

MANTRANA 2020



JAMMU AND KASHMIR: AN ANALYSIS OF THE ERSTWHILE STATE: DIALOGUES FOR DEVELOPMENT OF THE TWO NEW UNION TERRITORIES

Mantrana - meaning 'consultation' - is envisioned as a forum for bringing together stakeholders, leaders, experts, and the general public to discuss contemporary socio-political issues facing India. Designed to draw constructive narratives on themes central to the country, the Mantrana series strives to include a range of subject matters and evaluate multidimensional factors from differing viewpoints.

The inaugural Mantrana engages with challenges of growth and development of the newly formed union territories of Jammu and Kashmir, and Ladakh. Being held the day after India's 71st Republic Day, Mantrana aims to initiate and engage in dialogue that looks beyond the years of conflict that has engulfed the erstwhile State. Having taken a research deep dive on available data, we hope to arrive at solutions for a more empowered future for the region.

We are joined in this endeavour by C-Voter and Polstrat.



Foreword

The narrative surrounding Jammu and Kashmir has long been veiled in its security issues, and as a result, its development goals have not been forefronted the way they have been for other states. The abrogation of Article 370 in Jammu and Kashmir in 2019 has been a watershed moment for the history of the country and the erstwhile state alike. At this juncture, it is imperative to move beyond the region's past and look forward to what the next few years have to offer.

The need of the hour is for the politics of conflict to take a backseat and instead, policymakers and other stakeholders centre developmental issues and initiate a dialogue based on facts and not opinions. This exercise requires young changemakers who steer the country to come together and devise solutions for a more empowered future, not just for Kashmir but for the whole region. By being adaptive and forward-thinking yet remaining rooted in the founding philosophies of India, young people can make meaningful contributions to India's growth story through policy analysis and public discourse.

Our flagship program, Mantrana 2020 aims to shift our focus and bring to the fore a myriad of issues concerning the economic, social, and cultural development of the region, issues that have largely been missing from mainstream representations of the Jammu and Kashmir region in the media. The first Mantrana will focus on the growth and development of the newly formed Union Territories of Jammu and Kashmir and Ladakh. We hope to encourage a conversation that remains central to development, steering away from opinion and relying on what lies ahead. We are joined in this first Mantrana by C-Voter and Polstrat.

The start of the decade gives us the opportunity for a fresh narrative. With policy as the catchword, the hope is to look beyond the debate and gain a new perspective so we can be set on the course for a bigger, brighter tomorrow.



Ram Bahadur Rai

Padma Shree

Chairperson and Trustee – Social and Political Research Foundation, India

Economy & Resources

J&K's Gross State Domestic Product (GSDP) growth at constant prices has had a volatile history in the last decade, with growth rates ranging from as low as below -3% to as high as 18.39%.

In 2018-19, the Service Sector contributed 55.9% to the GSDP of the state followed by Industry and Agriculture at 27.9% and 16.2% respectively. Since 2011-12, the Service Sector on average has contributed over 55%, followed by Industry and Agriculture at 27% and 16% respectively.

The major sources of income in the service sector are tourism, construction, and other informal labour. Rice and Maize continue to be the major crops while Apple and Walnut are the major commodities in horticulture. Industry sector is dominated by agro-based, small cottage, handicrafts and handlooms.

The Per Capita income of J&K was estimated to be INR 69,221 for the year 2018-19. It grew at an average annual rate of 4-6% between 2012 and 2019, with an exception of 2014-15 when it reduced by 6.2%.

In 2018-19, the average rural daily wage rate for men in the State is 55% higher than the average of India. Wages in the state stood at 467 for agricultural labour and 530 for non-agricultural labour.

In 2018-19, Jammu and Kashmir had the 4th highest unemployment rate in India standing at 15.43%. The all India unemployment rate was 6.85%.

In 2018-19, the unemployment rate for persons with graduation was 24.24% as compared to persons with education below class 9 at approximately 2%.

Revenue:

J&K's total receipts are estimated to be INR 84,571 crores in 2019-20, an increase of 6.2% from the revised estimate of the previous year.

The state's total revenue receipt for 2019-20 is estimated to be INR 71,193 crores, estimating a growth of 7.5% over previous year's revised estimate.

