ABSTRACT

This paper examines the role of law and sovereignty in the processes of ‘dependent development’ that continue to plague many regions of the world, including India-occupied Kashmir. We use a case study of the political economy of the apple farming of Sopore in the state of Jammu & Kashmir to examine the consequences of constitutional provisions regarding inter-governmental distribution of powers on the economic relationships between Kashmir and the Indian mainland. While the state of Jammu & Kashmir formally enjoys an autonomous status under Article 370 of the Indian constitution, we argue that not only has this constitutional provision failed to promote autonomy, it has also lent itself to discourses meant to justify, obfuscate and legitimize economic dependence to the Indian mainland.

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Introduction

The state of Jammu & Kashmir formally enjoys an autonomous status under Article 370 of the Indian constitution, as per which the powers of the government of the Indian Union are limited to defense, communications, and foreign affairs. Within this politico-constitutional arrangement, economic development was the meant to be the primarily the prerogative of the government of Jammu and Kashmir. However, the apple-growing town of Sopore has seen an accelerated process of dependent development in relation to the Indian mainland, especially after the rise of the militant separatist movement in the Kashmir valley in the late 1980s. In this paper, we argue that constitutional provisions regarding inter-governmental distribution of powers serve as alibi for the perpetuation of highly asymmetric relationships between Kashmir and the Indian mainland. While Article 370 proposes special autonomy of the state of Jammu and Kashmir, we argue that not only does this constitutional provision fail to secure regional autonomy, it has also lent itself to discourses meant to justify, obfuscate and legitimize economic dependence and erosion of autonomy. The emergence and perpetuation of trade monopolies, control of credit, opaque price mechanisms and unfair marketing practices represent a particularly visible failure to promote autonomy and self-reliance in Sopore, and Kashmir more broadly. The economic dependence of Sopore is in sharp contrast with other apple growing regions in India such as the Kullu valley in Himachal Pradesh. As the conditions of dependent development mature and persist, they institutionalize a profound set of informal and unfair practices in governance, control of economic and political resources and access to social goods.

This is one of the first attempts to examine and theorize the economic aspects of India’s relationship with Kashmir which is often overlooked due to an emphasis on the ethnic, cultural, and religious aspects of the Kashmir conflict. The literature on the Kashmir conflict has documented violations of civil liberties by the occupying Indian army, its local collaborators, and those resisting the Indian state (Independent Peoples’ Tribunal 2010; J&K Coalition of Civil Society 2007; South Asia Human Rights Documentation Centre 1993). To the extent that economic issues have been debated, criticism focuses on the inability of the sub-national government to control corruption and finance the credit-starved apple economy of Sopore, either due to its own inefficacy, or due to the weakening of the state at both municipal and state levels by separatist militancy (Baruah 2009; Bose 2007; 2003; Skidmore & Lawrence 2007; Schofield 2010). The prevailing perception of the restricted nature of mainland India’s involvement in the valley’s economy and politics (owing to Article 370) adds credence to the above critique. This interpretation of Sopore’s economic development trajectory makes it possible to call for a revocation of article 370 in order for Sopore’s apple economy to benefit from central government policies, like the other states of Himachal Pradesh and Uttarakhand (Naqshbandi 2014; Times of India, 28 May 2014; The Pioneer, 3 December 2013). For instance, Nitish Gadkari (a mainland politician) recently argued that “[t]he development of Jammu & Kashmir could not take off due to Article 370” (Times of India, 28 May 2014).
We challenge this benign view of Indian involvement in the stunting of capitalist development in Sopore by demonstrating that economic and political dependence mutually reinforce each other and are systematically produced by Indian military occupation, by the stifling of democratic accountability, and the incorporation of local elites in a subordinate position. According to scholars of the dependency school (Amin 1974; Cardoso & Faletto 1979; Frank 1969), ‘dependent development’ is the process by which economic transformation in a subordinate economy is shaped by the needs and interests of the dominating economy. For Cardoso and Faletto (1979), the concept highlights the ability of the periphery to industrialize and accumulate capital and the emergence of asymmetrical political and economic alliances between elites in the center and the periphery.

The erosion of Sopore apple industry’s own economic base and its inability to generate and accumulate surplus has become the distinguishing feature of its development. This pattern while fulfilling the criteria of dependency theorists must also be analyzed in the larger context of a large scale military deployment and the lack of democratic accountability. In this sense, the idea of dependent development in Sopore animates not just the center-periphery relations, but also the politics of nation-building in a frontier region while engaging, to some extent, with the legal-constitutional framework that seeks to define this relationship. We argue that Article 370 plays a role in legitimizing this unequal and exploitative relationship, because it maintains the façade of local autonomy even as the Indian state strengthens its hold over the Kashmiri economy, of which Sopore’s apple-growing economy is an important case.

