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Economic Development in the Princely State of Jammu & Kashmir (1846-1947)

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ECONOMIC DEVELOPMENT IN THE PRINCELY STATE OF JAMMU & KASHMIR (1846-1947)

Sardar Babur Hussain*

Abstract

This paper aims to provide a status of the economy of the princely state of Jammu and Kashmir (J&K) in 1947 and an overview of development during Dogra rule (1846-1947). During Dogra rule, the means of production remained under the control of a class of a few landlords and industrial capitalists, who used to exploit the surplus of the majority working in the fields and factories. The landlords and the industrial capitalists used to take the economic surplus away from the peasantry and the artisans, and failed to reinvest it to develop the productive capacities of agriculture and industrial growth. The primary preoccupation of Dogra rule was to maintain law and order, streamline tax collection and ensure defence. The ultimate result of this type of economic structure was the backwardness of the productive forces. It is argued that the economic and political conditions within the princely state of J&K, and the degree to which British interfered in internal affairs, explain the wide disparities between J&K and rest of the princely states.

Keywords: Jammu & Kashmir, Dogra rule, princely states, agriculture, industry, British interventions

Introduction

In 1947, at the time of the partition of India and Pakistan, the state of Jammu & Kashmir (J&K), with a population of four million people, was one of the least developed regions in the Indian sub-continent (Burki, 2007). The economy of the state was overwhelmingly rural and was heavily dependent on agriculture. Nearly 90 per cent of people lived in villages and derived their livelihood from agriculture and related pursuits, using traditional and low productivity techniques (Aziz, 2012). The Agriculture sector was stagnant due to the prevailing agrarian structure in which *"the absentee landlords numbering 150,000 possessed 11 per cent of the cultivable area… cultivating peasants numbering around over 8 lakh held only 32 per cent of the cultivating land… 3 lakh tenants who did not possess any land but cultivated 10 per cent of the total cultivated land which belonged to others"* (Bhatt, 2000: 142)

Industrial development was almost negligible and the lack of infrastructure was a major bottleneck in the development of the economy. The extreme backwardness of the state was reflected by the abysmal mass poverty, deprivation, hunger, disease and ignorance. In 1950, the state had a per capita income of Rs 208 (at 1960-61 prices) and a literacy rate as low as 5 per cent, while the all India literacy rate was 18.3 per cent (Misri & Bhat, 1994: 38). In 1954-55, it was the only state in India among the bigger states in which tax revenue was less than 20 per cent of the total revenue. The tax

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revenue per capita in the state was the lowest in the country amounting to only Rs 5 in 1954-55 (Kaul, 1956). The electricity generation capacity was less than 5 Mega Watts, communications were poorly developed in most parts of the state and the average life expectancy was only about 27 years (Bhargava, 1969).

It is against this background that the paper intends to explore why the state was so underdeveloped at the time of its accession to India by focusing on the developments during Dogra rule (1846-1947)[i] which preceded the accession of the state to India in 1947. It seeks to show that an analysis of the development process in J&K can take place only after a critical understanding of the inherited structure of underdevelopment, stagnation and impoverishment, emanating from the extremely regressive feudal relations present in the state during the rule of the Dogras. It is argued that the economic and political conditions within the princely state of J&K and the degree to which British interfered in its internal affairs explain the wide disparities between J&K and the rest of the princely states. The paper is based on secondary sources of data collected from state Archives, J&K and National Archives, New Delhi.

The rest of the paper is organized as follows: The next section (Section 2) provides a brief background of the relations between British imperial rule and the princely states. Section 3 explains the economic development scenario during the Dogra period and is divided into sub-sections which throw light on different aspects of the J&K economy; Section 4 throws light on the impact of partition on the economic development of J&K, and the final section (Section 5) presents the basic conclusions coming out from the previous sections.