Over the last decade on average the state's own revenue share in the revenue receipts has been 29%, of which the majority came from own tax sources.

J&K has relied heavily on central transfers (grants and share in central taxes) for its revenue, since 2011-12 on average 70-73% of its revenue receipts have come from

central transfers.

On average around 50-55% of the revenue receipts have come in the form of central grants.

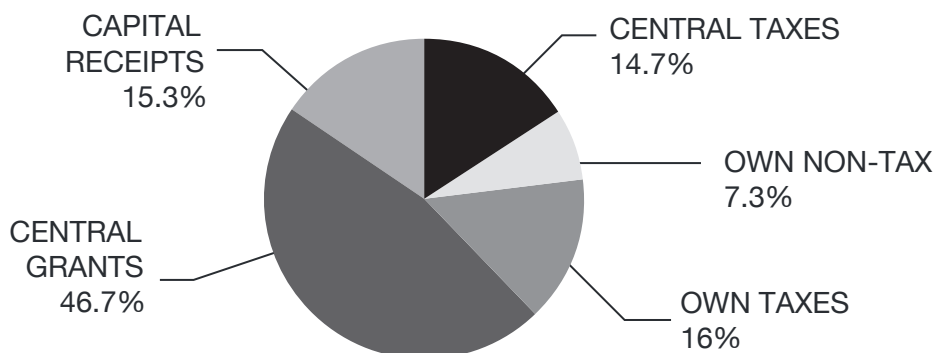
In comparison other states with special category - Assam (30%), Himachal Pradesh (46%), Mizoram (61%), Nagaland (67%), Sikkim (41%), Uttarakhand (27%).

Over the last decade, the state's revenue receipts on average grew at 13% which is higher than the average GSDP (constant prices) growth rate for the same period.

Capital receipts on an average have contributed around 14-15% in the last decade. Major sources have been loans, borrowings, interest and provident fund.

RUPEE - AS IT COMES

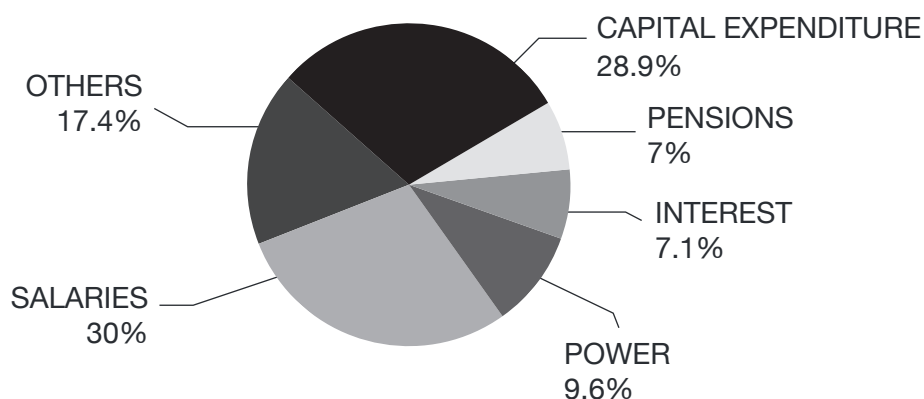
(BUDGET ESTIMATES 2013-2014 TO 2019-2020)



Expenditure:

RUPEE - AS IT GOES

(BUDGET ESTIMATES 2013-2014 TO 2019-2020)



J&K's total expenditure is estimated to be INR 88,911 crores in 2019-20, a decrease of 0.6% over the revised estimate of previous year.

In the year 2019-20, J&K estimates to spend INR 58,442 crores on revenue expenditure and INR 30,469 crores on capital expenditure.

However, the state has underspent their estimated expenditure by about 24% for the period 2011-2017.

Revenue expenditure has formed the bulk of total expenditure at an average of 76.8% for the period 2010-11 to 2018-19, of which 40% was spent on committed liabilities, thus leaving limited funds for infrastructure growth.

In the revenue expenditure, development expenditure (social and economic services) comprised 59% of the total revenue expenditure from 2011-2018, while non-development

expenditure (administrative, police, interest) has comprised on average 41% of the revenue expenditure.

