



# Role of SIDCO in Developing Employment Opportunities in Jammu and Kashmir, India

Sajad Ahmad Bhat and Rameshwar Soni

School of Studies in Commerce, Vikram University, Ujjain, MP, INDIA

Available online at: [www.isca.in](http://www.isca.in), [www.isca.me](http://www.isca.me)

Received 30<sup>th</sup> July 2015, revised 28<sup>th</sup> August 2015, accepted 4<sup>th</sup> September 2015

## Abstract

*Jammu and Kashmir State Industrial Development Corporation Ltd. (J and K, SIDCO) has been incorporated as a completely Govt. owned Company. The deeds of the company are to make development in infrastructure for establishing large sized Industrial complexes and Estates moreover implement GOI schemes for Industrial Growth Centers, Export Promotion Industrial Parks, Food Processing Zones, Software technology parks etc. Without having strong industrial base, Jammu and Kashmir has been considered an industrially backward state. However, many small, medium and large-scale industries have come up both in the traditional and new areas in the state. State Industrial Development Corporation (SIDCO) has been meant to address the industrial development of the Indian state of Jammu and Kashmir. Presently in Jammu and Kashmir, Unemployment arrived at the apex and is the matter of serious concern. To overcome the resentment of youths on unemployment in Jammu and Kashmir, SIDCO furnish ways to generate various employment potentialities in J and K.*

**Keywords:** SIDCO, Unemployment, employment opportunities, small, medium and large scale industries.

## Introduction

With the assistance of GOI, SIDCO has playing their part in making infrastructure development, so that state can meet their specification at the fullest extent. In order to eradicate the poverty and unemployment, SIDCO has taken the accountability to generate the investment and employment opportunities to the prevailing masses of the state. The main reason behind SIDCO in the state is to enhance economic and social growth, so that it will provide a basic framework for progress<sup>1</sup>. The entrepreneurs can emerge at a glance when there are proper infrastructural facilities, which uplift their investment, which unculminate the poverty and unemployment. The entrepreneurs can be attracted to the industrial hub which will improve in the quality and standard of life<sup>2</sup>.

SIDCO came into force to capture the development of industrial sector of Jammu and Kashmir. With the support of SIDCO, the number of small, medium and large scale industries is prosperous as per the past figures. The SIDCO undertakes the development of 11 industrial estates, possessing 24289 Kanals of land out of which 13792 Kanals are allotted to various entrepreneurs<sup>3</sup>. The corporation takes care of their promoted industrial estates which are Industrial Estate Bari-Brahmna, EPIP Kartholi, IGC Samba, Industrial Estate Kathua, and Industrial Estate Ghatti Kathua in Jammu division and Industrial Estate Khanmoh, Food Park Khanmoh, Industrial Estate Shalteng, Industrial Estate Rangreth, Food Park Doabgah Sopore, Industrial Estate Ompora Budgam and Industrial Growth Centre Lassipora Pulwama in Kashmir division. The state Industries Development Corporation is responsible for taking care of providing financial assistance for proper marketing of the industrial products to the various units<sup>4</sup>.

## Literature Review

Due to the huge population explosion the unemployment is growing day by day and is a very crucial for the future of the country. This social problem can be eliminated by encouraging new entrepreneurs to the industrial sector. The small scale industries are providing much more employment than large and medium scale industries. They contribute at least 40% of gross industrial value in the country. With support of GOI they are encouraging to rural industrialization in the country which eliminates the regional imbalance of income in the country<sup>5</sup>.

The small and medium enterprises are increasing, which predicts that the nation's industrial sector will develop in the coming years. The SMEs using least capital and employs more persons to snatch the poverty and unemployment from the society. The SMEs explores the quantitative development in the economic growth and abolish the challenges contacted<sup>6</sup>.

The small and medium companies grow faster which elaborates that they have huge employment potentiality. With the increment in their numbers the country becomes financially viable. The initial step of SMEs is a risk taking ability as they have to compete with the existing industries in the external environment. This focuses on their demand of products, price of the products, gaining market share etc<sup>7</sup>.