Relations between British Rule and the Princely States

The British Indian Empire was composed of British India proper (the eleven provinces and various tribal areas) and the Indian princely states. The British provinces, unlike the princely states, were governed directly by the British government through the Governor-General of India, whereas the latter owed allegiance directly to the British Crown. The princely states covered 45 per cent of the area and approximately 25 per cent of the population of India in 1931. Historically, the distinguishing feature of the princely states was that they had not been annexed by the British but were part of the Indian Empire by virtue of having acknowledged the paramountcy of the British Crown. The Indian princely states numbering 562 had been divided into three main categories[ii]. First, there were about 140 major states (including J&K) which enjoyed in principle full legislative and jurisdictional powers (were fully empowered). Second, there were about a same number of states where the British exercised a measure of control specified in some formal engagement over internal administration. Finally, there were some 300 minor states which were just landed estates possessing extremely limited governmental rights. However, these princely states had to conform to several aspects of British policy such as tariff rates, trade and foreign relations. John Hurd's study titled "The Economic Consequences of Indirect Rule in India" argues that the level of economic development in the majority of princely states was low as compared to that of British districts (Hurd, 1975a). John Hurd, in his another study titled "The Influence of British Policy on Industrial Development in the Princely states of India, 1890-1933" argued that the British imperial interests forced the states to go for free trade and construction of roads to link up with railways, and did not lend money or act as guarantee to states for industrial development. He further states that: "*Although the G.O.I. permitted the states to exist, it kept them in a condition of dependence. And while it protected their boundaries and internal political structures, it did almost nothing to help them in the external economic world*" (Hurd, 1975b: 424).

Economic development during the Dogra period (1846-1947)

Formation of J&K

The princely state of J&K owes its existence to an historical event involving the Dogra chieftain of Jammu, Raja Gulab Singh. In 1846, the Sikh rulers of the Punjab sold the Valley of Kashmir to Raja Gulab Singh of Jammu for Rs 75 lakh in order to earn part of the money needed to pay reparations to the British East India Company after their defeat in a war. This deed of sale came to be known as the Treaty of Amritsar[iii]. Earlier, Zorawar Singh, a general of the Raja, had annexed Ladakh after a series of battles leading to the Treaty of 1842 with the Lama of Tibet and thus defined the international boundary of Ladakh[iv]. The state of J&K thus assembled was therefore of considerable complexity with its three main regions – Jammu, Kashmir and Ladakh. Under the Dogra rule, the princely state of J&K consisted of three parts: Jhelum Valley, Indus Valley and Jammu. The Jhelum Valley comprised Srinagar, Baramulla and Muzaffarabad; Tibetan Block, Ladakh, Gilgit and Frontier Illaqa formed the Indus Valley whereas the Jammu province consisted of Jammu, Udhampur, Kathau and Raisi. These three regions were distinct in their geography, culture, language and dominant religion. Jammu was predominantly Hindu and Sikh in population and dominated by the Dogra Rajputs, whereas the Vale of Kashmir was a Muslim majority area having over ninety per cent Muslim population according to the Census of 1941. The sparse population of Ladakh was almost entirely of Tibetan Buddhists. According to the 1941 Census, 77.11 per cent of the population of J&K was Muslim, 20.12 per cent was Hindu and 1.64 per cent was Sikh and 1 per cent Buddhist.

Dogras were a Rajput Hindu land-owning class of Jammu who ruled the state (mediating on behalf of the British) before its accession to India. The Muslims who represented 78 per cent of the total population were mostly tillers, labourers and artisan classes who were generally exploited. The princely state of J&K was peculiar in the sense that while its rulers and elites belonged to the Hindu religion, a majority of the subjects were Muslims (Rai, 2004). During the colonial period, Government of India used to intervene in princely states through the appointment of a Resident. However, one of the unique features of the Treaty of Amritsar was that it made no provision for the appointment of a British Resident, leaving the Dogra rulers with internal autonomy and thus the state was allowed to be governed by traditional institutions (Kumar, 2005).

Agrarian relations during the Dogra period

Feudal mode of production

The cultivable area of the state during the Dogra period was not even ten per cent of the total area of the state due to its hilly and mountainous nature (Sinha, 1995). Kashmir valley was the economic centre of the Dogra kingdom. Rice was the main crop cultivated in the Kashmir valley, since the physical characteristics and climate of the valley were best suited to rice cultivation while preventing the intense farming of most other crops. Kashmiri cultivators had to subsist on a one-crop economy, either Kharif or Rabi. Kharif crops such as rice were preferred by farmers as its productivity per hectare was substantially more than Rabi crops like wheat. Rice was also cultivated in Jammu, but the bulk of the production came from Kashmir valley. Wheat was mainly cultivated in Jammu. Although other crops such as maize, saffron and fruits were also grown in the state, their importance to the agriculture economy remained marginal due to the absence of a substantial market for these products. Leaving aside Ladakh, which has little vegetation, the state was richly endowed with forests[v]. The chief source of revenue to the government was timber from its forests which used to be exported to Punjab (present Pakistan) through the rivers Indus, Jhelum, and Chenab.

