

Entrepreneurial development in Doda region of Jammu & Kashmir state

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Abstract

The purpose of this paper is to investigate the material and human resources available and future prospects for entrepreneurship development in hilly areas of Jammu and Kashmir state. Quantitative and qualitative data were collected through a survey of 315 common households; 160 entrepreneurs and from 21 villages of Doda region (Patwaris, Namberdars, Chowkidars and other revenue officials) to make the study fully representative.

Results show that J&K state has huge material as well as human resources but less effort has been made to harness such resources. Moreover, the financial resources available from banking and other financial institutions have not been utilized fully for the purpose. Factors such as lack of education and awareness, cost of exploration of resources and lack of initiative from the government are responsible for lesser growth of entrepreneurship in the area.

Research further establishes that proper effort needs be done to promote entrepreneurial activity in the hilly areas of the state.

Keywords: J&K state, entrepreneurship, entrepreneurial development, hilly areas, financial institutions, poverty, illiteracy

Introduction

Although entrepreneurial activity represents the oldest and most predominant economic factor in the economies of countries yet less research has been done in this field. Entrepreneurship is a purposeful activity of an individual or group of individuals undertaken to initiate, maintain or aggrandize profit by production or distribution of economic goods and services. It might well be said that the entrepreneurial input spells the difference between the prosperity and poverty among nations. Japan is the place where entrepreneurs have achieved success by hard work as well as imagination and ability. The economic progress of USA and Western Europe also highlights the significance of entrepreneurship.

Likewise entrepreneurship is an engine for growth and development of the backward and under-developed hilly areas like Doda region. The present study makes a systematic attempt to achieve growth and development of the region which has vast un-tapped material and human resources. The plan for development envisages overall development of the region by affecting entrepreneurial development after making an in depth study of SWOT analysis in environment setting.

Given the predominance of entrepreneurial activity in developing nations such notable paucity of empirically rigorous research on the area is both surprising and worrying. This research is an endeavour to study the causes of slow pace and suggesting measures to improve the business activities in the area.

Entrepreneurship in Developing Countries

A developing country or a region is tied by a chain whose main links are in general poverty, under-employment, ignorance, low productivity, traditional culture and various static and stagnating set of conditions. The part played by

entrepreneurs in the development of Western countries has made the people of the developing countries quite conscious about the importance of entrepreneurship in rapid economic development.

Developing countries give much importance to small sector and small enterprises and their technique of development is economic planning on a national scale.

Entrepreneurship Development in India

Immediately after attaining independence in 1947, a direction to industrial development was provided through the First Industrial Policy Resolution in 1948. In 1954, the Government of India established the Central Small Industry Development Organization now known as Small Industry Development Organisation (SIDO). The National Small Industries Corporation (NSIC) was set up in February, 1955.

Till 1955, almost 90% of the enterprises in India were small. The major break-through in national policy on industrial development came through the Industrial Policy Resolution of 1956.

In 1962 a study of urban house-holds throughout India indicated that about 27.3% of the urban house-holds were self-employed in non-farming activities. Over 40% of the persons were associated with very small business. This situation led the Government of India to make concentrated efforts for the development of indigenous enterprise.

Entrepreneurship in Jammu & Kashmir

The Jammu & Kashmir State is located at the Northern-most part of the country. Till 1970s there were only a few resource-based industrial units in the state. After introducing special incentive scheme for the large, medium and small scale industrial (SSI) units in the mid seventies, by 1992 about 32,000 SSI units were registered in the state. Out of which

32% are non-functional and the rest are in working position. Likewise in the large and medium scale sectors about 86 units were established in the state. These three segments constitute the organized sector of the industry. The un-organized sector which is much larger relates to Handicraft, Handloom and Sericulture areas providing employment to lakhs of people mainly in semi-urban and mostly in rural areas of the state. The un-organized sector produces articles of very high quality serving national and international markets worth crores of rupees.

Entrepreneurship in Doda Region

The industrial set up of the region is pre-dominated by small scale, tiny and Khadi and Village industries. Besides there are handloom weaving and handicraft units based on the local artisan skills. There are no large/medium scale industries.

