

Rural Industry & its Coping Strategies in the Era of Conflict

(An Analysis of Rural Industrialization in Kashmir)

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Abstract: India is a geographical challenge emerging out of a topographical giant. At the same time, India is said to be living in its rural areas. Drawing from assertion first with the knowledge of the fact that India is a democracy where union sprawls into parts viz. states we become well aware of the challenge to keep the whole citizenry happy and content with the existing order of government and affairs. This from time to time has led to various types of political and civil conflicts sprouting from various places throughout the Indian Sub-Continent. Once the conflict situation emerges the place is caught in a secondary spill of issues and challenges. The economic activity becomes the first and immediate casualty and the negative impact on the same spells to multiple lags. This makes the lives of people in the area different. First, the peace is eliminated from and then economic bounty seems to dry up. The present chapter studies the particular case of the Kashmir region. The un-addressed issues of the people have been a pending and unresolved affair since the late 1980s and in this wake, the conflict in Kashmir has been changing forms and varying on intensities from time to time. Apart from robbing the people in the region from peace and youth population, the conflict situation has stagnated the economic growth of the region. The paper studies the impact conflict has had on the rural development in general and rural industrialization in particular. The study finds out that the rural people have found some coping strategies and alternative ways of supporting the income thus keeping a thin strand of basic subsistence income alive on the one hand. On the other hand, the interest and faith in business have been constantly diminishing and the rural young people tend to study in a manner that they find an alternative job-based employment elsewhere.

Keywords: Conflict, Production, Hysteresis, Development.

1. INTRODUCTION

Rural areas have been unable to grow at the pace of urban counterparts and as a result, the still predominant result of the lag is the employment dependence of such areas on agriculture. 18% GDP and 65% of employment present the apt picture of skewness. The agricultural sector itself has been a subject of marginal holdings, technological backwardness, distressed possessions, debts, farmer suicides and what not. All is not well with the agricultural sector. Marginal product is low, disguised unemployment is rampant and returns are unworthy. As information technology combined with free education is increasing, so is increasing the escape of the rural youth force from the areas of birth towards the areas of seemingly brighter and better avenues (Das, 2001). The search for a better life has been a perpetual quest of each youthful mind. In India, the issues look swelled because India has a bulged out youth population and a demographic divide.

The peace talk on one side, the particular case of Kashmir faces these problems and many more. Because of the conflict settings in the region, a number of secondary factors come into the equation and pose bigger stumbling blocks in the way of Industrial development in the area (Bose, 2009). A first and most prominent issue is the involvement of the youth in conflict-related activities that includes taking up arms, joining rebel organizations and becoming Militants. This takes youth away from the potential labor force and economic activities come down because of the lack of manpower and ideas.

The agricultural sector is left to the broken strength of the older folks. Because of conflict women mostly tend to disappear from the fields as the threat of violence especially in the form of sexual harassment and vehemence looms darkly in the air (Aziz, 2010). Experiences and examples of the same have been a written and oral testimony and thus chastity becomes the first priority to be saved. As a result, agricultural output tends to decline. Not only is the self-sufficiency lost but the income from all such sources tends to fall drastically. The backbone sector becomes a casualty that each one gets to face the brunt of, in subsequent lads in a spiral of other negative activities (R Sharma, 2012).

For any business to flourish, peace is important. Conflict is anti-peace. Conflict is development in reverse (Collier, 2012). The business, therefore, battle hard to survive and the potential businesses are nibbled in the bud so much so that a hysteresis against business and bank credit takes people away from such ventures. The chain of entrepreneurial activities, linkages and spiral effects all get choked and broken down (T Bruck W. N., 2013).

Migration becomes the only way out and only hope of a better life from a place of conflict that does not present any signs of a nearer recovery to the local population (Spenser, 2003). The fittest in the lot are the first to migrate and the weakest in terms of skills, know-how, education and family wealth becomes the last to depart or else face the negative consequences emergent from the conflict.