Due to the signing of the Treaty of Amritsar, Maharaja Gulab Singh (1846-1856) assumed the role of a landlord for the entire state and a new type of land tenure system came into existence. The rights of the peasants to occupancy and cultivation were taken away, effectively reducing the people to landless tenants (Habibullah, 2008: 19). These peasants, known in the state as assamis, were actually "tenant-at-will" as in addition to land revenue, they had to pay "malikana" in recognition of their landlords being the owners of the land and thus had no right to transfer land[vi] (Prasad, 2014). The state appointed kardars (land agents), vesting them with enormous powers and kardars were in charge of circles of villages, which were formed in 1859. The distribution of land among the cultivators, the choice of crop, and the allotment of area were decided by the Kardar (Aslam, 1977). During the rule of Maharaja Gulab Singh (1846-1856), "…*the cultivator had to pay much more than half the share of the total produce in the form of multifarious taxes to the state. These included the nazarana, levied four times a year, and the tambol, taken on occasions of marriages in the ruler's family*" (Zutshi, 2003: 64). Izadboli (auctioning of the villages) was introduced in 1882 to extract more and more revenue from the peasantry. Under the system, the mustajir or the contractor paid a lumpsum to the state and then extracted as much as he could from a village without assessing the condition of the crop. Sometimes the mustajirs absconded without making any payment to the state. As a result, it was immediately discontinued after registering huge losses for the state revenue (Hangloo, 1984: 54). Sir Walter Lawrence who was the land revenue settlement officer in Kashmir in 1889 states that: *"When he started the settlement of the land, everything, except air and water, was taxed. Even the grave diggers were taxed"* (Lawrence, 1895: 147). Such was the condition that the cultivator was left with grain not even enough to live on, and the rest was appropriated by the state through its intermediaries (Bamzai, 2007). To discourage the peasants from leaving their fields, the government raised the fee "on the transfer of land" so that it was equal "to the amount for which it was sold' (Rai, 2004: 63). Walter Lawrence also mentioned the beggar (indentured labour) system prevalent in the Kashmir valley under which Muslim serfs were forced to work without compensation from a small Pandit landed elite and state officials (Lawrence, 1895). This labour was used to transport the luggage of troops from Kashmir to Gilgit and that too during the peak agricultural months of June and July (Rai, 2004: 54). While this misery and oppression sapped any interest left in the cultivator, he continued to cultivate only due to the pressure of the state and the landlord.

Industrial development

During the Dogra period, the main textile industries of Kashmir were shawls, silk and carpets. In the nineteenth century, the hand-worked shawl industry was the backbone of the valley economy (Lawrence, 1895). By 1860, shawl-making represented the centrality of the export trade to the economy of the valley and demands for shawls rapidly increased in the markets of Persia, Turkey, Europe and America (Maskiell, 2002). The importance of shawl-industry in the economy of the state can be understood from the fact that in 1863, there were 23,013 shawl weavers in the valley of Kashmir and during 1846 to 1869, the income of the state from shawls on an average was seven lakh rupees per annum (Bamzai, 2007: 239). The centre of textile craftsmanship in Kashmir was Srinagar. Frederic Drew, an associate of The Royal School of Mines and who was in the service of the Maharaja of Kashmir writes about Srinagar City in the 1860s and 1870s: "*A large proportion of the town inhabitants are shawl-weavers, whose handicraft has made Kashmir to be familiarly known all over the whole of India and Europe"* (Drew, 1976).