One of the major social problems in the society is unemployment which is a great burden on the rural population as they are mostly engaged with the cultivation of land. The families in the rural regions cannot earn so much to meet their livelihood easily. This social problem/ evil can be terminated from their rural society by

extending the industrial sector in these areas. The self-employment in farming is the main occupation in rural areas which cannot furnish the way for compulsion of unemployment as compared to urban areas<sup>8</sup>.

**Employment opportunities in J and K:** SWOT analysis is a tactical planning method worn to assess the Strengths, Weaknesses, Opportunities and Threats concerned of a particular field. The present study is dealt with the analysis of Jammu and Kashmir; as such we can recognize the opportunities of the state to furnish the ways for industrial development. These opportunities have some strength, weakness and threats which we have to compete for the successful objectives. The SWOT analysis of Jammu and Kashmir is stated step wise as follows:

**Strengths:** i. Agriculture in Jammu and Kashmir has been considered a bid industry in terms of generating employment. ii. Horticulture is another source of economic growth and development. iii. Handloom and Handicrafts engaged masses of the state to the large extent. Handicraft goods have made a positive impact in national as well as in international market. iv. Tourism has been emerged as an important factor and one of the most significant contributors to the state economy.

**Weaknesses:** i. Mobility has been reduced due to geographical isolation. ii. The main obstacle of connectivity uplifts transport costs. iii. Low growth in industrialization, which declines below from 7% in 2007-2008 to 3% in 2013-2014.

**Opportunities:** i. Possibilities in Hydro electric power. ii. State has abundance quantity of minerals which can enforce investment in extraction of mineral based industries. iii. Making of new trade links will certainly improve the economy of the state. iv. The expert persons in Handicrafts and Handlooms sector will reduce unemployment problem in the state.

**Threats:** i. Population explosion is at peak which results in growing trend of unemployment. ii. Maximum persons are engaged with the agriculture that results in insufficient potentiality in this sector. iii. Natural resources are limited that may affect the growth of industrial sector. iv. Import duty on silk industries becomes a burden on profit maximization. v. Least industrial infrastructural development. vi. More imports than exports<sup>9</sup>.

**Objectives of the Study:** Keeping in view the various aspects in A Case Study on Role of SIDCO in Developing Employment Opportunities in Jammu and Kashmir following objectives have been broadly outlined: i. To analyse the employment generation by SIDCO. ii. To explore the employment potentialities in decentralized sector. iii. To study about the investment opportunities in Agro-business, Sericulture, Handicrafts, Power, Tourism, Geology and Mining etc. iv. To generalize the employment likely to be generated by SIDCO in Medium and Small Scale Industries. v. To analyse the trend of increment in employment over the period of time. vi. To study regional industrial development so that imbalance will be snatched. vii. To encourage the employment and investment opportunities developed by the SIDCO.

**Research Methodology**

Data is collected from secondary sources and include various reports, magazines, books, journals, research papers, manuals and news letter reports on industrial development, unemployment and employment, small, medium and large scale industries and entrepreneurship from Jammu and Kashmir state industrial development corporation (SIDCO), Directorate of industries and commerce Jammu and Kashmir. The information also collected from the industrial estates promoted and developed by JKSIDCO. The data collected is tabulated, represented in graphs and interpreted significantly.

**Table-1  
 Industrial Estates Developed and Managed by Jammu and Kashmir SIDCO<sup>10</sup>**

| Name of the Industrial Estates    | Total Land (In Kanals)                             | No. of units          |
|-----------------------------------|--|-----------------------|
| I. C. Bari-Brahmna                | 6152   | 464                   |
| EPIP Kartholi                     | 1000   | 75                    |
| IGC Samba                         | 3494   | 247                   |
| Industrial Estate, Kathua         | 209  | 108 Under Development |
| Industrial Estate, Ghatti, Kathua | 2173   |                       |
| I.G.C. Lassipora                  | 6193   | 117                   |
| I.E. Rangreth                     | 1147   | 193                   |
| I. E. Khunmoh                     | Phase I 535 K<br>Phase II 436 K<br>Phase III 907 K | 564                   |
| Food Park Khunmoh                 | 160  | 43                    |
| I. E. Shalteng                    | 94   | 42                    |
| Food Park Doabgah, Sopore         | 201  | 24                    |
| Industrial Estate, Ompora, Budgam | 1000   | Under Development     |