Capital expenditure is the investment on development and infrastructure creation. This is the expenditure that improves the current infrastructure, accessibility, availability and prepares for future demand.

However, it has only formed around 25-26% of the total expenditure for the period 2010-11 to 2018-19, thus leading to a negative impact on development. An average of 77.6% of the total capital expenditure was spent on development expenditure (social and economic services) and 22.4% was spent on non-development expenditure (police, administration, stationary).

Agriculture

Around 70% of the population of Jammu and Kashmir is directly or indirectly dependent on agriculture and allied activities. This preponderance of agriculture, however, is not reflected in the contribution of agriculture to the erstwhile state's Gross Domestic Product (GSDP). Agriculture's share in GSDP was 17.5% in 2011-12 which came down to around 16% in 2017-18 reaching its lowest over that period at 14.9% in 2014-15. The average monthly farm household income in J&K is INR 12,683 as per NSSO's 70th round survey, indicating that most farmers are not able to earn a respectable income from agricultural activities. In fact, NSSO's data shows that almost 70% of the average monthly income of farm households in J&K comes from non-farm and daily wage activities, meaning that farming has become largely non-remunerative in the region. In the context of volatile growth in agriculture (ranging from -10.9% in 2014-15 to 24.74% in 2015-16 to 8.37% in 2017-18), it seems there is a dire need to make agriculture remunerative and sustainable in J&K through appropriate policy measures.

One of the key challenges on the policy front is the absence of a formal agricultural policy that can identify existing problems and opportunities, and provide a roadmap of growth. While a draft agriculture policy was prepared in 2013, no further action was taken by the concerned authorities to formalize it. Beyond this policy vacuum, there are multiple structural issues that plague the sector.

Around 83% of agricultural landholdings in J&K are marginal, restricting the scope for improving yields beyond a certain limit. Annual yields of rice and maize, the two principal crops of J&K, have either stagnation or declined during 2008-2016.

While rice yield declined from 21.88 quintal/hectare (q/ha) in 2008-09 to 21.24 q/ha in 2015-16 reaching a low of 12.48 q/ha in 2014-15, maize yield declined from 20.05 q/ha in 2008-09 to 17.82 q/ha in 2015-16.

Due to topographical constraints, less than 30% of the total area of J&K is available for cultivation, restricting the expansion of net sown area.

The alternative is to increase the cropping intensity which is a measure of the number of crop cycles per year. J&K's cropping intensity is around 155% which is lower than other Himalayan states such as Himachal Pradesh (167%), Sikkim (176%) and Uttarakhand (156%).

Increasing the cropping intensity in the region is imperative, not only for improving production, yields and incomes, but also to ensure it is self-sufficient in producing foodgrains to feed its population. While the average annual food grain requirement in 2013-14 was 25 lakh Metric Tonne (MT), the total food production was only 20.6 lakh MT. With a rising population, this demand-supply gap could increase further and raise the import bill for foodgrains. Notably, the state's foodgrain import jumped from 756.6 thousand MT in 2014-15 to 952.5 thousand MT in 2016-17.

Topography has also affected the extent of irrigation in the state. About 75% of Jammu region and 60% of Kashmir valley remains unirrigated. However, the net irrigated area has been increasing steadily over the years going from 314 thousand ha in 2008-09 to 331 thousand ha in 2014-15. Still, immense opportunity remains for command area development and expansion of micro-irrigation facilities.

Among allied activities, the livestock sector has recorded growth in terms of milk (1565 thousand tonnes in 2008-09 to 2460 thousand tonne in 2017-18) and meat (28 thousand tonnes in 2008-09 to 87 thousand tonnes in 2017-18) production. Over the years, though, the total livestock population has seen a decline. The production increase has been achieved on the back of genetic upgrades done on indigenous breeds. With 9.6 lakh ha of the state's total area classified as productive grassland, the livestock sector holds much promise in terms of income generation particularly if steps are taken to improve livestock health and number.

