

Journal of Peace Studies, Vol. 14, Issue 2, April – June, 2007

Kashmir 2010 Futuristic Perspectives on Social Change

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Introduction

Train service between Katra-Vaishnavdevi from Jammu region of Jammu and Kashmir state to Qazigund-Baramullah in Kashmir region connecting Kashmir valley with the rest of India round the year (indeed a marvel in engineering) which is expected to commence in 2009 will be a watershed in the social and economic history of Kashmir. The movement of people, goods and merchandise would increase at an unprecedented speed. This development may be seen in another parallel development of acceleration of movement of people and fervent increase in trade and commercial activity through the historical routes of Jammu and Kashmir State and Pakistan Administered Kashmir. The opening of the traditional and historical routes of state (which were closed after first war on Kashmir in 1947 between India and Pakistan) increasing connectivity between the two Kashmirs would bring in a new exposure to the state of Jammu and Kashmir in general and Kashmir valley in particular. And in case the dream of a 'Free Economic Zone', as proposed by experts as well as some political parties, would become a reality, it would be another watershed in the history of entire state of J&K as it existed in October 1947 when the state acceded to the Union of India. There are indications that this dream may gradually be realized. It may be recognized that due to varied historical, geographical, cultural and even political reasons Kashmir valley will remain at the center of these activities. Therefore, it would be appropriate to have a futuristic assessment of these developments with a special focus on the Vale of Kashmir. Thus, the formulation that these historical developments would transform social structures, occupational patterns and economic activities in the state in general and Kashmir valley in particular in a major way remains valid. This analysis is an attempt to reflect on the impact of these developments at the social and economic levels in the state.

The Land Use

It is axiomatic that 'land' is central to any economic and social organization and it has remained so in every historical phase of human existence. The control of land and its use for productive purposes has led to wars, conflicts and bloody confrontations. The

abolition of feudalism in which land was restored to tiller was a revolutionary triumph of the modern world. This triumph was the culmination of the struggle, which spread over the centuries, to dismantle feudal social order and autocratic structures in societies. In this regard, J&K state holds the distinction in the entire South Asia which abolished the feudal order and consequently restored land to tiller way back in 1950. This bloodless revolutionary initiative should have brought about a new economic prosperity to the people in the state. However, this revolutionary measure did not yield the desired results due to the fact that the follow up programs, which should have accompanied land reforms, did not take place. The absence of an effective co-operative movement is one of the major factor which laid a profound impact on the expected results of the land reforms. Be that as it is, land reforms did empower vast majority of rural population particularly in Kashmir valley. However, the subsequent change in the pattern of land use, fragmentation of land holdings and many other factors were responsible in diluting the impact of land reforms in the state. The rise in the levels of population and an increase in the processes of urbanization put further pressures on land. The distressing consequence of pressure on land has been that the state, that was self sufficient in food grains and production of vegetables etc. before land reforms, has to depend heavily on the import of food grains and other edible items from outside state. The urbanization processes in which pattern of land use is dramatically changing has gradually laid its impact, apart from agriculture, on horticulture and floriculture in the state. This situation has laid a great burden on the economy of the state. According to official estimates, the state has been importing edible items from different parts of the country which include almost all essential commodities including vegetables, milk, poultry and mutton to the tune of 16000 crore annually. This figure does not include the expenditure on food grains. Thus, shrinking space of land is a crucial problem which has emerged in the state over the decades. In absence of a creative and meaningful planning perspective, this problem is going to pose new challenges to state and society in future.

