

## Economic Development in Jammu and Kashmir by SSI units with special reference in District Budgam

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**Abstract:** This brief survey examines the economic development in Jammu and Kashmir's Budgam district by SSI units. Industries have a vital role in expanding employment opportunities and increasing the income of rural communities. The purpose of the study is to check the progress of SSI units in terms of employment generation and to study the impact of small scale industries in economic development. For the study the data has been collected mainly by primary and secondary sources. Jammu and Kashmir particularly district Budgam which is full of natural resources and raw material, these industries (SSI) utilize the resources properly and increases the income of the state. The results of the study shows that the number of the SSI units increased significantly and these units generate proper employment for the people of Jammu and Kashmir especially in district Budgam.

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**Keywords:** Economic Development, SSI units and industries.

### Introduction

The state of Jammu and Kashmir has primarily an agriculture economy unlike some other states in the country. There are no large scale industries in the state. Many small and medium scale industries have come up basically in the traditional sector along with some new areas like food processing, agro based units, wood based units, metallic and non metallic products etc. However natural factors are more conducive for small scale industries like handicraft, cricket bat industry, village industries etc. Besides due to the saturation of employment opportunities, industrial sector has been declared as the main vehicle for accelerating economic activity. Extra effort is needed in making a perfect resource mapping and evolves a package that addresses sector specific problems. The committees constituted for evolving a sub package policy for backward areas is examining the issue of incentives for backward areas other than what is available in the industrial policy. There is a need to make a shift and focus on sectors which have optimum and sustained raw material base in the State such as construction industry (marble), gem and jewellery, textiles (woolen and silk), carpet, sports (cricket bat) having complete value addition available in the State, wood based industry and finally food processing (export of walnut), pharmaceutical etc. Budgam has presently developed and increased potential in small scale industries. In this region are found 4615 small scale industries that can employ workers amounting to approximately 10000 people. Though small scale industries in Budgam region represent a growing export to international markets. Research finding show that small scale exports increased 5-8 % on average per year in March 2016. And there is an indication that

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The success of small scale industries in Budgam cannot be separated from the fact that the artisans have a special expertise in combining local materials with modern designs. The cooperation between local artisans and exporters from foreign countries has succeeded in expanding the marketing of small scale products.

Small Scale Industrial sector plays a very important role in both developed and developing countries. Their importance is reflected by the sheer number of establishments, generation of employments, contributing to the GDP, embarking on innovations, stimulating of other economic activities etc. SSIs which account for about 45 percent of the manufacturing output and form the backbone of industrial development in India now are not export competitive. Boosting the contribution of SSIs in total exports of India is vital to India's future economic growth, which can be promoted in the following manner. economic growth, which can be promoted in the following manner.

### Review of literature

Giaaoutzi Maria (2011) in her book “Small and Medium size Enterprises and Regional Development” stated that in recent years the small and medium sized enterprises has become a focal point of scientific and policy interest. He explained it is sometimes uncritically widely believed that this sector contains the rejuvenation potential that is necessary for revitalizing the industrial and service sector in our stagnating economics. The book elaborated that small and medium sized firms are as vehicles for regional development of the country.

Raj Kishore Barik (2005) concluded that development of small scale sector depends on the coordinated efforts of Government, financial institutions and entrepreneurs. Entrepreneurs have the added responsibility of running the viably. This is possible only if the entrepreneur thinks in turn constantly improving the productivity of his unit. Productivity is an attitude research for means and ways of increasing production and decreasing costs. Small scale units should periodically undertake productivity studies which should ensure the viability of the individual units and this in turn, would contribute to the development of SSI sectors.

Nanjundan S. (2011) in his Report on “Economic Research for Small Industry Development” has given guidance for promoting industrial growth in the newly industrialized countries. It provides solution to problems related to the modernization and healthy growth of small scale industry. The book elaborates that small manufacturing units should be encouraged and assisted to adopt up to date methods of production and business management so that it can play a constructive role even in countries already industrially advanced and in newly industrialized countries.

### Objectives of study

The main objectives of present study are:

- To study the growth and development of SSI units.
- To study the progress of SSI units in terms of employment generation in Budgam.
- To study the impact of small scale industries in economic development in District Budgam.

### Hypothesis

The main hypotheses to be tested in the present study are:

- The growth rate and performance of SSI units in respect to production and sales has been low.
- The SSI units have not been able to generate significant employment for rural educated youth.

### Methodology

Data will be collected mainly by primary and secondary the study is based on the information from the secondary data, which reduce the degree of reliability of the study.

However, an attempt has made for collected maximum information from various government and non government of officers.

- Newspapers, Magazines
- Annual survey of industries
- Economic survey

### Data collection

The task of data collection begins after a research problem has been defined research design/plan chalked out. The data was collected from District Budgam by primary and secondary sources of data.

### Analysis and Interpretation of Data

After collecting primary data from the entrepreneurs of small scale enterprises and secondary data from various publications of govt. offices, the data has been classified and tabulated for making the further analysis and interpretation. The study is descriptive and analytical and utmost care has been taken while analyzing and interpreting the various parameters such as production, employment, returns, costs, availability of finance to entrepreneurs, etc. The result of the data was analyzed by some elementary method.