Horticulture supports around 30 lakh people, constituting a major share of exports and bringing in considerable foreign exchange. Apple and walnut are the two most important horticultural commodities of J&K as it contributes 78% to India's total apple production and 92% to the country's walnut production. Overall fruit production saw an increase from 1538.1 thousand tonnes in 2008-09 to 2116.1 thousand tonnes in 2016-17. Exports of fresh fruits also saw a jump from 110.9 thousand MT in 2008-09 to 1458.2 thousand MT in 2015-16. Apple production alone generated exports worth INR 6500 crores in 2016-17. With increasing demand for fruits and vegetables

across India due to diversification of diets, J&K's horticulture sector is positioned for expansion and newer opportunities.

While growth in agriculture is essential to improve the incomes of a large section of the population of J&K, the fragile ecology of this Himalayan region has to be taken into consideration while framing future policy measures.

Over the years, J&K has witnessed loss of forests and biodiversity, rivers and wetlands, groundwater and soil fertility, and land degradation due to

sand-mining and quarrying, and industrial pollution, among other issues. Since the 1970s, Kashmir valley's famous Dal and Wular lakes have shrunk by 36%. As many as 657 glaciers in the Ladakh region lost 12.8% of their area during 1991-2014. Roughly 20% of J&K can be classified as forest area as against the prescribed norm of 66% for hill states under the National Forest Policy 1998. For agriculture to flourish, feed, and be a remunerable activity, the preservation of the region's natural resources is a prerequisite.

Industry

In Jammu and Kashmir, the overall share of the industrial sector has been relatively stable over the past 10 years, with industry contributing to 25-28% of the state's GDP. On the other hand, the relative share of the service sector increased from around 43.7% in 2004-05 to 55.9% in 2018-19. While challenges such as erratic power supply, lack of connectivity, threat of violence continue to hinder industrialisation of Kashmir, the state has seen progress in smaller scale industries and services.

Handicrafts and handlooms from the state are world-famous and are exported throughout. Small-scale and cottage industries also produce silks, shawls, basketry, pottery, copper and silverware, paper-maiché and walnut wood. The cottage handicrafts industry provides employment to around 340,000 artisans. The overall production value of the sector increased from 1650.3 crores in 2010-11 to INR 2650 crores in 2016-17. Carpets account for the highest at 45% of total handicraft production, while Shawls contribute 21%. Carpets and shawls account for 71% of the total export of handicraft products.

Due to the climate of the state, agro-based industries flourish and a wide variety of fruits are grown. The state is well known for apples and walnut production, with Jammu and Kashmir contributing 7% of the international walnut market. 7 lakh families, comprising of around 33 lakh people are directly or indirectly associated with horticulture. Apple and walnut are the major products of the Jammu and Kashmir state, about 75% of apple and 90% of walnut production in India come from Jammu and Kashmir. India appears on the ninth spot in the list of the walnut producing countries in the world. In 2016-17 India exported walnuts worth the cash value of Rs 5,527.23 lakhs.

Tourism is another very important industry, with total tourist arrivals to the state at 14.32 million in 2017, of which foreign tourists were 24,516. 'Paradise on Earth' is a title often used to refer to this place. There are about 696 tourist attractions in the three regions of the state viz, Jammu, Kashmir, and Ladakh that attract thousands of domestic and foreign. The state is expected to witness 22.7 million tourist arrivals in FY 2020. The tourism sector accounts for around 6.98% of the state's GDP with the Vaishno Devi Yatra contributing around INR 475 crores to the local economy annually. 82% of tourists who visit Jammu and Kashmir are pilgrims.

Education

Jammu and Kashmir has long been subsumed as an educationally backward state, having shown worrying trends in reference to established indices of literacy rate, dropout rate, teacher-pupil ratio, absorption of educated persons into the workforce, and others. However, in recent years, the state witnessed exponential growth of its institutional framework and reach of services, as a direct consequence of sustained investment and efficient planning strategy.

Literacy rate is one of the lowest in Jammu and Kashmir when compared to the rest of the states in India. However, the gender gap in literacy has shown trends of slight decrease, made possible by the introduction of a host of programmes such as the National Program for the Education of Girls at Elementary Level (NPEGEL), establishment of the Kasturba Gandhi Balika Vidyalayas (KGBVs), distribution of free textbooks, scholarships, community mobilization,

establishment of girls hostels in educationally backward blocks of the state, among others.