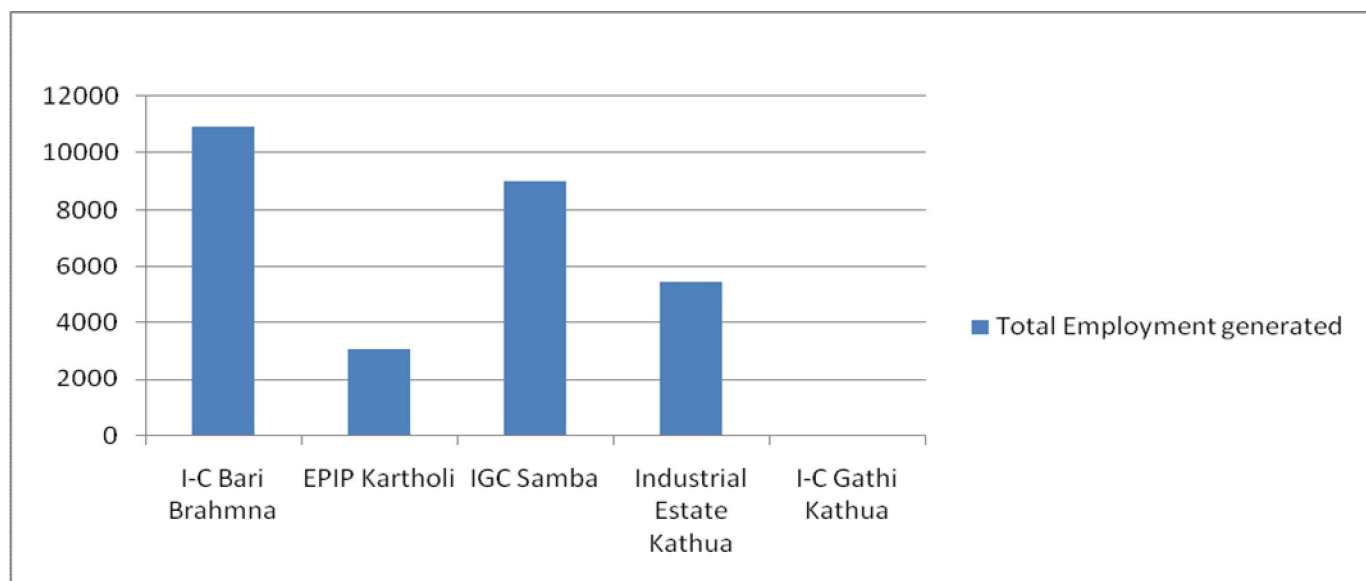
The table-1 states the industrial complexes/estates, number of units established, total land available in these complexes/estates and the under development estates of the state which are managed by the JKSIDCO

The table-2 and figure-1 shows the detailed information about the employment generated in various industrial estates of Jammu division regulated by state industrial development corporation (SIDCO). The table states that industrial complex Bari Brahmna generated 38.45%, the export promotion industrial park Kartholi generated 10.76%, the industrial growth center Samba generated 6.72%, industrial estate Kathua generated 19.12% of the total employment generated by SIDCO in Jammu division and the industrial complex Gathi Kathua generated is under development. The table also states that employment generated by SIDCO in Jammu division is more than the employment generated by SIDCO in Kashmir division, which elaborates that Jammu division is industrially forward than Kashmir division as there are much more facilities provided by the government which encourages the entrepreneurs to setup their ventures easily. At last the table states that SIDCO had generated 28406 employments in Jammu division.

