REPORT OF THE EXPERT GROUP
TO FORMULATE A JOBS PLAN FOR THE
STATE OF JAMMU AND KASHMIR

February 2011
EXPERT GROUP TO FORMULATE A JOBS PLAN FOR
THE STATE OF JAMMU AND KASHMIR

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The Expert Group was constituted by the Prime Minister on August, 18, 2010 (copy of Notification at Annex 1). The Expert Group held five meetings in all between August 2010 and January 2011 (schedule of meetings at Annex 2). It also held consultations with the Chief Minister of J&K at Srinagar on November 24, 2010. The Task Force wishes to place on record its deep appreciation for officers in the Prime Minister’s Economic Advisory Council for their professional support in managing this task. The Task Force also wishes to thank the officers of Government of Jammu and Kashmir for their advice, assistance and logistic support throughout this task and the various stakeholders who met the Expert Group and gave valuable insights into the practical problems and offered innovative suggestions for employment generation.
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EXECUTIVE SUMMARY
EXECUTIVE SUMMARY

i. The state of Jammu and Kashmir (J&K) has shown high economic growth but has not been able to meet the aspirations of the population especially the youth. The ‘Expert Group’ was set up in the context of enhancing the employment opportunities in J&K and to formulate a jobs plan involving both the public and private sectors, especially for the youth.

ii. To establish the broad contours of the problem it is important to estimate the employment- unemployment numbers for which there are two main sources namely the National Sample Survey Office (NSSO) and the District Employment and Counselling Centres (DECC) in J&K. According to the NSSO, the labour force in J&K increased from 4.01 million in 1999-00 to 4.37 million in 2004-05 while in this period the work force increased from 3.94 million to 4.27 million falling a little short of the increase in labour force. In 2004-05 the state had around one lakh unemployed persons and in 2007-08 this number was higher at 1.3 lakhs. However the DECC data shows a much higher figure of unemployed at 4.48 lakhs in November 2009 and 5.89 lakhs in March 2010. The variations in the two sets of data could be due to conceptual and methodological differences. It may thus be useful to view the NSS number of unemployed as the baseline number for strategizing on the number of jobs that need to be created and the DECC numbers regarding ‘job seekers’, as the aspirational ceiling number.

iii. Creating a large number of jobs will require a two pronged strategy. The first would be to identify sectors with large employment generation potential and suggest interventions to kick start the growth process and the second, a human resource development initiative focussed on improving skill sets through improving access to education and focussed placement oriented training. Learning from the experience of the rest of India, the Expert Group focussed a lot of its attention on the latter.

SKILL DEVELOPMENT AND DIRECT EMPLOYMENT

iv. India’s growth trajectory has used the skills of the educated middle-class to boost services ranging from IT and software to, airlines, banking, hotels and telecommunications. In J&K, the long drawn militancy and the disturbed political environment have eroded the skill base of the youth in the state. Besides, this problem of skill gap is sharper in J&K due to the lack of private sector initiative in industry which is often an important driver for skill acquisition. The Expert Group is recommending two initiatives, the first is Skill, Empowerment and Employment Scheme for J&K (SEE J&K) and the second is a Special Industry Initiative for J&K (SII J&K).
**Skill, Empowerment and Employment Scheme for J&K (SEE J&K)**

v The Expert Group in consultation with the Ministry of Rural Development (MoRD) has developed a special placement linked, market driven skill training programme for the J&K youth. The scheme will provide placement-linked, market driven skill training to 50,000 to 1,00,000 youth in 3 to 5 years. The objective of the special scheme is to provide options and opportunity to all youth in J&K regardless of their educational qualifications to select training program for salaried or self-employment as per their interest. MoRD with its experience in such projects will be the implementing agency. MoRD’s Special Projects team will work in a public-private partnership mode with State Government, Training Providers, Industry and the J&K communities and youth as its stakeholders. The J&K Scheme will follow a bottom-up approach, tailored to move the J&K youth from the unorganized to the organized labour market, and generate self-employment. The scheme will be launched immediately and the first year upto March 2012 will be treated as a year of experiment. In the first year, 15000 youth will receive training for salaried-employment and self-employment. During this period there will be bi-monthly reviews to assess ground realities and then use the bottom-up approach to tailor industry specific training and placement model for J&K. The new model will be implemented from April 2012. Some probable private sector partners are IL&FS, Kuoni, Don Bosco and Dr Reddy’s Foundation.

**Special Industry Initiative (SII J&K)**

vi J&K has a large talent pool of youth who are well educated but are unable to find employment due to lack of soft skills or lack of practical/hands-on training. To engage the youth, one initiative could be to identify 10-20 companies across industry sectors to partner with an educational institution and run special training programs to enhance employability of 8000 youth per annum in J&K over a five year period. This would translate to 40,000 youth in J&K becoming employable in various sectors across India. This could be operationalized through a scheme to be executed in the PPP mode with 50:50 cost-sharing between the government and the private sector. The companies would organize training in different sectors of industry with the training duration being determined by the needs of the particular sector. A parallel exercise would be initiated to promote self-employment of Kashmiri youth. The local institutional partners who have agreed to participate are Kashmir University and the Islamic University for Science & Technology. To begin with, some companies who have expressed interest are Infosys Technologies, Tata Consultancy Services, Godrej & Boyce, BILT, Crompton Greaves, Avantha Group, Bajaj Auto, WWFI, JCB India, Tata Motors, Tata Global Beverages and Apollo Hospitals. A specific scheme to do this was submitted to the Expert Group by Infosys Technologies which envisaged the creation of a Special Training Program (STP) in collaboration with
IIIT Bangalore to enhance the employability of science and engineering graduates in J&K to become “Software Industry Ready” and thus “Employable” by providing technical and behavioral skills relevant to the field of IT.

vii The recent youth turmoil in Kashmir, though political, was also indicative of alienation and possibly disappointment at the lack of opportunities in the state. Long years of militancy and violence have on the one hand, damaged the physical infrastructure and eroded the intellectual capital of educational institutions while on the other hand the disruptions in education have impacted the ability of the youth to compete. To increase the access of the youth to educational opportunities the Expert Group recommends four initiatives - first, a Special Scholarship Scheme for J&K (SSS J&K), second, faculty development programmes and third, initiative by Delhi Public School and fourth, special initiatives by Indira Gandhi National Open University (IGNOU) for J&K.

Special Scholarship Scheme for J&K (SSS J&K)

viii The state must increase the number of institutions of higher education in J&K but in the short run there is a need to encourage the J&K youth to take advantage of the educational opportunities in the rest of the country. One way to do this is to give financial support through a special scholarship scheme for J&K (SSS J&K). On the one hand, the scholarships would enable the youth to optimize their full academic potential and turn to productive activities, while on the other they would give the J&K youth an opportunity to interact and bond with their counterparts from the rest of the country. The scholarship scheme, which is in addition to the existing schemes, would be applicable for courses in all Government Colleges/Universities, Engineering Institutions, Medical Colleges and some select private institutions to be identified by the government on the basis of some objective criteria. Students from J&K who get admission in these institutions through the normal selection process would be eligible for scholarships, subject to a parental income ceiling of Rs 4.5 lakhs per annum. The Expert Group recommends that 5000 scholarships per annum may be awarded for the next 5 years. Out of the total, 4500 scholarships (90%) could be for general degree courses, 250 for engineering (5%) and 250 for medical studies (5%). This will benefit 25,000 students. Besides, the state government must also take active steps to utilize the existing government scholarship schemes.

ix If the capacity of the educational institutions in J&K is to be built up, it is essential to enhance the faculty skill set. One important dimension to this is the interaction of the academicians with the industry to understand their expectations of entry level student skills. An interesting example of this connect is the Faculty Enhancement Programmes (FEP) conducted by the Infosys Development Centres which have trained 4900 faculty members from engineering institutions. The other initiative is by the Directorate General Employment and Training (DGET) which has
conducted ‘Training of Trainers’ programmes in ITI’s. The state must actively leverage these programmes to expand their scope in J&K.

Sh Salman Khurshid, Minister of State for Minority Affairs (IC) has made a suggestion that private schools and educational institutions could be persuaded to accommodate children from Jammu and Kashmir. He has made an offer to (a) bring together representatives of schools and academic institutions to make a commitment and (b) persuade the Delhi Public School and the 150 odd schools that carry the name to set aside as many seats as are required to meet such a commitment.

IGNOU, a pioneer in open and distance education has a large presence in J&K and has helped a number of students to resume their education in places that have been adversely affected by the disturbances. IGNOU has agreed to launch an interactive platform for registering students in J&K for job placements. They will establish Regional Placement Cells (RPC) in Srinagar and Jammu which will provide a platform for prospective employers to communicate with job seekers of Jammu, Srinagar and Leh through virtual job portal, job fairs, placement drives and walk-ins, provide career specific counselling and guidance, carry out competency mapping of all job aspirants, identify skill gaps and assess and certify existing skills of the youth for vertical career mobility and lateral professional movements. The RPC would have members from local educational institutions, IGNOU centres, industry representatives and students and will forge partnerships with the J&K Entrepreneurship Development Institute and various Chambers of Commerce and Industries. Moreover, IGNOU will also enrol youth from J&K in an Ayurvedic Therapy Training Programme which is currently being run for the North East states.

**SECTORAL INITIATIVES**

Though agriculture is the predominant occupation, heavy dependence on cereals, small peasant holdings and subsistence farming have created a sub-optimal cycle of low productivity and investment. In the recent past, a number of central government schemes have been launched for productivity increase. Allocations under these to J&K have increased significantly but the state has not been able to fully utilize the funds. The focus areas for the state in agriculture would be to launch projects especially in the micro sector for assured irrigation, upgrade soil testing facilities to ensure macro and micro nutrient analysis, engage agricultural graduates on a contractual basis to carry out agricultural extension effort and promote basmati rice cultivation in mission mode. To undertake these - special allocation under the Rashtriya Krishi Vikas Yojana is suggested.

The highly labour intensive livestock sector with its capacity to cater to the poor and absorb a large number of skilled and unskilled workers is important to the J&K economy. With productivity increase, this activity has the potential to augment agricultural incomes. Increased public investment in the poultry sector,
emphasis on tackling disease and infertility in dairy, improvised agronomic practices for quality fodder production are specific areas which will increase the growth potential of the sector and attract private investments.

xiv Horticulture sector in J&K accounts only for 13 per cent of the net sown area but contributes 45 per cent of the state’s agricultural GDP. It has been growing in importance contributing to nutritional security, land productivity, employment, exports and farm incomes. The horticulture sector in J&K faces three challenges namely physical factors leading to low production and productivity, poor post-harvest technology and processing capacity and marketing challenges. Two important central government schemes in this sector are currently operating in the state. The first, Horticulture Mission for North East and Himalayan States (HMNEH) has liberal outlays for research, farm inputs, mechanization and processing. Run in mission mode the scheme is focussed and provides the state government enough flexibility to chalk out a strategy for growth. The second is the ‘Economic Revival of J&K Saffron Sector’ with an outlay of Rs 370 crores. Besides these, the sector requires investments in rejuvenation/replanting of orchards, innovative use of biotechnology, public investment in post-harvest infrastructure including food processing and creation of a network of state of art mandis or modern marketplaces.

xv The tourism sector with its potential for employing people across the skill spectrum and positive externalities for other sectors like handicrafts, handlooms and transport occupies an important place in the development and employment strategy of J&K. While tourist arrivals in the Valley have been adversely impacted by the security situation, both Jammu and Ladakh have witnessed a steady rise. The main challenges for this sector are the security situation, poor connectivity, lack of transport infrastructure and inadequate accommodation. This sector will require significant private investment which is currently constrained by negative perception regarding the security situation and the lack of clarity on the land policy. To start with the state must immediately put in place a PPP policy, that will address land-related concerns in a practical manner for the tourism sector especially in creating hotels and resorts. The other initiatives are regular flights connecting different regions in the state, developing tourist circuits, comprehensive review of security restrictions in Ladakh, training youth in the hospitality and adventure tourism sector and creating an integrated online tourism portal in PPP mode.

xvi The handicraft sector in J&K occupies an important place with a fine tradition of craftsmanship, employing 4-5 lakh artisans, 179 major craft clusters and revenue generation of Rs 1000 crore plus. Highly labour intensive, the sector contributes significantly to employment generation but has underperformed due to lack of a Kashmiri brand, poor quality control, obsolete designs, exploitative

1 Pre cooling units, cold chain, electronic grading and packing and refrigerated vans for transportation of fruit from production centre to cold stores/markets
middlemen and competition from machine-made fabrics. Both the central and state governments have taken number of initiatives to address these growth bottlenecks like establishing a carpet cluster in Srinagar area, obtaining a Geographical Indication for Sozni embroidery, Pashmina and Kani shawl and starting a skill development scheme for craftsmen. While expanding the scope of the current schemes some other actions to boost the growth in this sector are to have smaller carpet production centres, develop a cluster for embroidery and crafts, build a tangible “Kashmir” brand image and design and enforce traceability norms. Moreover encouraging craft tourism will enable artisans to find ready markets outside the state.

xvii The role of Micro, Small and Medium Enterprises (MSME) in socio-economic development and employment generation is well established. The sector has not done well in the state due to a number of reasons including inadequate local demand, poor credit flows and distance from markets. Sharp focus on improving access to finance by reviving the J&K State Financial Corporation (JKSFC), increasing the scope of Prime Minister’s Employment Guarantee Programme (PMEGP) and purchase preferences in government procurement will help the revival of this sector in J&K. As peace returns to the state, private investments and large industry will also come back bringing sustainable growth and jobs.

xviii The IT&ITES/BPO sector has showcased India’s talent emerging as an important foreign exchange earner, but in J&K it is still in the process of spreading its wings. The sector has attracted a number of young entrepreneurs but the growth in the sector has been constrained by lack of connectivity, reluctance of talent from the rest of the country to work in the state and poor network of educational institutions in IT. The long term strategy for success in the sector would require peace, connectivity, vibrant hospitality sector and skilled manpower. An immediate ‘quick-win’ strategy would be to connect all the districts on a priority basis, develop an operational SWAN network, simplify procedures to encourage private investments and create infrastructure in terms of IT/ITES & BPO Parks.
FULL REPORT
INTRODUCTION

CONTEXT

1.1 The state of Jammu and Kashmir (J&K) has shown high economic growth but has not been able to meet the aspirations of the youth who are looking for opportunities for education and employment. Frequent disturbances have created an atmosphere of uncertainty, impacting employment creation which has alienated the youth. The ‘Expert Group’ was set up in the context of a need to enhance the employment opportunities in the State of J&K and to formulate a jobs plan involving both the public and private sectors, especially for the youth.

1.2 The mandate of this Expert Group is focussed on employment. There are two primary issues involved:

a) Identifying and enhancing employment opportunities
   - in the various sectors within the state
   - outside the state

b) Skill Development for improving employability of
   - the youth
   - the craftsmen

1.3 In the long term, large scale employment opportunities will be generated in the private sector as the state economy grows. However, in the short run, the current security environment makes it difficult to attract large scale private investment into the state, especially in the industrial sector. The alternative is to focus on the agriculture and services sectors that have the potential to generate jobs quickly. These sectors are likely to respond quickly to investments and productivity enhancing initiatives by the State and the private sector. Some potential sectors are horticulture, agriculture, animal husbandry, handicrafts, tourism, medium and small scale enterprises, IT/ITES & BPO, hospitality and retail.

1.4 Before we look at the various initiatives, it may be useful to establish the broad contours of the employment–unemployment situation in the state. One source of such data is the quinquennial and annual surveys of the National Sample Survey Office (NSSO) and the other is the data collected by the state government through the the District Employment and Counseling Centres1 (DECCs).

1.5 The National Sample Survey data is a rich source of employment- unemployment statistics in the country. The surveys contain state-wise figures for the labour

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1 Earlier called the District Employment Exchanges
force, work force and unemployment with a number of detailed tables giving disaggregated segment wise, sectoral numbers. To estimate the employment related data of the state the two quinquennial rounds of the NSS survey i.e. the 55th round of 1999-2000 and the 61st round of 2004-05 can be used. Even though results from the latest survey - the 64th round covering 2007-08 are available, it is best not to use them as there are significant comparability issues with the quinquennial rounds.