**Research Setting and Methodology**

Kashmir’s horticulture is one of the mainstays of its largely agricultural economy, and Baramulla district is the largest contributor to Kashmir’s entire apple production (60 per cent). Within Baramulla district, the villages surrounding Sopore town (sub-district population ~220,000), were among the first places selected for apple farming in the 1930s. Apple farming was quickly taken to by the farmers and Kashmir started trading with mainland India in the 1950s. The sub-district of Sopore now has the highest production of apples in the district and has the largest land area under apple orchards (23,595 hectares out of a total of 24,759 hectares) (Government of Jammu and Kashmir 2014). After the signing of the instrument of accession with India in 1947 and the institution of Article 370, trade routes connecting Kashmir to central Asia and beyond were permanently blocked. Since then, traders and middle men from India (mainly Delhi) have established themselves as an integral part of the apple industry, facilitating transport, trade and credit over time. Our research therefore focuses on the institutional relations that operate as part of the circulation of commodities, resources, and money between Sopore, Kashmir, and India.
As part of the fieldwork in December 2014, our team conducted forty-five semi-structured, in-depth interviews with apple growers in the Rafiabad area of Sopore, where 80% of the workforce is engaged in the apple business. To ensure that our sample reflected the class diversity within apple farmers, we included thirteen small farmers, eighteen medium farmers, and fourteen large-scale farmers (See table 1). Four apple-growers with orchards in a hilly terrain were also interviewed, along with five local pre-harvest contractors, four commission agents from Delhi and the president of the Sopore Apple Growers’ Association. During the interviews, we invited respondents to comment on the problems and prospects of Kashmiri apple farming, and used probing questions to understand the political and social linkages and to substantiate/corroborate the names and connections between businessmen-politicians, army and the trading houses that interviewees had mentioned. Our data also includes participant observation of price negotiations and other trading practices at the apple market in Sopore.

<table>
<thead>
<tr>
<th>Type of Producer</th>
<th>Size of Farm (in hectares)</th>
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<tbody>
<tr>
<td>Small</td>
<td>0 - 2.5</td>
</tr>
<tr>
<td>Medium</td>
<td>2.5 - 5.0</td>
</tr>
<tr>
<td>Large</td>
<td>5.0 and above</td>
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Table 1: Classification of Growers (based on farm size)

The first part of the paper provides a descriptive account of the apple economy and the multiple processes by which dependent development in Sopore is reproduced. The manner in which apple farming organizes the family, labor relations, socio-political interactions with the moneylenders (pre-harvest contractors and commission agents) are the issues in focus. The crucial role of trading houses and banks, and the unique marketing practices of the area are discussed in order to identify the socio-economic links that render independent capitalist development impossible. We use directed comparisons with the apple economy in Kullu to identify the exceptional nature of these relationships in Sopore. Building on the specifics of the discussion, the latter half of the paper identifies the politico-legal processes that are implicated in this account of dependent development. The erosion of autonomy is understood to be a complex political process involving the creation and empowerment of a rentier class in the region. This section examines the formation of such a rentier class and the mechanism by which a supposedly autonomous sub-national unit enters into a deeply exploitative relationship with the mainland economy.

**Dependent Development: Economic and Social Relations in Sopore**

The discussion in this section is divided into six parts which reflect various aspects of the production chain (see Figure 1): family and labor relations; credit; contractors
and middlemen; price determination; pesticides and fertilizers; infrastructure; and growers’ cooperatives.

**Family and Labor relations**

Out of the 45 interviews conducted with the growers, 39 lived in a joint family arrangement and the orchards were collectively owned by the members of the family. Because of the intermittent need for skilled labor throughout the year coupled with the loss of farm incomes over the years, families preferred to stay together in order to cut costs. It is only the men of the family that are involved in the on-farm activities. Women are conspicuously absent from the farm and business spaces including the markets. The farmers attribute the cause to the large army presence and rise in militant activities in the valley. They spoke about the time when women were active
participants and worked on the farms. Sopore, like other parts of the Kashmir valley, witnessed large number of rape and harassment incidents perpetrated by the Indian army, the police militia, as well as by separatist militants (Amnesty International 1992). This has forced the women to remain within the confines of the house, thereby restricting their contribution to supplying food to family members and other laborers working in the orchards.