The table-3 and figure-2 shows the detailed information about the estate wise employment generated in various industrial estates of Kashmir division which are regulated by state industrial development corporation (SIDCO). The table states that industrial growth center Lassipora Pulwama generated 48.63%, industrial estate Rangreth generated 15.51%, industrial estate Khunmoh generated 22.05%, Food park Khunmoh generate 4.53%, industrial estate Shalteng generated 3.47% and food park Doabgah Sopore generated 6.31% of the total employment generated by SIDCO in Kashmir division and the industrial estate Ompora Budgam is under development. The table shows that employment generated by SIDCO in Kashmir division is much less than the employment generated by SIDCO in Jammu division which states that Kashmir division is industrially backward than Jammu division because the Kashmir division has lack of industrial infrastructure and also there is lack of basic facilities provided by the government which discourages the entrepreneurs to setup their ventures. The table also states that SIDCO had generated 24376 employments in the Kashmir division.

**Table-2**  
**Estate-Wise Total Employment generated by SIDCO in Jammu division**

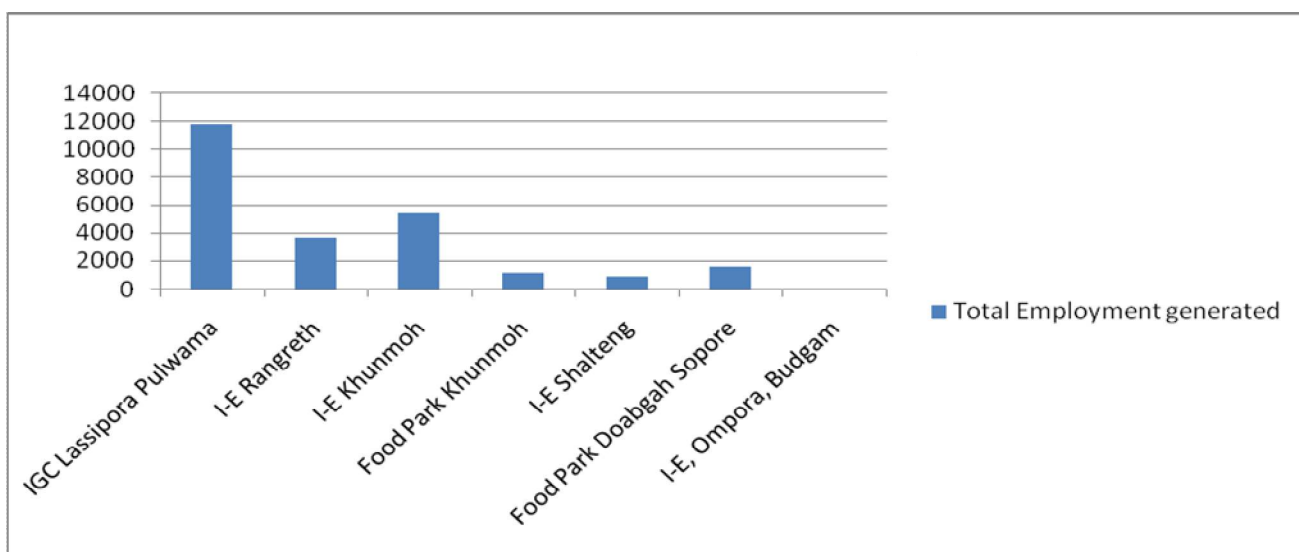
| Name of the industrial estate in Jammu division | Number of Units | Total Employment generated | Percentage of Total |
|---|-----------------|----------------------------|---------------------|
| I-C Bari Brahmna                                | 464             | 10920                      | 38.44               |
| EPIP Kartholi                                   | 75              | 3056                       | 10.76               |
| IGC Samba                                       | 247             | 8998                       | 31.68               |
| Industrial Estate Kathua                        | 108             | 5432                       | 19.12               |
| I-C Gathi Kathua                                | 00              | 00                         | 00                  |
| Total   | 806             | 28406                      | 100                 |