**POPULATION, LABOUR FORCE, WORK FORCE AND UNEMPLOYED**

1.6 The total population of Jammu and Kashmir as on March 01, 2005 was 10.8 million which accounts for about one per cent of India’s total population. In comparison to the all India figures, the state has a comparatively higher rural population at 74 per cent while in terms of the sex ratio the state is marginally skewed in favour of the male population.

![Table1. Population (as on March 01, 2005)](table1.png)

<table>
<thead>
<tr>
<th></th>
<th>Rural</th>
<th>Urban</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>J&amp;K</td>
<td>8.0</td>
<td>2.8</td>
<td>5.7</td>
<td>5.1</td>
<td>10.8</td>
</tr>
<tr>
<td>India</td>
<td>781.5</td>
<td>314.2</td>
<td>567.0</td>
<td>528.7</td>
<td>1095.7</td>
</tr>
</tbody>
</table>

Source: Census 2001

1.7 The NSS provides data on two important parameters namely labour force and workforce. The labourforce is defined as the ‘economically active’ population that supplies or seeks to supply labour for production, hence it includes both employed and unemployed persons. The workforce is the technical term used by the NSS for the employed.

1.8 The labour force in J&K increased from 4.01 million in 1999-00 to 4.37 million in 2004-05 (Table 2). 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 labourforce. In this five year period, 3.3 lakh job were found by the workforce in various sectors of the state economy. Notwithstanding this, the addition to the workforce has marginally fallen short of the additions to the labourforce in successive periods of the NSS rounds leading to an increase in the absolute number of unemployed persons in the state. In 2004-05 the state had around one lakh unemployed persons. In 2007-08 this number was higher at 1.3 lakhs. Moreover the percentage of the unemployed to the total labourforce has also been increasing, but in the 61st NSS Round at 2.3 per cent it was lower than the all India number of 2.4 per cent.
INTRODUCTION

Table 2. Labour Force, Work Force and Unemployed (UPSS²)

<table>
<thead>
<tr>
<th></th>
<th>Jammu and Kashmir</th>
<th>All India</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labour Force</td>
<td>4.01</td>
<td>4.37</td>
</tr>
<tr>
<td>Work Force</td>
<td>3.94</td>
<td>4.27</td>
</tr>
<tr>
<td>Unemployed</td>
<td>0.07</td>
<td>0.1</td>
</tr>
<tr>
<td>Ratio of unemployed to labour force</td>
<td>1.7%</td>
<td>2.3%</td>
</tr>
</tbody>
</table>

SECTORAL DISTRIBUTION OF WORKFORCE

1.9 It will be interesting to decompose the workforce in J&K, to find out which of the sectors were responsible for generating employment. First, the all India picture – as expected the share of the primary sector (agriculture and allied) in employment has been consistently declining dropping from 59.8 per cent in 1999-00 to 56.5 per cent in 2004-05. The secondary sector share increased from 16.4 per cent to 18.7 per cent while that of the services sector increased from 23.8 per cent to 24.8 per cent. In the case of J&K also, the share of agriculture declined between the 55th and 61st rounds. In the 61st round, the growth rate of workforce in the secondary sector was the highest, followed by the primary sector and tertiary in that order (Table 3). The 64th round however provides some evidence of higher job creation by the services sector as compared to industry.

1.10 A declining share of workforce in agriculture and allied sectors is observed in all countries experiencing sustained rise in real per capita income. This sector is also marked by lower than national average productivity per worker in all the countries and significantly, in India, agriculture is the residual absorber of labour force. Consequently declining share of this sector in employment is to be regarded as favourable to economic development in J&K. However the slow pace of decline is a cause for concern and policy action.

Table 3. Sectoral distribution of Workforce and Shares for J&K

<table>
<thead>
<tr>
<th></th>
<th>Workforce (lakhs)</th>
<th>Sectoral Shares (percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Primary</td>
<td>Secondary</td>
</tr>
<tr>
<td>55th</td>
<td>16.34</td>
<td>4.79</td>
</tr>
<tr>
<td>61st</td>
<td>22.57</td>
<td>9.62</td>
</tr>
</tbody>
</table>

² UPSS - Usual principal and subsidiary status
THE ACTIVITY STATUS OF WORK FORCE

1.11 NSSO collects data on the activity status of the workforce which gives useful insights for gauging the quality of employment generated. Usually economic development involves transition from self-employed/casual status to RWS (Regular Wage and Salaried) status. NSS data on the RWS workers is considered a good approximation of organized sector employment. At the all India level, the share of the RWS category workers has been rising, albeit a little slowly, but the other two categories have been fluctuating with one picking up the declining share of the other interchangeably in the different NSS rounds. In the case of J&K the RWS workers increased in absolute numbers by 1.65 lakhs in the period 1999-00 to 2004-05 but the share fell by 1.8 per cent. The workers in the self-employed (SE) category increased by 11 lakh between the 55th and 61st rounds and the share increased by 4.6 per cent. The share of the SE category in J&K at 73.3 per cent is significantly larger than the all India share of the self-employed status workers. A possible explanation is that a number of employment intensive sectors in J&K like horticulture, tourism and handicrafts have still not scaled up and are run by small household enterprises often characterised by proprietor-owners. The absolute number of workers in the casual labour (CL) category increased marginally but their share in the total jobs declined in this period.

Table 4. Workforce distribution by activity status and shares

<table>
<thead>
<tr>
<th></th>
<th>Workforce (lakhs)</th>
<th>Activitwise shares (percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SE</td>
<td>RWS</td>
</tr>
<tr>
<td>55th</td>
<td>20.21</td>
<td>5.43</td>
</tr>
<tr>
<td>61st</td>
<td>31.27</td>
<td>7.08</td>
</tr>
</tbody>
</table>

JAMMU AND KASHMIR EMPLOYMENT DATA

1.12 The District Employment and Counseling Centres in J&K have been maintaining qualification wise data of job seekers. The total number of job seekers has been growing very sharply as can be seen from Table 5. The total number of unemployed according to NSS 64th round in 2007-08 was 1.3 lakhs while the registered job seekers according to the DECC data were 4.48 lakhs in November 2009 and 5.89 lakhs in March 2010. The J&K figure for ‘job seekers’ in October 2008 was lower than the 64th round NSS number on the unemployed but the subsequent numbers of the ‘job seekers’ are significantly larger. The variations are possibly due to:

- Definitional differences
- NSS captures data on the basis of survey and decides the categories while the employment exchange data is based on ‘self-declaration’ of the person who registers.
NSS gives three different measures of labour force and workforce i.e. UPSS (Usual Principle and Subsidiary Status), CWS (Current Weekly Status) and CDS (Current Daily Status). The numbers used in this paper are based on the UPSS measure which gives the least number of unemployed.

In view of these differences it may be useful to view the NSS number of unemployed as the baseline number for strategizing on the number of jobs that need to be created. On the other hand the J&K numbers on the ‘job seekers’, could be used as the aspirational ceiling number.

**Table 5. DECC data on job seekers in J&K**

<table>
<thead>
<tr>
<th></th>
<th>October 2008</th>
<th>November 2009</th>
<th>March 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Seekers</td>
<td>80529</td>
<td>447653</td>
<td>588532</td>
</tr>
</tbody>
</table>

The unemployment numbers cited above define the contours of the task at hand. Creating such a large number of jobs will require a two pronged strategy. The first would be to identify sectors with large employment generation potential and suggest interventions to kick start the growth process in these sectors. The second would be a human resource development initiative focussed on improving skill sets through improving access to education and focussed placement oriented training. Accordingly the report is divided into two parts i.e. Sectoral Initiatives and Skill Development and Direct Employment Initiatives. The Expert Group believes that these two are also interlinked with one feeding into the other to set in motion a virtuous cycle of growth and employment generation.
SECTORAL INITIATIVES
AGRICULTURE

Context

2.1 The state of Jammu and Kashmir is predominantly an agricultural economy with about 70% of the population deriving its livelihood from agriculture and allied activities. The total food grain production in this state is around 18 Lakh MTs while the food requirement of the state is around 23 Lakh MTs. The state has a deficit of 70 per cent in the production of oilseeds/pulses and of 30 per cent in vegetables. Heavy dependence on cereals, small peasant holdings and subsistence farming have further created a sub-optimal cycle of low productivity and investment which is reflected in the small contribution of this sector to the GSDP (27%).

Challenges

2.2 The peculiar geographical situation, hilly terrain limiting mechanized farming, fragile soil in hilly areas susceptible to soil erosion and an almost single cropping season in temperate and high altitude areas are factors contributing to this situation. Moreover the lack of private investment, distance from major markets, several layers of intermediation and virtual absence of post-harvest infrastructure have restricted the development of agriculture and kept productivity well below the national average. As a consequence the state has the twin problem of depending on the other states for its food requirements as well as low employment opportunities in the sector.

Way Forward

2.3 In the recent past, policy focus on increasing productivity in agriculture, has led to the launch of a number of central government schemes. Some of the schemes being implemented in J&K are Rashtriya Krishi Vikas Yojana (RKVY), Macro Management of Agriculture (MMA), National Bamboo Mission and Integrated Scheme of Oilseeds, Pulses, Oilpalm and Maize. The funds allocated to J&K under the schemes of the Department of Agriculture have been increasing over the years. In the period 2007-08 to 2010-11 the funds allocated for J&K increased from about Rs 76 crores to almost Rs 200 crores – an increase of 250 per cent. J&K has however not been able to utilize the funds entirely, managing to spend around 51 per cent in 2009-10. Almost 62 per cent of the allocation for the year 2010-11 has been under the RKVY, a scheme which provides flexibility to the state to first design a strategy and then design schemes to meet that strategy by providing variety and flexibility in scheme design. While the state is in the best position to prioritize the interventions required in the agriculture sector, the Expert
Group thought that it might be useful to flag some important areas that need attention. Since funding does not appear to be a constraint, the first action for the state government would be to draw up a medium and long term strategy for productivity increase in agriculture.

2.4 Assured irrigation is an important input for production and productivity enhancement enabling additional land to be brought under cultivation and by enabling multiple cropping. In J&K, out of the net sown area of 7.5 lakh hectares, only 42 per cent is irrigated. In addition to large hydel projects, the state needs to have a large network of water harvesting tanks, lift irrigation and construct an area specific new canal network. Moreover, the infrastructure created under Command Area Development is damaged due to poor maintenance. Currently there is no provision for funds for repairs/maintenance which need to be earmarked to enable optimal utilization of existing structures. The state needs to invest in micro irrigation for which schemes funded under the micro irrigation schemes of the Ministry of Agriculture are available. An innovative combination of resources under NREGS, Horticulture Mission and Micro-irrigation schemes can be used to create additional irrigation potential.

2.5 There is a need to upgrade soil testing facilities, as this is crucial to ensure macro and micro nutrient analysis. The infrastructure could include mobile soil testing vans, soil testing kits and creation of soil testing labs in the newly formed districts. Laboratories in the Government, NGOs or private sector can be set up under the National Project on Management of Soil Health and Fertility. This must be integrated with initiatives for fertilizer availability and knowledge dissemination on the judicious use of chemical fertilizers in prescribed proportions. Encouraging organic fertilizers would be a complementary strategy.

2.6 The state currently engages agricultural graduates on a contractual basis to carry out agricultural extension effort. The Rehbar-e-Zirat’s are responsible for disseminating improved agricultural technologies and practices. They are also responsible for supplying seeds, fertilizers and pesticides. The Rehbar’s have done useful work and the scheme can be continued for the next 2-3 years. The Rehbar-e-Zirat can also be used for monitoring the implementation of the various rural development programmes.

2.7 The Basmati Rice produced in Jammu, Samba & Kathua districts is universally acclaimed for its unique taste, length of grain and aroma. At present about 40 thousand hectares is under basmati cultivation. Production and productivity can be enhanced with infrastructure up-gradation, provision of inputs and marketing support. Promotion of improved basmati rice cultivation in mission mode will not only boost exports but also generate employment in these districts.

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1 Most areas in the foothills are in Karewas and do not have any assured irrigation facilities. This holds good for Kandi belt and other hilly areas.
2.8 There appears to be sufficient allocation made for the agriculture sector, but the utilization by the state is not adequate. The flexibility under the RKVY must be utilized by the state to direct expenditure into priority areas. Once the regular RKVY is put on fast track, the state could draw up a supplementary demand under RKVY on account of the present conditions covering inter alia the sub strategy required for Basmati promotion. The Expert Group recommends a special additional allocation of Rs 200 crores per annum, under the RKVY for J&K for the next 5 years, subject to complete utilization of the regular allocations.

**ANIMAL HUSBANDRY**

**Context**

2.9 The livestock sector, with a contribution of 11 per cent to the GSDP is making deep inroads in the rural economy of J&K by providing gainful employment to small and marginal farmers. With 12 lakh persons engaged in the highly labour intensive livestock sector, its contribution to employment generation is of great significance. There is a large untapped potential in this sector since the high demand for meat, poultry items and milk in the state far outstrips the supply. The state relies heavily on purchase from other states spending Rs1000 crores per annum on livestock products. This is an important focus sector as it caters to the poor and has the capacity to absorb large number of skilled and semi-skilled persons. A number of traditional communities like the Gujjars, Bakerwals, Chopans and Gaddis depend on this sector for their livelihood.

**Problems**

2.10 The sector faces a number of challenges of which the most important is the poor genetic stock. According to the 2007 livestock census, there are no crossbred varieties in buffaloes, goats and yaks while in the case of poultry an abysmally low 13 per cent of the total stock is cross-bred. The clear disadvantages of poor genetic stock are high incidence of disease due to lower resistance and low productivity in terms of output of meat, eggs, wool and milk. In the case of cattle where half the population was cross-bred, there still was high incidence of bovine infertility due to repeat breeding which had a huge negative impact on the farm incomes. In the poultry sector high cost of feed, low hatching capacity in the public sector, low technology and poor farm management kept the sector trapped in a low level equilibrium. Sheep, which is reared both for mutton and wool had almost 60 per cent cross-bred animals. Despite this the high cost of fodder especially during winter months, degradation of traditional pastures and poor practices in wool shearing kept incomes low in this sector.
Way Forward

2.11 The government has taken a number of initiatives in this sector, some of which are working well. Instead of recommending schemes de novo, the Expert Group felt that it was best to increase the funding of some of the existing schemes to enable the state government to increase coverage. The first initiative in the poultry sector would be to expand the centrally sponsored Rural Backyard Poultry Scheme, under which the state government provides low input technology birds to BPL farmers for rearing in the backyards. These birds are easy to rear, disease resistant and better feed converters. The current capacity of 5 lakh day old chicks can be increased to 12 lakhs by installing hatcheries and related infrastructure in 10 districts. An allocation of Rs 20 crores can be made for this. The state government may also consider rearing high input technology birds of varieties like COB, ARBOR, ACRE etc to facilitate farmers in the organized sector.

2.12 The second intervention could be in the dairy sector to tackle the problem of infertility and diseases in the bovine population that impact productivity and profitability for farmers. The state government organizes treatment camps but the frequency is inadequate to make an impact. States like Uttarakhand and Punjab organize weekly fertility camps but to begin with, J&K could start with monthly camps in a phased manner. Of the 1500 field veterinary centres, in the first year 25 per cent could be covered and depending on the outcomes the coverage could be increased to 50 per cent and 100 per cent in the second and third year respectively. To do this an allocation of Rs 14 crores is recommended for the first two years. Part of the funding for this could come from the RKVY. Moreover the state government should also put in place a breeding policy for cattle (and sheep) to create its own germ-plasm.

2.13 The third intervention, which will also lead to direct employment generation, is the private paravet scheme. According to the recommendations of Planning Commission, the state needs 4000 veterinary centres but has only 3000 centres. Instead of opening 1000 additional centres the state has introduced a paravet scheme in which educated unemployed youth from rural areas are proposed to be trained in artificial insemination and veterinary first aid to animals. The total cost of training, provision of kits, mobile phones and bicycles for 1000 private paravets has been estimated at Rs 5 crores for the next 5 years. Given the small outlay on this, it should not be difficult for the state to reallocate this amount from the RKVY. In addition state may explore the possibility of further training veterinarians especially in gynaecology.