During the regime of Gulab Singh the shawl weavers (artisans) were in an equally miserable condition. A shawl weaver was forbidden by law to change his karkhandar (employer or proprietor) of the factory. The miserable condition of the shawl-weaver can be understood from the fact that out of a daily wage of four annas, half was taken by the governor in taxes, and for the remaining two annas, he was paid in kind (paddy) from the government depot at a very much enhanced rate than prevailing in the open market (Bamzai, 1994: 668). In 1847, the weavers had struck work and 4,000 of them had fled the valley due to high taxes (Rai, 2004: 62). By the end of the19th century, the shawl industry of Kashmir received a huge setback due to many reasons. Firstly, due to the heavy taxes imposed on the manufacture by the government, the number of workers started declining. Second, the outbreak of the France-German War of 1870 had an adverse impact on shawl production as France was an important importer of these shawls before this war[vii]. By 1883, the shawl merchants suffered a 50 per cent loss in their business due to the closure of French markets (Zutshi, 2003: 86). Lastly, the final blow to the shawl industry was dealt by the colourful machine-made imitation shawls in other countries (Bamzai, 2007: 240).

In the late nineteenth century, silk replaced shawls in the export economy of the Kashmir valley. Within a period of twenty years, sericulture became the largest and most important industry under the control of the state, and the Srinagar Silk Factory was the biggest of its kind in the world. After the year 1905, the bulk of Indian silk exported to the European market consisted of Kashmiri silk because of its superior quality in comparison to Bengal silk (Rawlley, 1919). The three salient features to sericulture in Kashmir were abundance of mulberry trees, suitable elevation, and a favourable climate. The industry under the guidance of British experts continued to flourish in Kashmir until 1913 and was one of the principal sources of revenue to the state. In 1904, the state was making a profit of £40,240 from the export of raw silk (Zutshi, 2003). The industry got a huge setback after 1913, mostly because of two reasons (Sinha, 1995): Firstly, a disastrous fire broke out in 1913 at the Srinagar Silk Factory due to which thousands were thrown out of employment and second, the outbreak of the First World War in 1914 closed European markets (Britain and France). Several essential steps were taken by the Dogra government for the development and progress of industries. These were: The establishment of a Department of Industries in 1923, The Jammu and Kashmir state Marketing Board (1935), and Jammu and Kashmir Bank (1937-38). However, Gani (1990) argues that these promotion measures had no positive impact on the industrial structure of the state as they were established to serve British interests.

British interventions in J&K economy

The need for a resident in Kashmir became more pressing and prompted serious reconsideration of the colonial policy of non-interference in Kashmir during the last decades of the nineteenth century. Firstly, increasing pressure was exerted by British traders on the colonial government to intervene so as to extend the facilities of free trade as the Dogras had maintained a monopoly over 'China trade' and the right to acquire property in Kashmir[viii]. Secondly, the inefficiency of the Kashmir government to handle the famine of 1877-9, that devastated the valley of Kashmir. Lastly, the Indo-Afghan war of 1878 made control over the strategic north-western boundaries of the empire more urgent than ever. Ultimately in 1889, the Government of India appointed an officer on special duty as the new Resident in Kashmir whose role was to advise the Maharaja, keep a watch on the politico-economic situation of the state, and to serve the interests of the state subjects deemed to be suffering from a long and now intolerable history of misrule. The appointment of the Resident provided a platform to the Kashmiri Muslims to express their grievances as the number of petitions regarding the misrule of Dogras, addressed to the Resident, increased dramatically at the end of nineteenth century.

The direct intervention of the colonial authorities in the region's political economy during the 1880s had a far-reaching impact on not only its political and economic structures, but also relationships within and between classes. The first and most important intervention was the introduction of land revenue settlement operations in the valley which began in 1887 and continued through 1893 to provide relief to the cultivators, organize tax collection and mobilize labour[ix]. Walter Lawrence, the British official who was the civil servant of the colonial government, was given the responsibility of the new land revenue settlement in the state. Under the new land revenue settlement, the payment of revenue in kind was replaced by payment in cash, assami rights (permanent occupancy) were given to hereditary cultivators and intermediaries were abolished. The entire area was divided into 30 assessment circles, taking into consideration the variations in soil fertility, climatic conditions and irrigation facilities. These steps assured the peasants security of tenure and fixity of revenue demand[x] (Bamzai, 2007). The main benefit was that now collections came directly to the state treasury, instead of going into the pockets of middlemen (Lawrence, 1895: 452). However, the conditions of the peasants did not improve because the right so granted was inalienable, debarring the peasants from raising money for investment in cattle, seed and banking (Khan & Basharat, 2007: 167). This period also witnessed the creation of a new landholder class known as chakdars and jagirdars by the Dogras. These chakdars and jagirdars were mainly Dogras, Punjabis, Pandits and local Muslims[xi] and their importance lay in the fact that they formed an essential bridge between the village and the city (Zutshi, 2003). The result of all this was that it exposed the peasantry to unprecedented exploitation and oppression. Chitralekha Zutshi, who has analyzed the political economy and class formation in Kashmir during 1846 to 1930, argues that their intervention in the land settlement of the region led to the "*breakdown of the* *state monopoly on grain distribution, the emergence of a class of grain dealers, the creation of a recognizable peasant class, and the decline of the indigenous landed elite"* (Zutshi, 2003: 325). She further argues that the demands of this peasant class became the focal point of movements that were to emerge in the later decades against the Dogra Government.