**Figure-1**  
**Total Employment generated in Jammu Div.<sup>11</sup>**

**Table-3**  
**Estate-Wise Total Employment generated by SIDCO in Kashmir division**

| Name of the industrial estate in Kashmir division | Number of Units | Total Employment generated | Percentage of Total |
|---|-----------------|----------------------------|---------------------|
| IGC Lassipora Pulwama                             | 117             | 11854                      | 48.63               |
| I-E Rangreth                                      | 193             | 3658                       | 15.01               |
| I-E Khunmoh                                       | 564             | 5374                       | 22.05               |
| Food Park Khunmoh                                 | 43              | 1105                       | 4.53                |
| I-E Shalteng                                      | 42              | 847                        | 3.47                |
| Food Park Doabgah Sopore                          | 24              | 1538                       | 6.31                |
| Industrial Estate, Ompora, Budgam                 | 00              | 00                         | 00                  |
| Total   | 983             | 24376                      | 100                 |



**Figure-2**  
**Total Employment generated in Kashmir Div<sup>11</sup>**

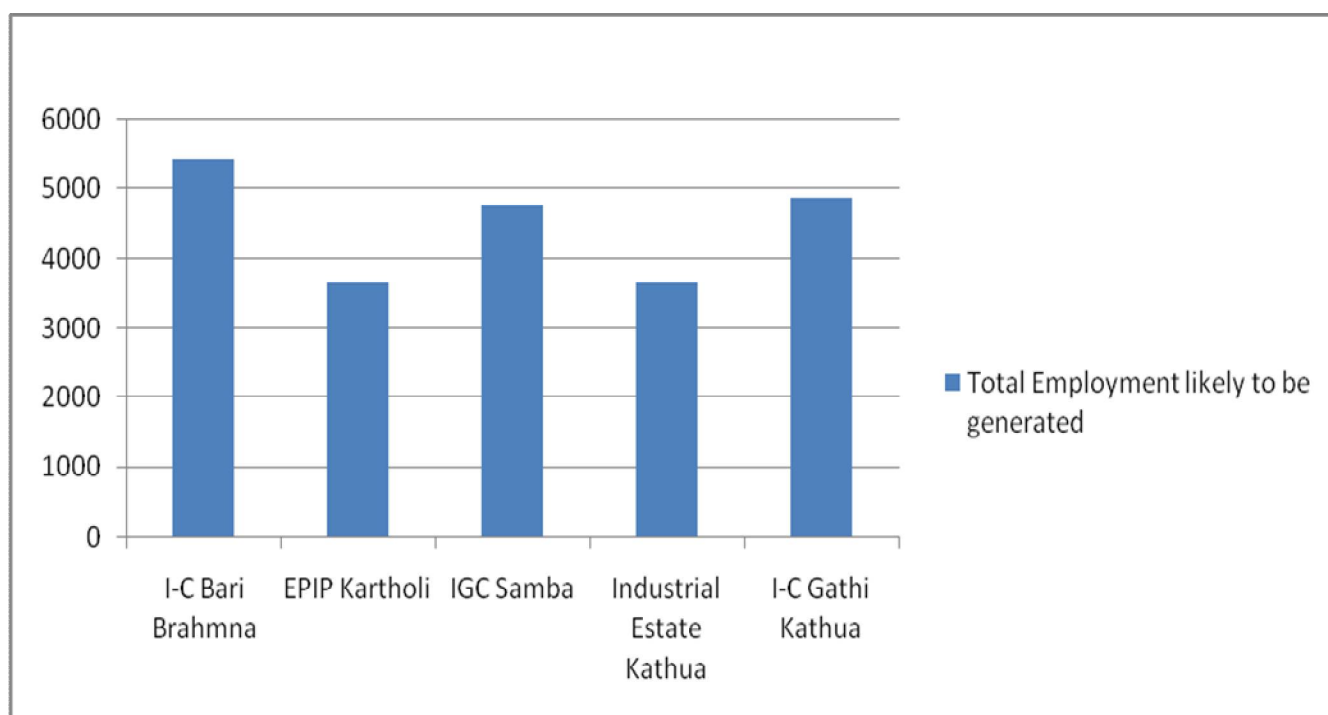
The table-4 and figure-3 states that how much employment is likely to be generated by SIDCO in Jammu division. This information states that some industrial units are under implementation but land is allotted to them and also there is some land available for new entrepreneurs which can generate employment in future years. The table shows that there is possibility of employment in different industrial estates as per the records of SIDCO- the industrial complex Bari Brahmna will generate 24.30%, export promotional Industrial Park Kartholi will generate 16.33%, industrial growth center Samba will generate 21.29%, industrial estate Kathua will generate 16.32% and industrial complex Gathi Kathua will generate 21.76% of the total employment likely to be generated in future by SIDCO in Jammu division. The table also states that Jammu division will generate much more employment also in future as above stated this division is industrially forward which encourages much more entrepreneurs to invest in this division. The table no. 5 and figure 4 states that how much employment is likely to be generated by SIDCO in the Kashmir division. This information states that some industrial units are under

