

Impact Of Abrogation Of Article 370 On The Jammu And Kashmir Economy

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ABSTRACT: The abrogation of Article 370 in August 2019 marked a significant constitutional and political shift for Jammu and Kashmir (J&K), altering its governance and economic landscape. This paper examines the impact of this decision on J&K's economy, focusing on key sectors such as agriculture, tourism, and industry. It analyses changes in investment climate, employment patterns, and economic growth trajectories post-abrogation, considering both immediate effects and long-term implications. The study utilises empirical data and economic indicators to assess the region's economic resilience, challenges faced, and potential opportunities emerging from the altered legal and administrative framework.

KEYWORDS: *Article 370, Jammu and Kashmir, Economy, Abrogation, Tourism, Agriculture, Industry, Employment & Investment.*

INTRODUCTION: The annulment of article 370 has opened up the gates of new opportunities for Jammu & Kashmir in various sectors of economy like agriculture, tourism and industries. Under article 370, the slow rate of development and decentralization hindered the overall growth of the J&K and consequently many malpractices like corruption, terrorism and poverty erupted. The benefits that the other states enjoyed under Central Government's legislation were not reaped by the people of Jammu & Kashmir due to article 370. Article 370 became an instrument of exploitation in the hands of the political elite of the state. Jammu & Kashmir lost its statehood after the removal of article 370 and became a Union Territory. Ladakh also became a separate Union Territory. Under article 370, only the subjects of the state of Jammu & Kashmir had the right to sell and buy immovable property and get government jobs in state departments. This was a major setback for the state as it hindered the investments from outside the state and led to the snail paced growth. The major portion of the state's population depends on agriculture. Post-abrogation, the agriculture sector is seeing a positive change as many changes are being made to increase productivity. Industrial sector is witnessing a boost due to more investments pouring in. Tourism sector is starting to flourish post abrogation of article 370 due to considerable decrease in terrorism. Employment rate has increased considerably. Overall, there is a positive impact on the economy of Jammu & Kashmir.

REVIEW OF LITERATURE:

Zulfikar Majid (2020) in Industrial investments in Jammu & Kashmir on rise after abrogation of Article 370 explained that the abrogation of Article 370 has significantly boosted industrial investments in Jammu & Kashmir. The region has received investment proposals worth Rs 87,923 crore, aiming to generate employment for over 392,162 people. The highest-ever investments, totaling Rs.2,153.45 crore, were realized in the fiscal year 2022-23. The government's focus on industrial development is expected to create substantial employment opportunities over the coming five years.

In his book "Article 370: Explained for the Common Man," Sumit Dutt Majumder (2020) disclosed that the Indian government reorganized the erstwhile state of Jammu & Kashmir into two union territories, Jammu & Kashmir and Ladakh, in August 2019 with effect from October 31, 2019. Earlier, Article 370 of the Indian Constitution granted Jammu & Kashmir a special status. Both chambers of the Indian Parliament approved the withdrawal of the special status of the state of Jammu & Kashmir under Jammu & Kashmir Reorganization Act, 2019 and brought it closer to the Indian union. This book aims to inform readers about the important legal, political, and constitutional issues pertaining to Articles 370 and 35A of the Indian Constitution.

Even though all states have the same constitutional standing, Ritika Kanwar (2022) claimed in her article "Abrogation of article 370: Impact on Asymmetrical Federalism in India" that asymmetrical federalism refers to the unequal distribution of political, economic, and administrative authority as well as the relationships between them. The purpose of this essay is to critically and methodically evaluate how the removal of Article 370 might impact India's asymmetrical federalism.

OBJECTIVE

- To examine the conditions after abrogation of article 370.
- To analyse the implications of revocation of article 370 on economy particularly on agriculture, tourism and industry.

ECONOMY

There has been substantial progress in the sector of financial inclusion and industrial development in Jammu and Kashmir.

The contributions to the Gross State Value of various sectors have been substantially better, with the primary sector contributing 18.24 percent, the secondary sector 20.7 percent, and the tertiary sector 61.06 percent. The inflation in the region has gone down from 6.9 % in 2022 to 4.3 % in 2023. Further the unemployment rate has also shown a significant drop from 6.7 percent in 2019-20 to 4.4 % in 2022- 23. This shows that the employment opportunities have increased considerably.

Over 4.50 lakh jobs are anticipated to be created by the Rs.1.17 lakh crores in investment proposals that the UT has received. The region's dedication to economic development and empowerment is further demonstrated by the notable increases in handicraft exports and financial inclusion for self-help groups. Up to 31 March 2024, investment offers totalling Rs 1.17 lakh crores have been received, directly creating jobs for almost 4.50 lakh individuals. Online market access for GI-tagged products was improved by the government's collaboration with the Flipkart Group through the SAMARTH portal.

Organic farming and high-value crops are driving a radical change in Jammu and Kashmir's agricultural industry. Over the next five years, the Holistic Agriculture Development Plan intends to invest Rs.5013 crore in 29 projects, increasing the GSDP and generating a sizable number of job opportunities.

The growth into high-value crops like organic vegetables, spices, and exotic types like broccoli and asparagus has been one of the main priorities. By bringing agricultural techniques into line with consumer needs, this strategic change seeks to maintain the ecological balance while guaranteeing farmers a steady income. The region has made strides towards vegetable self-reliance, with overall food crop production rising by 4.46% in the recent year.

By genetically upgrading local livestock to increase and strengthen livestock productivity, ensuring a disease-free livestock product supply chain for the UT of J&K, and doubling farmers' income through livestock scientific improvement, location-based innovative improved scientific technologies have been introduced to increase this sector's contribution to the economy. The goal of dairy development is to boost productivity and milk production.

