.04%
Construction	51,512	2.83%
Trade and Commerce	1,01,405	5.58%
Transport, storage and Communication	57,436	3.61%
Other service	238,807	13.13%

Source: Compiled Census of India

The table shows the category wise distribution of working force in the state during 1981 out of total main workers, 56.85% working as cultivators, 5.3% working in house hold under manufacturing processing, service and repair sector, 3.54% under live stock hunting, foresting, fishing etc. 3.49% agriculture labours, 3.61% working in transport storage and communication, 2.83% in construction, 5.58% in trade and commerce and 13.13% working other service.

CATEGORIES OF WORKING POPULATION FOR J&K STATE (2001)

According to census 2001, the categories of workers were divided into four. The categories of workers were cultivators, agriculture labours, HH industry workers and other workers. Furthermore workers are distributed and examined area wise and sex wise.

Area	Sex	Cultivators	%	Ag. Lab	%	Wks HHI	%	Others Wks	%	Total
R	M	994104 (51.50)	63. 60	17780 (9.3)	77. 9	86545 (4.5)	49. 5	669700 (34.7)	74. 1	1929238 (100)
	F	567694 (60.40)	36. 40	50760 (5.40)	22. 1	88221 (9.4)	50. 50	233406 (24.8)	25. 9	940081 (100)
	T	1561798(5 5.95)	100	229740 (7.3)	10 0	174675 (6.9)	100	903106 (29.7)	10 0	2869319 (100)
U	M	29045 (4.10)	76. 70	15907 (2.20)	84. 3	32541 (4.5)	59. 20	637617 (89.9)	89. 6	712110 (100)
	F	8813 (8.20)	23. 30	2930 (2.7)	15. 6	22394(20.8)	40. 80	73309 (68.3)	10. 4	107446 (100)
	T	37858 (6.15)	100	18873 (2.45)	10 0	54935(12.6)	100	707926 (78.8)	10 0	819556 (100)
R+ U	M	1023149(3 8.70)	64. 0	194887(7.40)	78. 4	118995 (4.5)	51. 8	1304317 (49.4)	81. 1	2641348 (100)
	F	576507 (55.0)	36. 0	53690 (5.10)	21. 6	110615 (10.5)	48. 2	306715(2 9.40)	19. 0	1047525(100)
	T	1599656 (43.6)	100	248577(6.72)	10 0	229610 (6.2)	100	1611032(43.7)	10 0	3688873(100)

Source: Census of India

The table under reference shows that total number of workers in J&K was 3688873 in 2001. The share of rural and urban workers were 2869319 (77.78%) and 819556 (22.22%) respectively. The total cultivators in the state were 1599656 (43.36%) of the total workers in the state. Out of which 1561798 (97.63%) were in rural areas and 37858 (2.37%) in urban areas. The total agriculture labors was 248577 (6.72%) of total workers. The share of rural agriculture labor was 229740 (8.0%) and urban agriculture labors was 18873 (7.58%). The total workers in house hold industry were 229610 (6.22%) of total workers. The workers in the house hold industry in rural areas and urban areas were 174675 (76.0%) and 54935 (23.93%) of total workers in the house hold industry respectively. The other workers in our state were 1611032 (43.67%) of total workers. In rural areas the other workers were 903106 (56.06%) and in urban areas they were 707926 (43.94%) out of total workers.

As the sex wise distribution of workers is concerned, male cultivators in the state were 1023149 of total workers. In rural areas the number of male cultivators and other workers was 994104 (51.5%) and 669700 (34.7%) of total workers. In rural area the agriculture laborers and workers in the house hold industry were only 178780 (9.30%)

and 86545 (4.50%) of total workers. On the contrary in urban areas, the number of males as cultivators, agricultural laborers and workers in the house hold industry were 29045 (4.10%), 15907 (2.2%) and 32541 (4.60%) of total workers respectively. The number of agriculture female laborers in rural areas was very small, i.e. only 50760 (5.40%) of total workers, female rural HH industry worker constitute 88221 (9.4%) and 233406 (24.8%) of other rural female workers. On the contrary the number of females in urban areas as cultivators, agriculture, laborers, workers in the house hold industry and other workers were 8813 (8.2%), 2930 (2.7%), 22394 (28.8%) and 73309 (68.4%) respectively. It is clear that in urban areas both male and female population is largely employed in service sector.