What did they do with land revenue?

The state treasury during this period was bankrupt; the whole system was so full of abuses at the intermediate levels that no significant improvement was registered in the state's finances nor in the condition of the peasantry (Hangloo, 1984: 53). In 1890-2, accountant general of Bombay Presidency R. Logan was sent to Kashmir to enquire into the durbar's mismanagement of finance. He concluded that the rulers of J&K had spent egoistically on themselves rather than on the state and for the public good of their subjects[xii]. Another instance shows that:

> "*Out of the meager revenue of Rs 27.7 million in 1939 the Maharaja, his paraphernalia and private departments ate away 4 million rupees annually. An additional sum of Rs 5 million (year) was spent on the army. With these large slices taken off, very little remained for fostering nation-building activities. The total amount spent on public health, agriculture, co-operative departments, panchayats, industries, roads and irrigation amounted to only 3.6 million rupees*" (Dhar, 1995: 24).

As a proportion of the total revenue, the percentage share of revenue spent on education, health and development comes out to be nearly 13 per cent which was less in comparison to even the state of Hyderabad. In 1938-39, the princely state of Hyderabad which was known for its Nizam's oppressive rule used to spend less than 16 per cent of its budget on education, health and development[xiii]. The Dogras also used to spend a part of the state's revenue for the promotion of Hindu religion in the state through the creation of a religious trust known as the Dharmath trust. The main portion of the revenue of this trust came from the taxes paid by the Kashmiri Muslim cultivators and revenue of certain districts was devoted to religious purpose (Rai, 2004: 114). Within the princely states, there were progressive states such as Cochin, Bikaner, Mysore and Baroda who benefitted from indirect British rule. This explains the higher amount of revenue that they spent on social overhead capital. The percentage of revenue spent on social overhead capital in Cochin, Bikaner, Mysore and Baroda were 47, 44, 38 and 25 respectively (Hurd, 1975: 175). John Hurd states that some of these states used to spend more than what was spent in British India as a unit (20-25 per cent).

Status of education and employment

The Dogra state followed a policy of non-intervention in matters of education since unlike the British who gave an impetus to education in India for the creation of a class which would be entrusted with the job of administration, the Dogra state imported labour from India, especially Punjab, to run its administration, which led to the lack of urgency in the state's efforts at promoting education (Bazaz, 1954). In 1889, the establishment of the British residency and the state council led to the acceptability of the idea that the state was responsible for the education of its subjects. Chitralekha Zutshi states that:

> "…*the number of students rose from 836 in 1889-90 to 4214 in 1892-93. The number of public institutions increased by 24 and private ones by 75 during the period 1901-04 … By 1910-11 2 colleges, 5 high schools, 24 middle schools, 72 primary schools, 8 girls' schools, and one teacher's training school were in the state*" (Zutshi, 2003: 177).

The Dogra state showed reluctance towards the idea of providing education and making it compulsory at the primary level for all the people of the state. During this period, a majority of the Muslim population remained uneducated. Pandits were the most educated social group in the valley and in the state as a whole. It is to be emphasized that there was overlap between religious affiliation and class, as most of the agriculturists were uneducated Kashmiri Muslims and the administration was in the hands of the Punjabi Hindus and Kashmiri Pandits (Zutshi, 2003). Thus the nexus between class and education would mean that Kashmiri Muslims stayed uneducated as shown by the Census data. In 1910, there were 15 educated Muslim males as compared to 453 Hindu males per thousand of Jhelum Valley (Census, 1911). In the census of 1921, this number rose to 19 for the Muslims and 508 for the Hindus. The Muslim agricultural castes had no representative among the educated social groups in the valley and the state as a whole. As per the census of 1911, the chief cause of the backwardness of Muslims in terms of education was their agrarian background. It says that the Muslims "would rather retain their children for cattle grazing, crop watching and other agricultural pursuits than send them to schools". This has been refuted by Prakash Chandra who argues that: "*The Maharaja regarded Kashmiris as a race of slaves. He did not provide them with equal opportunities in trade, industry, education, jobs, agriculture and above all for their upliftment as a community of culture*" (Chandra, 1985: 39).