2.14 The fourth intervention is the revival of the government sheep breeding farms. Set up three to four decades ago and damaged during the militancy period, these farms are in urgent requirement of modernization. There is a need to step up elite germ-plasm (stud ram) production for crossbreeding and maintaining
optimal inheritance levels. This is an important strategy for increasing meat production. The farms would also develop agronomic practices for quality fodder production. The Expert Group recommends an allocation of Rs12 crores for this. The other initiatives are mechanized sheep shearing and veterinary ambulatory services.

2.15 Agriculture and animal husbandry with their large employment potential need investments to increase productivity and production. The sector supports the vulnerable sections of the population and can be an important employment creator for unskilled workers. The Expert Group feels that the public expenditure recommended for the sector, with proper strategy and administration, will also attract private investment which is crucial for sustainable development.
3.1 The horticulture sector in J&K accounts only for 13 per cent of the net sown area but contributes 45 per cent of the state’s agricultural GDP. It has been growing in importance contributing to nutritional security, land productivity, employment, exports and farm incomes by offering a wide range of choice to the farmers for crop diversification. The varied agro-climatic zones in the state, ranging from sub-tropical in Jammu, temperate in Kashmir and cold arid in Ladakh, make it ideal to grow diverse produce ranging from exotic fruits and vegetables to flowers, aromatic plants and medicinal herbs. Horticulture contributes 7-8 percent of the GSDP and provides employment to around 30 lakh people in J&K. Moreover, the forward and backward linkages in the sector which include inputs, packing, processing and transportation have significant untapped employment potential in the state. An interesting study found that the cultivation of apple, an important horticultural produce in the state, provides 77 per cent higher man days of employment as compared to the cultivation of agricultural crops.

3.2 The horticulture sector in J&K faces a number of challenges which can be broadly divided into (a) physical factors leading to low production and productivity, (b) poor post- harvest technology and processing capacity and (c) marketing challenges.

3.3 First, notwithstanding the huge potential of horticulture, the productivity in this sector has been stagnating. According to the State Economic Survey for 2009-10 the total acreage under fruits and dry fruits went up from 2.68 lakh hectares in 2004-05 to 3.06 lakh hectares in 2008-09. However the productivity change was marginal, increasing from 5.27 to 5.53 metric tonnes per hectare in this period. Contrarily, in the case of apples, which account for more than 60 per cent of acreage under fruits, productivity actually fell in this period. Moreover the productivity of US, Australia and New Zealand apples at 26 metric tonnes per hectare is 2.6 times that of the Kashmiri apple. The reasons for low productivity are well known - fragmented land holding, poor mechanization, poor orchard management, little or no irrigation facilities (70 per cent of orchards are not irrigated), poor quality planting material and poor soil nutrient management.

3.4 Second, the virtual absence of post-harvest infrastructure leads to wastages and poor remuneration. The lack of grading and sorting of fruits at the production/ collection centres and subjecting them to the same process of packing and
storage irrespective of their value makes for poor returns on investment. Lack of cold chain and proper storage forces the farmer to sell immediately, post-harvest leading to oversupply and poor price realization. It has been estimated that almost 4.0 lakh tonnes of apples are ruined by scab due to inadequate cold storage facility in the valley.

3.5 Third, the state suffers from poor connectivity to markets and lack of formal credit making the farmer vulnerable to exploitation by commission agents and erosion in the brand value of the Kashmiri produce leading to lack of incentive for producers to improve quality and productivity.

EXISTING INITIATIVES

Mission for North East and Himalayan States (HMNEH)

3.6 The importance of horticulture for the North-East and the Himalayan states is well recognized. The Horticulture Mission for North East and Himalayan States (HMNEH) is an important programmes that has liberal outlays for research, farm inputs, mechanization and processing. Run in the mission mode the scheme provides the state government enough flexibility to chalk out a strategy for growth.

Economic Revival of J&K Saffron Sector

3.7 The other significant joint initiative by the central and state government is the recently launched scheme for ‘Economic Revival of J&K Saffron Sector’. A part of the rich heritage, the Kashmiri saffron is used for its medicinal properties and flavour all over the world. However, declining productivity, high incidence of pests, moisture stress, inadequate quality controls and poor price discovery for the farmers have pushed saffron cultivation to the brink of extinction. Grown in a small geographical area – Pulwama, Budgam, Kishtwar and Srinagar-the area under saffron cultivation had declined from 5707 hectares in 1996 to 3715 hectares in 2009-10. Launched in mission mode, the Economic Revival package includes rejuvenation/replanting of existing saffron area, strengthening irrigation systems, improving post-harvest techniques and market intervention through e-trading and establishment of electronic auction centre. The scheme was launched in 2010-11 and will cover the total area under saffron cultivation in a phased manner by 2013-14. The total outlay on the scheme is about Rs 370 crore of which Rs290 crores is the GoI share. These amounts must be effectively utilized to implement the objectives of the scheme. The scheme currently targets the existing acreage, but depending on its success, can be expanded to reclaim the areas which had gone out of saffron cultivation due to poor returns. Some areas in Jammu are suitable for growing saffron and may be considered for inclusion in the second phase of the scheme. J&K had enacted the Saffron Act 2007 with an objective to prevent adulteration and regulate the trade of saffron. However the Act has not served the intended
purpose effectively but has only served to increase the transaction cost for the farmer due to its extremely restrictive provisions on land use for saffron cultivation. In view of this the Expert Group recommends that the state may quickly re-examine the impact of the legislation and if the above conclusion is borne out, consider repealing this Act.

**WAY FORWARD**

3.8 Productivity enhancement is an important strategy for the horticulture sector to improve farm incomes and employment. Amongst other initiatives, rejuvenation/replanting of orchards is an immediate requirement. While there are public nurseries, their numbers are inadequate, and encouraging private sector initiative is vital to keep up supplies. To set up infrastructure for tissue culture and import of plant material to improve the stock the Expert Group recommends an allocation of Rs12 crores. During the period of replanting there will be loss of income and requirement of a number of inputs including assured irrigation. It is suggested that the state government draw up a complete project and launch this in a mission mode on the lines of the saffron initiative.

3.9 More specifically, improving the productivity of apples would require innovative use of biotechnology, molecular and nuclear techniques. Propagation using DNA identification and mapping systems, a new ladder hedge system of orchard management as in USA and combining ornamental lawn hedge with horticultural apple hedges could be some interesting innovations.

3.10 Post-harvest handling of horticultural produce can reduce wastage and enable better realization for the farmer, having an immediate impact on farm incomes. This is a quick win intervention as it would optimize the gains from existing production. The Expert Group recommends an allocation of Rs 60 crores for public investment in pre-cooling units, cold chain, electronic grading and packing and refrigerated vans for transportation of fruit from production centre to cold stores/markets. While this investment may be adequate for kick starting the sector, to sustain and improve the pace of growth the state must actively encourage investment by private sector and innovatively use the existing schemes under the Ministry of Agriculture.

3.11 The other component of post-harvest handling is food processing. Almost 30 per cent of the culled fruit is currently wasted which could have added to the incomes of the farmers if the state had adequate capacity to process them into jams, jellies or juices for value addition. The current processing capacity of 75,000 tonnes is way below the total requirement of 3.5 lakh tonnes per annum. The Expert Group recommends that to upgrade the existing facilities and capacities in the public sector enterprises a one-time allocation of Rs14 crores may be made. In addition the Chinese model of collecting apple juice from culled fruit, which is employment intensive, may be explored by the state for developing a composite scheme.
3.12 Currently, under the Technology Mission for Integrated Development of Horticulture, Mini Mission III and Mini Mission IV focus on post-harvest technology and processing and value addition respectively. Both the missions envisage credit linked back ended capital assistance, managing to attract a number of projects in the private sector which is a welcome development. However the Expert Group’s interactions with the stakeholders have revealed that the multiple clearances and procedural delays in the actual release of the subsidy to the beneficiary often jack up project cost and can sometimes discourage smaller entrepreneurs from participating. One way of addressing this would be to use an e-portal and decentralize the procedure for appraisal, grant of financial assistance and monitoring through banks and financial institutions. The Ministry of Food Processing Industries is doing this for one of its schemes since April 2007. The Expert Group recommends that Department of Agriculture and Department of Food Processing may consider simplifying procedures under the two mini missions on the lines of this scheme to encourage more private investments in the sector.

3.13 Poor market access and the consequent low value for horticultural produce has been a major disincentive to investments in the sector. Changing this would require the establishment of a direct link between the buyer and the seller. One way of doing this would be an IT initiative whereby a virtual market place on the net would enable price discovery without the distortion that intermediaries bring to the system. Coupled with a government initiative to organize the smaller farmers into co-operatives or producer companies the electronic platform would improve their bargaining power with sellers enhancing price realization. In an earlier report on J&K a market development scheme was proposed which envisaged the creation of a network of state of art mandis or modern marketplaces with all the support facilities (finance, logistics, communication etc) as well as post-harvest management facilities like grading and sorting (either mobile or fixed), pack houses and chilling facilities. This is conceptually a community/collective post-harvest management facility to serve suppliers, as well as an integration centre for buyers to buy efficiently. The state government has set up a number of mandis but the full contingent of facilities envisaged above are still not available. The Expert Group recommends that the state government may identify three mandis in the state and convert them into model market places capable of handling fruits, vegetables and flowers. This must ideally be done in the PPP mode. We recommend an allocation of Rs 30 crores which could be deployed as equity or viability gap funding depending on the model used. In addition, financial support available under the Terminal Markets scheme of the Ministry of Agriculture could be used to set up more markets under the PPP mode.

3.14 The rising incomes have made fruits and vegetables an important and increasing item in household budgets. The initiatives suggested would enable the state to take advantage of this trend and improve incomes and employment generation in this sector.

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1 Plan Scheme of Technology Upgradation/Setting up/Modernization/Expansion of Food Processing Industries
CHAPTER 4
TOURISM

CONTEXT

4.1 The state of Jammu and Kashmir has been an important tourist destination, attracting both domestic and foreign tourists. The tourism sector with a revenue generation of more than Rs 3000 crores, provides employment to about 5 lakh people. The sector with its potential for employing people across the skill spectrum and positive externalities for other sectors like handicrafts, handlooms and transport occupies an important place in the development and employment strategy of the state. Tourism as an industry not only incentivises the preservation of culture and heritage but is also in sync with the objective of conserving the fragile environment of the state.

4.2 Tourist arrivals in the valley have waxed and waned in tandem with the security situation. After declining to an all-time low of 27,356 visitors in 2002, it steadily increased to 6 lakh plus in 2005. The next few years were periods of decline but despite the recent unrest the tourist arrivals have increased and are expected to cross 7 lakh in 2010. Jammu has seen a steady rise in religious tourism with pilgrims to Mata Vaishno Devi increasing from around 44 lakhs in 2002 to 81.8 lakhs in 2009\(^1\). Though the total tourist arrivals in Ladakh are lower than in the other two regions, it attracted the largest number of foreign visitors. Ladakh’s potential to develop as an important international tourist destination in the state is evidenced by the steady increase in foreign visitors whose numbers have risen from 22,000 in 2004 to 30,446 in 2009.

CHALLENGES

4.3 Poor connectivity, lack of transport infrastructure, inadequate accommodation both in terms of the number of beds and the quality and undeveloped tourist circuits have prevented the sector from achieving its full growth potential both in terms of revenue generation and employment creation. The most important challenge for J&K on the tourism front is to inspire the confidence of potential tourists as a safe and secure destination. The most urgent task is to prepare a tourism vision document. It is understood that the state has already identified a consultant for this, however the work on this is yet to start. Besides, there is a need to have a Master Plan with clear timelines to operationalize the vision.

4.4 Connectivity of the state with the rest of the country is a major bottleneck, especially for the high end tourist. In the case of Srinagar, it is important that the flight operation timings which are between 10.00 am to 5.00 pm, be extended

\(^1\) The arrivals upto October 17,2010 were 7,079,560 pilgrims
in consultation with the defence authorities to attract the weekend tourists from Delhi, Chandigarh and other nearby locations. In the case of Jammu the expansion of the airport, which will possibly enable international flights to operate, is pending the completion of land transfer from the Army. There are no international flights operating in the state and the airports do not have night landing facility. There are no flights to Ladakh from either Jammu or Srinagar and hence the state as a whole loses out on the spillover of the religious or leisure tourists of the two regions who may want to spend a little time exploring the pristine beauty of Ladakh.

WAY FORWARD

4.5 There are a number of initiatives by the central and state government to promote the tourism sector in Jammu and Kashmir. The GoI has agreed in principle to sanction three mega projects, one each in Jammu, Kashmir and Ladakh with an overall cost of Rs 100 crores while the 13th Finance Commission made a provision of Rs 55 crores. The state government on its part has set up 20 development authorities for regulated development of select tourism destinations. However, the capital requirement of this sector will require significant private investment. This is currently constrained by somewhat negative perceptions on the security situation and the lack of clarity on the land policy. To start with the state must immediately put in place a PPP policy, which will address the land related concerns in a practical manner for the tourism sector especially in creating hotels and resorts. Moreover, with tourism getting the status of an industry, the state government had identified certain areas, where tourism development initiatives by the private sector would be eligible for incentives ranging from capital investment subsidy, interest subsidy to exemption of service tax for the hotel industry. However the list of identified locations needs to be reviewed and possibly expanded to encourage private investments. Moreover the state budget of Rs 3 crores for granting these incentives could be enhanced by Rs 10 crores per annum for the next three years. Once private investment takes off the potential revenue increase would enable the state government to take care of this component. However this should be contingent on the state finalizing the PPP policy.

Religious Tourism

4.6 Katra is the transit point for the famous Mata Vaishno Devi shrine but due to lack of any interesting tourist circuit or activities within Jammu, the pilgrims do not generate significant business for the tourism industry there. A number of budget travellers do not even use the hotels or restaurants, preferring to cook their own food and travel by a hired bus. To encourage the pilgrims to stay longer, Jammu must develop its potential alternative religious circuits like Shiv Kholi – Machail, Kailash Parvat in Bhadarwah and Pingla Devi in Ramnagar to name a few. Improving the condition of the roads, regular state transport buses, helicopter services and budget hotels would be useful interventions.
4.7 In the case of Ladakh, a Buddhist circuit covering the monasteries would be an attraction to tourists from Japan, China and south Asian countries. Moreover if the Kailash Mansarover yatra through the Damchuk route could be opened the region would benefit significantly from the tourist influx. This would need diplomatic consultations with China.

4.8 Srinagar has a number of mosques and ‘dargahs’ located at sites of great historical significance that need to be developed and promoted. The pilgrim circuits would, in addition to other infrastructure, also require capacity building of the youth to act as khadims/shrine guides – a potential employment generator.

Adventure Tourism

4.9 Ladakh, a beautiful high altitude desert that lies squeezed between the Himalaya and the Karakoram is a much sought after destination by travellers from around the world. It has the world’s longest glaciers outside the Arctic and Antarctica and has mountain ranges and trekking routes that are a mountaineer’s delight. The region which still focuses on farming, an activity that lasts only four months a year, could greatly benefit from adventure travel and tourism that will generate sustainable income streams year long.

4.10 Despite attracting the largest number of foreign tourists in the state, Ladakh has been constrained by restricted access due to security reasons. Inner line permits, area restrictions and restrictive visa notes discourage tourists from choosing Ladakh as a destination. Moreover, there are some stringent regulations on mountaineering like (a) Expeditions in Eastern Karakoram, require the same number of Indian climbing members as foreigners. (b) Need for a Liaison Officer to accompany expeditions. These regulations can be cumbersome to fulfil and also add to the cost of tour operators.

4.11 The Expert Group feels that encouraging foreign tourists who are low volume, high value business proposition would be an ideal way of balancing the twin objective of developing and protecting the fragile ecology of the region. This would require a tourist friendly policy for which a starting point would be a review of the various security restrictions imposed on the region. We recommend that a working group with members from Ministries of Tourism, Home, Defence, External Affairs and the Indian Mountaineering Foundation be set up immediately to undertake a comprehensive review of the restrictions (including those on the use of satellite phones) and subject to security concerns make relaxations wherever possible. The Committee should submit its recommendation within 2-3 months. Moreover, reliable arrangements for rescue operations have to be put in place.