CATEGORY OF WORKERS OF J&K STATE ACCORDING TO 2011 CENSUS

The categories of workers were further divided into cultivators, agricultural labourers, workers in household industry and other workers. Among all these categories cultivators maintains the dominance and surprisingly a female contributes high as compared to males at state level. However, Kupwara maintains dominance in agricultural labourers in which male participates more as compared to females.

		J& K State (2011 Census)		District Kupwara (2011)	
		Number	Percentage	Number	Percentage
Cultivators	Persons	1245316	28.81	34680	15.14
	Males	765527	23.96	25904	13.57
	Females	479789	42.55	8776	22.99
Agricultural Labourers	Persons	547705	12.67	566759	24.78
	Males	414344	12.97	50549	26.48
	Females	133361	11.83	6210	16.27
Workers in Household Industry	Persons	172586	3.99	7946	3.47
	Males	91338	2.86	4463	2.34
	Females	81248	7.21	3483	9.13
Other Workers	Persons	2357106	54.53	129679	56.61
	Males	1923881	60.21	109983	57.61
	Females	433225	38.42	19696	51.61

Source: Economic Survey 2013-14

DISTRIBUTION OF WORK FORCE OF JAMMU AND KASHMIR (1999-2009)

According to economic survey 2009, the categories of workers were divided into agriculture, forestry, fishing, mining, manufacturing, electricity, gas and water supply, construction, wholesale and retail trade, hotels and restaurants, transport storage and communication, financial intermediation, real estate, renting and business activities, public administration and defense, compulsory social security and other services. Among these categories agriculture sector maintains the dominance. Thus distribution of work force from 1999 to 2009 is shown in table below:

Description	1999-00	2000-01	2001-02	2002-03	2003-04
Agriculture, Forestry	4523601	4637672	4752668	4800698	4875051
Fishing	4411	4522	4634	4681	4754
Mining	2177	2232	2287	2310	2346
Manufacturing	331612	339974	348404	351925	357376
Electricity, Gas & Water supply	8196	8403	8611	8698	8833
Construction	159901	163933	167998	169696	172324
Wholesale & Retail sale: Repair of Motor Vehicles and HH Goods	290471	297796	305180	308264	313038
Hotels and Restaurant	29345	30085	30831	31143	31625
Transport and Communications	100066	102589	105133	106195	107840
Financial intermediation	13005	13333	13664	13802	14016
Real estate, & business activities	23668	24265	24867	25118	25507
Public administration and defense; compulsory social security	224237	229892	235592	237973	241659
Other services	297171	304665	312219	315374	320259
Total Work Force	6007861	6159361	6312088	6375877	6474628
Population	9795000	10042000	10291000	10395000	10556000

Source: Directorate of Economics and Statistics, J&K State, 2011

Description	2004-05	2005-06	2006-07	2007-08	2008-09
Agriculture, Forestry	4949404	5023297	5096266	5168775	5241744
Fishing	4827	4899	4970	5041	5112
Mining	2382	2418	2453	2488	2523
Manufacturing	362827	368243	373593	378908	384258
Electricity, Gas & Water supply	8968	9102	9234	9365	9497
Construction	174952	177564	180143	182706	185285
Wholesale & Retail sale Trade: Repair of Motor Vehicles, Motorcycles and personal & HH Goods	317812	322557	327242	331898	336583
Hotels and Restaurant	32107	32586	33059	33529	34002
Transport & Communications	109485	111120	112734	114338	115952
Financial intermediation	14230	14442	14652	14860	15070
Real estate, renting and business activities	25896	26283	26665	27044	27426
Public administration and defense; compulsory social security	245345	249008	252625	256219	259836
Other services	325144	329998	334792	339555	344349
Total Work Force	6573379	6671517	6768428	6864726	6961637
Population	10717000	10877000	11035000	11192000	11350000