It may be mentioned here that vast government lands could be harnessed and utilized for different productive purposes which would enhance the levels of economic growth in the state. These lands assume significant importance in view of expected economic boom in the state. Ironically, thousands of acres of this land spread over the length and breadth of the state has been misappropriated by individuals who wield political clout and money power. It may be pointed out that during the autocratic and feudal rule of Sultans and Maharajas when the privilege of acquiring land was bestowed upon an individual as a *jagir* (fiefdom), he or she was permitted to annex government lands adjacent to such lands which were called '*shamilat*', '*nazool*' and '*khalsa*' lands. These lands over which the landlord had no legal title of ownership remained in his or her possession and use for all practical purposes. In the post-land reform phase in which land lords were divested of their lands, these government lands should have reverted back to the possession and control of government. However, this did not happen. It is not the case of some minor tracts of land which fall within or around the lands which were restored to a tiller. These are huge tracts of land which have been occupied; in

some cases with the connivance of land revenue officials and some times with 'might' by the individuals and groups of influential people. It is a curious case of one class of feudal lords being replaced by new feudal lords who emerged under democratic dispensation in the state. The successive state governments have chosen to turn a blind eye to these cases of misappropriation and illegal annexation of government lands. According to daily Greater Kashmir (April 15, 2007), basing on the reports of Deputy Commissioners of the Districts and the records of the revenue department, about 200,000(two lakh) kanals of government land had been illegally occupied. In the same vein, there has been a large scale encroachment of forest lands in different parts of the state.

As the state is awaiting a new economic boom which would need a new infrastructure, land would be central to the new initiatives. This is happening all over India where frenetic search for land for Special Economic Zones (SEZ) is being carried out, which in some cases has created a new social and political friction.

Paradigm Shift: The Fall Out

The expected paradigm shift in the economy of the state which will be unfolding sooner than the later would be the harbinger of revolutionary changes at different levels. Firstly, the priorities of sectors of economy would undergo a sea change. The new shift would hit hard the traditional modes of fixing priorities of sectors. This shift will also have an impact on policy formulations. Thus, the change of sectors would be in tune with the market requirements and demands, and shall have a focused objective of profit making. It needs to be realized that the demands and requirements of market does not mean local market which has a very limited scope. Investors would not take the risk of investing with an eye merely on local markets. Thus, markets would have broader connotations of national, regional and international markets. Secondly, the new economic order would be strictly based on the principles of modern free market capitalist system with the sole objective of profit making. This order would be predominantly dominated by companies and corporations. In this order, the basic framework provided by the most popular political party, National Conference, in its economic and political policy document of *Naya Kashmir* in 1944, which became subsequently a policy document for successive governments in the state, would become irrelevant. Thus, the new developments would result in shrinking the domain of public sector and mark the emergence of private sector in a big way. In sustaining this sector, subsidies and official assistance will have little role. In case the prospect of emergence of private sector in Kashmir in a big way rings alarm bells in the ears of votaries of socialism in the state, they should draw comfort from China and North Korea which are gradually embarking on the same course. Back home, West Bengal provides an illustration to the point.

New Rules For Employment

The new economic order will create new and vast opportunities for recruitment and employment. However, these opportunities would be provided strictly on the basis of talent and merit and would generally be governed by the rule of hire- and -fire. Kinship and patronage privileges which have been a dominant practice in the functioning of the state government would gradually disappear. Since modern day corporations and companies conduct their business with the least government interference and are almost outside the pale of government control, the frequent government or political interference would be a tale of bygones.

Changing Occupational Patterns

A change in the economic and social structures would consequently bring about a sharp change in the occupational patterns of Kashmir society. The race for government jobs would decline not because of non-availability of such jobs alone but due to the shrinking sphere of governmental activity as well. Moreover, the generous wage structure of private sector would make the jobs in this sector more attractive. The gradual introduction of e-governance in the government offices would reduce the dependency on human power to maintain files and records and other office work which does not involve rendering administrative advice or decision making.

It is important to note that this paradigm shift would require new infrastructure to suit the new ventures. This infrastructure would be in tune with the new initiatives which would be undertaken by the new market forces which would be unleashed by the new economic order in the state. It should be made clear that raising of infrastructure is not related to setting up heavy industries for which, due to varied factors, the state of J&K in general and valley of Kashmir in particular, does not have feasibility. The new economic initiatives in Kashmir will have different dimensions. Be that as it is, the raising of new infrastructure would be dependent mainly on three factors. Firstly, the availability of land, second, the congenial levels of ecology and environment, and the third, tension free political and social environment.