The labor contract in Sopore includes a daily supply of food, tea, snacks, and bread by the contractor and this is generally provided for by the women in the house. Local Kashmiri laborers are typically employed for tasks demanding skill and experience while the demand for unskilled labor is fulfilled by migrant labor mainly consisting of Muslims from Uttar Pradesh, Bihar, West Bengal and Orissa. Activities like spraying pesticides, tilling the land, loading cartons for transportation, etc., are carried out by unskilled workers, living in rented rooms in the area. At the time of fieldwork, the daily wage for the skilled labor varied between Rs.500-1000, while for the unskilled it was typically fixed at Rs.300. An apple grower works on the orchard throughout the year. After the winter snow, activities on the farm gain momentum, beginning with pruning (locally called Shakh Tarashi) and chemical treatments. Plucking, sorting, packing, loading-unloading, transport etc. are some of the other activities involved.

Credit

Over the years, the costs of production have been steadily rising due to the lack of irrigation facilities, the increase in the required number of pesticide treatments, transportation costs, and the prices of wooden boxes and paper cartons. The banks lend at rate of interest varying between 9-15% per annum with the upper limit on agricultural credit being just 100,000 rupees. The Kisan Credit Card scheme sponsored by the central government lends at 7% rate of interest and does not require mortgaging the orchards. But it requires the growers to submit all the legal papers related to the land. Moreover, under the Kisan Credit Card scheme only Rs.36,000 per kanal (1/8 acres) of land are available to the growers, which is insufficient to meet the costs of production. All of the growers interviewed had availed of institutional credit (from J&K bank, government of India’s Kisan Credit Card scheme, etc.), all of them had mortgaged their orchards to the banks, and out of 45 farmers interviewed, 41 farmers had defaulted on their loans. Although their orchards have not been acquired, this dire situation makes them turn to the pre-harvest contractors (PHCs) who loan double the amount compared to the banks without asking for mortgage but at 12% rate of interest. They also demand a commitment from borrowers to give their produce (which must be three times the value of the borrowed amount) to the lender for selling in Indian markets. The agent charges 3-4% commission charges from the grower and 1% from the buyer for brokering the deal.
Moneylending has proliferated in the region, because informal money-lenders typically extend loans up to Rs.2,00,000. Residents with access to loans from the banks borrow for the purpose of onward lending. Some residents with a government job, who have some money to spare, have also entered the money-lending business. The most common money-lenders, however, are the Kashmiri PHCs who receive money both from the banks and from Delhi-based traders. There are Indian commission agents (called Aareth in Kashmiri) mostly based in the regional capital, Srinagar, but most Kashmiri growers prefer borrowing from local PHCs because they are known to them and have social relations with them and their families.

Pointing to the role of the banks, a report by NABARD highlighted out that during 2010-11, loans worth Rs.1200 crore were provided to the apple growers in Jammu and Kashmir, of which the share of formal credit was merely Rs.200 crore (Fayyaz 2013). Paradoxically, banks have been providing credit to the commission agents who indulge in onward lending to the cash starved growers. The report criticizes the J&K bank for encouraging usurious lending by commission agents. Traders and wholesalers enjoy a higher credit limit of ten or twenty million rupees whereas the credit limit for growers is much lower. Moreover, the high rates of interest charged cannot be attributed to the risk burden carried by lenders. At the Azadpur market, most of the commission agents we interviewed suggested that compared to apple-growers in Kullu, cases of default and fraud by the growers are very few in Sopore. Despite their inferior financial status, apple-growers in Sopore bear all of the risk associated with apple-growing, and defaulting on loans is not an option as those lending money have significantly high social and political status in Sopore.

Contractors and Middlemen

A network of middle order market functionaries is prominent in Sopore, just like in most other agricultural markets. This network typically comprises of the pre-harvest contractors (PHCs), commission agents, and wholesalers which deny farmers the full value of their apple harvest. In the absence of institutional financing mechanism in Sopore, informal credit and output markets are interlocked in such a way that Commission agents (Delhi-based and others) take undue advantage of the cash starved growers. The pre-harvest contractors turn the growers into captive suppliers of apples.