Source: Directorate of Economics and Statistics, J&K State, 2011

It is above from table analyzed that in 1999-00, agriculture sector contributes 75.25% (4523601) work force and in the same year service sector contributes only 6 percent. The contribution of tertiary sector increased very little and work force distribution was skewed towards tertiary sector slowly according to directorate of economics and statistics, J&K. However this data is doubtful as exact magnitude and reliable data is not possible. It is also different from other sources. It has been observed from other sources that contribution of workforce in agriculture is declining very fast and work force is moving towards tertiary sector. Primary sector constitutes agriculture, forestry, fishing, mining and quarrying. This sector accounts 4861801 and 5633637 in 1999 and 2009. Secondary

sector includes of manufacturing, construction, electricity, gas and water supply. This sector constitutes 499709 and 579070 in 1999 and 2009. Service sector comprising of Trade, Hotels & restaurants, transport storage & communication, Banking and insurance, real estates, public administration and other services which in total constitutes 977963 (16.27%) in 1999-00 and 1249170. These sub-categories of workers identify the contribution of each sector in total workforce.

INCREASING CASUALISATION

Another aspect of employment trends and structure that is of interest in the developmental context is the distribution of workers by employment category in terms of self-employed, regular wage and salaried workers and casual wage earners. It has been generally expected that with shift of workers from agriculture to non-agricultural activities and from footloose to enterprise based employment, there will be an increase in the proportion of workers employed on a regular wage and salary basis. There has been a decline, albeit slow, in the share of self-employed, from 61 percent in 1972-73 to 53 percent in 1999-2000. The share of regular wage-salaried workers has, however, stagnated around 14 percent, while that of casual workers has increased from 23 to 33 percent.

	1972-73	1983	1993-94	1999-00	2004-05	2010-11
Self Employed	61.4	57.4	54.8	52.9	50.2	48.7
Regular Wage/ Salary Workers	15.3	13.9	13.2	13.9	13.5	14.4
Casual Wage Workers	23.3	28.7	32.0	33.2	34.3	36.9

Source: Economic Survey (2014), Govt. of J&K

The shift is seen from self-employed to casual workers category and most of it has taken place in rural areas, from agriculture to non-agricultural activities, such as construction, trade and services. There has been displacement of workers from large industries in urban area, rendering the regular workers to the status of casual workers. But the magnitude of such change in status of workers has not been very significant in relation to the total numbers involved.

The phenomenon of casualisation, therefore, needs to be seen in the overall perspective of employment trends in the economy. Agriculture is increasingly unable to productively absorb the growing rural labour force. At the

same time, there has been some growth of non-agricultural activities in rural areas in the construction, trade and services which have generally offered better earnings than agriculture. Most of these unemployment opportunities have been of temporary and casual nature. But they have provided either full-time or supplementary employment adding to the income of the rural households. On the other hand, regular jobs have hardly increased in urban areas; in fact, there is evidence to show that such job have declined due to technological and competitive compulsions in the larger industrial enterprise. So, part of regular workforce has been rendered casual and most new jobs have been in the casual category.

COMPOSITION OF WORKERS OF J&K (2004-05)

According to NSS 61st Round, 2004-05, the categories of workers were divided into agriculture, mining & quarrying, manufacturing, electricity, water etc; Construction, trade, hotel and restaurant, transport, Financial Intermediates, business etc.; public administration, education Communication, Service etc.

Sex	Male				Female				Persons			
	1983	1993-94	1999-00	2004-05	83	93-94	99-00	2004-05	83	93	99	04-05
I	71.7	61.3	66.9	53.8	96.0	95.6	93.4	86.6	79.5	76.0	74.4	64.0
II	0.28	0.10	0.00	0.40	0.05	0.10	0.0	0.0	0.20	0.10	0.0	0.30
III	5.51	5.71	4.40	9.90	2.07	0.90	3.90	9.70	4.40	3.60	4.20	9.80
IV	0.92	2.0	0.70	1.6	0.0	0.0	0.0	0.0	0.63	1.10	0.40	1.10
V	10.5	9.9	10.2	10.2	0.39	0.70	0.20	0.10	7.26	6.0	6.60	7.10
VI	2.7	4.3	5.4	7.1	0.4	0.2	0.4	0.3	1.9	2.5	3.6	5.0
VII	2.0	4.6	2.5	5.8	0.0	0.0	0.2	0.0	1.4	2.7	1.7	4.0
VIII	0.2	0.9	0.2	0.4	0.0	0.0	0.1	0.0	0.1	0.5	0.2	0.2
IX	6.4	11	9.7	10	1.1	2.5	1.8	3.3	4.6	7.5	6.9	8.5
Total	100	100	100	100	100	100	100	100	100	100	100	100