The Rural Economy

The pressure on land would increase considerably and it would have impact on its use as well. Thus, the agricultural sector in Kashmir, which is already under strain, would be further put under considerable strain. In the changing economic scenario, it seems that production of rice, wheat, maize and other such products would considerably decline. It appears that a stage would come when these products would cease to be produced locally. The decline in these products is already visible. This would have grave consequences on the rural economy of the state. In this state of affairs, market forces notwithstanding, state intervention would be needed and some

kind of a ceiling for the change of land use, through legislative measure, should be introduced.

The Growing Competitions

The new economic order would provide new and exciting opportunities for horticulture, floriculture and handicrafts. The greater connectivity through railways, road transport and hopefully even waterways would make marketability of the products easier, apart from making them cost-effective. However, in all these sectors, the products will have to compete regionally as well as internationally. The compromises on the quality and temptation to earn a fast buck would ruin the prospects of these industries. In case of carpets, shawls, silk, fur and leather products, Kashmiri products are already facing a lot of competition in the Indian national market. In the abnormal conditions of the valley during the last sixteen years, many a craftsman who shifted from the valley and set up ventures outside the state, introduced the Kashmiri crafts to the aspiring trainees outside state. Many a small scale handloom units set up in Delhi, Bangalore, Mumbai and Chennai by the Kashmiri craftsmen in collaboration with outside businessmen have turned into impressive business houses now. However, the tag of 'Kashmiri handicrafts' still invokes considerable interest and hence vast markets are still available for these products.

It may be pointed out that the trade routes to Pakistan through Pakistan Administered Kashmir which are expected to open up shortly would further provide new markets for the Kashmiri handicrafts. But the position remains the same as far as quality control and margins of profit are concerned. Kashmiri handicrafts, particularly, carpets, shawls, silk and leather products will have to compete with Pakistani, Iranian and Afghan handicrafts. Iranian carpets have captured Pakistani market in a big way. In the same vein, Kashmiri horticulture products will have to compete with the horticultural products from Afghanistan which are abundantly available in Pakistani market. Again, it is the quality of the product which would determine the demand for such products. It may be noted that presently one apple from New Zealand which costs about 100 Rupees is sold on the pavements of Lajpat Nagar in New Delhi and people do buy it with ease. As a note of caution, when the demand for land will grow, people would be tempted to sell even their horticultural lands in the fond hope of investing in other ventures. That would be severing one's links with the soil and those of the generations in future. The new opportunities should be used to consolidate and scientifically expand the existing infrastructure in the horticultural sector.

Let us hope that the story of saffron fields which are being leveled for construction purposes is not repeated. It would be a tremendous loss in case Kashmir loses its historical saffron product. It is the temptation offered by the construction industry in which a new construction boom is taking place that people are selling their saffron lands. It is also very sad that Kashmir is gradually losing out on handicrafts industry as well. An empirical survey by this writer reveals that the craft of wood carving is

dwindling gradually. The generation below the age of 30 years from the families of such craftsmen are refusing to learn this craft, although it still has large markets.

Changing Regional Relations

The changing profile of India and Pakistan relations and Confidence Building Measures (CBM's) relating to Kashmir appear to be gearing Kashmir towards a new social and economic change. The economists have been providing estimates of new peace related arrangements and its dividends in Kashmir.