2. STRUCTURE OF THE RURAL ECONOMY

The rural economy can be divided into:

- (i) Primary Sector
 - (a) Agriculture
 - (b) Horticulture
 - (c) Vegetable Farming
 - (d) Fisheries
 - (e) Allied Activities
- (ii) Secondary Sector
 - (a) Traditional Industry
 - (1) Khadi Industry
 - (2) Handlooms
 - (3) Coir
 - (4) Handicrafts
 - (5) Coir etc
 - (b) Modern Industry
 - (1) Power Looms
 - (2) Cottage industries
 - (3) Pearl & Jewellery Making
 - (4) Lock and key making etc
- (iii) Tertiary Sector
 - (a) Essentials of life/Retail Shops
 - (b) Local Banking Services
 - (c) Health Care etc

The rural economy thus has a bigger primary sector. The secondary sector that has been present in the rural areas used to be mostly a supportive sector to enhance the income of the household. It included the skills and vocations that kept the

peasantry/farmers busy during the periods when the agriculture sector does not need much attention and labor (D P Sharma, 1980). Over the course of years, however, the rural segment, in general, has seen an increase in the number of village-level industries with special focus dedicated to their development.

A greater role in this regard has been played by the government policies that are framed in the wake of realizations about the surplus labor in agriculture and the low-income levels of rural households. Since the welfare tasking of the government is increasing with an increase in the policy think-tanks, more and more inclusive policies are being framed to make every person in the Indian Sub-Continent equally responsible in the growth process and in the recurring channel everyone is supposed to be reaping the benefits of the holistic growth process (Mongia, 1976).

The structure of the Kashmir economy also follows the same broader patterns. However, the negative factors emerging due to conflict make many changes on the ground level in the functioning of all the sectors in the economy. Factors like loss of working days, damage of infrastructure and development of hysteresis among people become negative externalities towards the process of growth and development (Habibullah, 2009). The focus of government shifts from welfare to maintaining security and peace. All the developmental tasks and policy implementations take the back seat and sectors stagnate. The urban areas decline in activity and eventually, the rural areas begin stagnating early and the channels of growth crumble (T Besley, 2003).

This, in turn, increases the frustration of the masses and their expectations turn pessimistic and bleak. In the rural areas where the community is more close-knit, the hysteresis spreads faster as the words of mouth begin to fall from one person to another. No one becomes willing to invest in or indulge in any productive activity given the high degree of uncertainty and risk (Aslam, 2014). Every person wants to save any income and saving from all the sources possible to maintain the subsistence consumption in the wake of the aforementioned uncertainty (Trembley, 1996). In time thus rural economy in conflict setting degenerates and decelerates, sinking in the trap of stagnation and backwardness.

3. NEED FOR RURAL DEVELOPMENT

The general need for rural development exists because too much urbanization is putting a lot of pressure on the urban areas. They are not only becoming over-populated but at the same time unhygienic and spots of invite for a number of diseases (Maheshwari, 1985). The urban areas become congested and rural areas at the same time deserted. This challenges the natural equilibrium of equitable growth and distribution.

The people who come into the urban areas from the rural areas get involved mostly in menial jobs. They get trapped into the vicious circle of poverty and their whole life gets wasted in this manner. The fact of the matter, on the other hand, is that rural areas are more diverse and resources laden. Because knowledge and information are not freely available to them they get to see bleak horizons of any growth or development in such areas (R P Mishra, 1980). To end all this action-reaction process, rural development becomes the need of the century. Once such a process is put to place and more and more rural folk involved in the suitable process of industrialization and comparative advantage, the economic growth will become sustainable and development will come many lags sooner (C Ashley, 2001).

More than half of India lives in its rural areas and the majority in this lot own assets back home. However, they still choose a poor sub-marginal life in urban areas than to be their own leaders in their native areas (Scoones, 2009). Once such a negative trend is looked into, information disseminated and the government policies put into place, rural areas can become blooming centers of activity and growth with all urban amenities at their disposal.

4. CONFLICT AND ECONOMIC DEVELOPMENT

All sorts of political conflicts have a dual effect on social and economic factors. The economic factor ruins the material wellbeing of the people living in the conflict-affected area and shatters their living to abject poverty and meager subsistence living (A Abadie, 2003). The economic impacts of conflict usually fall more on the non-participants who happen to be the average residents in the area. The impact of the conflict situation remains even after the conflict ends.

The emergence of a conflict situation comes with a double loss. As the situation begins to worsen, the government tries to control the situation by tightening the security (T Addison, 2009). Given a constrained budget at the hands of the government the regime is left with no other option than to divert the resources from productive use to the military use. This results in the loss of welfare due to decline in the production of consumption goods on one hand and on the other hand because of the damage these military resources inflict on people and property (C Bozzoli, 2010). The citizens are made worse off and the economic resources are depleted and destroyed.