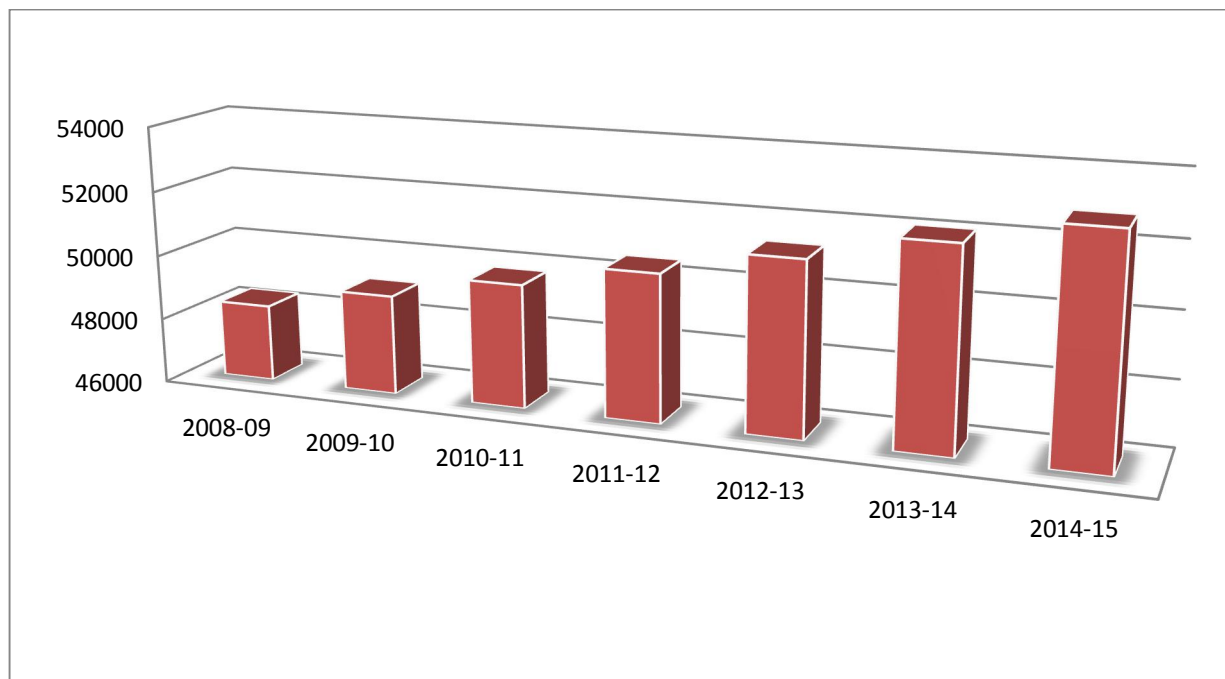
### Results and findings

#### Number of SSI units

The total number of SSI units of Jammu and Kashmir has increased each year. Table shows the increased number of SSI units in each year, it shows that in 2008-09 it increased 715, in 2009-10 is 700, in 2010-11 is 730, 2011-12 is 715, 780 in 2012-13, and 795 in 2013-14 and increased 735 in 2014-15. It also shows the total number of SSI units has increased from 48363 in 2008-09 to 52818 in 2014-15.

**Table 1:** *The total number of SSI units of Jammu and Kashmir*

Year	No of SSI units increased	Total number of units
2008-09	715	48363
2009-10	700	49063
2010-11	730	49793
2011-12	715	50508
2012-13	780	51288
2013-14	795	52083
2014-15	735	52818

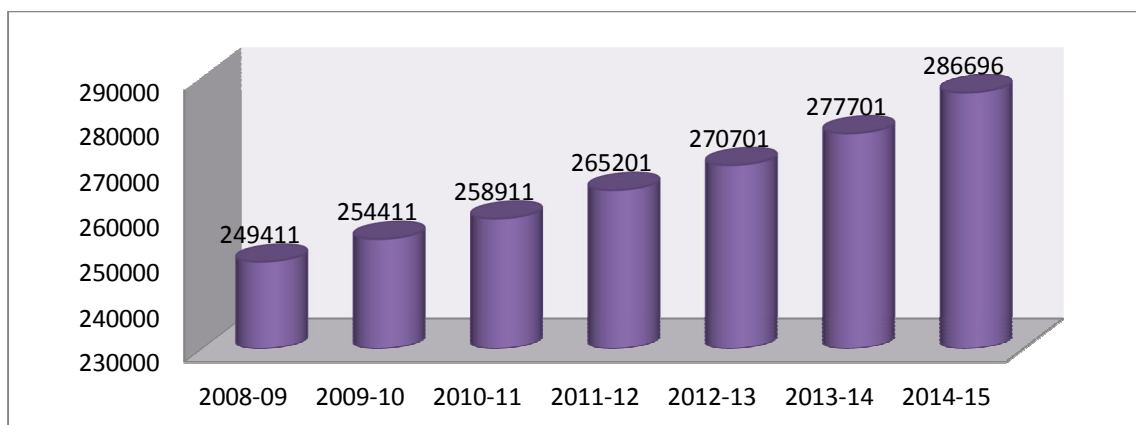
*Graphical representation of SSI units from 42823 (2008-09) to 52818 (2014-15).*

### Employment generated by SSIs units in Jammu And Kashmir State

**Table 2.** The result of employment generated by SSI units in Jammu and Kashmir from the year 2008-09 to 2014-15. It shows that it is increased from 249411 to 254411 in 2009-10 and 258911 to 265201 in 2011-12, in 2012-13 increased to 270701, to 277701 in 2013-14 and increased to 286690 in 2014-15. From 2008-09 to 2014-15 it is increased by 37285.