There are 1893 registered small scale units in the area and all of them are reported to be active. However, there are a large number of cottage crafts and tiny units in the un-organized sector engaged in manufacturing activity in the region. The small scale units are primarily engaged in the manufacture of metal base items, ready made garments, non-metallic items, chemical items, paper base items and repairing and servicing activities.

The KVI sector units are engaged primarily in bee-keeping, processing of pulses and cereals, tailoring, basket making, pottery making, black smithy, shoe making, etc.

However, industrial units in the area complain of operational problems in the area of raw-materials, financial assistance, government policies and marketing.

Objectives of Study

The objectives of the study are:-

1. To identify the material resources in terms of agricultural and non-agricultural and human resources which may be utilized for entrepreneurial development;
2. To study the status of entrepreneurship in Doda region;
3. To study the status of human resource development and also to suggest a concrete plan for its development;
4. To study the existing mechanism for overcoming the problems faced by the entrepreneurs so as to suggest a concrete plan for its establishment.

Based upon review of specialist body of knowledge, the following hypotheses are proposed:

Research Methodology

The research methodology adopted for present investigation can be classified under two heads:-

1. Direct investigation method based on field survey of 21 villages selected from the seven blocks of the region covered under study;
2. Reliance on published and un-published data obtained from publications and reports and other academic work done by scholars.

The selected blocks are Banihal, Thathri, Kishtwar, Ghatt (Doda), Ramban, Gandoh (Bhalessa) and Bhaderwah.

It was decided to draw a sample of minimum of 5 households or a maximum of 25 households or 25% of the total

households whichever is less from each of 21 villages in seven blocks to make the study fully representative. This way information was collected from 315 households; 160 entrepreneurs and 21 Patwaris, Namberdars and Chowkidars, etc.

Data regarding resource inventory of the villages has been collected from the revenue officials (Tehsildars, Patwaris, etc), village Headmen (Namberdars) and Chowkidars, etc. Information regarding geographic location, land and animal holdings, composition of labour force, etc was collected personally from the revenue record.

Material Resources in Doda Region

Doda region is located in the North and North-east portion of Jammu province. The altitude of the area varies from 3,000 ft. to 15,000 ft. above the sea level. The region extends over an area of 11,691 sq. km. and has a population of 8.85 lakhs. The number of inhabitant villages in the area is 690 and about 94% of the population lives in rural areas. The soil of the district has been bestowed with a number of natural resources. The major material resources are:

Land

Land is the vital resources of Doda region. It provides income and employment in a big way to sustain a vast chunk of population in the area.

Live stock

Live stock population of the area accounts for about 12.79% of the total live stock of the state. It covers all the broad categories i.e, draught animals, milch animals and other animals.

Minerals

The region has largest mineral resources in the state of Jammu & Kashmir. Gypsum, Limestone, marble, granite, dolomite, corundum, garnet, quartz, felspar and baryl are the leading non-metallic minerals. Amongst metallic minerals important are galena, nickel and copper ores.

Horticulture

Doda region possesses a reasonable horticulture base. The horticulture produce of the area comprises of apple, walnut, pear, apricot, quince, peach and plum. Other fruits like Citrus varieties, grapes, etc. are also grown in a small way.

Sericulture

The geo-climatic conditions are ideal for sericulture operations – mulberry cultivation and cocoon rearing. Particularly Banihal, Doda and Kishtwar tehsils are ideal locations for sericulture activities.

Power

Doda region enjoys immense potential for generation of hydel power by utilizing Chenab river water at different places. Dul Hasti (Kishtwar) and Baghliar (Ramban) are working in the area. Besides, there is a micro hydel power generation station at Sartangal (Bhaderwah) with an installed capacity of 0.56 MW.

Roads

Roads are an important means for boosting economic development of the area. Black topped and metalled roads cover the maximum area followed by shingled road area. Fair weather roads covered a considerable area. The total road area of the region is 1210.63 kms.