In the confrontations between military forces and rebels, the infrastructure of all sorts; private and public including bridges, hospitals, schools, houses and communication channels gets damaged. These are the investment channels that take years in building and cannot be built and re-built in short spans of time (T Bruck P. J., 2010). Having all these and many other such infrastructural assets present steadily lead to the building of social and private capital and in a longer span of time the big push of development takes place.

Then the generational impact on human and material capital is seen to take on the corresponding cycle of loss. People begin to flee in loosely a hierarchical manner. Most skilled people are the first to flee plaguing the place with a considerable brain-drain at the macro level. This is followed by the fleeing of resourceful people who take along with themselves the wealth and assets (J M Tobias). The domestic wealth in this manner flees abroad. The latter usually is a group of a job providing entities whose flight not only takes them and their assets abroad, it at the same time leaves many jobless back homes.

On the saving and investment front, the condition follows the same deteriorating path. Fear and uncertainty grip the people and they get caught in the web of pessimistic expectations. Households try to maintain liquidity in the wake of uncertainty (K Murphy, 1991). Existing firms battle survival and potential firms get away with the idea of business as they see no or seldom chances of making a profit. Moving away from business and other peacetime activities people try to move back towards the subsistence activities as they are less vulnerable and more self-sufficient. Empirical estimates by Collier show that during the times of conflict, countries tend to grow around 2.2% more slowly than otherwise.

5. ECONOMIC SHOCKS

The main shocks on economic front generated by conflict are:

- (i) Price change; usually abnormal increase.
- (ii) Sudden climate change; when weapons of mass destruction are used
- (iii) Death and illness; as humans are the main target on both sides.
- (iv) Loss of work; due to economic breakdown because of peace loss.

6. CONFLICT AND KASHMIR ECONOMY

Being perpetual in nature, the conflict situation in Kashmir shows a non-linear cyclical trend over a wide range of time stretch. Peace and skirmish have coexisted over a period of more than three decades (Shekhawat, 2009). Three generations have witnessed the existence and impact of the conflict. Two of them are born into such setting and now yet another generation is taking birth in the diaspora of conflict, peace and global know-how. While as displacement has been a common feature of many political conflicts across the globe, Kashmir has seen a partial internal and comparatively secure displacement of the Kashmiri Pandit population (I M Ahmed, 2011). The Muslims continue to live in the valley and witness the changing nature of conflict and at the same time being active players in the same.

The impacts of the conflict begin to show the bearings from the household level. As the first conflict shock comes the first impact is felt by the household. The social networks get distorted or collapse all together depending on the nature and intensity of the conflict (Sheikh, 2013). When the conflict, to begin with, was spreading the roots silently the households were impacted by diverting the youth-bulge from education and production channels into the recruitment of the rebel organizations. Both short-run and long-run economic activity was challenged by the increasing number of missing youth from productive channels. Many of them died during the confrontation with other side and those who lived either had to live in exile or were disabled in some of the other form making them incapable to work and produce.

Given the basic characteristics of the Kashmiri society, women were supposed to sit back and look to domestic chores, raise children and cater to the household (DA Mahapatra, 2008). This has kept them away from both education and skills, making them completely dependent on the male population. On the onset of the conflict however, men in huge numbers joined the rebel groups and women were left behind. The productive and skill-laden population was lost by a great number. The dependent population of old parents, young wives and small children was left behind with no or meager source of income. The political chaos acted as a hysteresis, fear, and uncertainty kept on gripping the common folks and information asymmetry kept everyone confined to the walls of houses, shaking the very roots of household stability.

In the consequent cycle, it spread to the production sector. Those who had been involved in the production had either died or were disabled by the armed nature of the conflict. Not only the combatants faced the threat of life or organs but anyone living in the setting was equally at risk. The market itself had failed, corrupted, disrupted or disappeared. Consumption had come to subsistence and no one was ready to invest. The potential producers and marketers had either died, fled or scum to the hysteresis of uncertainty (Jr, 1984). Women were skill-less and thus unfit for any such job. At the same time, women earning bread especially other than being employed as a school teacher or government employee was considered to be a taboo.