Each one of the forty five apple growers we spoke to was dependent on the pre-harvest contractors (PHCs) and other middlemen for the entire cycle of apple production and marketing. Most of those PHCs have ties with Delhi-based “commission agents”. A commission agent acts as a middleman brokering a transaction between a buyer and a seller, rather than actually participating in the transaction by buying from the farmer and selling to a wholesaler in Delhi or some other market. There are around 3000 commission agents in entire Kashmir and though the fruit market in Sopore (considered Asia’s largest fruit market) is officially a non-commission
market, it has over 500 commission agents (Fayyaz 2013). The commission agents usually work for the traders based in Delhi and set up permanent offices (locally called *fadi*) in the Sopore market. As mentioned earlier, the grower is bound to sell his produce through the commission agent from whom he borrowed money and to a final buyer identified by the commission agents. The pre-harvest contractors are typically locals (employed by the Delhi based trading companies) who have amiable relations with the growers and their families. They lend not only for apple farming but also for buying livestock and for private expenditures including marriages, functions and festivals. As a result, these individuals have emerged as powerful actors in the local political landscape.

A brief comparison with Kullu in Himachal Pradesh shows that Sopore’s apple-growers face a higher level of exploitation. In Kullu, many of the growers (especially the owners of smaller orchards) do borrow money from the PHCs but the nature of the contract obligates the contractor to perform a host of activities for ensuring crop protection and quality of the produce. After entering into agreements with the farmers, he ensures proper irrigation, hires skilled harvesters and packers for the produce, supervises wrapping of poly ethylene sheets around apple bunches and makes arrangements for theft protection (Pandey et al. 2009). We found no evidence of such services being offered by PHCs in Sopore.

*Price Determination*

Due to a variety of collusive and opaque practices, apple-growers in Sopore often receive much less than the market price. Commission agents also impose a great degree of price uncertainty and risk on apple-growers. Price negotiations between apple growers and commission agents follow a quaint practice, locally known as the *Hatha* or the *Aath Deu* system. Under this system, prices are negotiated through a handshake under a piece of cloth, and under the veil of secrecy (see Figure 2 below). This method of quoting and negotiating the price for Kashmiri apple-growers prevails in markets in Kashmir as well as in Delhi and other Indian markets. As a result, Kashmiri apple-growers experience a great degree of uncertainty and rumor-mongering regarding prices being offered by different buyers.

The setting up of a number of cold storage facilities in and around Azadpur market in Delhi by the traders and agents has increased the practice of hoarding of the produce, which aids price manipulation at the markets. Controlled Atmosphere Storage (CAS) is becoming very popular among commission agents. There are seven cold storages within Azadpur market yard of Delhi and more than one hundred in Kundli (Sonipat, Haryana). Unlike the J&K government, the governments of Delhi and Haryana provide subsidies for setting up cold storages. When the agents finally pay the growers the proceeds of the sale, they deduct the advance, the transportation cost, taxes, labor charges for loading and unloading the boxes, bribes to army personnel at the tax barrier in order to avoid frisking and unloading of apple crates.
for inspection, and other hidden charges popularly known as *Watak* in Kashmiri. These deductions are extremely arbitrary and exploitative. These practices have been continuing since 1950s, and perpetuate the debt bondage and strengthen the position of the pre harvest contractors in the region.

A comparison with the experience of apple-growers in Kullu demonstrates that the price uncertainties forced upon Kashmiri apple-growers through policy failure. Though Kullu growers also suffer from the uncertainties of the *Hatha* method of price determination at the Azadpur market in Delhi, the practice has been brought to an end in the markets in Shimla and Chandigarh through government regulation (Pandey et al. 2009). Apple growers of Himachal Pradesh also enjoy a minimum support price fixed by the government each year. Kullu growers tend to sell A-grade apples to the private traders in Chandigarh and Delhi, and B and C grade apples to the state-owned Horticultural Produce Marketing and Processing Corporation (HPMC) since it does not differentiate in support price for different grades of apples. As a result, they receive a good price for the lower grade apples. Moreover, Himachal Pradesh implemented marketing reforms in 2005 allowing apple growers easy access to wholesalers and direct trade with the consumers. The state has also introduced public-private partnerships in the financing, marketing, operation and management of agricultural markets. None of these reforms have been replicated in Kashmir.
**Pesticides and Fertilizers**

Sopore’s apple economy relies heavily on certain local producers and distributors of pesticides and fertilizers, who enjoy a de facto monopoly in the business and produce low-grade pesticides and fertilizers. This not only escalates the production costs but also severely damages apple trees and their capacity to bear fruits in future seasons. Growers invariably compared their situation to those of the apple growers in Himachal while making a case for deliberate discrimination against Kashmir. In Himachal, pesticides and fertilizers are supplied by the HPMC at subsidized rates and are easily available to the growers at the local HPMC centers (Sahu et al. 2014). While Himachal apples require only 2-3 rounds of pesticide spray since the pesticides are better in quality compared to the ones available to the Kashmiri growers, the Kashmiri apple requires around 12-13 rounds of the same. They pointed out that almost each year, the government notifies that some pesticides being sold to the farmers are unfit for use after the farmers have already bought and used them. Most of the pesticides producing units belong to one or two individuals in Kashmir who use their political and economic clout to prevent any other pesticide from entering the market till such time as they finish their stocks. Those individuals have been ministers and members of state assembly for many successive governments.