Source: NSS 61st Round, 2004-05. **NOTE:** I=Agriculture, etc.; II=Mining & Quarrying; III=Manufacturing; IV=Electricity, Water, etc; V=Construction; VI=Trade, Hotel and Restaurant; VII=Transport; VIII=Fin. Inter, business etc.; IX=Public Administration Education Communication; Service etc.

Analyses shows from the table 2.5, which from agriculture workforce declined from 1983 to 2005. In 1983 workforce in agricultural was 79.5% and declined to 74.4% in 1999 and finally to 64.0% in 2004-05. In case of construction, workforce was significant in 1983 means 7.26% but start to decline in 1993 (6.0%) and 1999 (6.6%) and start to increase and significant in 2004-05 i.e. 7.1%. However in overall service sectors growth rate is

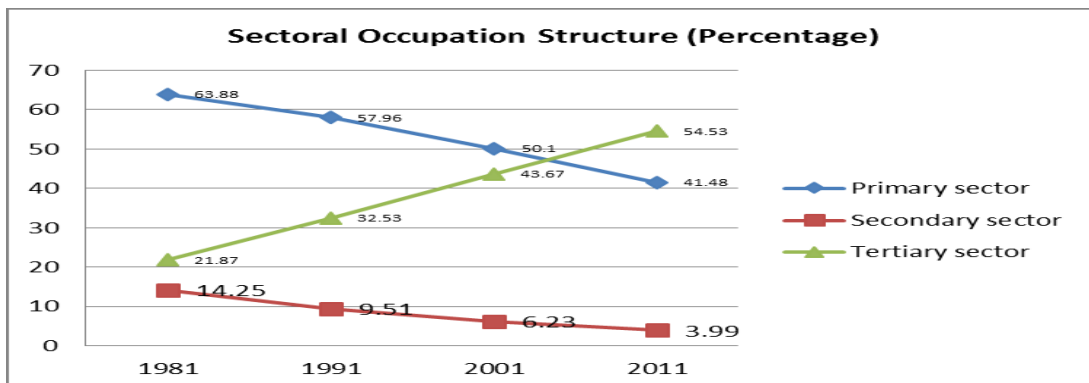
significantly increasing. From the above analyses we observed that there are some diversifying trends in the occupational pattern of Jammu and Kashmir. Occupational pattern of the state has shifted from agricultural sector to non-agricultural sector, that shows us the path of development on the one hand and agricultural backwardness on the other hand and which has not the capacity to absorb army supply of labor force due advance of technological change.

TRENDS OF LABOURFORCE IN ECONOMIC SECTORS

The present occupational structure clearly reflects the backwardness in J&K economy. We shall now examine whether occupational distribution of labor force has changed since 1981. We notice that since 1981 until now primary sector remains the main occupation of the people, as it never falls below 40 percent. According to census 1981, the total labor force employed in primary sector was 63.88 percent. But there was gradual decrease in primary sector since 1981. Labor force employed in primary sector was 63.88 percent in 1981, but in 1991, 2001 and 2011; it declined to 57.96 percent, 50.1 percent and 41.48 percent means 22.4 percent points decline since last three decades in primary sector. Since 1981, there was a continuous decline in employment of work force in the secondary sector and it declined more rapidly during the last decade of the reference period. There is a terrific and continuous rise in the percentage of labor force employed in service sector since 1981 up to 2011. In 1981 the total labor force employed in tertiary sector was 12.89 percent which rises to 31.35 percent and 54.53 percent in 2001 and 2011 census respectively.