implementation but land is allotted to them and there is some land available for entrepreneurs where new units can be established which will generate employment in future years. The table shows that there is possibility of employment generation in different industrial estates of Kashmir division as per the records of SIDCO. The industrial growth center Lassipora Pulwama has much more potentiality than other industrial estates. This also states that there is low growth rate in Kashmir division as compared to Jammu division as above stated that Kashmir division is industrially backward which leads to disinvestment in this region.

**Limitations of the study:** The present study has some limitations which are as under: i. Heavy increase in population. ii. Lack of employment policy and labour power planning. iii. Change in techniques of production. iv. Uncertainty and Govt. restrictions before private sector. v. Lack of agriculture development. vi. Lack of mobility among the laborers. vii. Slow speed of capital formation.

**Table-4**  
**Estate-Wise Total Employment Likely to be generated by SIDCO in Jammu division**

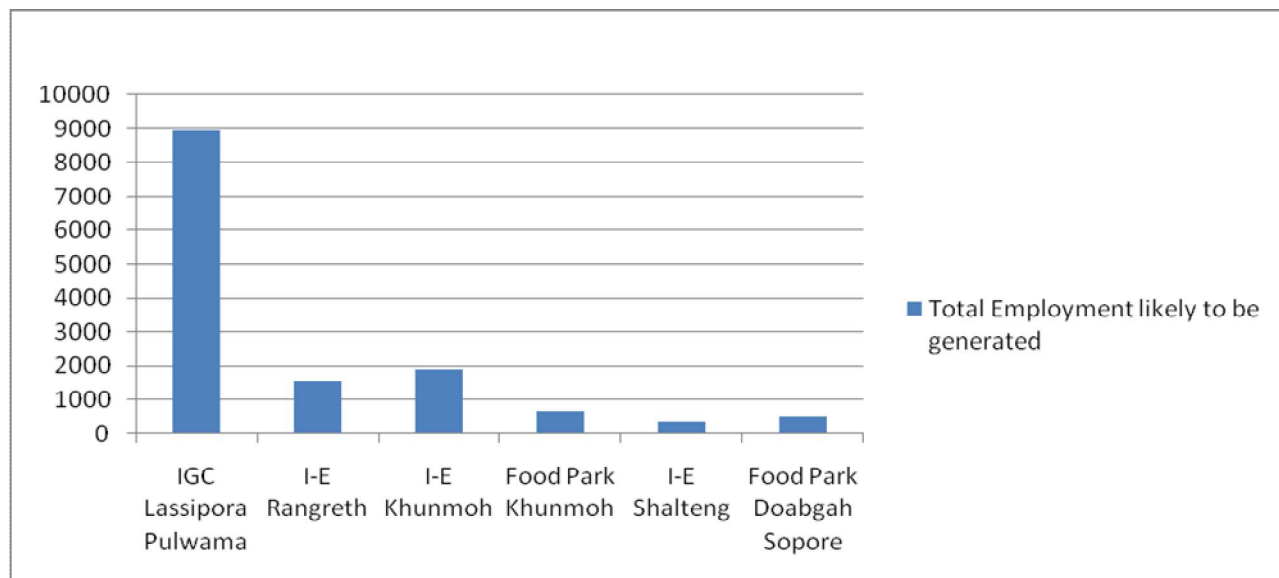
| Name of the industrial estate in Jammu division | Total Employment likely to be generated | Percentage of Total |
|---|---|---------------------|
| I-C Bari Brahmna                                | 5438                                    | 24.30               |
| EPIP Kartholi                                   | 3655                                    | 16.33               |
| IGC Samba                                       | 4765                                    | 21.29               |
| Industrial Estate Kathua                        | 3654                                    | 16.32               |
| I-C Gathi Kathua                                | 4871                                    | 21.76               |
| Total   | 22383                                   | 100                 |