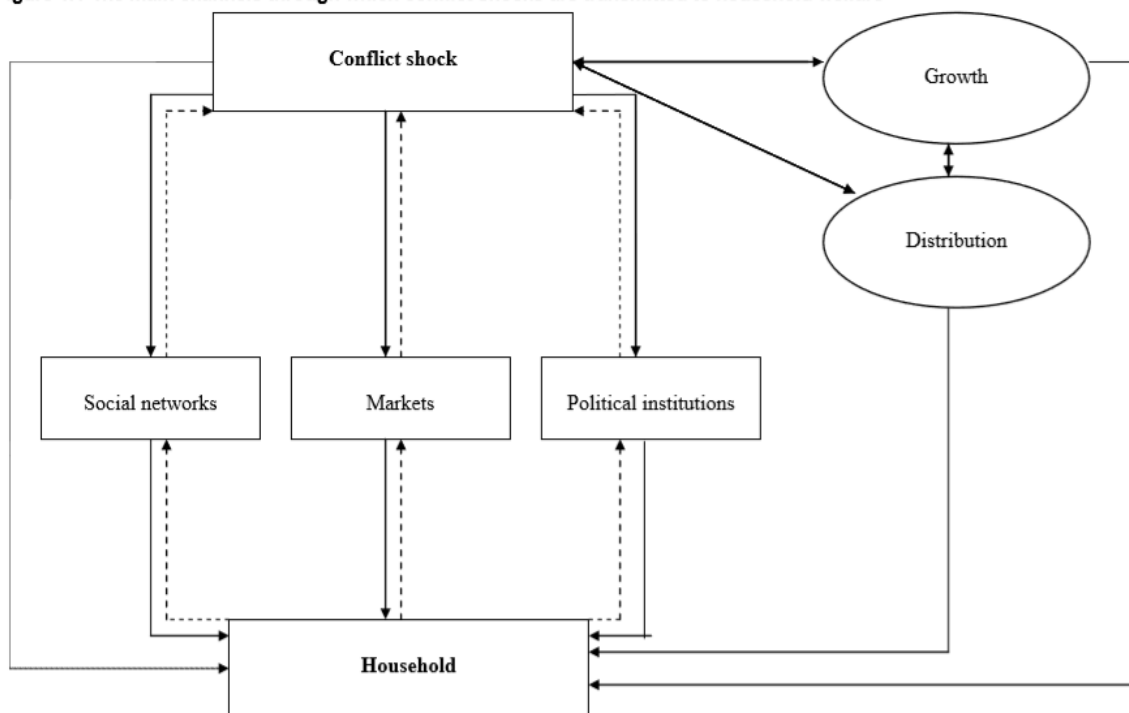
The first phase of the conflict, however, remained active and hot for around a decade. The government meanwhile came with strong repressive policies of killing and jailing the militants and by 2000s some thin strands of peace could be seen emerging back on the scene. The government led Atal B. Vajpayee in India and Parvez Musharaf was working its way through negotiations and dialogues. This phase saw a new generation of Kashmiri youth leaving their teenage and proceeding to indulge in business opportunities. Education had already made many proceeds by then and hope of revival and a new beginning was on the go.

7. RURAL KASHMIR, BUSINESS, AND INDUSTRY

Due to topography, climate and other historic factors rural Kashmir up until very recently has been a manifestation of self-sufficient independent decentralized units. When the spell of Militancy spread, the basic consumption of the households remained almost unaffected. The youth was getting diverted into alternate channels than production. However, as the demo (James, 2011) graphic profile began the bulge increasing towards the top portion of the population pyramid the strains to subject began to show.

Rural women have always been actively indulged in the farm and other agricultural activities. However, with the incidence of growing militarization in the rural areas and on the rise of cases of sexual violence against rural women, the womenfolk stopped going out into the fields (Woods, 2006). This decreased productivity and put the already in strain rural households into more economic deprivations.

Figure 1.1 The main channels through which conflict shocks are transmitted to household welfare



Source: Justino (2013)

Consumption remained stagnant to the subsistence levels and no new unit of production or diversification in economic wants/needs was seen. All this has led to the stagnation of rural areas to the status quo. The negative growth trajectory was speeded up by the constant destruction of human and material capital (EW Nafziger, 2002). The cottage industries

that were at place faced a slow death on many accounts. Artisans died or became handicapped, responsibilities of women increased and time for vocations decreased, the market shrank and disappeared. Meanwhile, substitutes had taken the market place and the economic mess of rural areas became more prominent than those of urban areas.