It was in the 1920s that Jammu's educated Dogras and Kashmiri Pandits launched an agitation under the slogan of "State for State's People" on the basis of the fact that Kashmiri Pandits were as educated and qualified as Punjabis who formed the bulk of the administration recruited by the ruling Dogra regime. This eventually led to the definition of the term "Hereditary State Subject" and enactment of the State Subject laws in 1927. The former forbids the employment of non-state subjects in public services and the latter prohibits non-state subjects from purchasing land. Due to the passing of state subject's definition, Dogras and Kashmiri Pandits were now recruited to administrative jobs; however, the middle class Muslims of Kashmir Valley didn't receive the same benefits (Trembly, 1996-1997: 480). Muslims were generally not permitted to become officers in the state's military, which was led by Sikhs and Hindu martial castes such as Dogras and Rajputs. From this time, there was pressure from the Muslim leadership on the state to see Muslims as a separate category in the field of education requiring special attention, which with time was associated with the economic and political interests of the Muslim community. The second decade of the twentieth century saw Kashmiri leadership clamour for the benefits offered by education in government service. The Mirwaiz (spiritual head of Kashmiri Muslims) leadership demanded that high schools have Muslim headmasters and inspecting staff, a special Muslim adviser attached to the education minister and extraordinary help for Muslim students and institutions (Zutshi, 2003). The increased politicization of the masses for economic rights led to an increase in educational institutions, grounding the concept of education as a responsibility of the state (Table 1).

Table 1: Educational Institutions in J & K

Year	No. of Institutions
1901	87
1911	378
1921	670
1931	1246

Source: Census of India (1931), Vol-I-India, Part I Report.

The revolt of 1931 and its outcomes

It was around 1931 that a small section of urbanized educated Muslim graduates from Aligarh Muslim University found that opportunities in government services were forbidden to them. In July 1931, an attempt by young Muslims led by Sheikh Abdullah to organize a deputation to the Maharaja ended in a riot on the streets of downtown Srinagar in which 21 persons were killed. This event marked the rise of political consciousness in the Kashmir Valley and the beginning of anti-Dogra political activity. Agrarian discontent and paucity of employment opportunities were the motivating force for the Muslim masses to agitate against the despotic Dogra regime (Bamzai, 1994:138).

In November 1931, the Maharaja's government agreed to the formation of a commission headed by B.J. Glancy, an official of the British department of India, to inquire into the causes of unrest and propose a strategy of reforms. The report of the Grievances Enquiry under Glancy Commission was published in April, 1932. It is a document of great historical importance, as it established beyond doubt that real grievances existed which needed redress. In the matter of distribution of government services, the following recommendations were made (Grievances Commission Report, 1932):

- Effective measures should be taken to provide a system of appointment and machinery for supervising that system in such a way as to prevent the due interests of any community from being neglected.
- Encouragement should be given to education among Muslim students.
- All vacancies and scholarships should be effectively advertised.
- The promotion of industries should receive the earliest attention of the state authorities, as it is highly desirable to provide an outlet for employment.

These events led to the formation of the All J&K Muslim League under the leadership of Sheikh Abdullah which was instrumental in spearheading the anti-Dogra regime movement. In 1939, the Muslim Conference changed its name to the National Conference (NC) to give it a secular outlook and aligned with the Indian National Congress against Dogra rule and indirect colonialism. NC had the support and cooperation of artisans, traders, peasants and the petty bourgeois educated elite who were wilting under the oppression of the feudal and semi-feudal class of landlords. Daniel Thorner states that in order to win peasant support, NC during the 1930s had promised revolutionary changes in the agrarian structure (Thorner, 1976: 49). In 1944, NC brought out a radical national economic and political plan for restructuring the political and economic structures. Known as the Naya Kashmir (New