Year	Employment Generated by SSI units
2008-09	249411
2009-10	254411
2010-11	258911
2011-12	265201
2012-13	270701
2013-14	277701
2014-15	286696

*Table 2 shows the employment generated by SSI units*



Graphical representation of employment generation by SSI units.

### INDUSTRIAL SCENERIO OF BUDGAM

Sr No	Head	Unit	Particulars
1.	Registered Industrial Unit	NO.	2374
2.	Total Industrial Unit	NO.	2374
3.	Registered Medium & Large Unit	NO.	02
4.	Estimated Avg. No. Of Daily Worker Employed In Small Scale Industries	NO.	3972
5.	Employment In Large And Medium Industries	NO.	175
6.	No. Of Industrial Area	NO.	03
7.	Turnover Of Small Scale Ind.	IN LACS	7432.45
8.	Turnover Of Medium & Large Scale Industries	IN LACS	1785.92

### YEAR WISE TREND OF UNITS REGISTERED

	YEAR	NO OF REGISTERED UNITS	EMPLOYMENT	INVESTMENT ( IN LAKHS)
1.	Up to 1984-85	169	847	158.34
2.	1985-86	37	124	40.60
3.	1986-87	48	119	46.50
4.	1987-88	63	195	67.46
5.	1988-89	48	218	56.42
6.	1989-90	42	187	46.50
7.	1990-91	24	68	33.45
8.	1991-92	39	122	51.16
9.	1992-93	43	143	65.70
10.	1993-94	52	144	70.10
11.	1994-95	54	161	72.46
12.	1995-96	59	172	74.50
13.	1996-97	121	301	125.10
14.	1997-98	110	352	112.20
15.	1998-99	106	479	101.48
16.	1999-2000	111	437	108.11
17.	2000-01	78	359	215.43
18.	2001-02	73	583	161.19
19.	2002-03	83	493	186.15
20.	2003-04	100	404	262.60
21.	2004-05	146	898	316.05
22.	2005-06	164	3408	587.765
23.	2006-07	155	1123	606.33
24.	2007-08	136	742	338.25
25.	2008-09	120	579	589.50
26.	2009-10	125	690	706.45
27.	2010-11	78	567	1124.23
	TOTAL	2374	13905	6404.01

Source: DIC BUDGAM

## Findings

The study has been conducted to analyze different parameters such as production, employment, exports etc. and there result has been presented in the following section.

The findings of the objectives and hypothesis of the study are as:

- The analysis of the data shows that there has been a satisfactory progress in the number of units in J & K Budgam's District.
- Employment generated by SSIs in district Budgam has increased from year to year.
- SSI's serve as the engine for economic development especially in a growing economy like J & K. SSIs provides employment generation capacity which engages a high percentage of working population and thus contributing immensely to the national and global GDP. Employment opportunities apparently reduce rural urban migration and allows for even development. Small Scale Industrial development in any economy also enhances better utilization of resources by providing considerable low capital outlay for business set-up and consequently converting minimal resources into production ventures. This will consequently reduce grass root poverty and enhance their productivity.

## Conclusion

The small scale industries have a vital role in expanding employment opportunities and increasing the income of rural communities. The industries can employ a greater number of workers and its raw material grows abundantly in Jammu and Kashmir. With relatively little capital, rural communities can develop this business and provide their own employment opportunities.

Undoubtedly the small scale industrial sector has enormous potential, and is a crucial aspect of an economy. However, for the sector to fully realize its potential in a state like J & K Budgam's District there is need to basic infrastructural, financial, marketing, raw material and other facilities. As a special category state with unique features and a strategic location, the speedy industrial development of District Budgam needs an integrated approach. The top priority of the government should be to create a secure environment by improving the law and order situation in the state. State finance should also receive proper attention in order to ensure better fiscal management. A sound policy should be devised to exploit the potential in the sectors of strength. The development of potential SSIs with sound policy and good governance can lead the state of Jammu and Kashmir to a faster development path.

Thus the study supports the anti-poverty impacts of small business development research findings. Besides, that unemployment rate has a strong counter-cyclical impact on economic growth and cyclical effect on the incidence of poverty. Government Transfer programs are positively related with the incidence of poverty, which may be because they act as disincentive to work or not high enough to put the recipient above the poverty line. This indicates that strong macroeconomic performance is a key factor for poverty alleviation.

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