**Infrastructure**

Levels of public investment in local economy continues to be extremely low. Infrastructural development, which is fundamental to the growth of the economy, is minimal. The horticulture market in Sopore, which was opened in 2000 after consistent efforts of local growers despite tough resistance from Delhi traders, while being the largest in Asia, lacks much of the infrastructure necessary for a market of its size. Apple is a perishable product and the lack of cold storage facilities makes their produce vulnerable. The Sopore market has no cold storage – the only such private facility is in Srinagar and is operated by the same family that manages the pesticide business. In contrast, Himachal Pradesh has about nearly ten Compressed Atmospheric Stores (CASs), and is set to establish 12 more units of this type (Bodh 2015). As compared to Himachal Pradesh, which has over 85 food processing units, value addition and apple processing industries are completely absent in Kashmir (Pandey 2015).

**Growers’ Cooperatives**

The Jammu and Kashmir Horticultural Produce Marketing and Processing Corporation Limited (JKHPMC) used to make cartons, trays and crates to be sold at reasonable prices to farmers. The state government has been cutting down subsidies to the institution each year (Government of Jammu and Kashmir, 2014: 264) and as a result growers now have to purchase these inputs at a costlier rate in the black market.
during the peak harvesting season. Barring two growers with big orchards, all other growers used wooden boxes with paddy straw (a costly and inefficient method) to pack and transport apples. Deinstitutionalization stands out as an important feature of Kashmir’s apple industry. It is telling that out of the total of 256 growers’ cooperative societies set up by the state government since 1971, only two have survived (Siddiqui, 2013).

In stark contrast, apple growers in Himachal Pradesh are a formidable political force and have a number of growers’ cooperatives like the Himalayan apple Growers’ Society (HAGS), Himachal Pradesh Cooperative Farming and Consumer Federation (HIMFED), Himachal Pradesh Fruit Growers’ Marketing and Processing Cooperative Society (HIMPROCESS), Karsog Valley Farmers’ Cooperative Society, to name just a few. These societies are instrumental in demanding basic facilities for the growers, including cheaper cartons for packing, better transport facilities, building of roads to the more inaccessible orchards in the hills, etc. In Himachal Pradesh, the government has banned the use of wooden boxes and established a state owned factory to produce corrugated fiber board (CFB) cartons and fixed its selling price at a level lower than the cost price of wooden boxes.

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This descriptive account of the apple economy in Sopore would not come as a surprise to scholars of petty commodity production in India. Barbara Harriss-White writes that “agricultural commodity transactions are interlocked with credit contracts in ways which can sometimes be shown to depress commodity prices below levels resulting from unconstrained transactions and to raise interest above ‘market’ rates” (Harriss-White, 1995: 93). She refers to common practices of resource appropriation through ‘misinformation, fraud, arbitrary deductions as well as the subversion of regulatory interventions of the state’ (Harriss-White, 1995: 93). Pointing to the role of oligopolies, Harriss-White further argues that mercantile oligopolies most often function by creating dependence within the smaller firms for information and physical facilities. They “strive to set the terms and conditions of accumulation of the petty sector by relations of finance” (Harriss-White 1995: 94).