Kashmir) Manifesto, it emphasized the need for the abolition of landlordism, land to the tiller, development of industry and the expansion of trade and commerce[xiv]. The Naya Kashmir plan based on a socialistic system of society envisaged a scheme of state constitution and a national economic plan. The Manifesto covered agriculture, industry, transport, distribution, utility service, currency and finance (Bamzai, 1994). It presented the way forward to establish an egalitarian society by restructuring an oppressive agrarian structure, providing minimum standards of living and wages to workers, abolishing child labour, complete equality of women with men and free and compulsory universal education. Zutshi argues that this plan seemed to assume that the state of J&K would be autonomous regardless of the political entities that replaced British rule (Zutshi, 2003: 290).

To conclude, the landholding system prevalent during the Dogra period gave rise to a long chain of intermediaries between the state and the actual tillers of the soil as the organization of the agrarian economy was directed towards the sole purpose of revenue collection. The landlord and the industrial capitalists used to take the economic surplus away from the peasantry and the artisans, and failed to reinvest it to develop the productive capacities of agriculture and industrial growth, as their primary preoccupation was to maintain law and order, streamline tax collection and ensure defence. The capacity to appropriate surplus labour signals social relations of exploitation (Bernstein, 2010). This class was interested in agriculture and other sectors, only to the extent to which it could exploit them of their produce for its own benefit. For this exploitation, they used to make laws suitable to themselves. The ultimate result of this type of economic structure was backwardness of the productive forces of the economy. According to Prakash Chandra: "*Such a discriminatory policy hampered the growth of a regional bourgeoise and the development of capitalism in the state*" (Chandra, 1985: 39).The last decades of this period saw the rise of a class war between the vast majority of the agricultural masses and the ruling class and its aides.

Partition and Its Consequences on Economic Development of the State

Having discussed the economic structure of the state during the Dogra period, it is obvious that J&K inherited a backward economy at the time of its accession to India in 1947, which lacked important assets like a transport system and industries. Aziz (2012) argues that unlike India, which along with underdeveloped economy also inherited some useful assets in the form of a national transport system and a good capitalistic base and entrepreneurial class from the British, the state of J&K inherited nothing but an impoverished economy from the Dogras (Aziz, 2012). In 1947, the backward economy of J&K had to face new problems due to the partition of the sub-continent. The partition had many repercussions on the state of J&K which had intimate trade relations with both the parts, namely India and Pakistan. This is aptly stated by Aziz (2012: 5):

> "*At the time of independence of the Indian sub-continent, there were three highways linking the state with the outside world... There was also a rail link from Jammu to Sialkot.... Like the big rivers viz. Jhelum, Chenab, and Indus, which flow from or through Kashmir to Pakistan, all these highways connected the state of J&K with that*

part of Punjab which had become the part of Pakistan. While as the rivers provided the cheapest mode of transportation for the timber of Kashmiri forests, the roads running along the banks of these rivers provided cheap and fast transportation of fruits, vegetables, wine, woollen and silk materials, carpets, and pretty products of skilled Kashmiri artists and artisans to Pakistan. With the accession of J&K with the Indian union and the subsequent declaration of Pakistan as an enemy country… all these highways and waterways became entirely useless for the people of the state".

The age-old economic ties were thus cut-off, leading to huge economic inefficiencies. The end of the Dogra rule in 1947 culminated in the accession of J&K with the Indian union[xv]. The state of J&K was the last princely state to be annexed as well as negotiate its annexation with India (Kumar, 2005) and the radical autonomy granted to the state under the Indian Union was due to the conditional nature of the state's accession to India (Chaturvedi, 2005). The state did not accept the constitutional provisions of the independent republic and retained its own institutions because the leaders of National Conference, especially Sheikh Abdullah, were of the view that India was a predominantly Hindu majority state and the Muslims of Kashmir would lose their identity if the state was completely integrated into the proposed constitutional organization of India, in which the Hindus would always exercise dominance (Rekhi, 1993). The years immediately following the adoption of Article 370, that is from 1950 to 1953, constituted an important critical juncture, in which the strong development of the state was very much on the political agenda mainly due to the capacity of the state to undertake effective development strategies. The development strategy adopted by Sheikh Abdullah during the post-1947 period was based on the implementation of the policies laid out in the Naya Kashmir Manifesto which stressed a radical restructuring of the productive forces.