By 2000s as the Militancy was seen diminishing in effect and strands of peace increasing steadily, optimistic expectations began to make rounds. Government-backed and funded the development of Industrial Estates in both urban and rural areas. The focus was on rural areas because of the availability of resources like land, water, cheaper, and resources. Industrial estates were developed by the government.

8. DEVELOPMENTS IN 21ST CENTURY

The developments of Industrial estates, rural cooperatives, and skill development centers along with the universalization of education have come as a big push for the rural Kashmir. The technological (positive) shock of the Internet and communication technology along with the scientific developments has revolutionized the whole world (Dubhashi). The stereotype divisions between rural and urban areas have come down and the free flow of information has made it possible for people to attain the best of everything, increasing the efficiency of every endeavor.

The increase in education has led to opening up the horizons of people. More and more females are sent to school and the institutes of technical education have increased. Scientific assessments and cost-benefit analysis have been made to check the feasibility of various endeavors in rural areas (Georgy). The same endeavors have been subsidized and boosted by the government in order to begin the (growth) process somewhere.

Khidmat centers have been established by the banks across all the rural areas to ease the dissemination of knowledge on the one hand and to facilitate the access to credit and government-sponsored schemes to the folks on the other. Such initiatives and many others have come to boost the rural economy in general and people are moving towards the fields and specific ventures in good numbers. Women participation and women initiatives have seen a huge rise in such areas and the results are showing a lot of progress.

9. RECURRING SHOCKS OF CONFLICT

When optimism appeared taking over the expectations of the people for the sake of growth and development, one another shock of conflict came in the form of 2008 uprisings. Some little stability was seen to overcome this shock and the uprising of 2010 took place. This was followed by one in 2012 and the great shock came on 8th of July 2016 with the killing of the young Hizb-ul-Mujahideen commander Burhan Wani. Everything closed down dramatically, the youth took to streets and every kind of economic activity came to a pause. A standstill on economic front blotted everything else (Bhatt, 2018).

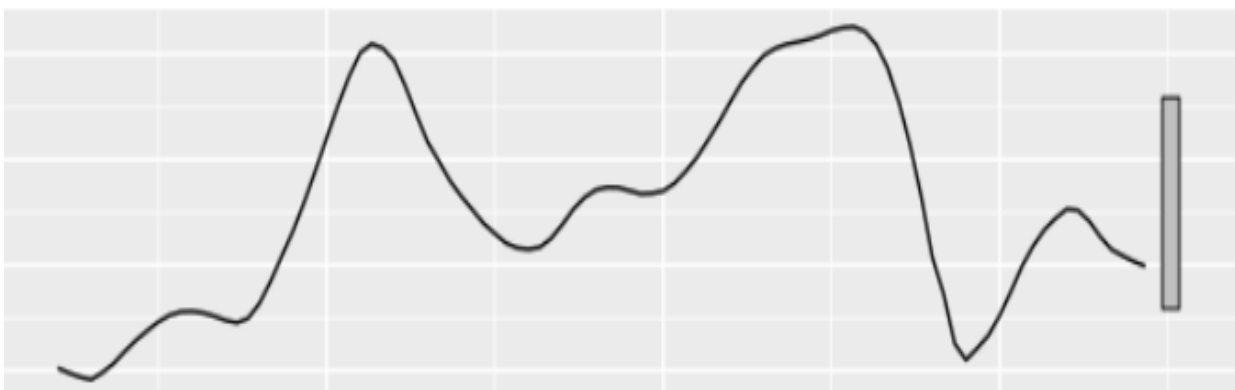


Figure 2: General Trend of Recurring Conflict Shocks on the Economic Activity.

However, by now people have understood the nature, impact, and incidence of confidence. The general trend of the ground-level happenings has come to be a realization agreed upon by the local population. They come with their own means to tackle the problems.

10. COPING STRATEGIES

The coping strategies vary from entrepreneur to entrepreneur, sector to sector and unit to unit.