Table 2.3: Trends of Labour force in different sectors

Sectors	1971	1981	1991	2001	2011
Primary	71.55	63.88	57.96	50.1	41.48
Secondary	8.94	14.25	9.51	6.23	3.99
Tertiary	18.10	21.87	32.53	43.67	54.53



The trend curve of primary sector is decreasing continuously and curve of service sector is progressively increasing since 1980. This is a welcome development as it reflects improvement in tertiary sector. Thus our hypothesis “*workforce participation has been biased towards tertiary sector*” is accepted from this analysis.

Sector	1981	1991	Change	SCI	1991	2001	Change	SCI	2001	2011	Change	SCI
Primary	63.88	57.96	-5.92	10.66	57.96	50.11	-7.86	11.14	50.11	41.48	-8.62	10.92
Secondary	14.25	9.51	-4.74		9.51	6.23	-3.28		6.23	3.99	-2.24	
Tertiary	21.87	32.53	10.66		32.53	43.66	11.14		43.66	54.53	10.86	
Total	100	100			100	100			100	100		

The above table depicts Structural Change Index of occupational structure has increased continuously during the reference period. It was 10.66 percent during the first decade of reference period which reached to 11.1 percent in second decade and finally it increased to 10.9 percent during the last decade of the reference period. Therefore, there was a continuous increase in structural occupation in the state economy. The SCI was 10.66 percent during the first decade of the reference period. This suggests that 10.66 percent work force has shifted from primary and secondary sectors to tertiary sector of an economy. The magnitude of shift in percentage from primary to tertiary sector is 55.53 percent whereas from secondary sector to tertiary sector is 44.46 percent.

The occupational SCI was 11.1 percent during the 2nd decade of the reference period. This suggests that 11.1 percent work force has shifted from primary and secondary sectors to tertiary sector of the economy. The magnitude of shift in percentage from primary to tertiary sector is 70.81 percent whereas from secondary sector to tertiary sector is 29.19 percent. The occupational structural change index was 10.9 percent during the third decade of the reference period. This suggests that 10.9 percent work force has shifted from primary and secondary sectors to tertiary sector of the economy. The magnitude of shift in percentage from primary to tertiary sector is 79.08 percent whereas from secondary sector to tertiary sector it is 20.92 percent.

Sector	1981	2011	Change in Percentage	SCI
Primary	63.88	41.48	-22.4	32.66
Secondary	14.25	3.99	-10.26	
Tertiary	21.87	54.53	32.66	
Total	100	100	0	

The above table depicts that structural change across three key sector of Jammu and Kashmir economy is equal to 32.66 percent which implies that during the 30-year period, 32.66 percent resources have been reallocated to tertiary sector from primary and secondary sectors of economy. The resources shift from primary sector to tertiary sector is equal to 22.4 percent (i.e. 69%) whereas from secondary sector to tertiary sector it is equal to 10.26 percent (31%).

The area wise change in workforce means migration from rural to urban areas and sector al shift of labor force is related with *Simon Kuznets Hypothesis*. The Kuznet's curve implies that as a nation undergoes industrialization, the center of nation's economy will shift to cities. As internal migration by farmers looking for better jobs in urban areas, causes significant rural-urban inequality gap. Rural population decreases and urban population increases. Inequality is expected to decrease when a certain level of average income is reached and migration stops.

OUTPUT SHARE BY PRIMARY AND NON-PRIMARY SECTOR

Year (Decadal)	1981	2001	2011
Output of Primary sector (%age)	47.40	32.59	21.98
Out-put of non-primary sector (%age)	52.61	67.41	78.02

Sources: 1) Economic census, GoI, 2) DES (Govt. of J&K)

From the above table, it becomes clear that there is the presence of asymmetry between the output and employment share in shifting from primary to the non-primary sector.

CHANGING OF OUTPUT IN PRIMARY AND NON-PRIMARY SECTOR

Table 2.7: Changing of output in primary sector and non-primary sector. (%age shares in NSDP).							
Pp (P. S's % Share of NSDP)		Pn (NPS's % Share of NSDP)		Rp (Annual Gr. Rate PS)		Rn (Annual Gr. N-P S)	
1981	2011	1981	2011	1981-95	1996-2011	1981-95	1996-2011
47	22	53	78	2.41	3.5%	4.14	9.48
Pn/Pp		Rn / Rp		(Pn/Pp)(Rn/Rp)			
1981	2011	1981	2011	1981	2011		
1.13	3.55	1.72	2.71	1.94	9.62		

