

CULTIVATING GROWTH IN THE HIMALAYAS: THE ECONOMIC TRENDS OF JAMMU AND KASHMIR



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Abstract

This article provides In-depth insights of Jammu and Kashmir's (J&K) economy from 2014–15 to 2021–22, which shows that the state's compound annual growth rate (CAGR) of 5.7% which exceeds national growth rate during this period. J&K's economy nevertheless lags behind those of its neighbouring states in terms of most of the economic indicators, even though it has proven resilient in the face of obstacles like demonetization, GST, Covid-19, and the revocation of Article 370. The region's growing tourism industry and agrarian economy demonstrate growth as well as enduring problems including high unemployment and poor infrastructure. With a focus on focused interventions, equitable growth, and infrastructure advancement, the paper presents methods to realize J&K's complete economic potential.

Keywords: GST, Covid-19, CAGR

Jammu and Kashmir (J&K) nestled in the beautiful Himalayas, is an area of great natural beauty and cultural significance. Beyond its gorgeous vistas, there is a complex economic landscape characterised by resilience, obstacles, and aspirations. This article goes further into the empirical data to provide a complete study of J&K's economic trend in recent years.

From 2014-15 to 2021-22, J&K had a compounded annual growth rate (CAGR) of 5.7%, which exceeded the national average of 5.1% and demonstrated a remarkable upward trend. This rise illustrates the region's resiliency in the face of a variety of hurdles, including demonetization, GST, Covid-19, and the repeal of Article 370. Despite these increases, J&K's economic performance remains behind that of some neighbouring states, emphasizing the necessity for focused interventions and long-term initiatives.

The economy of Jammu and Kashmir is agrarian, with agriculture employing more than half of the workforce. The government's efforts to modernise the agricultural sector, as recommended by the Dr. Mangla Rai Committee, to double its contribution to the Gross State Domestic Product (GSDP), and thereby enhance farmers' incomes, have yet to bear fruit. The emphasis on switching to cash crops and increasing fruit and vegetable output demonstrates the region's commitment to agricultural reforms. However, there are numerous flaws in the form of inadequate infrastructure, poor road connectivity to the rest of the country, and insufficient cold storage facilities, resulting in essentially nothing in the way of crop insurance.

Although tourism does not contribute as much to GSDP as is commonly believed, it will contribute 8% in 2023. Tourism has always been regarded as one of the most appealing aspects of the Kashmir economy. Despite problems including as security concerns and political instability, the government's ambitious ambitions to develop new tourist attractions and improve infrastructure demonstrate its commitment to revitalising tourism. There is evidence of a considerable rise in tourist influx into the state, particularly during the epidemic. The number of tourists who visited Jammu and Kashmir in 2021, 2022 and 2023 was 1.13 crore, 1.85 crore, and 2.2 crore respectively. However, consistent efforts are required to address these difficulties and realise the full potential of Jammu and Kashmir's tourism sector.

J&K has maintained excellent fiscal discipline, with revenue surpluses expected to grow significantly, albeit against a backdrop of rising fiscal deficits. Initiatives such as Mission Youth seek to solve unemployment and foster inclusive growth, with a significant increase in livelihood prospects for young people through various self-employment schemes. However, high unemployment rates, particularly among educated youth, remain a persistent issue that necessitates concerted efforts and legislative changes. Currently unemployment rate stands at on a steady rise, stands at 18.3% with national average being 8%.

Economic development has been closely associated with political dynamics. However in J&K last elections were held in 2014, since then no elections took place although numerous political activities happened including the abrogation of article 370, bifurcation of state into two UT's, implementation of GST, demonetization and many more. In recent times the UT is directly being ruled by centre with Lt Governor as the head. The decentralization of powers is not

taking place as it used to be earlier. This can have an impact on the economic motivation of public. Appropriate steps are suggested to be taken on this front.

Navigating the Path Forward Jammu and Kashmir's economic journey is complex, with resilience, obstacles, and chances. It is great that the economy has remained resilient and performed well despite such substantial hurdles. While the region has made progress in many areas, including agriculture and tourism, there are still considerable challenges to tackle. On the agricultural front, because J&K is prone to irregular climatic circumstances, the government should step in to provide subsidies on pesticides, insecticides, organic manures, safety nets for apple farmers, and other benefits. J&K can forge a sustainable future by exploiting its natural resources, cultural heritage, and people capital. Infrastructure development should be prioritized, particularly by improving road connectivity to remote and unknown tourism sites. Targeted interventions, coordinated efforts, and a firm commitment to inclusive growth will be critical to realizing the region's full economic potential and creating a brighter future for its citizens.



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