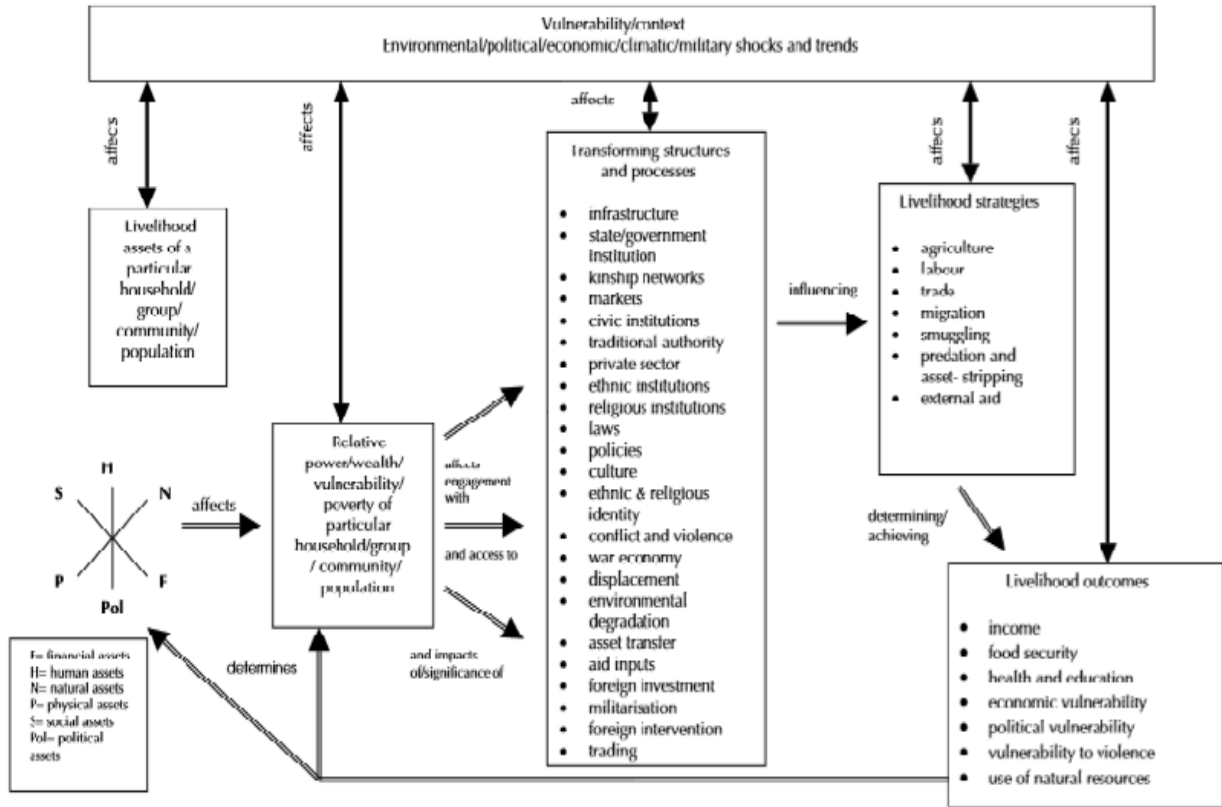


Figure 3: A framework of Coping Strategies in Conflict Settings.

The universal reality, however, remains the same, i.e. each one finds a coping strategy to continue being in business. There are many models that explain and elaborate upon the coping strategies. The ground level execution differs from place to place and varies with the nature of the conflict cycle.

Some basic industries in the conflict settings of Kashmir have come to develop their own coping strategies. The data from the semi-structured interview show that in place of having zero revenues and considerable loss, the firms' studies have shown a march up from the break-even point to generating some revenue that they find enough to maintain a decent survival.

Selective industrialization is what keeps the economy going in the incidence of a perpetual conflict whose end doesn't seem to be any time sooner. The choice and growth of such units and sectors that have the ability and potential to survive through all the odds of conflict become a must (Paul Collier, 2013). If resources and manpower is floated in this direction, not only the economy will stabilize the impacts of economic growth and bounty will flow in a way that the conflict will be lessened to a great degree.

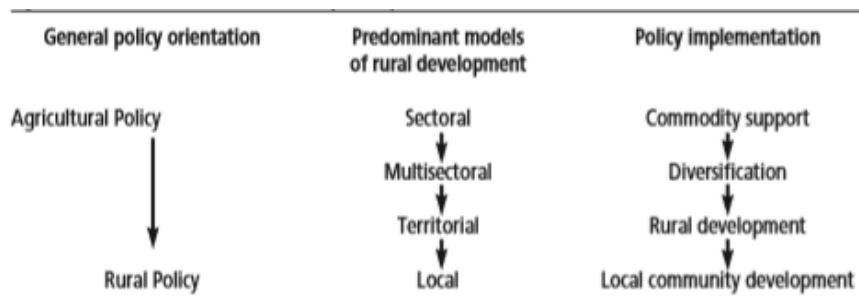


Figure 4: Rural Developmental Policies

11. BASIC INDUSTRIES

Due to topographic peculiarities and the conflict situation, Kashmir economy is characterized to be around 80% a consumer economy. Maximum of what people consume in here is brought into the state from outside. Of late, due to government policy initiatives have been taken to target the human capital in the youth workforce and train them into relevant skills to produce and provide for basic necessities in here.