In addition to providing affordable and wholesome food, fishing has been acknowledged as a significant source of employment and remuneration for a substantial portion of the population that is economically disadvantaged.

In order to increase manufacturing and related activities, the region's industrial policies prioritise luring investments, supporting small and medium-sized businesses (SMEs), and fostering the growth of industrial clusters. The synergy required for the primary and service sectors to grow more quickly would be brought about by industrial advancement.

In order to draw in investment, the tourism sector has been granted industry status. Both the film and tourism policies are operationalised. From May 22 to 24, 2023, J&K hosted the third G-20 Tourism Working Group meeting in Srinagar, which increased J&K's visibility internationally. In

2023, J&K saw an all-time high of 2.11 crore tourists. The number of foreign visitors doubled. Over the past ten years, the Shri Amarnathji Yatra (4.45 lakhs) and the Shri Mata Vaishno Devi Shrine (97.29 lakhs) have seen the highest yatris ever. The third G20 Tourism working group meeting was held in Srinagar in May 2023, and the Mega J&K theme park, which is being built in the centre of Srinagar city under PPP, are the main milestones accomplished in the tourism sector during 2023–2024. The completion and operation of the ropeway at "Jammu" and "Patnitop," the Gulmarg Gondola, which was used by over 10 lakh people in 2023 and generated ₹100 crore in revenue, the opening of the Jambu Zoo to the public on May 29, 2023, the development of Basoli as a major adventure tourism destination under Swadesh Darshan 2.0, the launch of the Vista Dome Service on the Baramulla-Banihal stretch in partnership with Indian Railways, the introduction of Eco Mobility Carts in Sonamarg to allow tourists to visit Thajiwas Glacier in an eco-friendly manner, and the installation of a Rs. 25.07 crore vertical lift project from Peerkho to Mubarak Mandi Complex to improve the Mubarak Mandi Heritage complex. To encourage skiing and other winter sports, drag lifts have been erected at Sonamarg and Gulmarg. Sonamarg is now operating, while Gulmarg is prepared for inauguration. To increase the number of people, tented accommodations and homestays are being promoted. Under Homestay, 1942 units with a total bed capacity of 14180 have been registered which in turn creates additional employment opportunities for local residents.

SITUATION PRIOR TO ARTICLE 370 ABROGATION

1. The state of Jammu & Kashmir had its own constitution which had different provisions for the state specifically.
2. A system of dual citizenship existed and the state subject was required for the people of Jammu & Kashmir to be recognised as the citizens of Jammu & Kashmir.
3. This state had a distinct flag which was different from the national flag and it held the same importance as the national tricolor.
4. There was no minority reservation unlike the rest of India which added to the discrimination against minorities.
5. Financial Emergency (Article 360) was not relevant.
6. RTI was not relevant in the state and hence transparency was not there.
7. The RTE (right to education) did not apply due to which a major portion of the population remained devoid of education.
8. The Legislative Assembly lasted for six years unlike the rest of the country where the legislative assembly had a duration of five years.
9. There were no rights for panchayats which made them less effective at local level.

10. In the past, if a woman from Jammu and Kashmir married a man who did not live there, she must forfeit her portion of the property. This issue had been a topic of debate for so many years due to its gender discrimination perspective.

11. Previously, individuals from other states were not allowed to buy property in this state or settle here permanently.

CONDITIONS AFTER ARTICLE 370 IS ABROGATED

1. Like other states, Jammu and Kashmir would be governed by the Indian Constitution and there would be uniformity of laws across the whole country including UT of Jammu and Kashmir.

2. A system of single citizenship will now be in place making Jammu and Kashmir a part of Indian Nation in true essence and integrating the region into India.

3. There won't be a distinct flag anymore and only tricolor will be there.

4. Minority reservations will now be available like the rest of the country making them feel more secure.

5. Article 360 regarding financial emergencies will be relevant.

6. RTI will be relevant making the process of governance more transparent and accountable.

7. The state's Right to Education (RTE) program will help children to gain education just like the rest of the country.

8. The J&K Union Territory Assembly will last for five years in line with the rest of India.

9. Just as in other states, panchayats would have the same rights which will make them more efficient and increase their accountability at grass root level.

10. If a woman from Jammu and Kashmir marries a guy who does not live there, she will no longer have to give up her property ensuring that there will be no gender discrimination.

11. People from other states can now buy real estate in this state and make it their permanent home as a result the feeling of alienation is not there. The Jammu and Kashmir Alienation of Land Act of 1938 was repealed. This act barred the transfer of land to non-state subjects.

12. Jammu & Kashmir was reorganised into two Union Territories of Jammu & Kashmir having legislative assembly and Ladakh without legislative assembly.

13. District Development Councils (DDCs) were created as a new unit of governance, with these members directly elected by voters in the Union Territory.

14. The region now attracts more national investment and infrastructural development.

CONCLUSION

It emphasises the region's economic expansion, sectoral breakthroughs, and current development, highlighting the dedication to promoting sustainability, stability, and inclusivity.

The agricultural foundation, thriving horticulture, traditional handicrafts, and substantial tourism potential of Jammu & Kashmir define its economy. Together, these elements make J&K a vibrant area for economic growth and development, as seen by its Gross State Domestic Product (GSDP).

A number of factors, such as legislative reforms, infrastructure development, and greater investment in a variety of industries, may be responsible for the increased economic activity and development initiatives that have occurred in the union territory after Article 370 was removed.

The economy of Jammu and Kashmir (J&K) has undergone a substantial structural change throughout time, moving from a primarily agrarian to a more diversified and service-oriented structure, according to the sectoral study. Distinct contributions to the J&K-UT's Gross Value Added (GVA) from the primary, secondary, and tertiary sectors characterise this transition.

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