PRIMARY SURVEY ON BLOCK KUPWARA

Due to lack of exact figure and reliable information, primary survey is must. Keeping the objectives and hypothesis of present study in view, work was done accordingly. However, it was not practically possible for individual researcher to conduct census of whole block. Therefore sampling method was used for present study. Thus various stages of survey were conducted in order to assess the configuration of workforce among population of block Kupwara, therefore two stage surveys was conducted. In the first stage, approximately 9 percent sample i.e. three villages namely were selected through **purposive sampling because** having good literacy and number of workers engaged in economic activities. Further in order to avoid a bias and to give due courage to whole study area, second stage survey with a large size of sample become mandatory. A 14 percent sample i.e; 6 villages out of 36 villages were selected for second stage survey through **Random Sampling Method**. After selection of sample villages, again a 15 percent household in each village was conducted through questionnaire in order to collect data about workforce.

Compare District / Block Level with Primary Survey

Official Data									
Place	Total Population	M	F	Working Pop	Male from Working Pop	Female from Working Pop	Primary Sector	Secondary Sector	Tertiary Sector
District Kupwara	870354	513643 (59.01)	356711 (40.98)	455177 (52.29)	310118 (68.13)	145059 (31.86)	42.32	11.12	46.56
Block Kupwara	227588	136887 (60.14)	90701 (39.85)	142242 (62.49)	94828 (66.67)	47414 (33.32)	29.09	14.59	56.32
Primary Survey of Block Kupwara									
Sample Data	314481	188007	126474	19702 (62.64)	11652 (59.14)	8050 (40.85)	30.54	16.18	53.28
					P ₁ (M/T.M)	P ₂ (F/T.F)			
					126525 (67.2)	70507 (55.75)			
Z= 14.28					P Value= 0.02				

In the sample data through primary survey, $Z = 14.29$ which implies significant difference. P Value was calculated by using Z-Test for significance of proportion. Sample chosen is representing the whole universe i.e. block Kupwara and what is true through Sample method is true of whole population of block and district as well. Data collected through primary survey by sampling method is almost same at state level based on secondary data.

PROBLEMS AND MEASURE

PROBLEMS	
1	The state of J&K is rich in natural resources and is suitable for establishment of industrial activities such as manufacturing of silk, cotton and woollen textiles etc. but in spite of this, the state has failed to make best use of these resources for employment generation due to violence. Violence retarded growth and development of state. Tourism as multi-segmented industry has suffered tremendously. It is estimated that state lost 29 million tourists from

	1989-2002 leading to revenue loss of \$ 3.6 billion. Being a labor-intensive industry, the scope of employment in tourism is very vast. Tourism is regarded as multi-segmented industry, provides different types of jobs like hotel managers, receptionists, guides, tour operators, travel agents, photographers & many other jobs which are required to strengthen the tourism. Thus long years of militancy and violence have adversely affected tourism sector which is external source of other sectors. Tourism sector with high potential in employing people having positive externalities for other sectors like handicrafts, handlooms and transport.
2	Less productive investment is taking place in the Jammu and Kashmir economy i.e. no manufacturing sector exists. There is inadequate attention paid by the state government to industrial development. It is the responsibility of the state to provide necessary infrastructure for industrial development.
3	No internal resource mobilization and huge amount of resource is spending on internal security.
4	When state was struck with violence, there was demolishing and devastation of physical infrastructure. It produces deterrence to the big companies and entrepreneurs. Then state was not able to invite FDI.
5	The state of Jammu and Kashmir is deprived by power supply. As all sectors of economy is run by electricity or power supply. An acute electricity shortage has hit businesses, common people and those connected with tourism industry. We are receiving erratic or interrupted power supply. We paid all electricity dues in advance. Despite that, we do not receive sufficient power supply. Former Chief Minister namely Omer Abdullah who has been pitching for transferring to the state the three major power projects, namely Salal, Dalhasti and Uri Projects, owned by National Hydel Power Projects Corporation (NHPC). The NHPC authorities have so far refused to transfer these projects (run on J & K rivers) to the state's ownership. The State, however, entitled to receive only 15 percent of generated power from NHPC as free of cost, i.e. royalty. Each year, the J & K state spends over 4000 crore on buying electricity from other states.
6	There is lack of investment in both private and public sector so there is no long run employment generation policy