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2 The write up by Mr Chewang Motup Goba was very useful in writing this section.
3 Some of the stakeholders in the travel and tourism business stated that some of the Indian Embassies are issuing restrictive visa notes for Ladakh limiting the stay period to 15 days. The procedure for getting visas to Ladakh are complicated and cause delays which discourage the tourists from visiting this area.
4 These are required for rescue operations but have a security dimension also.
4.12 This initiative will also benefit Jammu and Srinagar which have great potential for mountaineering. The other avenues for adventure tourism include skiing, rafting, water sports and paragliding. Apart from creating the physical infrastructure that will require private investments, the state must also work towards building capacities of the local youth and potential entrepreneurs in this sector. The skill sets required include communication skills, mountaineering/trekking/cultural guides and hospitality industry related skill sets. Till such time that the state can create adequate training institutes, selected youth can be deputed to institutions in the rest of the country to pick up the required skills.

**Leisure Tourism**

4.13 The state’s leisure tourism potential is well recognized. However the number of destinations developed have remained practically static for the past few decades. This not only causes congestion and pressure on natural resources of these regions but is also a potential recipe for unbalanced growth. As mentioned earlier, incentives to the private sector are area specific and this list is being now being reviewed by the state government which is welcome. Some potential tourists circuits are the Mughal Road circuit which will require development of heritage sides along the road, Katra-Patnitop-Sanasar-Dessa-kapran- Pehalgam circuit, lake circuit in Ladakh, Jammu-Samba-Mansar circuit and development of Srinagar city as a destination. Border tourism provides yet another option to attract tourists and to start with a project has been approved for developing the Suchetgarh border on the lines of the Wagah border. There is a strong case for exploring this in the PPP mode for other locations.

4.14 The other strategy that can give quick returns is to attract religious tourists of Jammu, to visit Jammu city and also visit Srinagar and Ladakh for leisure tourism. The former requires development of recreational activities within Jammu like investment in water sports, creation of shopping malls, cultural festivals, craft melas and exhibitions as potential tourist magnets. The latter requires faster connectivity which in the case of Srinagar can be through a luxury Volvo bus service to be operated by the state government while for Ladakh it would mean persuading the airlines to introduce a Jammu-Ladakh flight at least 2-3 times a week to begin with. Kashmir could also attract tourists by launching an innovative ‘fruit tourism’ during the periods of harvesting.

**E Tourism**

4.15 Information Technology (IT) now offers innovative tools for tourism business especially for small tourism entrepreneurs. The great potential of the internet to provide information and booking facilities available to large numbers of tourists at a low cost can revolutionize the tourism business in the state.
The Internet also provides a platform which enables the tourism industry, intermediaries and consumers to come together and carry out transactions in real time. It is important that the state government establish an integrated online tourism portal in PPP mode using a shared service model to provide information on tourist facilities, customized travel packages, online booking of the hotels/ guest houses/ houseboats and also promote e-commerce for the handicrafts sector. According to a UN report (2001), “it is not the cost of being there, on the on-line market place, which must be reckoned with, but the cost of not being there.” It is certain that embracing digital communication and information technology is no longer an option, but a necessity. Along with this the state must also undertake promotion and publicity campaigns in the print and visual media. It is proposed that a total of Rs15 crore spread over 3 years may be allocated for this purpose.

**Convention Tourism**

4.16 The Sher-e-Kashmir International Convention Centre (SKICC) with integrated facilities for holding high level meetings, conferences and seminars provides a window for convention tourism. MNCs and large corporate apart from central ministries can be requested to hold some of their meetings and events in the Valley. The facilities at SKICC need to be replicated in tourist resorts of Gulmarg, Pahalgam and Patnitop besides strengthening these facilities at Jammu and Ladakh.

4.17 The tourism sector in J&K with its vast untapped potential can propel the state into a higher growth orbit with strong policy focus on three areas – connectivity, infrastructure and tourist friendly procedures.
CHAPTER 5

HANDICRAFTS

CONTEXT

5.1 The fine tradition of the craftsmanship in the state of J&K dates back a century. The exquisite pashminas, silk carpets, paper machie and wood carving to name a few are famous world over. With about 4-5 lakh artisans, 179 major craft clusters, revenue generation of Rs 1000 crore plus and exports of around Rs 700 crores, the handicraft sector occupies an important place in the state economy. The 41 crafts in the state are highly labour intensive, contributing significantly to employment generation, with vast scope for future expansion. Similarly the tradition of weaving in the handloom sector constitutes richest and most vibrant aspect of the economic & cultural heritage of the state.

CHALLENGES

5.2 Despite the large potential the sector has underperformed and is plagued by a number of problems. Lack of a J&K brand, poor quality control, obsolete designs, lack of credit, exploitative middlemen and competition from machine made fabrics have rendered the sector unremunerative for small artisans who have turned to other trades.

WAY FORWARD

5.3 Both the central and state governments have taken a number of initiatives to address these growth bottlenecks with some initiatives being of fairly recent origin. In view of this the Expert Group has decided to (a) flag some of the important initiatives that can be increased in scope and (b) suggest a couple of new initiatives that are complementary to these.

Carpets

5.4 Kashmiri carpets have a niche domestic and international market. With a revenue generation of around Rs 200 crores, they account for 30 per cent of the total handicraft exports of the state. The Carpet Mega Cluster proposed to be implemented in the Srinagar area in PPP mode, envisages a central government assistance of Rs 70 crores for the creation of production, marketing and training infrastructure in the area. The scheme envisages training 10,000 artisans and proposes to replace 8000 looms. In addition to this it will be useful to have smaller carpet production centres with basic facilities in areas where there are 40-50 artisans. Initially, four such centres could be set up, at Baramullah, Anantnag, Srinagar and Budgam, on a pilot basis. The Expert Group recommends an allocation of Rs10 crores for this initiative.
Mega Cluster for other handicrafts

5.5 The cluster-based approach is increasingly being recognized as one of the strategies for cost effective, inclusive, sustainable and integrated development of Micro, Small and Medium Enterprises (MSMEs), the world over. Handicrafts clusters in clearly identifiable geographical locations (clusters) with close linkages and inter dependence amongst the key players in the cluster can go a long way in increasing production and productivity. In view of this the Expert Group recommends an allocation of Rs 3 crores for the development of a cluster of Gabba, Namda and Crewel crafts in Anantnag district. A proposal in this context has already been submitted by the state government to the Ministry of Textiles. Going forward, the government could consider, an embroidery crafts cluster in the state, based on the experience gathered from the Narsapur Lace Mega Cluster' in Andhra Pradesh. The advantage of this would be a large participation by women who are engaged in this craft.

Geographical Indication

5.6 Creating high value markets for handicrafts in the state depends on maintaining their exclusivity and traditional splendour. The first step in this has been taken and Pashmina, Kani shawl and Sozni embroidery have been registered under the Geographical Indication (GI) Act. The registration is an acknowledgement that the given craft is unique, produced in a particular area and no manufacturer other than those recognized by the registration may claim to produce or sell the same by the name specified under the registration. However, it is common knowledge that the original Pashmina crafted in Kashmir faces intense competition from machine made look-alikes and imitations that flood the domestic and international markets. Thus, building a tangible “Kashmir” brand image that is easily identifiable by the consumer indicating the purchase of genuine goods is important if J&K desires to optimally utilize the advantage granted by the GI. Some important interventions include establishment of a model production zone, creating public awareness, organizing national and international business events related to fashion and handicrafts and setting-up of dedicated web domains for specific crafts. The other important initiative would be legal action to protect the GI. This could range from seeking protection in other countries under TRIPS agreement or under the existing trademark laws in a given nation to protecting logos under the copyright act. To begin with, the Expert Group recommends an allocation of Rs 2 crores for the various activities for brand building and awareness including registration of the users and creation of websites.
Building a Kashmir Brand

5.7 Handicrafts from Kashmir command a premium in the market for their unique designs and attributes. Their brand value has not been captured sufficiently. It is suggested therefore that a campaign to build a Kashmir Brand be launched. The first step will be to register certain products of significance and unique features under the GI registration regime. This will have to be supplemented by efforts to design and enforce traceability norms. Initially the Kashmir Brand could cover a few well known products like carpets etc. As and when the brand gets established in the market, the scope can be extended to other handicraft products and even to agriculture-horticulture products.

Craft Tourism

5.8 The advantage of Kashmir as a major tourist destination could also be leveraged to benefit the artisans. It is important to develop a craft circuit where the tourists could be taken around the artisan’s work place. Designed well, this craft tourism can potentially become a major attraction for tourists and enable the artisans to sell their products directly to consumers.

Skill Development – Scheme of Ministry of Textiles

5.9 The Ministry of Textiles has recently launched an ‘Integrated Skill Development Scheme for the Textiles and Apparel Sector Including Jute and Handicrafts’ that proposes to train 26.75 lakh persons over a period of 5 years. The objective of the scheme is to address the trained manpower needs of the textile sector including handicrafts, handlooms and sericulture by developing a cohesive and integrated framework of training based on industry needs. This will increase the employability of the target population. The scheme also seeks to create a trainers pool by conducting advance training programmes at a cluster level and also training in design development programmes to help produce diversified products to meet contemporary market trends. The scheme is envisaged to be executed in the PPP mode with 75 per cent government and 25 per cent industry contribution and has an outlay of 230 crores. The Expert Group recommends that the scheme may be leveraged to train 500 craftsmen per annum for the next two years. If funds under the scheme are insufficient, a special allocation of Rs 1 crore can be made on this account.

5.10 The handicraft sector which has showcased the rich, vibrant tradition of the state for decades has suffered due the militancy and loss of markets. Interventions to rebuild the Kashmir brand will restore the sector to its previous glory, giving the artisans their rightful place in the economy.
CHAPTER 6

MEDIUM SCALE AND MICRO ENTERPRISES

CONTEXT

6.1 The role of Micro, Small and Medium Enterprises (MSME) in the economic and social development of the country is well established. The employment intensity of these industries is comparatively higher than that of the large scale industry and they are able to absorb people with a variety of skill sets ranging from the unskilled labour to the highly skilled engineer. The MSME sector has not done well in the state and has been rendered uncompetitive due to a number of reasons that have plagued the other sectors, including inadequate local demand, poor credit flows and distance from markets. Many small and medium scale industries have come up basically in the traditional sectors like handloom and handicrafts, tourism along with some new areas like food processing, agro-based units and metallic and non-metallic units. According to the estimates by the state government there are a total of 39446 industries consisting of 39369 small and 77 medium and large scale units which provide employment to almost 124185 persons in J&K. However, according to the Report of the Task Force on MSME, the employment numbers are much higher at 4.3 lakhs.

WAY FORWARD

Restoring credit flow

6.2 Access to finance is an important requirement for the MSME sector. Financial Institutions in J&K were affected by the industrial deceleration and the large scale default on loans. The J&K State Financial Corporation (JKSFC) which was the lead financial institution for term lending to industry was earning cash profits till 1989. However, the financial viability of JKSFC was significantly impacted by the militancy, as unit after unit especially in the small scale sector turned sick and defaulted on repayments. Between 1990 and 1997, the non performing asset (NPA) portfolio of JKSFC increased exponentially. SIDBI has been extending a number of rehabilitation packages to clean up the balance sheet of JKFC but the state government has not been able to take advantage. Since revival of FI’s is crucial to start the flow of credit in the state, a one-time grant of Rs 100 crores from the PM’s Reconstruction Package may be considered for reviving JKSFC. In addition to this JKSFC would need funds to extend credit to the MSMEs. To begin with, the Expert Group recommends an allocation of Rs. 50 crores for this. This will however be subject to the state government formulating a credible revival package with appropriate guarantees wherever required. Besides the other initiative to restore the viability of the Financial Institutions will be to establish an Asset Reconstruction Company (ARC) which will take over the non-performing
assets and refurbish the balance sheets of the financial institutions. This will clean up the balance sheets of the FIs, restore their viability and make them eligible for drawing refinance from central institutions. The state government may formulate a complete proposal which may also include a review of the other laws including those related to labour market regulation. This consolidated proposal can be examined and approved by a high level committee consisting of representatives from centre/state government.

**Prime Minister Employment Generation Programme (PMEGP)**

6.3 The PMEGP, a centrally sponsored credit linked subsidy scheme launched recently envisages the generation of employment opportunities through establishment of micro enterprises in rural as well as urban areas. It brings together widely dispersed traditional artisans/ rural and urban unemployed youth and gives them self-employment opportunities to the extent possible, at their place of residence. The scheme has a total outlay of more than Rs 4000crores, and has been working very well in J&K for the past two years. In 2009-10 the state set up 1782 units at an expenditure of Rs 18.2 crores while in 2010-11, 1036 units have already been set up at an expenditure of Rs19 crores. This scheme also has a component for skill development to build capacities of the rural artisans. The Expert Group recommends an allocation of Rs10 crores for this component over the next four years.

**Marketing preference**

6.4 The GoI offices including security forces located in the state have substantial requirements of items produced within J&K. The centralized procurement system on the basis of competitive tenders followed by these offices, often lead to exclusion of the local units which are unable to compete on prices. Currently, under the government stores purchase programme, GoI has been extending various facilities to the SSI units registered with National Small Industries Corporation (NSIC). These include issue of free tender sets, exemption from payment of earnest money, waiver of security deposit, price preference upto 15% over the quotation of large-scale units and reservation of 358 items for exclusive purchase from SSI sector. However in practice, countrywide, these facilities are not being extended to SSI units by some Government Departments/ Public Sector Undertakings and J&K is not an exception. The Expert Group feels that marketing preference to SSI units is an important policy initiative for growth in this sector. Government must immediately set up a committee consisting of representatives from central and state government to identify cases where these provisions have been violated in J&K and recommend measures for strict implementation of this policy. Besides, the NSIC has very limited presence in the state which makes it difficult for the units to be registered. It is important for them to expand and in the short run the J&K Small Scale Industries Development Corporation (SICOP) could lend its infrastructure to NSIC.
6.5 The MSME sector holds a vast potential for employment generation. Encouraging credit flow to these sectors and helping them leverage existing government schemes can be a ‘quick-win’ strategy to begin with. As peace returns to the State, private investments and large industry will also return bringing both sustainable growth and jobs.
CHAPTER 7

INFORMATION TECHNOLOGY & IT ENABLED SERVICES

CONTEXT

7.1 Next to agriculture, the services sector is the largest employer in J&K with a share of almost 30 per cent of the total workforce, of which the IT&ITES/BPO sector is also a constituent. In the rest of the country this industry has showcased India’s talent emerging as an important foreign exchange earner, but in J&K it is still in the process of spreading its wings. The sector has attracted a number of young entrepreneurs but the growth in the sector has been constrained by lack of connectivity, shortage of skilled manpower, reluctance of talent from the rest of the country to work in the state and poor network of educational institutions in IT.

WAY FORWARD

7.2 It is important for the state to focus attention on this sector since growth here will have positive spill over effects, driving ancillary services like hospitality, security and computer hardware provision. It has been estimated that every single job here has the capacity to create 3 indirect jobs in the economy. This sector also has the capacity to connect the remote areas in the state to the mainstream, improve governance, encourage distance education and connect the state to the rest of the country very quickly even before the physical infrastructure comes up fully.

7.3 The long term strategy for success in the sector would inter alia require (a) attracting international customers who are extremely important for this industry and this will require peace, stability and harmony, (b) adequate well-qualified human talent willing to be employed in the state, (c) an international airport with flights by well-known international airlines linking the state to important global IT centres and five-star hotels since international customers need these.

7.4 In the short run a ‘quick win’ strategy would be to immediately connect all the districts on a priority basis. This will require the state to co-ordinate with DoT, BSNL, VSNL and the security agencies and operationalize this in the mission mode. A fully connected SWAN network in the state is a bare minimum requirement to enable the e-governance projects in the state to take off. This may be fast tracked. Besides, special preference may be given to local companies for implementing e-governance/IT projects for which an appropriate policy may be framed by GoI and state government. This sector has been accorded ‘industry status’ and is eligible for the various concessions available in the state. To ensure that the entrepreneurs utilize these incentives the state government
must create business enabling environment including simplifying the legal and regulatory set up. They may also help in developing IT/ITES&BPO world class parks in collaboration with private sector players to promote low cost built up office space with “plug and play” facility including power backup. At least two parks should be established, one in the immediate vicinity of Srinagar city and one in Jammu.

7.5 A cable termination station/internet exchange link, which is currently upto Chandigarh, should be extended up to Srinagar for providing robust bandwidth access to J&K (at least 50 GBPS). The goal should be ensuring 99 per cent uptime and scalable connectivity. GoI may consider subsidizing the robust bandwidth for all IT/ITES/BPO enterprises operating in J&K.