Conclusion

This paper has examined the economic development of the princely state of J&K during the Dogra period. The economic policies of the state during Dogra rule were directed towards serving and safeguarding the interests of the rulers and their allies with the least provision of equal accessibility of economic opportunities for all sections of the population which resulted in the rise of masses, particularly the Muslims, against its economic and political policies. The Dogra state followed a policy of non-intervention in terms of education and was not concerned with the provision of equal accessibility of economic opportunities for all sections of the population. Religion played an important role in the development of its education policies, the emphasis being on the education of the elite. During Dogra rule, extremely regressive feudal relations were present in the princely state of J&K. The prevalent landholding system gave rise to a long chain of intermediaries between the state and the actual tillers of the soil as the organization of the agrarian economy was directed towards the sole purpose of revenue collection. The Dogras created institutions, especially the intermediaries, to exploit the peasants and poor people with a view to amassing wealth and surplus from production. The ultimate result of this type of economic structure was backwardness of the productive forces of the economy.

End Notes

[i] See map (Appendix 1).

[ii] See Alastair Lamb, Kashmir: A Disputed Legacy, 1846 -1990, pg 4.

[iii] Gulab Singh acknowledged the supremacy of the British Government and also agreed to remit annually a token tribute of "one horse, twelve pairs of shawl goats of approved breed (six male and six female), and three pairs of Kashmiri Shawls".

[iv] See Prithvi Nath Kaul Bamzai, A History of Kashmir, 1962.

[v] According to the Techno-Economic Survey of 1969, nearly 58 per cent of the total area in Kashmir and 46 per cent in Jammu province were under forests (NCAER, 1969).

[vi] This type of land tenure system was called the "ryotwari system' (after Ryot or peasant), introduced in large parts of Bombay and Madras. This confirmed property rights in land, at least in principle, on those cultivating it, subject to annual payment of a money tax.

[vii] During the Dogra period, Kashmir used to export handicrafts to Europe, China and Central Asia through the legendary Silk Route from China through Central Asia to the West.

[viii] Maharaja Pratab Singh, who ruled J&K during at that time, did not permit the British traders to acquire property. However, due to growing pressure, permission was granted to lease a house or land.

[ix] Land settlement was necessary because the old revenue system had many drawbacks as there were no records or maps to indicate what a man's holding in land amounted to or to show what his revenue liabilities were; the state coffers were empty due to the existence of a class of officials between the state and peasants; and the existence of the practice of annual settlement of revenue (assessments made on standing crop) which delayed the reaping operations. According to Lawrence, substantial quantities of rice could have been saved and the staggering loss averted if cultivators had been permitted to cut their crop before the start of the rains that destroyed the autumn harvest of 1877 (Lawrence, 1895).

[x] This type of settlement was known in India as Permanent settlement. It was first introduced in Bengal and adjacent areas in Northern India from 1793, in which the zamindars were transformed from the tax-farmers and revenue collectors of the previous Mughal state into landlords with certain property rights in land. According to this settlement, the practice of annual settlement of revenue was given up and was replaced by fixing the revenue demand on a permanent basis. Further, Zamindars were made hereditary owners of the land under their possession.

[xi] The Muslims who were included were Pirzadas and Sayeeds (religious clergy).

[xii] As quoted in Rai (2004: 144).

[xiii] As quoted in Copland (1988: 787).

[xiv] This plan was one of the most advanced socialist programmes of its time and was due to the leftist group within the NC (Schofield, 2000). After attaining statehood in the Indian Union, the first state government (1948) under Sheikh Mohammad Abdullah based its development on this manifesto and took steps towards the reconstruction of the economy to liberate it from the dominance of the exploitative colonial structures. The first step in this direction was in 1950 when the state government endorsed non-compensatory land reforms by enforcing the Big Landed Abolition Act.

[xv] A major demographic and geographic change in the state followed the cease-fire agreement of January 1, 1949. The state covers an area of 2,22,236 sq.km which includes 78, 114 sq.km under occupation of Pakistan, 5180 sq.km handed over by Pakistan to China, and 37,555 sq.km under occupation of China. The territories which became part of Pakistan are: Gilgit, Shardu in the district of Ladakh, Muzaffarabad, a larger part of Poonch Jagir, and Mirpur District.

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