Construction of school buildings in the state remains a challenging task owing to varied topography, harsh climatic conditions as well as many inaccessible and far flung areas. Despite this, the number of educational institutions has increased in the state, resulting in a phenomenal decrease in average area covered per school. However, infrastructural deficiencies in schools continue to be particularly marked in Jammu and Kashmir, similar to most of the north-eastern states.

Even though poor infrastructural facilities negatively impact levels of enrolment, dropouts and out-of-school children, the state

witnessed modest increase in the Gross Enrolment Ratio in primary education level due to a number of measures, such as introduction of pre-primary classes, establishment of Model Schools, conduct of parent-teacher meetings, remedial teaching classes, among others. There has also been a considerable decrease in the number of out of school children in recent years.

The institutional capacity for higher education in the state has increased manifold. With an increase in the number of higher educational institutions, the general enrolment in colleges has also increased. The state government has undertaken several good governance initiatives between 2007-2008 and 2017-2018, resulting in an improvement in almost all educational indicators.

Health

The healthcare system in Jammu and Kashmir has changed drastically from what it was a decade ago. The State Government has taken various initiatives to provide quality, affordable and accessible healthcare facilities to the people of the state despite several constraints such as limited financial resources, difficult topography and terrain, poor road connectivity, among others.

The status of healthcare sector in the state can be assessed by the fact that it performs better on several health indicators when compared with national averages including life expectancy, crude birth rate, crude death rate, Infant Mortality Rate and institutional births. A particularly concerning index, however, is the child sex ratio in the state, which has shown a sharp decline from 941 in 2001 to 859 as per 2011.

The health infrastructure in the state, i.e., the availability of hospitals, dispensaries and doctors, massively expanded in the period between 2001 and 2011. Jammu and Kashmir performs better than the national average in several respects, such as, population covered per institution and hospital beds available per lakh of population.

Healthcare facilities, both public and private, remain largely concentrated in the cities of Srinagar and Jammu. To address this, additional manpower and Medical Mobile Units are being deployed in remote areas under the National Health Mission. However, given that patient load on public health institutions is rising tremendously every year, the challenge to increase private sector participation remains.

Rural Development & Welfare

The State Government has established the Jammu and Kashmir Scheduled Castes, Scheduled Tribes & Backward Classes Development Corporation for the socio-economic and educational upliftment of the weaker sections of society belonging to Scheduled Castes, Scheduled Tribes, Backward Classes, notified national minorities, safai karamcharis/ manual scavengers and the handicapped (persons with disabilities).

A particularly important avenue of intervention by the State has been towards economic empowerment of such weaker sections. To provide better self employment avenues, the State provides loans for viable projects at nominal rates of interest under the Bank Tie-up Scheme and

Direct Financing Scheme.

The state also runs several programs aimed at improving the educational outcomes for girl child and children belonging to ST, SC and OBC categories which have proven to show great positive impacts. For example, the literacy rate among the tribal population in the state is 50.6%, against the all-India average literacy of 59.0%, which increased from 37.50% in 2001. However, there exists a significant gender gap in enrolment among tribal populations at all stages of education. The proportion of tribal girl enrolment also declines particularly sharply at higher levels of education.

Reservation is yet another important tool to ensure empowerment of

weaker sections. Notably, while reservation in educational and occupational institutions is available to all marginalized groups, political reservation in the State is provided to the SCs exclusively.

Thus, convergence in the targets of different welfare programs should be made a priority. State government should realign its strategy to address structural discrimination.

75% of Jammu and Kashmir's population resides in rural areas, making the general conditions of living and efficiency of welfare services in rural areas is a key indicator to evaluate development in the State. The State Government implements several socio-economic developmental schemes for rural upliftment, poverty alleviation, generating better livelihood opportunities, developing basic amenities, training unemployed youths of the state in various programmes of employment, preserving natural resources and developing infrastructure facilities, strengthening of PRIs for sustainable growth, eradication of open defecation and inclusive growth of rural areas.