In a perceptive proposal, former World Bank senior official and noted Pakistani economist, Shahid Javid Burki, has proposed a 'sub-regional' trading arrangement in Kashmir involving India-Kashmir-Pakistan. Mr. Burki believes that this sub-regional trade arrangement under SAARC can lead to a 9.5 percent annual growth in both parts of Kashmir. He is confident that if India and Pakistan agree on this arrangement, international investors and donors would come together to provide the development fund over a decade. It may be mentioned here that this kind of economic approach has been under constant discussion of experts from Europe and US since 1990 when militancy erupted in Kashmir. However, this economic approach remained dormant for about one decade since 1990 due to varied regional and international developments but resurged again with gusto since 2001. Be that as it is, Burki proposal of economic arrangement identifies two specific sectors, namely, Handicrafts and Tourism, which, according to him, if integrated between the two sides of Kashmir, have the potential of giving a big boost to the economy of both the Kashmirs. Mr. Burki has referred to, in the context of handicraft industry, 'wool weaving' and 'woodworking'. It seems that he has carpet weaving including shawls, gabba and namda weaving and wood carving including *papier machie* in mind. What he perhaps intends is anything that goes with the term handicrafts.

It is difficult to predict whether Mr. Burki's proposal would in fact be implemented or not. This futuristic proposal is deeply entrenched with the level of understanding between India and Pakistan in moving forward in their bilateral relations. Although the Peoples' Democratic Party patron and former Chief Minister of J&K state Mufti Mohammad Saeed has expressed the hope that a new trade relation between the two Kashmirs would remove impediments in implementing the South Asian Free Trade Agreement (SAFTA). It is expected that new opportunities of opening trade relations between the two Kashmirs would prod Pakistan to reconsider its reservations on SAFTA in relation to India. Be that as it is, it is clear that easing of travel facilities between the two sides of Kashmir and larger interaction of different sections of society in these parts would open up new opportunities for trade and business in the state. In this regard Mr. Burki has rightly identified the two sectors of Handicrafts Industry and Tourism as prospective sectors with a potential of bringing an economic boom in the state. In the meantime, as reported in the Indian National media, the Working Group appointed by the Indian Prime Minister, which looked at 'strengthening relations across

the Line Of Control (LOC)' has recommended several measures which would enhance interaction at various levels among the people in both the Kashmirs. The working Group has drawn up a list of items which may be exported from Indian state of J&K to the other side and has asked the Pakistan Administered side of Kashmir to draw up its own list of exports to J&K state. It may be mentioned here that export of handicrafts from Indian state of J&K figures in a big way in the list of items and the working Group has also proposed the exemption of customs duty for three years to encourage the trade between the two parts of Kashmir.

Vocationalization Project

It needs to be recognized that in view of the forthcoming opportunities, there is an urgency to revitalize the handicrafts industry and revive those crafts which are dwindling and there is danger of their gradual disappearance from the scene. Awareness is needed in which people should realize that in the new economic transformation, the markets for handicrafts would expand and the value of these goods would equally enhance manifold. It would be a pity that there would be a huge disparity between demand and supply of these items. Thus, the project of launching vocationalization programs of education and making the learning of traditional crafts of Kashmir a compulsory component of such programs should assume a priority. Even Javid Burki's proposal lays a special emphasis on 'education and vocational training institutions already working in India and Pakistan', and according to him donors and transnational corporations would come forward to support such programs. Mr. Burki has estimated that this project would cost India and Pakistan \$4 billion over ten years to achieve its full potential although he is again confident about the foreign donors coming forward to support the initiative.

It may be emphasized that there is a need for introspection within the state as well. There are many vocational programs anchored to many an educational program which are sponsored and supported by the Central as well as state government. Even University Grants Commission has been supporting such schemes. The response has not been even lukewarm, to say the least. The ascendancy of material culture in which '*dignity of labor*' has lost its credibility; and the urge to make a fast and easy buck by means fair or foul are responsible for this state of affairs. It needs to be recognized that in the new economic order envisioned for Kashmir, It is not IT professionals and commerce and business management experts alone who will have a field day. Nor would IT companies and Banks exclusively hold a sway over the economic scene in the state. The other sectors too have a huge role to play. Therefore, the expansion in these areas would not be at the cost of other sectors of economy. It may once again be emphasized that handicrafts industry in general and carpet industry in particular would assume a renewed emphasis. It may be interesting to note that since the year 2004, India has emerged as world leader in the export of carpets pushing China and Iran behind. The income from Indian carpet exports to US grew from \$61 million to US \$108 million in 2006. It may be noted that China does not get any duty benefits under