7	Political instability leads huge diversion of resources from productive sectors to unproductive factors i.e. maintenance of law and order.
8	There influx of workers from other states of India which causes serious problems in Jammu and Kashmir State. Migrant workers express two major factors which prompted them to travel J&K State. First, the J & K employers are kind enough and never treat them as bonded labour, as in other states of the country. Secondly, wages were much higher than other states. Undoubtedly migrant workers from Bihar and other regions of the country have been instrumental in keeping alive the economy of Jammu and Kashmir State. They carry out sowing and harvesting of crops, including paddy, work in brick kilns, construction work and pack fruit to be exported to other states. The rapid flow of migrant workers in state has an effective role in the developmental sphere on one hand and on the other hand putting a huge pressure on the basic amenities. Another problem is that authorities in the state are unaware of the actual number of migrant workers in the state. Local labour remains unemployed and money of the state also goes outside the state. Local labours remain unemployed at a given wage rate while the non-local labour accepts the low-wage employment. It has also been observed that influx of migrant workers is constantly increasing day by day. In 1978-79 the presence of migrant workers was expected to be more than 80 thousand now it has gone as high as 8 lakhs only in valley of Kashmir. They are simply taking away capital from J&K and are contributing to their own states' economies (Ali, 2007).
9	There has been damage to the physical infrastructure due to militancy and the disturbances have also eroded the intellectual capital. The youth had deprived from education. The only better off, were able to send their children abroad or to reputed institutions within the country but others with limited means did not have this option. Thus unskilled youth are available. Thus there accurate shortage of trained personnel in the state. Workers are illiterate, untrained and consequently their productivity is low. Thus under-utilization of human resources is responsible for retarding economic growth.
10	There is critical Climate in J&K. Kashmir possesses a variety of climate owing to the widely differing altitudes. For instance, Jammu has tropical climate, while Kashmir situated in the sub-tropical area is subject to an extraordinary variations of temperature.

	After of May, it is similar to that of Switzerland and before that (December to March) snowfall is in intense which restrict people to work and the intense cold as are in Arctic regions in winter.
11	Education system is defective because our education policy does not aim at development of human resources and also focus on theory rather than practical knowledge. It merely produces clerks and higher cadre executives for governments. With the expansion in the number of institutions which impart this kind of education leads to unemployment. Youth fails to face changing market demand. It must be changed because youth are job seekers but not creators. Scientific temper and creativity should be developed in colleges and universities. Innovative clubs must be set up for the purpose of developing skills. Entrepreneurship education courses related to entrepreneurship development should be managed.

SUGGEST MEASURES

MEASURES	
1	First of all, there is need of permanent agreement between these two countries so that peace full environment will be created once for all in the state. If this is done then all sectors will be encouraged rapidly. Violence retarded growth and development of state. Tourism as multi-segmented industry has suffered tremendously. It is estimated that state lost 29 million tourists from 1989-2002 leading to revenue loss of \$ 3.6 billion. Being a labor-intensive industry, the scope of employment in tourism is very vast. Tourism is regarded as multi-segmented industry because it provides different types of jobs like hotel managers, receptionists, guides, tour operators, travel agents, photographers & many other jobs which are required to strengthen the tourism. Tourism sector is external source of other sectors. Tourism sector with high employment potential have positive externalities for other sectors like handicrafts, handlooms and transport.
2	Govt. should take step for rapid industrialization in accordance with natural resource endowment position. Less productive investment is taking place i.e. no manufacturing sector exists. There is inadequate attention paid by state government to industrial development. It is the responsibility of the state to provide necessary infrastructure for