7.6 The state government must encourage private sector participants to become Internet Service Providers in the districts. The international gateways could be provided through the STP’s, BSNL and private players who may come up subsequently.

7.7 Human resource development is crucial to growth in this sector. The state government must immediately introduce IT education in government schools at all levels with special emphasis in the senior secondary levels. Similar initiatives for private schools and specialized IT courses at college and university level are crucial. Moreover, a number of institutions in the private sector have come up in the state. The state will have to put in place a regulatory mechanism to ensure quality controls.
SKILL DEVELOPMENT AND DIRECT EMPLOYMENT
CHAPTER 8

SKILL DEVELOPMENT AND PLACEMENT SCHEME

CONTEXT

8.1 India’s growth trajectory has used the skills of the educated middle-class to boost services ranging from IT and software to, banking, hotels and telecommunications. According to some analysts, since 1980s, as opposed to labour intensive, India is moving into skill-intensive services. These findings have important implications for the human resource development strategy for India with Jammu and Kashmir being no exception. Currently, India is passing through an unprecedented phase of demographic changes that are likely to contribute to an ever increasing size of labour force in the country. The Census projection report shows that the proportion of population in the working age group (15-59 years) is likely to increase from approximately 58% in 2001 to more than 64% by 2021. In absolute numbers, there will be approximately 63.5 million new entrants to the working age group of 15-59 years between 2011 and 2016 and most importantly the bulk of this increase in the population is likely to take place in relatively younger age group. According to the census figures, the all India 15-29 age group was 28.66 per cent of the total population. This number was 30.58 per cent for J&K which consisted of 35.83 lakh youth.

Table 6 - Age Profile of the population in 2011

<table>
<thead>
<tr>
<th>Age Group</th>
<th>J&amp;K (000)</th>
<th>All India (000)</th>
<th>J&amp;K (%)</th>
<th>All India (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>15-19</td>
<td>1215</td>
<td>121729</td>
<td>10.37</td>
<td>10.21</td>
</tr>
<tr>
<td>20-24</td>
<td>1265</td>
<td>118038</td>
<td>10.80</td>
<td>9.90</td>
</tr>
<tr>
<td>25-29</td>
<td>1103</td>
<td>101955</td>
<td>9.41</td>
<td>8.55</td>
</tr>
<tr>
<td>All Age Groups</td>
<td>11718</td>
<td>1192509</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

8.2 While we are one of the youngest nations in the world, the abundant young labour force has a massive shortage of skills. Skilled labour accounts for 60-80 per cent of the labour force in many developed economies with the ratio for Korea being as high as 96%. In contrast, the skill base of Indian economy is quite low. NSSO data for 2004-05 shows that only 2 per cent of people in the age group of 15-29 years have received formal vocational training and only 8% have received non-formal vocational training. While disaggregated figures are not available for J&K, there is enough anecdotal evidence to show that the long drawn militancy and the disturbed political environment have eroded the skill base of the youth in the state. In the case of J&K, apart from skills relating
to modern industry and service sector that need to be developed, there are a large number of traditional skills, of international standards that are passed down from one generation to another through informal training and there is a need to bring them into the formal system to enable certification. In the case of J&K the problem of skill gap is sharper due to the lack of private sector initiative in industry which is often an important driver of skill acquisition as the user of these skills.

8.3 The Expert Group is recommending two initiatives, the first is a placement linked skill development scheme and the second is a special initiative by the industry. Both the schemes target the youth and ensure employment by bridging the skill gap that the present education system is unable to fill. In both the schemes a gender sensitive design will also ensure adequate representation of women.

**SKILL, EMPOWERMENT AND EMPLOYMENT SCHEME FOR J&K (SEE J&K)**

8.4 The Expert Group in consultation with the Ministry of Rural Development (MoRD) has developed a special placement linked, market driven skill training programme for the J&K youth. The scheme will cover 50,000 to 1,00,000 J&K youth in the next 3-5 years and will be implemented in the PPP mode. The details of the scheme are listed below.

**Scheme Details**

**Objective**

8.5 The objective of the SEE J&K project is to provide options and opportunities to all youth in J&K regardless of their educational qualifications to select training program for salaried or self-employment as per their interest.

**Scope and Scale**

8.6 The scheme will be implemented by MoRD since they have special experience in implementing skill development programmes. Under the Swarna Jayanti Grameen Swarozgar Yojana (SGSY), they have trained 2.25 lakh beneficiaries and have placed 1.75 lakhs till date. In J&K MoRD in partnership with Dr. Reddy’s Foundation have trained 5100 and placed 3671 youth from September 2005 to May 2007. The MoRD Special Projects team will work in PPP mode with State Government, training providers, industry and the J&K communities and youth as its stakeholders. The J&K Scheme will follow a bottom-up approach, tailored to move the J&K youth from the unorganized to the organized labour market, and generate self-employment. As mentioned above the project will provide training and placement to 50,000 to 100000 youth in 3 to 5 years. The first year upto
March 2012 will be taken as a year of experiment. In the first year, 15000 youth will receive training for salaried and self-employment. During this period there will be bi-monthly reviews to assess ground realities and then bottom-up approach will be used to tailor industry specific training and placement model for J&K. The new model will be implemented from April 2012. Some probable private sector partners are IL&FS, Kuoni, Don Bosco, Dr Reddy’s Foundation and Everonn.

**Key Features**

8.7 MoRD will be the nodal agency to implement the Scheme in J&K. Unlike the SGSY scheme (currently implemented by MoRD and forms the basis of this scheme) that is limited only to rural BPL youth, the scheme envisaged for J&K will have no such limitation and will cover all youth. Training for salaried as well as self-employment will be provided. 70% funds will be used to provide salaried employment training, remaining 30% for self-employment training. Different training strategies will be used for diverse groups - dropouts, illiterate etc.

**Table 7 - Training Categories**

<table>
<thead>
<tr>
<th>Model</th>
<th>Category</th>
<th>Training Duration</th>
<th>% of funds allocated</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Salaried Employment</td>
<td>1 to 3 months</td>
<td>70%</td>
</tr>
<tr>
<td>B</td>
<td>Salaried Employment</td>
<td>6 months</td>
<td></td>
</tr>
<tr>
<td>C</td>
<td>Salaried Employment</td>
<td>1 year</td>
<td></td>
</tr>
<tr>
<td>D</td>
<td>Self-employment</td>
<td>6 months</td>
<td>30%</td>
</tr>
</tbody>
</table>

**Funding Plan for J&K Project**

8.8 The funding for the scheme would come from two sources and be managed under two windows. The first window will be for training the rural BPL youth for which 75 per cent of the funding will come from MoRD under the SGSY scheme, while for the remaining 25 per cent a special allocation can be made under PM’s J&K Package to the Ministry of Home Affairs (MHA) who can then partner MoRD in implementing the scheme. The second window will be for rural non BPL and urban youth for which 100 per cent of the funding will be under PM’s J&K package to be placed with the MHA. It is estimated that the total project cost, for both the windows, will be around Rs 257 crores of which Rs 103 crores (40%) will be met by MoRD and the remaining Rs 154 crores will be met from PM’s J&K Package (Table 8).
### Table 8 - Funding Arrangement

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>Funding Arrangement for training J&amp;K youth</th>
<th>Beneficiaries Trained</th>
<th>Coverage</th>
<th>Tentative Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5 year</td>
</tr>
<tr>
<td>MoRD</td>
<td>75% funded through SGSY Special Project Scheme</td>
<td>25 % mobilized by contributions from PM’s J&amp;K package.</td>
<td>40,000</td>
<td>Rural BPL youth</td>
</tr>
<tr>
<td>PM’s J&amp;K package</td>
<td>100%</td>
<td>60,000</td>
<td>Urban BPL and non-BPL youth of rural and urban areas</td>
<td>154.562</td>
</tr>
<tr>
<td>Total Budget</td>
<td></td>
<td></td>
<td></td>
<td>257.603</td>
</tr>
</tbody>
</table>

**SPECIAL INDUSTRY INITIATIVE FOR J&K (SII J&K)**

8.9 The SEE J&K scheme, primarily targets a large bulk of the youth who are at the lower end of the education spectrum. The state also has a large talent pool of youth who are well educated but are unable to find employment due to lack of soft skills or lack of practical/hands on training. The total number of students in general education at the university stage is about 40,000 which includes 14083 females. The professional Institutions include two Engineering Colleges in Srinagar and Jammu, four Polytechnics, 37 Industrial Training Institutes with an enrolment of about 4000. The total talent available includes about 23000 graduates and post graduates, 4500 Degree/Diploma Engineers about 12000 ITI trained personnel, and other skilled personnel. The basic challenge is the sense of alienation and disconnect with the rest of India. The paradigm needs to change by enhancing the connect through soft power of India and giving the new generation a stake in the country. This would require a strategy to engage the youth by increasing their employability, enhance educational opportunities and sustain the process of integration by building a favourable environment.

8.10 **To engage the youth, one initiative could be to identify 10-20 companies across industry sectors to partner with an educational institution and run special training programs to enhance employability for 8000 students per annum over a 5 year period. This would translate into 40,000 youth in J&K becoming employable in various sectors across India.** This could be operationalized through a scheme to be executed in the PPP mode with cost sharing between the government and the private sector. The nodal agency from the GoI could be the Ministry of Home Affairs. The companies would provide for, or arrange for, training in different sectors of industry. This training would take place either at the company location or at a recognized training centre/institute.
The period of training would be determined by the needs of the particular sector. For example, for software engineering, it could be 9 months. For BPO (IT-enabled services) / Retail, it could be 3 months. The cost of the training programmes could be decided on certain normative criteria that will be evolved by MHA in consultation with the industry stakeholder and could be shared 50:50. Each company would submit a “Completion Report” to MHA after training is completed. Wherever possible companies would consider employment of the trained youth, based on merit and need. In addition, job fairs would be organized to promote employment. A parallel exercise would be initiated to promote self-employment of Kashmiri youth. The local institutional partners who have agreed to participate are Kashmir University and the Islamic University for Science & Technology. To begin with, some companies that have expressed interest are Infosys Technologies, Tata Consultancy Services, Godrej & Boyce, BILT, Crompton Greaves, Avantha Group, Bajaj Auto, WWFI, JCB India, Tata Motors, Tata Global Beverages and Apollo Hospitals. Sh Tarun Das Member of the Expert Group took interest in this initiative and in identifying the companies. Moving forward the Expert Group recommends that the MHA may actively engage with industry and industry associations to encourage more organizations to join this scheme.

8.11 A specific scheme to do this was submitted to the Expert Group by Sh Narayan Murthy that envisaged the creation of a special training program (STP) by Infosys Technologies in collaboration with IIIT Bangalore to enhance the employability of science and engineering graduates in J&K to become “Software Industry Ready” and thus “Employable” by providing technical and behavioral skills relevant to the field of IT. The broad contours of the proposal are:

- **Objective** - Students learn using best-in-class courseware, from best-in-class faculty in technical areas, soft-skills areas, life-style, and english proficiency through a balanced mix of classroom and hand-on labs. Students learn in a motivating and safe environment to observe, learn, apply and enhance competencies needed for “Employability”. Using a similar structure specific content can be created for each industry sector.

- **Student selection process** - Unemployed Science and Engineering graduates from J&K to apply through an on-line application to be hosted at IIITB. Criteria to be based on a minimum of 60% in the graduation exam, on-line admission test to be conducted through a third party at Jammu/Delhi/Chandigarh and Interview/counseling. The result will be sent to GoI for necessary validation and then final list published online with joining dates by IIITB.

- **Program details** - Program Duration – 35 weeks with 3 weeks of vacation after 12 weeks with a batch size of 100 students. Accommodation to be provided on IIITB campus. Steering committee formed with a representative each from GoI, IITB and Infosys, to review status weekly initially and meet...
once a month. The baseline syllabus and course ware will be the same as Infosys Foundation Program (FP)

- **Budget (costing per Student as per inputs from IITB)**- Total cost per batch of 100 is Rs. 2.5 crores. 50 per cent of this amount i.e Rs.1.25 Crores will be funded by Infosys for the first batch of 100 students. Remaining 50 per cent to be funded by Government of India. Government commitment to fund the programme at least for 5 years

- **Previous Experience** - 156 students were trained through a similar program in two batches out of which 83 per cent got job offers at the end of the program. 65 per cent of the students were educated in tier 2/tier 3 cities and 25 per cent of the students came from families where neither parent was a graduate

8.12 The Expert Committee feels that in principle this scheme would be extremely useful in meeting the objective of increasing employability of the youth in J&K. However to ensure that this industry initiative can be translated into a scheme and be operationalized it is important to identify the nodal ministry where it can be housed. The MHA would be an appropriate choice. The details of the scheme including the cost of training and the funding norms may be decided by MHA in consultation with participating industries. The Expert Group recommends an allocation of Rs 500 crores for this scheme over a period of five years.

8.13 In view of the special attention that is required to enable the youth of J&K to reap the same benefits as the youth in the rest of India is getting on account of growth and development the Expert Group recommends that the government contribution under these two schemes i.e. SEE J&K and SII J&K will be fully funded by the central government for the full duration of these schemes.

**EXISTING INITIATIVES OF THE STATE GOVERNMENT**

8.14 There are a number of important initiatives by the state government on skill development and employment of which some key initiatives are listed below:

- Sher-e- Kashmir Employment & Welfare Programme which aims at covering a total of five lakh youth over a period of five years for self-employment. It is being implemented with effect from December 5, 2009

- Overseas Employment Corporation set up to facilitate the employment of youth inside and outside the country

- State Skill Development Mission constituted under the chairmanship of Chief Minister

8.15 The two schemes specially designed for J&K will not only address the large skill gap of the youth but also lead to productive employment. Since a large part of the training programmes and even the jobs are likely to be outside the state,
the interactions will create a sense of bonding between J&K and the rest of
the country. The Expert Group believes that this is an important initiative which
will succeed in tapping the creative potential of the youth to bring peace and
prosperity to the state. Moreover the current pace of recruitment of the Kashmiri
youth to government and the state government programmes listed above should
continue as important confidence building measures.
9.1 The recent youth turmoil in Kashmir, though political, was also in a sense indicative of alienation and possibly disappointment at the lack of opportunities in the state. On the one hand, the long years of militancy and violence have taken toll of the educational institutions in the state, especially in the valley. There has been damage to the physical infrastructure and the disturbances have also eroded the intellectual capital. On the other hand the youth have had to live with disruptions in education, which has impacted their ability to compete. The relatively 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. To increase the access of the youth to educational opportunities the Expert Group recommends four initiatives - first, a Special Scholarship Scheme for J&K, (SSS J&K) second, faculty development programmes third, a special initiative by Delhi Public School (DPS) and fourth setting up placement cell by IGNOU in Jammu and Srinagar.

SPECIAL SCHOLARSHIP SCHEME FOR JAMMU AND KASHMIR (SSS J&K)

9.2 The state has to make up for the lost time and lost opportunities for its youth by increasing the number of institutions of higher education in J&K. In addition, the student intake in the existing institutions must be stepped up significantly by enhancing faculty capability and positions. While this would be an appropriate medium term intervention, an immediate short term solution would be to encourage the J&K youth to take advantage of the educational institutions of higher education in the rest of the country. One way to do this is to give financial support through a special scholarship scheme for J&K. On the one hand, the scholarships would enable the youth to optimize their full academic potential and turn to productive activities, while on the other hand they would give the J&K youth an opportunity to interact with their counterparts from the rest of the country. This would address the feeling of alienation, create bonds and allow the beneficiaries to join the mainstream and become a part of the India’s growth story.