Now units like dairy farms, cow farms, poultry, basic food items, and processed foods, textiles and other items of necessities are beginning to grow in here. The feasible locations for such units are rural areas. Main reasons being the abundant supplies of pastures and other domestically produced raw material. Rural youth in increased number are seen working in this direction and the number is on a perpetual rise.

The sector producing basic necessities is to a greater extent conflict proof (Ross, 2004). The farms work independently and their input requirements are met mostly endogenously. Being necessities, the market exists independent of peace or conflict situations. This industry is seeing a skewed increase because of the conflict-neutral nature of the activity. The scope to make losses because of conflict is also low and thus this industry is a growing field for the young entrepreneurial force. Also, domestic demand is so large that huge imports are still made. It means that the sector has enormous potential to absorb many more entrepreneurs and harness the benefits of comparative advantage the sector has in this part of the world.

12. AGRO-BASED INDUSTRIES

These industries have the advantage of being run in the backyards or homes of people. They require some basic skills and include things from organic farming to fisheries. Having a good flora and fauna species this sector has again a comparative advantage in sprawling in Kashmir. Mostly feasible for women and having a good market domestically, in the rest of the country and abroad leaves good scope to make a good income from these sectors and then in the second phase to diversify them. The labor used in the production and raw materials both are localized and does not fall into the channels of conflict (Bulte, 2009). The production keeps on taking place and having a fair sense of what to transport when gives these units an edge to grow even in conflict settings.

13. HORTICULTURE AND ALLIED

Horticulture sector has a legacy in Kashmir and has ever since seen a persistent increase. Rural areas have a lot of lands and the same can be converted into orchards given the feasibility (AL Lone, 2014). This sector with its allied industries like cold storage, fruit processing, jam making etc. has shown a trend of growth despite the prevalence of conflict. Orchards are located into the depths of villages and not many people live around them. At the same time, orchards do not need much care and time while the product yields a good return. This makes it a fit sector given both the topographical advantage and conflict saved existence.

14. BACKYARD FARMING

Cut flowers have emerged as a blooming back-yard farming industry in Kashmir region. Many flowers are grown here that have a nation-wide demand but a little supply. The flowers need some basic care and sell at higher prices. On a pilot basis, backyard farming has shown to be a success (S Iqbal, 2004). If promoted and subsidized especially among the female folk the sector can bloom both literally and metaphorically. This sector is located inside the yards of residential areas again is conflict saved and can grow in many directions.

Small scale poultry and many other fewer investment ventures come under this category. The nature of these activities is domesticated and each member of the household can contribute to it till it grows in magnitude and scale.

15. INDUSTRIAL ESTATES

To pool the common resources and locate interconnected units at one place has led to the creation of industrial estates. In each estate thus, the government leases out plots of land and specifies a basket of industrial units from which the interested entrepreneurs can choose of themselves the activities they are interested in. It has been seen in Kashmir that the industrial estates are usually walled areas with a miniature atmosphere prevalent therein (Hamid). Having been through the trout of peaceful and conflict situations, these estates have found some coping strategies to survive.

They keep the cost of production at a bare minimum to ensure a basic survival in such strict settings. They try to bargain the wages at the lowest possible, using cheap labor. The accommodations for both laborers and entrepreneurs are managed inside the estates. The gates are kept closed so that the outside world doesn't get the feel of any sort of activities that are taking place inside. And during the dark of the night, the transportation process is carried out. These and many other strategies are used by entrepreneurs. Shrewder the strategies more guaranteed the long run survival of the firm is.

16. INTERNET CHANNELIZATION

The Internet has revolutionized the whole system, so has it changed the means of communication and shopping channels. In conflict times when the practical market remains shut, people switch to virtual markets. The people running these markets are very perceptive and find channels to make profits. Conflict to them becomes a positive externality and they crowd-in in such a setting. Thus all the internet based ventures have shown a steady increase during the conflict trout. So much so that people have become more used to it than going out and shopping for all sorts of things.