the US Generalized System of Preferences for Exports from developed countries on the ground of engaging child labor. India gets a duty waiver of 6% on the export of carpets. Recently, when the US International Trade Commission wanted to drop this waiver clause on the ground of engagement of child labor in the Indian carpet weaving units, the US's own Oriental Rug Importers Association pressurized the US Commission to retain this waiver clause which was ultimately accepted by the US government. The argument put forward by India was that pattern of carpet weaving was shifting in India from hand-knotted to hand tufted carpets in which child labor had no role. It may be mentioned here that hand-tufted and hand hooked carpets dominate the US markets because they are less expensive than hand-knotted carpets. The state of UP has been the biggest beneficiary of the US carpet market. This writer has not been able to obtain the data regarding the contribution of Kashmir to the Indian carpet exports in the US. However, it may be surmised that the hand knotted Kashmir carpets, although expensive, have their own markets abroad. But the concern for child labor which is related to hand-knotted carpets is bound to raise hassles in future. The answer to this problem, as some of the academics including this writer, who had conducted researches on the problem of child labor in the state had suggested to the then Chief Minister of the state, Sheikh Mohammad Abdullah in 1978, lies in introducing the component of Adult and Continuing Education programs in the carpet manufacturing units in the state. It may provide a sound argument against the engagement of child labor in carpet weaving in J&K state.

Economic Model For Conflict Management

The history of International Relations reveal that economic models have proved highly successful in conflict management, ultimately leading to conflict resolution. In the recent past, Guatemala, which underwent the phase of horrendous bloodshed for decades seeking the right of self determination, provides an illustration to the point. The concentration on economic development and the subsequent economic prosperity led the people in Guatemala to abandon their political demand of self determination. In fact, economic models augment the processes of restructuring the system and enhances the levels of development and prosperity. It also creates an ambiance to address the issues objectively and dispassionately in which emotional slogans get diluted.

The Need for Flexibility

The introduction of economic model can make little headway within the existing legal and administrative structures. This model envisages greater flexibility and automatically calls for the introduction of devolution and sharing of power-even sovereign power. This is all the more important in the case of over-centralized states of South Asia which have built their economic and administrative apparatuses on the basis of centrist-statistic frameworks. Therefore, it would be wrong to assume that economic models would be concentrated on economic and commercial issues alone; they would rather entail political and legal consequences as well. A new economic

cooperation envisaged between the two Kashmiris which would be tethered to both-confidence building measures between India and Pakistan as well as conflict management in Kashmir needs to be seen in this very perspective.

Kashmir as a Bridge

It needs to be recognized that although India-Pakistan 'détente' has been holding ground for long, the bi-lateral relations between the two countries are not picking up the desired pace. The SAARC sponsored initiatives equally have not made progress on expected lines. Pakistan's reservations on SAFTA provide an illustration to the point. The recent row over the much hyped SAARC University announced at the conclusion of recently held SAARC Conference in April in New Delhi provides yet another instance of mistrust between the two countries. The Conference had resolved to set up an University inviting professors and experts from South Asia. It was resolved to ease visa restrictions for academics to allow exchange of knowledge and involve the academic community to build an academic think tank specific to the requirements and needs of South Asian countries. However, Pakistan immediately expressed its reservation to ease the visa restrictions for academics on the plea that India had not honored its commitment on the unrestricted visas for journalists and diplomats from Pakistan. These developments indicate the trust deficit between the two countries. Therefore, Kashmir, as is frequently mentioned, could help in removing this deficit and bridging the divide to move forward towards greater cooperation and become the harbinger of South Asian Union in future. In case the proposal of the SAARC University gets delayed, let the academic cooperation between the two Kashmiris be strengthened and preparations be made for setting up a joint university with a joint academic and administrative control from both the parts of Kashmir.