9.3 The scholarship scheme would be applicable for courses in all Government Colleges/Universities, Engineering Institutions, Medical Colleges and some select private institutions to be identified by the government on the basis of some objective criteria. This merit cum means scholarship will be available to students from J&K who get admission in these institutions through the normal selection process subject to the parental income being below Rs4.5 lakhs per annum. However if the demand for these scholarships exceeds supply,
the selection could be made on the basis of a set of criteria consisting of a combination of means cum merit. The Expert Group recommends that 5000 scholarships per annum may be awarded for the next 5 years. Out of the total, 4500 scholarships (90%) could be for general degree courses, 250 for engineering (5%) and 250 for medical studies (5%). These scholarships would not only cover, subject to a normative ceiling, the full tuition fee but also hostel fee, cost of books and other incidentals. A possible annual normative ceiling for programme fee could be Rs 30,000 for general degree courses, Rs 1.25 lakhs for engineering and Rs 3.0 lakhs for medical studies. The hostel fee and other incidentals could be capped at Rs 1.0 lakh per annum. The Expert Group recommends an outlay of Rs1200 crores for this initiative, which will benefit 25,000 students of J&K over a period of 5 years. We expect that this five year window will be able to build capacities of the youth to enable them to compete in the normal course. This Special Scholarship Scheme in J&K will be in addition to the other scholarship schemes currently available.

9.4 The success of the Special Scholarship Scheme depends on the ability of the students from J&K to get admission in the identified institutions. Some of the admission tests are tough and intensely competitive. The students may require additional coaching to clear the basic benchmarks set by these institutions. The Expert Committee recommends that the state government may actively incentivize coaching centers from the rest of the country to establish branches in the state. The existing educational institutions including IGNOU could partner with the state government in this initiative.

EXISTING SCHOLARSHIP SCHEMES

9.5 Government has instituted a number of scholarship schemes for different categories of students. Some important schemes are:

- National Means cum Merit Scholarships – At Rs6000 per annum, the scholarship is paid for a period of four years from class IX to XII to students who clear a selection test

- Scholarship for college and university students – At Rs10,000- 20,000 per annum for UG/PG/Professional courses at undergraduate and Rs20,000 at post graduate level, the scholarships are for students above the 80th percentile of successful students in board exams of class XII

- Scholarships for SC/ST/OBCs – There are different pre and post matric scholarships that are essentially means based. Ranging from Rs250-Rs 4000 per annum, they cover students upto class XII

- Scholarships for minority community students – There are three schemes – Pre metric, post metric and means cum merit scholarship scheme for
professional and technical courses. They range from Rs 350- Rs 20,000 per annum.

9.6 There is a significant allocation under these schemes with some having a specific quota for the state and others being demand driven. Except for the merit cum means scholarship for the minority students, the state has not taken benefit of the other schemes. Lack of information, procedural delays and lack of coordination between the different departments of the state government are apparently the reasons for non-utilization of central funds. It should be administratively possible to address all of these and simplify procedures to make these funds available to the needy students in the state.

**FACULTY ENHANCEMENT PROGRAMMES**

9.7 If the capacity of the educational institutions in J&K is to be built up, it is essential to enhance the faculty skill set. One important dimension to this is the interaction of the academicians with industry to understand their expectations of entry level student skills. An interesting example of this connect is the Faculty Enhancement Programmes (FEP) conducted by the Infosys Development Centres. The FEP provides an opportunity to the college faculties to get exposed to industry best practices in learning, technologies, tools, and processes. It provides a forum where the Infosys educators and practitioners share their experiences. The programme duration which is typically 1-2 weeks is conducted in a Deep-Dive mode with increased focus on identified modules. A course would be conducted in a hands-on mode, using case studies, integrated project, tools exposure, and practitioner sessions. Over the last 5 years more than 4900 faculty from more than 400 engineering colleges in India have undergone this program from Infosys. The state government should be able to tie up with some large corporates for similar FEP for their technical institutions. There is a fairly large and welcome initiative by the Directorate General Employment and Training (DGET) on faculty enhancement in the ITI’s in the state. In a project with the World Bank to upgrade 10 ITI’s in the state, ‘Training of Trainers’ has been identified as an important component. In another initiative to upgrade 1396 ITI’s in the PPP mode, regular capacity building training programmes for the principals, senior faculty members and state directorate officers have been organized. The state government must actively leverage and expand the scope of this programme in J&K.

**SPECIAL OFFER BY DELHI PUBLIC SCHOOL**

9.8 Sh Salman Khurshid, Minister of State for Minority Affairs (IC) has made a suggestion that private schools and educational institutions could be persuaded to accommodate the children from Jammu and Kashmir. He has made an offer to (a) bring together representatives of the schools and academic institutions to make a commitment and (b) persuade the Delhi Public School and the 150 odd
schools that carry the name to set aside as many seats as are required to meet such a commitment. This is an important initiative that must be taken forward.

**PARTNERING WITH INDIRA GANDHI NATIONAL OPEN UNIVERSITY (IGNOU)**

9.9 Open and Distance learning for higher education have emerged as an important part of the government’s strategy to increase access. With flexibility, higher outreach and lower costs it has also become an attractive option for students. In J&K, distance education can help a number of students to resume their education in places that have been adversely affected by the disturbances. IGNOU has been a pioneer in this field in India since 1985 and has been making available to long-distance learners, courses that were hitherto exclusively limited to face-to-face classroom transactions. These include programmes in physical and natural sciences, nursing, health, engineering and technology, computers, library and information sciences and BEd degree. The other areas that the courses cover are vocational training programmes including those which involve traditional skills. IGNOU also has programmes for improving employability of students and placements through (a) finishing school programmes launched under IGNOU-NIIT partnership and (b) a virtual platform to practice for job interviews and (c) a placement cell in Delhi.

9.10 IGNOU has a large presence in J&K with regional centres in Jammu and Srinagar operational for more than a decade. With 83 Learner Support Centres running over a hundred courses the university’s contribution to improving skills and employability has been significant. IGNOU has agreed to a special initiative for J&K by under taking two initiatives, the first is to set up placement cells in J&K and second to conduct an Ayurvedic Therapy Training programme.

**Regional Placement Cell**

9.11 IGNOU has agreed to launch an interactive platform for registering students in J&K for job placements. This Regional Placement Cell (RPC) will

- provide a platform for prospective employers to communicate with job seekers of Jammu, Srinagar and Leh through virtual job portal, job fairs, placement drives and walk-ins
- provide career specific counselling and guidance
- carry out competency mapping of all job aspirants
- map their aspiration levels with aptitude levels
- identify skill gaps for repair measures and interventions
- prepare and train job aspirants to plug skill gaps
- assess and certify existing skills of the youth for vertical career mobility
and lateral professional movements

9.12 The RPC would have a Placement Officer, qualified counsellors, soft skill trainers and support staff. The placement cell may be initially located in the Regional Centre and later shifted to a convenient location. The cell would have a placement committee with members from local educational institutions, IGNOU centres, industry representatives and students. The RPC can also forge partnerships with J&K Entrepreneurship Development Institute and various Chambers of Commerce and Industries. According to IGNOU estimates, the one-time cost of setting up the RPC will be around Rs 3.00 lakhs while the recurring cost of running the centre will be about Rs 17 lakhs per annum. The Expert Committee feels that two RPC’s, one each in Jammu and Srinagar may be set up on pilot basis and extended financial support for 3 years. The Expert Group recommends an allocation of Rs 1 crore for this.

**Ayurvedic Therapy Training Programme**

9.13 Livelihood practices can be generated when the local communities are aware of and take an active role in promoting and preserving their inherent knowledge. Combined with modern techniques these skills become marketable creating employability in local communities. One such area is the Revitalization of the Local Health Traditions (LHT). India has one of the richest plant-based medical traditions in the world with 8000 different medicinal plants being used across the country for various primary healthcare needs. However, the youth are yet to make full use of this knowledge.

9.14 IGNOU has an initiative in the North East, to train young people in Ayurvedic Therapy to impart skills required for ayurvedic hospitals, panchkarma centres and hotel industry. The training programme which has a duration of six months has already been conducted for two batches. The course content includes soft skills in addition to the technical content. On successful completion of the course the candidates receive a certification from IGNOU. In J&K, this skill would be important for the tourism sector and can be an attractive USP for ecotourism. Currently there is a shortage of trained therapists in the wellness industry and this can be converted into an opportunity for J&K youth. IGNOU has agreed to conduct Ayurvedic Therapy training programmes for J&K youth. The training programmes are to be conducted at FRLHT Bangalore, which has a hospital with a medicinal plant repository. The eligibility criteria for admission to the programmes would be matriculation, age above 18 years and functional understanding of English. The cost of training one batch of 30 trainees for 6 months is Rs 10 lakhs. The hospital has the capacity to train three batches per annum. The Expert Group recommends, to begin with, an

1 Initially the placement officer could be taken on deputation from a reputed management or engineering institution in J&K
allocation of Rs 1crores for running this training programme for three years for 9 batches.

9.15 Improved access to education and employment for J&K youth is an important antidote to the turmoil and alienation. While the scholarship scheme will make academic, professional and vocational programmes affordable to large numbers the IGNOU initiative on placement centre will make these acquired skills marketable. In view of the special importance of engaging the J&K youth in education the Expert Group recommends that the SSS J&K and the IGNOU initiatives (RPC and Ayurvedic Therapists Training) be fully 100 per cent funded by the central government for the complete duration of these schemes.
10.1 The Expert Group has made a number of recommendations in this report which have financial implications. Some of these are one time allocations while others are for periods ranging from 2-5 years. A summary of these recommendations along with the funding requirement is listed below.

**Item of Expenditure Allocation (per annum)**

<table>
<thead>
<tr>
<th>Item of Expenditure</th>
<th>Allocation (per annum)</th>
<th>Rs crores</th>
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</thead>
<tbody>
<tr>
<td>1. Agriculture &amp; Animal Husbandry</td>
<td>Additional allocation under RKVY (para 2.8) (Total cost Rs200 crores for 5 years)</td>
<td>40</td>
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<td></td>
<td>Installing hatcheries and related infrastructure in 10 districts (para 2.11)</td>
<td>20</td>
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<td></td>
<td>To organize monthly treatment camps in a phased manner (para 2.12) (Total cost Rs14 crores for 2 years)</td>
<td>7</td>
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<td></td>
<td>For the Paravet Scheme (para 2.13) (Total cost Rs5 crores for 5 years)</td>
<td>1</td>
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<td></td>
<td>For the revival of the government sheep breeding farms (para 2.14)</td>
<td>12</td>
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<tr>
<td>2. Horticulture</td>
<td>To set up infrastructure for tissue culture and import of plant material to improve the stock (para 3.8)</td>
<td>12</td>
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<tr>
<td></td>
<td>Post-harvest handling of horticultural produce (para 3.10)</td>
<td>60</td>
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<tr>
<td></td>
<td>To upgrade the existing facilities and capacities in the public sector food processing enterprises (para 3.11)</td>
<td>14</td>
</tr>
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<td></td>
<td>For converting mandis into model market places (para 3.13)</td>
<td>30</td>
</tr>
<tr>
<td>3. Tourism</td>
<td>For promotion and publicity campaigns in the print and visual media (para 4.15) (Total cost Rs15 crores for 3 years)</td>
<td>5</td>
</tr>
<tr>
<td>4. Handicraft</td>
<td>To setup smaller carpet production centres with basic facilities in areas where there are 40-50 artisans (para. 5.4)</td>
<td>10</td>
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<td></td>
<td>Development of a cluster of the Gabba, Namda and Crewel crafts in Anantnag district (para 5.5)</td>
<td>3</td>
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<td></td>
<td>Brand building and awareness including registration of the users and creation of websites (para 5.6)</td>
<td>2</td>
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<td></td>
<td>Integrated Skill Development Scheme For Textiles &amp; Apparel (para 5.9) (Total cost Rs1 crore for 2 years)</td>
<td>0.5</td>
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<tr>
<td>5. MSME</td>
<td>Revival of JKSFC (para 6.2)</td>
<td>150</td>
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<td></td>
<td>Additional allocation Under PMEGP (para 6.3) (Total cost Rs10 crores for 4 years)</td>
<td>2.5</td>
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<tr>
<td></td>
<td>Skill Development and Placement Scheme</td>
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<td></td>
<td>Skill, Empowerment and Employment Scheme for J&amp;K (para 8.8) (Total cost Rs 257 crores for 5 years)</td>
<td>51.4</td>
</tr>
<tr>
<td></td>
<td>Special industry initiative (para 8.12) (Total cost Rs 500 crores for 5 years)</td>
<td>100</td>
</tr>
<tr>
<td>7</td>
<td>Increasing Access to Education</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Special Scholarship Scheme for J&amp;K (para 9.3) (Total cost Rs 1200 crores for 5 years)</td>
<td>240</td>
</tr>
<tr>
<td></td>
<td>To set up RPC’s in Jammu and Srinagar (para 9.12) (Total cost Rs 1 crore for 3 years)</td>
<td>0.33</td>
</tr>
<tr>
<td></td>
<td>Ayurvedic Therapy Training Programme (para 9.14) (Total cost Rs 1 crore for 3 years)</td>
<td>0.33</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>761.06</strong></td>
</tr>
</tbody>
</table>
1. **Agriculture & Animal Husbandry**
   - Draw up a long term strategy for productivity increase in agriculture (para 2.3)
   - Large network of water harvesting tanks, lift irrigation and construction of area specific new canal network for assured irrigation (para 2.4)
   - Upgrade soil testing facilities (para 2.5)
   - Rehbar-e-Zirat, scheme of state government to be continued for next 2-3 years and also used for monitoring the implementation of the various rural development programmes (para 2.6)
   - Production of Basmati Rice of Jammu to be enhanced with infrastructure upgradation, provision of inputs and marketing support (para 2.7)
   - Flexibility under the RKVY Scheme to be utilized by the state to direct expenditure into priority areas (para 2.8)
   - Expand the centrally sponsored Rural Backyard Poultry Scheme (para 2.11)
   - Start monthly treatment camps in a phased manner to tackle the problem of infertility and diseases in the bovine population (para 2.12)
   - Enhance the private Paravet Scheme of the state government to train educated unemployed youth from rural areas and engage them for artificial insemination and veterinary first aid to animals (para 2.13)
   - Revival and modernization of the government sheep breeding farms (para 2.14)

2. **Horticulture**
   - Effective utilization of funds under ‘Horticulture Mission for North East and Himalayan States (HMNEH)’ (para 3.6)
   - The scheme on ‘Economic Revival of J&K Saffron Sector’ to be expanded to reclaim the areas which had gone out of saffron cultivation due to poor returns (para 3.7)
   - To improve productivity, rejuvenate /replant orchards and in the case of apples use biotechnology, molecular and nuclear techniques, propagation using DNA identification and mapping systems (para 3.8 and 3.9)
   - Encourage Private and Public investment in technologies for post-harvest handling of horticultural produce and upgrade the existing facilities and capacities in the public sector food processing enterprises (para 3.10 and 3.11)
• Department of Agriculture to consider simplifying procedures under MM-IV of the Technology Mission for Integrated Development of Horticulture. Encourage use of e-portal, decentralize the procedure for appraisal and grant of financial assistance and monitoring through banks and financial institutions (para 3.12)

• Identify mandis in the state and convert them into model market places having support facilities, post-harvest management facilities and chilling facilities (para 3.13)

3. Tourism

• Put in place a PPP policy, which will address the land related concerns in a practical manner for the tourism sector especially in creating hotels and resorts (para 4.5)

• Identify certain areas, where tourism development initiatives by the private sector would be eligible for incentives ranging from capital investment subsidy, interest subsidy to exemption of service tax for the hotel industry (para 4.5)

• To encourage the pilgrims to stay longer, Jammu to develop potential alternative religious circuits (para 4.6)

• Improve the condition of the roads, regular state transport buses, helicopter services and budget hotels (para 4.6)

• Develop Buddhist Circuit in Ladakh (para 4.7)

• Develop mosques and dargahs located at places of historical significance (para 4.8)

• Capacity building of the youth to act as khadims/shrine guides (para 4.8)

• Set up a working group with members from Ministries of Home, Defence, External Affairs and Indian Mountaineering Federation to undertake a comprehensive review of the restrictions (including those on the use of satellite phones) and subject to security concerns make relaxations wherever possible (para 4.11)

• Work towards building capacities of the local youth and potential entrepreneurs in tourism sector (para 4.12)

• Encourage border tourism by developing the Suchetgarh border on the lines of the Wagah border (para 4.13)

• To attract the religious tourists, create recreational activities within Jammu, operate a luxury Volvo bus service to Srinagar and introduce a Jammu-Ladakh flight at least 2-3 times a week to begin with (para 4.14)

• Establish an integrated online tourism portal in PPP mode (para 4.15)

• Undertake promotion and publicity campaigns in the print and visual media (para 4.15)