**Figure-3**  
**Total Employment likely to be generated in Jammu Div.<sup>11</sup>**

**Table-5**  
**Estate-Wise Total Employment Likely to be generated by SIDCO in Kashmir division**

| Name of the industrial estate in Kashmir division | Total Employment likely to be generated | Percentage of Total |
|---|---|---------------------|
| IGC Lassipora Pulwama                             | 8954                                    | 64.56               |
| I-E Rangreth                                      | 1540                                    | 11.10               |
| I-E Khunmoh                                       | 1876                                    | 13.53               |
| Food Park Khunmoh                                 | 652                                     | 4.70                |
| I-E Shalteng                                      | 355                                     | 2.56                |
| Food Park Doabgah Sopore                          | 493                                     | 3.55                |
| Total   | 13870                                   | 100                 |



**Figure-4**  
**Total Employment likely to be generated in Kashmir Div<sup>11</sup>**

## Conclusion

As the very name implies, the Industrial Promotion Agencies such as JKSIDCO are agencies formed for the purpose of initiating, promoting and developing industrial enterprises. These agencies are acting as mediators in between Government Local, State and Central - and the industrial entrepreneurs. They fill the gap in the requirements of industrial enterprises in their proper performance. In order to industrialize a state or a nation, the involvement of Industrial Promotion Agencies cannot be underestimated.

## References

1. State industrial development corporation, come explore and invest in Jammu and Kashmir, *A hand book*, **45 (2012)**
2. Rathod C.B., Contribution of Indian Small Scale Entrepreneurs to Economic Growth in India: Opportunities and Challenges in Global Economy, *Prabandh Journal of management and Research*, (23), 1-12 (2007)
3. www.jkindustriescommerce.nic.in (2015)
4. www.Sidco.org (2015)
5. G. VijayaBharathi, P. Subbalakshumma and P. Harinatha Reddy, Promotion of Small Scale Industries, *International Journal of Enterprise Computing and Business Systems*, **1(1)**, 2230-8849 (2011)
6. Siti Sarah, bt. Omar, Lawrence Arokiasamy, Maimunah Ismail, The Background and Challenges Faced by the Small Medium Enterprises. A Human Resource Development Perspective, *International Journal of Business and Management*, **4**, 10 (2009)
7. Afshin Rahnama, the Role of Industrial Incentives in Development of Small and Medium Industries, *International Journal of Business Administration*, **2**, 4 (2011)
8. Lasley Paul, Korsching F. Peter, Examining Rural Unemployment, *Extension Journal*, **J-11323, 2550**, (1984)
9. Government of India, Directorate of Economics and Statistics, Economic survey 2014-15 of Jammu and Kashmir, (2015)
10. www.jkindustriescommerce.nic.in (2015)
11. J and K Sidco Ltd., Year/Estate wise land and employment Record 2013-2014 and Directorate of Industries and Commerce J and K, Annual Record 2014-2015 (2015)