Free Economic Zone

In view of the fast changing global trends, there is an urgency in changing the attitudes and policies in both the countries. In case there is a will that the India-Pakistan relations should take a dramatic leap, then the frame of economic model of conflict management for Kashmir has to be fairly enlarged. In this connection, a framework provided by the Chairman of the J&K People's Conference, Sajjad Gani Lone, in his Vision Document on resolution of the J&K conflict entitled '*Achievable Nationhood*' deserves to be discussed as an alternative economic model for the conflict management in Kashmir. It needs to be acknowledged that this framework provides a creative approach in outlining a future economic course for Kashmir. The creative approach of this framework outlined as '*J&K Economic Union*' in the Document provides:

"The economics of the J&K economic union can be optimally realized by broadening the contours of the concept of J&K economic union. This would mean a long term concept of transforming the J&K economic union as a trade friendly area with liberal laws, a nodal trading and production base, designed to service both the Indian and

the Pakistani economies as well as international markets.” Thus, it is clear that the author is pointing to a broader cooperation in which Kashmir centric economic model would enlarge the scope of Indian and Pakistani trade and business opportunities which will have longer and positive political implications for both the countries including Kashmir. It is equally a valid argument that in view of the limited scope of market in both the Kashmirs, the economic model has to go beyond the boundaries of both the Kashmirs. The J&K Economic Union model provides four features which remain central to its success. The first feature deals with economic system and underlines deregulation-low or no custom duties, liberal banking and finance laws and extremely low levels of taxation. This feature strengthens the assumption made above that the economic models do have legal and political implications and they are not to be perceived merely in ordinary trade and commercial terms. The second feature of the Union, as envisaged in the Document is the size of the market. This feature provides that apart from the two Kashmirs, the goods of J&K Union origin would have duty free access into India and Pakistan and would thus be able to service both, India and Pakistani, markets. The third feature of the Union provides for massive investments to transform the current state of primitive infrastructure on both parts of J&K transforming it to the international infrastructural levels and making it compatible with the vision of a prominent economic union. The fourth and the most important feature of the Union is the identification of thrust areas which could boost the economic growth in the state in future. The thrust areas include the sectors of services, industry, energy agriculture and traditional sectors. The author has taken great pains in providing details of the growth potential of all these sectors. He has taken pains, supported with available statistical data on energy, in highlighting the potential of this sector and wonders it can do in transforming both the parts of J&K economically, in case the vision of J&K Economic union is realized. It would not be too difficult to find international donors and investors to support this vision. This Vision Document, taking note of sovereign concerns of two countries, maintains that the “concept of an economic union is a process of unification of the two parts of J&K by producing a ‘single economic entity’ out of ‘two distinct geographical political sub-entities’ having separate political linkages with two separate sovereign entities.”

Conclusion

In conclusion, the conflict transformation in Kashmir equally requires having a fresh look on the administrative divisions of J&K state. In this regard the Regional Autonomy Report prepared by the National Conference government may provide valuable guidance on the subject. The report provides for reorganization of the state into new regions, or in the alternative, empowering the existing districts in the state. The present government has gone a step further by creating eight new districts making the task of devolution and empowerment more convenient. However, the creation of districts in the state should not create new heavens for the government officials and politicians to make hay while the new sun shines. There should be a transparency in the functioning of the districts and there should be indicators to bring it closer to the urge of ‘self-rule’.

This equally applies to the Kashmir under the administration of Pakistan. It may be argued that let us have a maximalist approach to create visions but let us expect even a minimalist initiative towards their realization which is far better than the inaction.