Although much of the credit and market landscapes in Sopore are comparable with those present elsewhere in India, the political relations that create and reproduce the social conditions of what Harriss-White calls ‘mercantile oligopolies’ in Kashmir are by no means common. Our comparison with the apple economy in Kullu suggests that Kashmir’s special political status has significant economic implications as well. Near absence of government regulations and persistence of exploitative practices as the norm in crucial areas of the apple economy points towards the political imperatives that create the conditions of dependent development in Sopore, thereby rendering impossible its autonomous growth. It is to these political imperatives that we now turn.
In May 2008, the government of Jammu and Kashmir and the government of India reached an agreement to transfer 99 acres of forest land to the management of the Amarnath shrine, a popular Hindu pilgrim destination. This land lay mainly in the Kashmir valley and was proposed to be used for building shelters for Hindu pilgrims, which caused a great deal of anxiety in the Muslim-dominated Kashmir valley. Both the Muslim-dominated Kashmir valley and the Hindu-dominated Jammu region witnessed large scale protests and polarization. The decision was revoked by the Jammu and Kashmir government in July 2008 but the protests in Jammu continued. The protests were led by a group of organizations rallying around the Bhartiya Janata Party (BJP) under the banner of Amarnath Shrine Sangharsh Samiti, which blocked traffic on the Srinagar-Jammu highway, the only land link between Kashmir valley and Indian mainland. As a result of the de-facto economic blockade, Kashmir’s apple industry (among others) suffered immensely. The losses were compounded by the lack of adequate cold-storage facilities. Sopore’s apple growers went on a month long strike to demand opening up alternate channels of trade (including Attari, Wagah, Muzaffarabad road links) with India, but the blockade continued. Tonnes of apples perished and thrust the growers under enormous debt, strengthening further the hold of the middlemen on the growers. This blockade stands out as a stark reminder and example of the extent of Sopore’s (and Kashmir’s) economic dependence on India.

Local self-governance institutions in Sopore, like many other parts of Kashmir, have not been in existence since the 1990s, when militancy picked up, with representative institutions within local bodies being kept in abeyance. Since the 2000s, Sopore has not seen much change in the elected representatives for the state legislature from the area. Dilawar Mir had been the representative from Rafiabad, Sopore till he was barred from contesting elections and imprisoned on charges of corruption. Now, his son Yawar Mir represents the constituency in the state legislature. Dilawar Mir is also the owner of the dominant pesticide company in the area. Growers mentioned that due to the political influence of these politicians, they are able to control the market to an extent where no other pesticide enters the market till the time their products get sold. The growers spoke about the powerful lobby of Delhi-based traders wielding a strong influence in the local electoral politics. During the recent elections to the state legislative assembly, a candidate supported by Delhi-based traders defeated the president of the J&K Apples Growers Association who contested as an independent candidate.

Other than Mir, growers spoke of Iqbal Bukhari or Iqbal ‘Dythene’ (named after the pesticide manufactured by a large company he owns and manages). His son Syed Altaf Bukhari is the elected representative from Amira Kadal constituency, Srinagar. Mir and Bukhari control between them almost the entire pesticide and fertilizer supply to Sopore. Bukhari also owns the only cold storage facility in the entire area of Sopore and Srinagar. Apart from the Jammu and Kashmir Horticultural Produce
Marketing and Processing Corporation (JKHPMC), Kohinoor is the only other company which makes apple juice concentrates, and it belongs to Iqbal ‘Dythenc’. Because of lack of funds, the JKHPMC is not able to pay the farmers for months after procuring C-grade apples from them for the juice concentrates, but Kohinoor pays up front and thereby controls this business. This near total monopolization of the various businesses associated with apple production by just a small number of powerful families is a pattern that has existed for long in Sopore. Neither of the two dominant mainstream parties in the region – the National Conference and the Peoples’ Democratic Party – have sought to break this monopoly over the market. We often heard in our interviews the opinion that these individuals contribute monetarily to both the parties.15

Almost all of the growers admitted to participating in vote-buying by the two major Kashmiri parties before elections. They argued that the traders in Delhi and the pesticide companies funded particular candidates and enabled the defeat the president of the Sopore apple market who contested assembly elections in 2014. The political and economic dominance of these interests is safeguarded by both the central government in India and the army. This is characteristic of the kind of political leadership that has emerged in Jammu and Kashmir over the past sixty years. Wajahat Habibullah (2004) writes about the corrupt practices instituted by the Indian government in 1950s when it advanced loans to buy off political allegiance of a section of Kashmiri population. Bakshi Ghulam Mohammed, the prime minister of Jammu and Kashmir after the arrest of Sheikh Abdullah, was instrumental in granting contracts for exploiting the forests, licenses for establishing transport, tourism infrastructure, etc. In this way, he quickly controlled the agitation stemming from Abdullah’s arrest. His own business was based on forest leases and military contracts (Habibullah 2004).