Human Resources in Doda Region

The occupational classification of work-force in Doda area has been divided under four broad categories. These are:-

1. Cultivators
2. Agricultural Labourers
3. Workers in Household Industry
4. Other workers

Findings and Discussions

The present discussion relates to the potential for industrial development in Doda region. The pace of economic development of the Doda area has been limited. The economic development has been characterized by excess dependence on primary production for subsistence and the general absence of other major economic activities.

After making the detailed SWOT analysis different feasible industrial activities are suggested for entrepreneurial development.

Suggested Industrial Activities for the Development of Entrepreneurship

1. Resource-base Industries

(A) Industries based on Mineral Resources

1. Mineral pulverization-Gypsum: This project is perceived on commercial exploitation of good quality gypsum available from Assar and Parlanka deposits could be mined easily in view of the relatively dependable infrastructure available. Pulverised gypsum finds wide industrial applications and is primary raw material for the manufacture of surgical plaster, plaster of paris, gypsum boards, ceramic products and even chalk crayons.

2. Plaster of Paris: The unit is perceived on the raw material base of the area and good market prospects for plaster of paris and surgical grade plaster, particularly, in other states. There is no unit for the manufacture of plaster of paris in the area. One unit is under implementation at Assar and reportedly another at panthal (Udhampur).

Considering the encouraging market outlook, it is suggested that two more units may be set up in the area.

3. Gypsum Board: Gypsum boards are a new but versatile product finding application in partitioning and finishing of apartments and dwellings. The product being new the market needs to be created. The potential for selling the product to various institutions within and outside the state is good. There are no units engaged in the manufacture of Gypsum Boards in the State. It is suggested that two units may be promoted in the region with a capacity of 500 sft./day each.

4. Chalk Crayons: Chalk crayons is perhaps the least added product manufactured out of Gypsum and is a common mode of writing on black boards. There are four tiny units reportedly engaged in manufacture of chalk crayons in the area.

Considering the increasing demand for chalk crayons, as a result of growing number of educational institutions in the area and elsewhere, it is suggested that three more units may be set up in the area for manufacturing dustless chalk crayons.

5. Hollow Blocks: Hollow blocks find wide application in construction of buildings. The material is better as compared to conventional clay bricks in view of its larger size, uniform finish and economies in cost of construction. There is no unit engaged in the manufacture of hollow blocks in the area. The market for the product could be encouraging in the area. NHPC(National Highway Project Corporation), PWD (Public Works Department), GREFF (General Reserve Engineering Force), Department of Forests, etc could be the potential users besides the individual constructors.

6. Granite Slabs: District Doda possesses sizeable granite deposits at Thathri. However there are no units at present engaged in extraction and polishing of the mineral. The granite slabs could be used widely in the construction of residential buildings and apartments particularly in the kitchens and bathrooms. Three units are suggested to be set up in the Doda region with a capacity of 16,000 ft/annum each.

7. Slates: Slates are used commonly as roofing material for houses and dwellings slates deposits are found in and around Banihal. There are three units presently engaged in extracting and roofing slates in the region. It is suggested to set up 5 small scale units for extraction and finishing of roofing slates. Each unit may have an estimated investment of Rs 10 lakhs.

8. Stone Crushers: There are at present 14 stone crushers working in the area. In view of substantial increase in demand for stone grit, 4 more stone crushers of different capacities need to be set up at advantageous locations along NH-1B. 2 of the suggested units may have a capacity of 2,000 cft/day with an estimated investment of Rs 80 Lakhs (with provision for truck).

(B) Industries based on Forest Resources

Following forest base units are suggested:-

1. Pencil, Pencil Slates, Cedar Wood Oil: The basic raw-material required is deodar wood which is available in adequate quantity from local forests. The present study suggests the setting up of a unit for manufacturing pencils, pencil slates and cedar wood oil in the region. The suggested unit may have a capacity of 1 Lakh pencils/annum with an estimated investment of Rs 40 Lakhs.