The Mahatma Gandhi National Rural Employment Guarantee Programme, the largest of these schemes in terms of budgetary allocation, has an

expansive coverage in the state, benefitting over 15 lakh workers. However, efficient implementation of the scheme largely depends upon better levels of awareness, which also signifies the level of accessibility in claiming benefits under the scheme. The issue of awareness has emerged as a major hindrance in the State, with respect to most developmental programmes, including MGNREGA. Studies have also revealed that social implications of rural development programs have not been deep and radical for the same reason. Hence, community mobilization and engagement in developmental activities is crucial.

Status of Urban Development

With 27 out of 100 residents living in the urban regions of the erstwhile state of Jammu and Kashmir, urban development is an important metric to study. This summary refers to data before the abrogation of Article 370, and the creation of the 2 union territories and thus looks at Jammu and Kashmir – the state.

Demographically, 2,755.63 people live per square kilometre. However, this is not evenly spread out, with cities and towns like Jammu, Srinagar, Udhampur, Anantnag etc seeing a higher population density and other smaller towns seeing a much lower population density. The sex ratio is much lower than the national average of 929; and the overall literacy rate in urban Jammu and Kashmir is 77.2% - the female literacy rate in specific remains one of the lowest in the country. Islam is the most common religion, followed by Hinduism and Sikhism. The main languages spoken include Kashmiri, Hindi and Dogri. Urdu was the erstwhile state's official language.

The 2011 Census results reveal “main worker” to be the most common category of employment. The overall work participation rate is 34.5%, however, there is a lack of female participation – with only 26.09% of the total “formal” work force being female. The main source of work is construction – pointing to a trend of urbanisation. Critical to note, is that lots of people, especially women are employed in the informal sector, which isn't officially documented. Unemployment rate is high – with 32.8% of persons reporting no income from any source. Jammu and Kashmir has the highest average unemployment rate. 24.6% of the 18-29 population remain unemployed. Several schemes and policies have been envisioned, which were mainly established by the Jammu and Kashmir Entrepreneurship Development Industry.

The move towards urban areas – urbanisation has led to a rise in the demand for housing. Schemes like the Atal Mission for Rejuvenation and Urban Transformation (AMRUT), Smart City Mission, and Swachh Bharat Mission – Urban and National Livelihood Mission are all schemes catering to this demand.

Drinking water across the state comes mainly from taps with 70.6% of the population having access to treated drinking water. Again, this accessibility is not consistent with areas like Leh and Kargil having limited access to clean water due to geographical conditions but lower lying areas like Jammu, Srinagar and Udhampur having an easier access to clean water. Availability of clean water ties into the general health of the region making the 19.7% of tap water that is untreated – a source of concern.

The **sewage systems** of the state can handle only less than 1/5th of the present generation of sewage – pointing to a clear gap between generation and treatment. Action Plans have been created to investigate the dumping of untreated sewage into rivers and lakes. The state was designated open defecation free in urban areas according to the Swachh Bharat Mission. Each day, 3,314 tonnes of waste is disposed of. 40-50% of this is organic waste, 20-30% of this is inert waste and the rest includes plastic and paper waste. There is scope for the creation of policies to better address the disposal of waste.

The total **road** network within the state is 35,289 kms – mostly highways. 511 bridges are under construction in the state.

There is a greater push – especially in the face of the demand of development to build more roads. Main schemes for this include the central road fund and Pradhan Mantri Gram Sadak Yojana.

1,22,638 vehicles were registered, 10,028 of these were commercial vehicles. When it comes to railways, there is scope for expansion.

At present, the Udhampur-Srinagar-Baramulla line is to be finished by the end of 2020, however the project has seen several delays. A 53-kilometre line between Jammu and Udhampur and a 25-kilometre line between Udhampur and Katra do exist. However, the existence of geographical challenges has made the expansion of railways a slow event.

Communications as a sector is one that is impacted the most by the conflict, with phone and internet services regularly cut. Postal services are irregularly available – especially due to the topography. Communications plays a vital role for each sector, and thus establishment of stable communication networks remain a key priority. As a multi-hazard prone zone, the state is susceptible to earthquakes, floods, landslides, avalanches, high velocity winds and snowstorms. Key districts

prone to these disasters include Kulgam, Shopian, Budgam, Poonch, Anantnag and Pulwama. Keeping in this mind, the need to plan and institute mitigation strategies, build according to guidelines and have a proper disaster management force remain crucial.