• Promote convention tourism (para 4.16)
4. **Handicraft**

- Implement the Carpet Mega Cluster in the Srinagar area in PPP mode (para 5.4)
- Set up smaller carpet production centres with basic facilities in areas where there are 40-50 artisans (para 5.4)
- Develop a mega cluster of the Gabba, Namda and Crewel crafts in Anantnag district and an embroidery crafts cluster in the state (para 5.5)
- Establish a model production zone, create public awareness, organize national and international business events related to fashion and handicrafts and set-up dedicated web domains for specific crafts (para 5.6)
- Strict legal action to protect the Geographical Indication (para 5.6)
- Launch a campaign to build a Kashmir brand (5.7)
- Develop a craft circuit where the tourists could be taken around the artisan’s work place (para 5.8)
- ‘Integrated Skill Development Scheme For The Textiles And Apparel Sector Including Jute And Handicrafts’ may be leveraged to train 500 craftsmen per annum for the next two years (para 5.9)

5. **Medium Scale and Micro Enterprises and IT & ITES Sector**

- Revive J&K State Financial Corporation (JKSFC) by providing a one-time grant from the PM’s Reconstruction Package (para 6.2)
- Allocate extra fund to J&K for skill development to build capacities of the rural artisans in the Prime Minister’s Employment Generation Programme (PMEGP) (para 6.3)
- Accord marketing preference to SSI units (para 6.4)

6. **Information Technology and IT Enabled Services**

- Co-ordinate with DoT, BSNL, VSNL and the security agencies to connect all districts of the state through networking system (para 7.4)
- Preference may be given to local companies for implementing the public e-governance/IT projects (para 7.4)
- Support IT and ITES entrepreneurs by simplifying procedures and create infrastructure in terms of IT/ITES/BPO parks in PPP mode (para 7.4)
- Cable termination station/internet exchange link to be extended up to Srinagar and government to consider giving bandwidth subsidy (para 7.5)
- Encourage private sector to become ISP’s (para 7.6)
- Introduce IT education in schools and colleges (para 7.7)
7. **Skill Development and Placement Scheme**

- Launch a special skill development and placement scheme for J&K in PPP mode. This Skill, Empowerment and Employment Scheme will provide placement linked, market driven skill training to 50,000-1,00,000 youth in 3-5 years (para 8.4)
- Undertake a special industry initiative in PPP mode for J&K for enhancing the skills and employability of 40,000 youth in five years. The companies that have expressed interest are Infosys Technologies, Tata Consultancy Services, Godrej & Boyce, BILT, Crompton Greaves, Avantha Group, Bajaj Auto, WWFI, JCB India, Tata Motors, Tata Global Beverages and Apollo Hospitals. (para 8.10)
- Special scheme by Infosys Technologies for creating a special training program (STP) in collaboration with IIIT Bangalore (para 8.11)

8. **Increasing Access to Education**

- Launch a Special Scholarship Scheme for Jammu and Kashmir to benefit 25,000 students over a period of 5 years. The scholarships will be for general, engineering and medical studies. They will cover full tuition fee, hostel fee, cost of books and other incidentals (para9.3)
- The state government should tie up with some large corporates for FEP for their technical institutions (para9.7)
- Organize regular capacity building training programmes for the principals, senior faculty members and state directorate officers (para9.7)
- Persuade private schools and educational institutions to accommodate children from J&K. Delhi Public School to set aside seats for children from J&K(para9.8)
- IGNOU to launch two Regional Placement Centres (RPC) one each in Srinagar and Jammu to provide an interactive job portal. The RPC to also provide career specific counselling, competency mapping and train job aspirants to plug skill gaps (para9.11 and 9.12)
- Conduct Ayurvedic Therapy Programme in collaboration with IGNOU (para 9.14)

9. **Implementation Mechanism**

- Set up a strong monitoring system in the central government (para 12.1)
12.1 Implementation could be the biggest problem in the launch of these ambitious programmes. Institutions for implementation of the programmes available to the government of J&K are weak. These institutions need to be strengthened and supplemented by the efforts of the Central Government. This is a long term effort that needs to be done in right earnest. Capacity of the state government machinery at all levels needs to be brought up to the levels required to handle these myriad challenges. In the interim, a strong monitoring system in the Central Government to monitor the implementation of the initiatives recommended is required. Expert Group recommends that a Monitoring Committee may be set up with representatives from PMO, MHA, J&K State Government and EAC to PM. This Committee will be responsible for designing the schemes, tying up funding and coordination with concerned ministries for setting timelines and implementation of the schemes. Implementation of the schemes once approved must remain the major concern.
13.1 The Expert Group held stakeholder meetings in Jammu and Srinagar. These meetings were attended by entrepreneurs and artisans across sectors and were extremely useful in enabling the Expert Group to understand the issues from a practical perspective. A number of these suggestions do not directly pertain to employment generation but are nonetheless useful for growth in the state. The Expert Group decided that since its mandate was limited, it would be useful to send these suggestions to PMO requesting them to take up these suggestions with concerned Ministries for an in-depth analysis and implementation wherever possible.

**Suggestions leading to direct Employment Creation in J&K**

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Suggestion</th>
<th>Agencies Responsible</th>
<th>Made by</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>At least 300 persons from J&amp;K state be employed in Central Public Sector Undertakings</td>
<td>Ministry of Heavy Industry &amp; Public Enterprises, Govt. of India</td>
<td>Federation of Industries, PHD Chamber of Commerce and Industry, J&amp;K Chapter</td>
</tr>
<tr>
<td>2.</td>
<td>Another 15,000 youth of J&amp;K can be recruited and trained by Special Paramilitary forces including CRPF, BSF, ITBP Force, Coast Guards etc</td>
<td>Ministry of Home Affairs</td>
<td>-do-</td>
</tr>
<tr>
<td>3.</td>
<td>Set up a Special committee consists of representatives from FICCI, ASSOCHAM, PHD, CII and other national level chambers with a task of creating employment for 15,000 youth in industrial and commercial organizations owned and operated by member units</td>
<td>Ministry of Commerce &amp; Industry, Govt. of India / J&amp;K Department of Commerce &amp; Industry</td>
<td>-do-</td>
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<tr>
<td>4.</td>
<td>J&amp;K tourist police Force to be enhanced from present strength of 200 to near 1000 so that all the tourist destinations are equipped with proper trained tourist friendly police</td>
<td>Department of Tourism, J&amp;K</td>
<td>J&amp;K Tourism Alliance</td>
</tr>
</tbody>
</table>
Other Suggestions

**Ministry of Agriculture and Cooperation**

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<tr>
<th>Sl.No.</th>
<th>Suggestion</th>
<th>Made by</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>In J&amp;K The Poultry farming and its related activities are not covered under the industrial sector due to which farmers are suffering badly, there is an immediate need to give industrial status to the poultry sector</td>
<td>Varamul Milk Dairy Cooperation Societies Federation Limited</td>
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<tr>
<td>2.</td>
<td>Need to set up more hatchery units in private sector for commercial broiler rearing activity and in government sector exclusively for backyard</td>
<td></td>
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<tr>
<td>3.</td>
<td>Government has to take concrete/positive steps to educate youth in different ways i.e. through training programmes, and provides financial helps etc. for setting up hatcheries</td>
<td></td>
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<tr>
<td>4.</td>
<td>Govt. should not interfere in rates as it is the supply and demand issue and there should be a committee consists of poultry farmers, experts from Animal Husbandry Department and official from district administration for verification and fixation of rates</td>
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<td>5.</td>
<td>Remove poultry from ‘Negative list’</td>
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<td>6.</td>
<td>Set up modern disease diagnostic laboratories at district head- quarters to provide services to the poultry farmers</td>
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<td>7.</td>
<td>Strengthen the existing infrastructure of poultry vaccine production units in J&amp;K</td>
<td></td>
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<tr>
<td>8.</td>
<td>The whole of Doda region has a vast potential of herbal farming which needs to be promoted</td>
<td>Chamber of Commerce &amp; Industry (Regd.), JammuTawi.</td>
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<tr>
<td>9.</td>
<td>Trade centers in the shape of warehouse and markets should be developed in all the major towns</td>
<td>-do-</td>
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**Ministry of Textiles**

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<th>Sl.No.</th>
<th>Suggestion</th>
<th>Made by</th>
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<tbody>
<tr>
<td>1.</td>
<td>Set up nearly one thousand new handicraft training centres in rural and urban areas of J&amp;K</td>
<td>ShariKhass Artisans Union Srinagar</td>
</tr>
<tr>
<td>2.</td>
<td>Provide good marketing facilities by way of exhibitions in the state, national and international level and also provide marketing/sale stalls at tourists resorts in the state and other states of India</td>
<td>-do-</td>
</tr>
<tr>
<td>3.</td>
<td>Loan cases of handicraft artisans up to the limit of Rs. 5 lakhs may be written off as a ‘special package relief ‘ for the state J&amp;K</td>
<td>-do-</td>
</tr>
</tbody>
</table>
### OTHER ISSUES AND RECOMMENDATIONS

| 4. | Banning usage if machines in handicraft products and lift the ban on ‘Shah-Tosh’ products | -do- |
| 5. | Raw material facilities under the government control on subsidy rates | -do- |
| 6. | The Kashmir government arts emporium should be upgraded and facilitated with the special package for purchase of handicraft products | -do- |
| 7. | Encourage ‘Basholi’ handicraft products | Chamber of Commerce and Industry, Jammu Tawi |

### Ministry of Commerce and Industry (GoI) /Department of Commerce and Industry, J&K

| 1. | The restructuring of industrial package in a such a way that it will benefit both the fresh investors and the existing local Industries in J&K | Federation of Chambers of Industries Kashmir (FCIK) |
| 2. | A minimum of Rs 500 Crores may be provided by the central government for the revival and rehabilitation of potentially viable units | -do- |
| 3. | Government may create an asset reconstruction company which shall take over the assets of the units which cannot be revived from the bank and give an exit rout to the entrepreneur | -do- |
| 4. | Provide two special industrial zones besides one industrial estate and one HandicraftPark in every district of the state | -do- |
| 5. | Training centers at the pattern of SISI should be established to impart technical training to unemployed youth for encourage them to entrepreneurship | -do- |
| 6. | For the industrial units in J&K, raw materials and capital goods be exempted from customs and counter veiling duty | Federation of Industries , PHD Chamber of Commerce and Industry, J&K Chapter |
| 7. | Set up a Special committee consists of representatives from FICCI, ASSOCHAM, PHD, CII and other national level chambers with a task of creating employment for 15,000 youth in industrial and commercial organizations owned and operated by member units | -do- |
| 8. | One time grant to be given to the State Government with specific allocations for 1. Acquisition of lands & its development for Industrial Sector 2. Development of common test labs, machine shops and other facilities as per requirement of State Government. Funding is require for upgradation of all existing industrial estates | Federation of Industries , PHD Chamber of Commerce and Industry, J&K Chapter |
9. All goods manufactured in J&K be brought into the ambit of LOC Trade in addition to any point on LOC close to Border e.g. Pallanwala-Chhambh and Nowshersa-Mirpur be opened as a trade point as this would facilitate trade at extremely competitive prices & new market shall become available to local industry -do-

10. Transport subsidy on finished goods up to Delhi instead of nearest Rail Head be permitted, as this would result in proper capacity utilization around the year and be a method of ensuring stable level of production in the state -do-

11. The existing Market Development Assistant (MDA) Scheme of J&K government debars most of the travel agents to take its advantage as they are not able to qualify because of the low business turn over and other pre-requisites. J&K government may formulate a special MDA scheme so that they qualify under the scheme and are able to promote foreign tourism to the country J&K Tourist Alliance

12. Although tourism has been declared as a industry sector by J&K state government but the benefits and incentives not being extended to hotel industry Jammu Hotel Restaurant & Bar Association (Regd.)

### Ministry of Heavy Industries and Public Enterprises

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Revival of sick or defunct public sector undertakings in the state of J&amp;K can lead to substantial employment opportunities as they also have sufficient infrastructure available both in terms of tangible and intangible assets.</td>
</tr>
<tr>
<td>2.</td>
<td>Setting up heavy industry like Rail coach factory at Jammu</td>
</tr>
<tr>
<td>3.</td>
<td>At least 300 persons from J&amp;K state be employed in each Central Public Sector Undertakings</td>
</tr>
<tr>
<td>4.</td>
<td>Public sector undertakings like Rail Coach Factory and Engine Factory, Kapurthala and or any other large undertaking with substantive spin off benefits in terms of ancillaryisation, generation of employment, procurement of local law materials etc. be established in J&amp;K on a war footing</td>
</tr>
</tbody>
</table>

64
## Ministry of Railways

1. Setting up heavy industry like Rail coach factory at Jammu Chamber of Commerce and Industry, Jammu Tawi

2. Direct train during the summer months from Metros and connecting stations, in addition to the already existing ones Travel Agents Society of Kashmir

3. Direct train during the summer months from Metros and connecting stations, in addition to the already existing ones -do-

4. Jammu railway station requires immediate expansion. Double track and Electrification of Jammu – Jalandhar should be completed and work on Jammu- Srinagar Rail link should get at most priority Association of Jammu Travel Agents, Jammu Hotel Restaurant & Bar Association (Regd.)

## Ministry of Finance /Department of Finance, J&K

1. Restoration of 100% Central Excise Refund with the provision to black list the evasion prone entrepreneurs in consultation with State Industrial Department Federation of Industries, PHD Chamber of Commerce and Industry, J&K Chapter

2. All incentives including Income Tax Holiday as available to new industrial units be made available to existing industrial units, Which undertake substantial expansion -do-

3. Refund of overflow of Cenvat Credit be given to those units whose input credit is higher than the duty of finished goods -do-

4. All banks to be directed not to declare the industrial accounts they are not performing due to continuous disruption in the state as NPA’s and a grace period up to 31st March 2011 to be granted -do-

5. All present incentives as provided by Centre and State under VAT regime be extended till 2010 -do-

6. The Insurance Regulatory Authority of India be asked to provide Business Risk Insurance Cover for the business loses to all the tourism establishments of the states J&K Tourism Alliance
7. All tourism ventures should be given a complete tax holiday at least for ten years to attract the private sector and educated unemployed youth. | Association of Jammu Travel Agents, Jammu Hotel Restaurant & Bar Association (Regd.)

8. There is a need to amend the Provident Fund Act. The threshold limit in the state is four as compared to all India limit of nine as a result a small unit which needs more than four workers prefers to keep the employment figure confined to four to save himself from the harassment of the labour inspector. | Federation of Chambers of Industries Kashmir (FCIK)

9. The Central Government may consider designating J&K SICOP as nodal agency for the procurement of items required by Defence, Paramilitary forces and other central government departments in the state which are available with the local industry. | -do-

10. All the extension enabling Govt. of India, Ministry of finance’s Notification dated 06.02.2010 be notified without any further delay. | Federation of Industries, PHD Chamber of Commerce and Industry, J&K Chapter

11. All GOI agencies and Public Undertakings be advise to hold their annual events and international conferences in Sheri Kashmir International Convention Complex at Srinagar. | J&K Tourism Alliance

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**Ministry of Home Affairs**

1. Another 15,000 youth of J&K can be recruited and trained by Special Paramilitary forces including CRPF, BSF, ITBP Force, Coast Guards etc. | Federation of Industries, PHD Chamber of Commerce and Industry, J&K Chapter

2. Reallocation of paramilitary forces may be done in the areas which are far away from the peripheries of Gulmarg resort. | J&K Tourist Alliance

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**Ministry of Power/ Ministry of New and Renewal Energy**

1. One time grant to be given to the State Government with specific allocations for development of Power Grid to feed these Industrial units. | Federation of Industries, PHD Chamber of Commerce and Industry, J&K Chapter

2. One time grant of Rs. 2 Crores per MW for Micro Hydel Projects upto 5 MW be provided after satisfactory commissioning of the project. | -do-
### Ministry of Road Transport & Highways, Govt. of India/ Department of Transport, J&K

1. To accelerate generation of employment, work on National Highways be started in a time bound manner, National Highway Authority of India be told to employ local engineers, local Sub-Contractors and local labour. On the same lines, work on Udhampur- Qazigund Rail link be taken on war footing as this has capacity to absorb large number of youths.  
   - Federation of Industries, PHD Chamber of Commerce and Industry, J&K Chapter

2. Upgradation of road infrastructure and road connectivity to new destinations.  
   - Travel Agents Society of Kashmir & House Boat Owners Association

3. In order to attract Mata Vaishnodeviyatri’s to visit Kashmir a super deluxe Volvo type, point to point bus service between Jammu-Katra-Srinagar to Jammu may be started operated by JKTDC or ITDC with a subsidized fare at lease for 5 years.  
   - J&K Tourist Alliance

4. Special incentive scheme for private operators to create super deluxe bus fleet for the exclusively for the tourists.  
   - -do-

### Ministry of Tourism, Govt. of India / Department of Tourism, J&K

1. Subsidy on publicity and printing materials must be provided to all tour operators of J&K.  
   - Travel Agents Society of Kashmir

2. River Cruise Service to be started from to Wular Lake and from Srinagar to Khannabal. Incentives to be offered to private parties for purchase mechanized cruise boats & other allied equipments such as life guards etc.  
   - J&K Tourism Alliance
3. Develop the infrastructure for promoting winter tourism

4. The department of Tourism, Government of India be asked to promote and highlight Kashmir and Ledakh more vigorously in their Incredible India Campaign at all international Marts and events

5. Unexplored tourism destinations in Kashmir such as Gurez-Dodhpatri-Lolab Valley-Bangus and Yusmarg needs to be developed at a war footing

6. A scheme may be launched to provide certain incentives, more particularly the availability of loans at a notional rate of interest to hotel industry for a longer period of time so that most of the existing hotel are modernized and converted as hotel available for upper middle income and higher income classes of tourists

7. To add to the tourists attractions of Srinagar Cable Car Services like, between Dara and Mahadevi Hill, be explored, surveyed and constructed.