17. TOURISM

The tourism industry has been an age-old industry in Kashmir. It has been one of the main sectors in Kashmir Economy and many allied sectors have been dependent on the tourist inflow to grow and diversify. During the first conflict shock, this sector has seen a complete decline. During 2000s it revived but declined again during 2008. . In the recent turmoil of 2016 in which Valley came to halt for five long months, Valley witnessed around 12 lakh tourists both foreign and domestic, but the peak season (April to October) met with meagre tourist arrival. Four lakh tourists visited from 01 April up to 7 July but there was almost zero tourist arrival from 8 July to the end of October because of violence (JK Economic Survey 2016). In the latest year of 2018, Kashmir witnessed 7 year lowest tourist turnout¹ that coincided with the highest number of violence related activities recorded in more than a decade as per the Ministry of Home Affairs latest report (2019)². Of late ventures like Rural Tourism, Community based tourism, Jungle tourism have been making rounds. Given the growth of travel agencies and internet, tour operators from Kashmir and especially from the rural areas have been able to get in tourists for such endeavors promising them that conflict has no say on such ventures.

Though the priority of safety stands tallest for the inflowing tourists, this tactic is working out somehow and if it grows, it will be a big boost to the rural industrialization (Roy, 2016). This sector has always called in many fertile entrepreneurial minds' attention and many coping strategies are expected to arise and evolve in this sector as well.

18. BUSINESS HYSTERESIS

Each person who is born in and grows in the disturbed political settings needs no explanation of the problems and issues conflict creates. Each person becomes a witness for himself and knows what causes what and is aware of the consequences of each thing positive and negative. Many businesses crumble because of conflict. People run into debt traps and never get launched on to the path of success, profits, and glory (HM Schwartz, 2018). They also see a handful of people who manage survival. But big numbers have always captured the mass attention and thus in people there develops a fear and hysteresis against both business and bank credit. Nobody wants to fall in the trap of problems and distresses and try to avoid such scenarios.

It only happens after some lags that newer generation with education in their mind and knowledge available at their fingertip see the possibility of crowding-in in a state of crowding-out. They identify ventures and channels through which businesses can be safely run and carried forth. Such a thing, however, happens only after a considerable lag where people have gone used to the events of the conflict. Expecting any steady solutions and way outs from the conflict situation towards economic growth is not a practical reality. Hysteresis takes a longer time to reach back the point of equilibrium that too with a strong policy intervention in place and practice.

¹ In 2018, Kashmir witnessed lowest ever tourist footfall in 7 years. Greater Kashmir. Accessed on March 10, 2019 from <https://www.greaterkashmir.com/news/business/in-2018-kashmir-witnessed-lowest-ever-tourist-footfall-in-7-years/308248.html> accessed on 11-02-2019.

² In 2018, JK records highest violence in over a decade. Rising Kashmir accessed on March 10, 2019 from <http://risingkashmir.com/news/in-2018-jk-records-highest-violence-in-over-a-decade>

19. CONCLUSION

The general trend of industrialization in a conflict zone has been a steep decline in the production activities for the obvious reasons. However, places that see a perpetual conflict that too of low intensity does not run away from the place altogether. They come in terms with the nature and impact of the existent conflict and try to find coping strategies in order to first survive and stabilize and eventually grow. To minimize the risk people try to diversify their livelihood ventures. This saves them from a big loss and hedging does a good job for them.

People have been taking advantage of free education, especially in the rural areas given the fact that an investment in the making of human capital values imbibing. Whatever is invested remains with the person and the option of selling the skills in global markets always remains available. People try to find jobs with the dual motive of earning a safe income that flows smoothly and to hedge against any unforeseen event.

Some irreversible changes are made in people's lives and this may end up becoming a routine. It can come in any form like in Kashmir, each house has a food stock at any point in time that can last up to four to five months without having to step out of the house or bother to procure from somewhere. In the same manner, changes take place in the production sector as well and their coping strategies develop and evolve to best suit the environment.

The businesses will go on following coping strategies until the conflict is there. It makes survival a possibility in tough times. Once the conflict parameter is removed from the equation these firms will be the fittest firms to survive in the market and then a huge growth and diversification will be seen. For now, of the two options of stagnating or survive the latter one indeed is the best and to attain it the tool of coping is at the behest of the perceptive entrepreneurs.

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