Like the country at large, Jammu and Kashmir – now the Union Territories of Jammu and Kashmir, and Ladakh – are seeing a shift towards urbanisation. Proper developmental support is thus necessary, especially in sectors like sanitation, road networks, communications etc.

Power

Power sector is an area that the state is below par in India. Issues of deficit, losses, revenue continue to plague the department and while there has been progress, it hasn't been enough to achieve its potential. It is estimated that J&K consists of 10% of all of India's renewable energy sources. Energy demand in the state has gradually grown at an annual rate of 5 to 6% between 2007 and 2018. In total energy demand grew by 59% in the same decade. However, the state has been unable to bridge the deficit, with energy deficit being 15% on average in the last decade.

The deficit has come down from a high of 30% in 2007-08 to 19% in 2018-19. In comparison the national average deficit stood at 0.7% in 2018-19. J&K had the highest energy deficit in 2018-19, followed by Nagaland at 10% with no other state above 4%.

The state's total installed generating capacity stood at 3435 MW as of November, 2019, inclusive of central, state and private owned. 67% of it comes from Hydropower. 53% of the state's power supply comes from central owned plants, while state owned plants contribute 45% and 2% by privately owned plants.

The state has the second highest transmission and distribution losses to the tune of 48% in 2016-17 as compared to India's average of 21.8%. Moreover, only 52% of the existing connections are metered in the state leading to considerable revenue losses for the department.

Banking

As of September, 2019 there were 2072 bank branches in the state. Private sector banks make up 47% of the branches, while Public sector banks make up only 23% of the branches in the state. A greater push for increasing the reach of public sector banks is needed.

The Jammu region has the highest with 1028 branches, with Kashmir having 967 branches and Ladakh region only 76 branches. Even in each region, the distribution is skewed towards urban centers having more branches and rural districts with as low as just 28 branches in Kargil district.

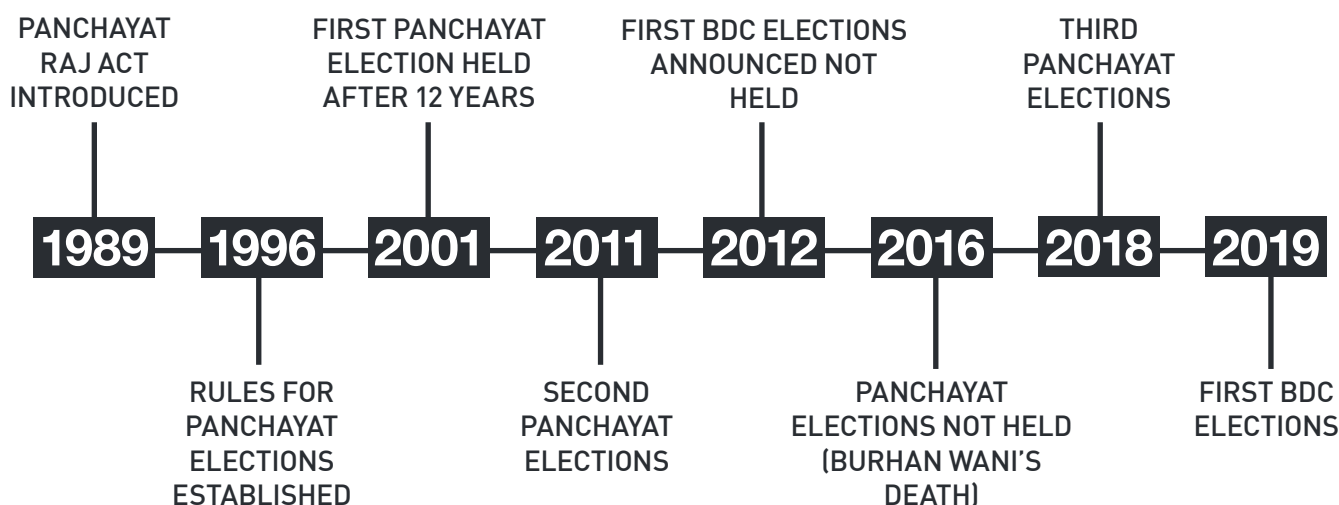
As of 2017, on average one bank branch served around 6185 people which is better than the national average that stands at one bank per 8708 persons. The distribution of branches, however, continues to be an issue for rural regions. Availability and accessibility of ATMs is an even bigger issue with just 11 ATMs per 1000 sq.km as of 2017.