	industrial development.
3	Education system is defective because our education policy does not aim at development of human resources .Scientific temper and creativity should be developed in colleges and universities. Innovative clubs must be set up for the purpose of developing skills. Entrepreneurship education courses related to entrepreneurship development should be managed. State should launch skill formation & entrepreneurship schemes because there is shortage of trained workers.
4	State should Invite FDI for rapid and large scale employment generation in Kashmir. J&K State has not been able to invite Foreign Direct Investment (FDI) due to violence and political instability. Unfortunately since six decades the governments in power have failed in creating an industrial culture in the state. It is now high time for discouraging gun culture and promoting industrial culture which could absorb a big chunk of educated youth of state.
5	Efforts should be made to provide uninterrupted and adequate power supply in Kashmir. All sectors of economy are run by electricity/power supply. Shortage of electricity has hit businesses, people and those connected with tourism industry.
6	There is urgent need to implement New Pension Policy, i.e. no pension for fresh recruits from 2010. This policy reduces the burden in govt. sector. Youth will find their jobs in private sector.
7	There is need of productive workforce. A high level delegation from Oil and Natural Gas Corporation (ONGC), <i>a Maharatna Public enterprise</i> , visited Kashmir University to offer training and employment opportunities. The company shall train the Graduate/Post Graduate Mechanical and Electrical Engineers for 90 days. While speaking on the occasion Prof. Talet (VC of UoK) said that with rapid development in the global environment, there is need for highly productive workforce. So graduates entering job market must possess the required skill. Youth of J&K should take full advantage of their competencies and capabilities to explore avenues across the globe. Om Suyun, General Manager, ONGC, said that Kashmiri youth are at bottom in terms of their competence and capabilities, but they need to be trained to make them industry ready.
8	Education system is defective because our education policy does not aim at development

	<p>of human resources and also focus on theory rather than practical knowledge. It merely produces clerks and higher cadre executives for governments. With the expansion in the number of institutions which impart this kind of education leads to unemployment. Youth fails to face changing market demand. It must be changed because youth are job seekers but not creators. Scientific temper and creativity should be developed in colleges and universities. Innovative clubs must be set up for the purpose of developing skills. Entrepreneurship education courses related to entrepreneurship development should be managed.</p>
9	<p>For the correct estimation, the government should take all those necessary measures which will attract youth to get registered with employment exchanges so that exact magnitude of educated youths of the state is known and reliable data is available. Because any recruitment made by the selection committees likes JKPSC, SSRB etc. are done on the basis of employment exchange figures which are far less than the actual. For this purpose the Compulsory (Registration) Notification of Vacancies Act should be effectively implemented.</p>
10	<p>Because of dispute over Kashmir region, the educated youth find it endanger to move outside state for opportunities of better jobs. Most of India moves towards greater openness in the world arena, however, Kashmir region is closed one due to dispute over this region. There is need of permanent agreement between these two countries so that peace full environment will be created once for all in the state. Chief Minister Omar Abdullah said (<i>Greater Kashmir, May 22nd, 2012</i>) the issue of unemployment cannot be solved by providing government jobs to the unemployed youth. Speaking at a public gathering in Nagam (Budgam district), Omar made it clear that his Government cannot provide jobs to all educated unemployed youth. “There is no state in India or any other part of the world where unemployment issue has been addressed by providing Government jobs,” he said. <i>“The youth must explore other options other than Government jobs to earn their livelihood. But for that, peace has to return to the state.”</i></p>

PROSPECTS

The state of J&K is rich in natural resources and there are enough prospects for employment generation if all resources are fully utilized. The state is bestowed with beauty and rich forests, lakes, springs and cool climate which can become the centre of attraction for millions of tourists. Tourism sector have high potential of employing people and having positive externalities for other sectors like handicrafts, handlooms and transport. Tourism is regarded as multi-segmented industry because it provides different types of jobs like hotel managers, receptionists, guides, tour operators, travel agents and photographers etc. which strengthen tourism. Tourism depends on good infrastructure services and peace. But Kashmir has been a **continuous victim** by violence and has been quite unfortunate with regard to political instability right from 1980s. Thus growth rate fluctuated i.e. sometimes negative because of attack on tourists. Thus violence adversely affects this sector.

There are enough prospects for industrial and agricultural development due to natural economic resources endowment position. The state of J&K is rich in natural resources and is suitable for the establishment of industrial activities such as manufacturing of silk, cotton and woolen textiles etc. but in spite of this, the state has failed to make best use of these resources for employment generation. Violence retarded growth and development of state.

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