The funds given by the central government to Jammu and Kashmir were enormous and many individuals reaped the benefits of such state sponsored extraction of resources. Habibullah (2004) writes that other states in India receive approximately 20% of the funds for development from the central government, but Kashmir, until 1990, received 80% of its development funds from the Central government. Post 1990s, 100% of the funds came from the Central government and only 20% was repayable. Kashmir is the largest recipient of Central government grants worth 812 million dollars per year (Development Commissioner, MSME 2012). The rentier class in Kashmir has sought to appropriate these funds and the right to extract the resources of the valley. Many of the beneficiaries contested elections and became the elected representatives, including Bukhari and Mir. The perceived autonomy of Jammu and Kashmir sanctioned through Article 370 of the Indian constitution has diverted attention from the structural debilitation of the Kashmiri economy and substantial erosion of its autonomous status. To the extent that economic dependence is debated, Article 370 allows the Indian government to shun accountability and responsibility for the anemic state of Kashmiri apple
sector, as well as the economy at large. It has therefore become an instrument that sanctions state impunity in Jammu and Kashmir.

Law/Exception and Sovereignty: The Case of Article 370

In 1964, the Union Home Minister Gulzari Lal Nanda explained in the Lok Sabha that “the only way of taking the constitution (of India) into Jammu and Kashmir is through the application of Article 370...It is a tunnel. It is through this tunnel that a good deal of traffic has already passed and more will” (Noorani 2011: 2). Article 370 of the constitution of India is a unique provision that was the outcome of the negotiation between Jammu and Kashmir and India, and it could not be amended or abrogated unilaterally. It mainly embodies six special provisions that allow Jammu and Kashmir its own constitution and restrict India’s legislative control to defense, foreign affairs, and communications.

However, since then, 120 of the 144 subjects on which the central government can legislate for the rest of India have been extended to the state of Jammu and Kashmir, along with 260 of the 395 articles of the constitution of India (Noorani 2015). The erosion of autonomy sought to be guaranteed by Article 370 was formally acknowledged by the Indian leadership as early as in 1963. The then union home minister Mr. Nanda noted that “…only the shell is there. Article 370, whether you keep it or not, has been completely emptied of its contents. Nothing has been left in it.” (Noorani 2011: 2) In fact, it is legislatively much easier to amend Article 370, compared to interference with the rights of other states of India. With regard to the rest of India, if the state’s powers are to be curbed, the procedure laid down in article 368 will have to be followed. With regard to the state of Jammu and Kashmir, a mere executive order made by the President under Article 370 would suffice (Noorani 2011: 2).

It is significant to note that despite the political and administrative clarity on the emptiness of Article 370 and its clear inability to be an instrument of Kashmir’s autonomy, it continues to be a metaphor for whipping up passions, both in India and in Kashmir, with regard to the demand for its abrogation. This particular perception of Jammu and Kashmir’s autonomy helps further the processes of dependent development by granting impunity and rendering accountability unnecessary. Sopore is one of the leading centers of resistance against the Indian occupation. The separatist leader SAS Geelani, among others, hails from Sopore. Observations from many growers pointed towards the fact that their economic dependence on India has increased over the years and they believed that there were deliberate attempts being made by successive Indian governments to create and further this economic dependence through an effective control of credit, marketing, pricing, etc. By reducing the profits to be made from apple cultivation, some of them observed, the Indian State attempts to weaken resistance against its occupation of Kashmir.
Such a response to resistance movements against the State operates by perpetuating a state of exception. Giorgio Agamben describes the state of exception as “a zone of indistinction, between the outside and the inside,” such that “there is no difference between law and force, wherein individuals are subjects to the law but not subjects in the law” (Agamben 1995: 19). One of the foundational powers of a sovereign is the ability to decide if the law applies to a situation or if the law is held in abeyance due to an emergency or crisis. Agamben's description of the 'state of exception' provides the philosophical grounds for critical scholarship on meanings of sovereignty, law and the accrual of emergency powers to the executive. He argues that the “state of exception which was essentially a temporary suspension of the rule of law on the basis of a factual state of danger, is now given a permanent spatial arrangement, which as such never remains outside the normal order” (Agamben 2005). Article 370 creates that permanent state of exception which makes the ‘normal’ biopolitical control of the government inside the territorial frontier of the state possible.

Lack of state sponsored development initiatives for the apple growers of Sopore, widespread black marketing of essential goods, trade distorting private monopoly over pesticides and fertilizers, institutional decline of government agencies like JKHPMC, proliferation of informal, usurious lending present a poignant story of neglect, corruption, apathy and misuse of political powers. This informality has been the norm for the apple industry in Sopore over the past five decades. This impunity in many ways is sanctioned by the constitutional provisions under Article 370. This unique legal-constitutional provision institutionalizes the state of exception in Jammu and Kashmir and furthers the processes of dependent development through informalized practices of governance, which becomes the dominant motif of the contemporary discourse on development in the region.