In the financial year 2017-18, priority sector lending for priority sectors such as Agriculture, MSMEs, Export Credit saw an impressive achievement of 79%, 68% and 91% of the targets. However, other priority sectors such as Education, Housing, Social Infrastructure saw only an achievement of 29%, 40%, and 0.01% of the target.

Under the Pradhan Mantri Jan Dhan Yojana since its inception around 21 lakh bank accounts were opened as of June, 2019, and around 27% of them are zero balance accounts.

Local Level Administration

Decentralisation of democracy in J&K was introduced in 1989 before it was in the Indian parliament in 1992. However, challenges of irregular elections, gram sabhas not being held, lack of fund devolution, threat of violence against panchs continue to hinder the process of establishing a strong local level democracy. The timeline of the panchayat system can be seen in the figure below:



Local governance in the state of Jammu and Kashmir is a three-tiered system with:

1. A bottom-tier comprises village (halqa) panchayats, directly elected bodies headed by a sarpanch (mir) and panches representing village wards.
2. The second tier comprises block development councils (BDCs) and the chairpersons of these bodies are elected by an electoral college consisting of panches and sarpanches in the area.
3. The final tier comprises district boards, which includes local legislators, chairman of the block development councils and the heads of other civic bodies.

As per the Halqa Panchayat Development Plan announced by the 14th Finance Commission, INR 3117.36 crore are to be devolved as basic grants to panchayats in Jammu and Kashmir between 2015 and 2020, and another INR 346.37 as performance grants between 2016 and 2020. However, no information about the disbursement of such funds is available. While the Jammu and Kashmir State Finance Commission for Panchayats and Municipalities Act was passed in 2011, the 2018

budget highlighted that such a commission was yet to be constituted.

The 2019-20 budget estimated a fund of INR 1615 crores for Local Bodies a growth of around 50% from the previous year's revised budget.

Approximately, each panchayat is estimated to get anywhere between INR 20 Lakhs to INR 1 crore depending on the population.

A. Panchayati Election, 2018

The last panchayati elections in Jammu and Kashmir were held in December 2018. As per the data released by the CEO, the average voter turnout was 74%. While the Jammu region saw an impressive turnout of 83.5%, the Kashmir division saw an average turnout of only 41.3%.

The Kashmir region has a total of 2,135 halqa panchayats. The election in the Kashmir region was one of moderate success with no contest in 30% (708 halqas) of the panchayat halqas and in another 30% (699 halqas) candidates were unopposed. Only 40% of the halqas had sound electoral process.

B. Block Development Council (BDC) Election, 2019

The first BDC elections in Jammu and Kashmir were held in 2019. Given the three tiered system of governance, the 2018 Panchayat Elections which resulted in the election of the 26,629 Sarpanchs and Panchs in turn elected the BDC chairpersons in 2019. Elections were held for 307 blocks in the state, of which 217 were won by independent candidates, 81 by BJP, 8 by J&K Panthers Party and one by INC. These indirect elections saw a voter turnout of 98.3%. However, there has been serious debate about the validity of this turnout as a measure of democracy, with over 30% of the Halqas seeing no contest and in many panchs holding position in more than one halqa.

SPRF: WHO WE ARE

Headquartered in New Delhi, India, SPRF is a youth-centric policy think tank focused on social and political research. Through our research, outreach, and events, our organisation seeks to deliberate and discuss the idea of an India where public policy is strengthened by fact, and not steered by opinion.

Our guiding vision is to create and curate new narratives in the democratic space, providing evidence-based, digital first solutions. Anchored in the ideas that emerged post-independence by the greatest minds of the time, we work to ensure that public policy understanding resonates with the largest demographic in the country - the youth.

If you have any suggestions, or would like to contribute, please write to us at contact@sprf.in.

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