8. Re-start light and sound shows at Shalimar Garden and Kohimaran. Some new historical sites may also be included in the scheme

9. Establishment of tourist offices and Kashmir tourism information centres in all major cities of India. This will give employment to youth who already have degree/diploma in tourism related subjects

10. On the pattern of Central Government tourism department scheme provide reimbursement of 70% of the funds spent by the tour operators on the publicity materials and brochures plus traveling

11. Provide incentives to adventure tour operators on purchasing the equipments for trekking, rafting, sky ling and other adventure related activities

12. Provide incentives to adventure tour operators on purchasing the equipments for trekking, rafting, sky ling and other adventure related activities

13. Special attention is required to promote border tourism in Jammu region by developing Suchetgarh Sialkot border on the lines of Wagah in Amritsar

14. Promote and develop cooperative sector in tourism by using self-help groups in the rural areas of J&K to organize trekking expeditions and involving them in other tourism activities

15. To attract investment in tourism sector set up an Tourism Investment Board with private public participation to ensure clearance of projects at an accelerated space
| 17. | The state tourism policy should be put in place with a special focus to address sub-regional tourism needs | Association of Jammu Travel Agents, Jammu Hotel Restaurant & Bar Association (Regd.) |
| 18. | Develop and promote Aqua tourism in J&K | Association of Jammu Travel Agents, Houseboat Owners Association, Kashmir |
| 19. | Develop and promote Aqua tourism in J&K | -do- |
| 20. | Upgradation and beautification of river Jhelum and development of proper navigation | Houseboat Owners Association, Kashmir |

**Ministry of Civil Aviation**

| 1. | Daily flights for the sector Delhi-Srinagar-Leh-Jammu-Delhi in summer | Travel Agents Society of Kashmir & House Boat Owners Association |
| 2. | International Status to Jammu and Srinagar Airports sufficient domestic and international flights should start operating from both Jammu and Srinagar airports | Travel Agents Society of Kashmir, Association of Jammu Travel Agents, Travel Agents Association of Kashmir, Houseboat Owners Association, Jammu Hotel Restaurant & Bar Association |
| 3. | Reallocation of paramilitary forces may be done in the areas which are far away from the peripheries of Gulmarg resort | J&K Tourist Alliance |
| 4. | The instrumental Landing System procured by AAI for installation at Srinagar International Airport may be installed immediately which facilitate the domestic airlines to operates flights during the late hours and at times of poor visibility | -do- |
| 5. | Special incentive to be announce to subsidize levies on Aviation fuel for the passenger aircraft flying to J&K so as to reduce the cost of travel | Association of Jammu Travel Agents, Houseboat Owners Association, Kashmir |
### Ministry of HRD, Govt. of India/ Departments of School & Higher Education, J&K

1. Tourism and related subjects should be included in the curriculum of schools and colleges to create awareness among the students and youth for self employment

<table>
<thead>
<tr>
<th>Travel Agents Association of Kashmir</th>
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</thead>
</table>

2. A Hotel Management and Catering Education Institute should come up at Jammu to meet the talent requirement of tourism industry

<table>
<thead>
<tr>
<th>Association of Jammu Travel Agents</th>
</tr>
</thead>
</table>

### Ministry of IT & Telecommunication/ Department of IT, J&K

1. Study the skill set and capabilities of local ICT Sector

<table>
<thead>
<tr>
<th>ICTA, J&amp;K</th>
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</table>

2. Find ways to link e-governance projects of the state with the generation of local employment by, for instance, reserving a large proportion of the project work of local vendors

3. There should be state venture capital dedicated to just the IT industry

4. The state IT department may explore the possibility of setting up a PSU that implements the e-governance projects. This will ensure that the projects are implemented and new jobs will be created. The total IT entrepreneurs should be considered as potential stakeholders in such a venture

5. Establish an IT Park in Srinagar

<table>
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<tr>
<th>-do-</th>
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</thead>
</table>

### Ministry of Environment & Forest, Govt. of India/ Department of Forest, J&K

1. Wild Life Sanctuaries in J&K to be improved for the lovers of Wild Life who want to visit J&K from different part of the world

<table>
<thead>
<tr>
<th>Travel Agents Society of Kashmir</th>
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</thead>
</table>

2. Dachigam Wild Life Sanctuary which has become almost rich by increase in the number of various species of wild life needs to be developed and allowed for ‘Jungle Safari Tours’

<table>
<thead>
<tr>
<th>J&amp;K Tourism Alliance</th>
</tr>
</thead>
</table>

### Ministry of Water Resources/ Department of Housing and Urban Development, J&K

1. Priority attention needs to be given to the protection of Dal Lake. Relocate the inhabitants living within the peripheries of the lake. Create an effective sewerage and drainage system for houseboats

<table>
<thead>
<tr>
<th>J&amp;K Tourism Alliance</th>
</tr>
</thead>
</table>

2. Immediate completion of all STPs which are under construction. Work on other planned STPs for the protection of water bodies should also be taken up hand in hand

<table>
<thead>
<tr>
<th>J&amp;K Tourism Alliance</th>
</tr>
</thead>
</table>
Ministry of Youth Affairs and Sports, Govt. of India / Departments of Tourism and Youth Service and Sports, J&K

|   | Development of recreational and entertainment facilities like bowling alleys, indoor ice and roller skating rings, amusement parks, cable car with mountain top panoramic restaurants, theatres, standard art galleries and museums. | Association of Jammu Travel Agents, Houseboat Owners Association, Kashmir |

1. |
Annexure 1

No. 670/57/C/15/2010-ES-I
GOVERNMENT OF INDIA
(BHARAT SARKAR)
Prime Minister's Office
(Pradhan Mantri Karyalaya)
New Delhi

Dated: 18th August 2010

NOTIFICATION

Subject: **Expert Group to formulate a jobs plan for the State of Jammu & Kashmir**

For enhancing employment opportunities in the State of Jammu & Kashmir and for formulating a jobs plan, involving both the public and private sectors, especially for the youth, it has been decided to constitute an Expert Group under the chairpersonship of Dr. C. Rangarajan. The composition of the Expert Group is as follows:

1. Dr. C. Rangarajan Chairperson
2. Shri N. R. Narayana Murthy Member
3. Shri Tarun Das Member
4. Shri T. Nanda Kumar Member
5. Shri Shakeel Qalandar Member
6. Shri Bharat Vyas, Principal Secretary Member-Secretary (Planning), Government of Jammu & Kashmir [Representative of Government of Jammu & Kashmir]

2. The Expert Group will interact with the National Skill Development Coordination Board and National Skill Development Corporation, with a view to exploring possibilities of enhancing employability in the State.

3. The Expert Group may be provided all possible assistance by the Ministries/Departments and other agencies under the Central/State Governments in order to facilitate its task.

4. The Expert Group may co-opt or invite such person(s) as it deems appropriate, to participate in any of its meeting as special invitee(s).

5. The Expert Group will be located in the Economic Advisory Council to the Prime Minister and will be covered within the definition and explanation of High Level Committees, as given in Cabinet Secretariat O.M. no. 105/1/1/75-CF dated 20.11.1975.

6. The Chairperson and Members of the Expert Group shall work in an honorary capacity. However, they shall be provided conveyance facility and travelling facilities / allowances, as admissible.

7. The Expert Group will be provided required office space, equipment and secretarial / other staff, as necessary. An officer, not below the rank of Director to Government of India, will be attached to the Expert Group.
On the recommendation of the Expert Group, the Economic Advisory Council may appoint Consultants for specific periods, in accordance with prescribed guidelines, to carry out specific technical tasks such as data collection, collation and analysis. Expenditure relating to the conveyance and travelling facilities / allowances made available to the Chairperson of the Expert Group, the meetings of the Expert Group, the functioning of its Secretariat, fee payable to Consultants, TA/DA of Members of the Expert Group (as admissible to Grade-1 officers of the highest category in Government of India) and TA/DA of the Consultants to cover travel related to the work of the Committee, etc. will be borne by the Economic Advisory Council.

8. The Expert Group will submit its report within three months.

(T. K. A. Nair)
Principal Secretary

Copy, for information, to:

1. Cabinet Secretary
2. Home Secretary, Ministry of Home Affairs
3. Chief Secretary, Government of Jammu & Kashmir
4. Secretary, Economic Advisory Council to the Prime Minister
5. CEO, Skill Development Corporation, Shaheed Jeet Singh Marg, D-4, The Clarion Collection, Qutab Hotel New Delhi 110 016

(Sanjay Mitra)
Joint Secretary to PM

Copy to:

1. Dr. C. Rangarajan, Chairman, Economic Advisory Council to the Prime Minister
2. Shri N. R. Narayana Murthy, Infosys Technologies Limited, Electronics City, Hosur Road, Bangalore – 560 100
3. Shri Tarun Das, President, ASPEN Institute-India, 2P, Sector-31, Gurgaon – 122001
4. Shri T. Nanda Kumar, Chairman, Committee on Optimisation of Fertilizer Usage, Cabinet Secretariat, Sardar Patel Bhavan, New Delhi
5. Shri Shakeel Qalandar, President, Federation Chamber of Industries Kashmir, Industrial Estate, Sanat Nagar, Srinagar
6. Shri Bharat Vyas, Principal Secretary (Planning), Government of Jammu & Kashmir, Srinagar
# SCHEDULE OF MEETINGS OF THE EXPERT GROUP

<table>
<thead>
<tr>
<th>Meeting</th>
<th>Location</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1&lt;sup&gt;st&lt;/sup&gt; Meeting</td>
<td>New Delhi</td>
<td>27 August 2010</td>
</tr>
<tr>
<td>2&lt;sup&gt;nd&lt;/sup&gt; Meeting</td>
<td>New Delhi</td>
<td>25 September 2010</td>
</tr>
<tr>
<td>3&lt;sup&gt;rd&lt;/sup&gt; Meeting</td>
<td>New Delhi</td>
<td>16 November 2010</td>
</tr>
<tr>
<td>4&lt;sup&gt;th&lt;/sup&gt; Meeting</td>
<td>Srinagar, Jammu</td>
<td>24, 25 November 2010</td>
</tr>
<tr>
<td>5&lt;sup&gt;th&lt;/sup&gt; Meeting</td>
<td>New Delhi</td>
<td>18 January 2011</td>
</tr>
</tbody>
</table>
### Table A - Detailed Break-up of cost of 1-3 month training

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Components</th>
<th>Maximum Cost – (Rs. Per beneficiary)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Training cost, mobilization of beneficiaries, Curriculum, Training of Trainers, Utilities, Infrastructure, Equipments, Teaching aids, raw materials, etc.</td>
<td>Irrespective of sectors or coverage, up to <em><em>Rs 18800</em> per head</em>* for a 1 to 3 months training or cost worked out in the project report whichever is less.</td>
</tr>
<tr>
<td>2.</td>
<td>Boarding &amp; Lodging or food and to and fro transport of trainees</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Assessment &amp; Certification</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Placement Linkage</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>MIS &amp; Tracking/monitoring</td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>Institutional overheads (Admin. Costs)</td>
<td>maximum up to 10% of the total project cost.</td>
</tr>
<tr>
<td>7.</td>
<td>Assistance during post placement settlement support for trainees.</td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td>Total</td>
<td>Up to Rs 18800* or cost estimates in the project report whichever is less. The cost is exclusive of monitoring charges of agencies like NIRD, NABARD etc.</td>
</tr>
</tbody>
</table>

### Table B - Cost of Different Training Durations

<table>
<thead>
<tr>
<th>Training Duration</th>
<th>Expected Per student cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 3 months</td>
<td>Rs 18800</td>
</tr>
<tr>
<td>6 months</td>
<td>Rs 28200</td>
</tr>
<tr>
<td>9 months</td>
<td>Rs 36660</td>
</tr>
</tbody>
</table>

### Table C - Cost of Training 100000 J&K youth in 5 years

<table>
<thead>
<tr>
<th>100000 to be trained in 3 to 5 years</th>
<th>Assuming 60% youth take 3 months, 20% take 6 months, &amp; remaining 20% take 9 month training</th>
<th>Cost of training (Rs in crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td>70000 to receive training for salaried employment</td>
<td>42000 (3 months training @ Rs 18800 per student)</td>
<td>78.96</td>
</tr>
</tbody>
</table>
### Table D - Cost Sharing for 5 year period

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost (Rs in crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total cost of training</td>
<td>257.603</td>
</tr>
<tr>
<td>1.5% Monitoring Cost</td>
<td>3.8067</td>
</tr>
<tr>
<td>Total Project Cost</td>
<td>257.603</td>
</tr>
</tbody>
</table>

### Table E - Training 15000 youth in 1st year

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost of training (Rs in crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assuming 60% youth take 3 months, 20% take 6 months, &amp; remaining 20% take 9 month training</td>
<td>11.844</td>
</tr>
<tr>
<td>15000 to be trained in 1st year</td>
<td>36.368</td>
</tr>
<tr>
<td>10500 to receive training for salaried employment</td>
<td>11.844</td>
</tr>
<tr>
<td>6300 (3 months training @ Rs 18800 per student)</td>
<td>11.844</td>
</tr>
<tr>
<td>2100 (6 months training @ Rs 28200 per student)</td>
<td>5.9220</td>
</tr>
<tr>
<td>2100 (9 months training @ Rs 36660)</td>
<td>7.6986</td>
</tr>
<tr>
<td>4500 to receive training for self-employment</td>
<td>5.0760</td>
</tr>
<tr>
<td>2700 (3 months training @ Rs 18800 per student)</td>
<td>5.0760</td>
</tr>
<tr>
<td>900 (6 months training @ Rs 28200 per student)</td>
<td>2.5380</td>
</tr>
<tr>
<td>900 (9 months training @ Rs 36660 per student)</td>
<td>3.2994</td>
</tr>
<tr>
<td>Total cost of training</td>
<td>36.368</td>
</tr>
<tr>
<td>1.5% Monitoring cost</td>
<td>0.5455</td>
</tr>
<tr>
<td>Total Project Cost</td>
<td>36.9135</td>
</tr>
</tbody>
</table>

### Table F - Cost sharing in first year

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost (Rs in crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total cost of training</td>
<td>36.9135</td>
</tr>
<tr>
<td>MoRD’s share (40%)</td>
<td>14.7654 Cr.</td>
</tr>
<tr>
<td>PM’s package (60 %)</td>
<td>22.1481 Cr.</td>
</tr>
<tr>
<td>To cover all youth</td>
<td></td>
</tr>
<tr>
<td>To cover Rural BPL youth</td>
<td></td>
</tr>
<tr>
<td>Urban BPL and non-BPL youth of rural and urban areas</td>
<td></td>
</tr>
</tbody>
</table>