2. Chip Boards: The basic raw material for the manufacture of chip board is wood waste and chips recovered from whole sizing timber. Chip boards are used in partitioning and furnishing of commercial premises and apartments in urban areas. The units may be located at Thathri/Ramban with a suggested capacity of 2,000 tonnes/annum with an estimated investment of Rs 1.25 Crores.

3. Activated Carbon: The basic raw material required is wood, saw dust, paddy husk, walnut shells, etc. The present study suggests to set up a unit for manufacture of activated carbon for absorbing vapours, gases and

impurities from air and water in the region with a suggested capacity of 300 tonnes/annum with an investment of Rs 45 Lakhs. It is further suggested that the unit may be promoted by J&K State Forest Corporation (J&K SFC).

4. **Wooden Joinery:** Wooden joinery is used in construction of buildings. There are a few joinery manufacturing units in the district manufacturing low quality items with limited capacity. Considering encouraging market prospects and availability of timber locally, it is suggested that 3 more units could be set up in the region. The suggested capacity of the units is 22,000 cft/annum each with an investment of Rs 25 Lakhs.
5. **Wooden Furniture:** There are 52 units engaged in the manufacture of wooden furniture in the region. Keeping in view good raw material base, it is suggested that 10 more wooden manufacturing units may be set up in the area. The estimated investment would be of the order of Rs 25 Lakhs per units and anticipated sales turnover of Rs 20 lakhs.
6. **Wooden Electrical Accessories:** There is no unit manufacturing wooden electrical and other accessories in the region. The present study suggests setting up of 3 units in the area. The suggested capacity of these units is 3,000 cft/annum of finished goods each with an investment of Rs 30 lakhs.
7. **Manufacture of Hand-loom and Accessories:** Doda is major hand-loom weaving region of Jammu and Kashmir State. However, most of the weavers operate on traditional pit looms. On the basis of raw materials availability and demand it is suggested to set up 2 more units in the area. The suggested capacity per unit is 300 looms and charkas valuing at Rs 3 lakhs per annum with an estimated investment of Rs 15 lakhs.

(C) Horticulture-based Industries

The present study suggests the setting up of the following industrial units in the region based on horticulture produce:

1. Walnut Bleaching & Processing
2. Jams, squashes and pickles

(D) Industries Based on Agricultural Produce, Oil Seeds and Processing of Food

1. Oil Extraction
 - Expellers
 - Village Ghanis
2. Composite Mills

(E) Industries based on Domestic By-Products

1. Leather Tanning
2. Wool Carding and Spinning
3. Silk Reeling
4. Herbal Medicines
5. Coal Briquettes

2. Demand Based Industries

1. Confectionery
2. Exercise Note Books
3. Detergent Power
4. Aluminium Utensils
5. Hosiery knitting/Readymade Garments

3. Service Base Industries

1. Hotel (Economy Type)
2. Restaurant
3. Drycleaning (centrifuge)
4. Electric/Electronic Gadgets, sale and servicing
5. Printing Press
6. Optical-Sale and Service

Conclusion

Doda region is endowed with abundant natural resources. The region which extends over an area of 11,691 sq kms with a population of 8.85 lakhs is rich in these natural resources. Maximum area is covered by forests (219 thousand hectares). Minerals are also in abundance in the area. The area is rich in horticulture. The maximum work force is engaged in agriculture sector. The number of industrial units officially registered in the area is 1893 and the number of such units in un-organised sector is quite large.

The vast forest resources and plenty of water available offer a good opportunity for economic development in the area. On the basis of resources available and institutional support system a plan has been devised for entrepreneurial development in Doda region. The SWOT analysis reveals that there are lot of strengths and opportunities available on the basis of which three set of industries have been suggested. They are:

1. Resource-base Industry
2. Demand-base Industry and
3. Service-base Industry

In spite of efforts made by the government, majority of the people have preference for their traditional crafts and other occupations. This thinking may be transformed through socio-psychological measures to persuade them to change their mind set from the traditional vocations to newly emerging scenario of industrial development. The people of the area need also be made aware of the institutional support system to overcome the problems of marketing, finance and the quality of products.

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