While Article 370 creates a semblance of autonomy for the region, it is mostly inconsequential since almost all of the basic/fundamental rights of Kashmiri citizens are denied under the Disturbed Areas Act and Armed Forces Special Powers Act. The exceptional is overdetermined through multiple legal-constitutional frameworks and sovereignty is expressed through the governmentality of discretion. The case of apple growers of Sopore brings into focus the instrumentality of the extra-legal and apathetic causes in the pattern of dependent development. It not only inhibits structural change and reform in the economy, but also distorts and undermines the development process fundamentally. The rentier economy creates distortions and prevents capitalist development in the region, while the sovereign decides which informality to encourage and which ones to curb. The monopolies, corruption, misuse of political power, lack of public assistance to government initiatives cannot be treated as an aberration. They become a part of the logic of exception that is used to contribute to the process of dependent development.
NOTES

[1] Contribution of agriculture sector to J&K’s GDP is 22.63% and horticulture contributes 45% of the GDP from agriculture (Government of Jammu and Kashmir 2014).

[2] The roles of pre-harvest contractors and commission agents have been discussed in detail in later sections of this paper.

[3] For example, Interviewee #1 (6/4/2014) of Rafiabad, spoke about the time when his mother used to work on the field. He mentioned that around the year 1987, women withdrew from farm activities because militant separatist movement began in the region and army increased its deployment. He said that “there were a number of rape and molestation incidents and it became unsafe for women to venture out alone.” We were able to speak to this person’s mother and another elderly neighbor of her. The two women recalled the time when they used to actively participate in plucking, sorting and packing of apples. Delivering food to the farms for the male members of the household and the workers was another regular activity. They also mentioned that during pruning of the apple trees, they collected the stems and burned them to make charcoal in order to use it for lighting the Kangri, the earthen pot full of embers that Kashmiris use to keep warm in winters. Of late, some women have started collecting stems for charcoal from the fields again, but to a much lesser extent.

[4] For example, Interviewee #2 (6/12/2014), of village Nowpora, is skilled in Shakh Tarashi or pruning of apple trees. The months for pruning are typically September-October and February-March. During these months of high demand, his job fetches him a daily wage ranging from Rs.1000-1200. In other months, he has to travel to nearby villages to find a job and he claimed that usually he manages to earn around Rs.500-700 daily.

[5] For example, Interviewee #3 (6/14/2014) from Uttar Pradesh works as an unskilled laborer in the apple farms. He makes Rs.300 on an average daily, while during times of labor scarcity he works at Rs.300-500 per day.

[6] The rate of interest charged by the PHCs is, in some cases, charged on the value of apples sold. In those cases it goes by the name of “commission charges”.

[7] For example, Interviewee #4 (6/5/2014), who owns 3 hectares of land in Rafiabad, borrowed Rs.1.5 million from a PHC in January, 2013. He had to make a commitment to sell apples from his orchard worth Rs.4.5 million through him. He charged an interest of 12%. The PHC took his produce to Azadpur market in Delhi where he found a buyer for his produce at a good price and took commission of 3% on the final value of apples sold.

[8] In some reports, the commission charges have been shown to be as high as 6-12% (Fayyaz 2013).

[9] Interviewee #5 (7/3/2014), a pre harvest contractor in Sopore, owns a fad in the Sopore fruit market. He mainly receives his finances from a Delhi-based company and claims that Sopore has the highest number of commission agents in Kashmir valley. He had to obtain permission from the Sopore Apple Growers’ Association and the Sub-district Magistrate (or Tehsildar) to set up his fad. He said that the local government officials have always helped them go about their business smoothly. But they have to regularly bribe them to keep them “in favor.”

[10] Interviewee #7 (2/15/2015 in Azadpur market, Delhi) listed the ‘hidden charges’ that he had to pay to bring his produce to the market in Delhi. It included the costs of the phone calls made by the driver and the assistant to the agents in Delhi, their snacks, food and lodging costs (since it takes
about 20 hours from Sopore to Delhi during good weather conditions) and the money that they offered at the famous shrine, Ziarat Syed Hassan Man Taqi, on the way. He joked about an event in the past where he discovered in the final list of various 'hidden' charges the cost of visiting a local brothel by the driver!

[11] Many of the farmers recalled that about 2-3 years ago, they were sold some pesticides in the market that turned the apple trees and their surroundings so poisonous that it killed any stray cattle that ate the grass under those trees (Mohiuddin 2015).

[12] Dilawar Mir was sentenced in 2014 to three years imprisonment for ‘wrongful release of Rs.3 million and contract for sale of urea to his firm (M/S Good Friends Agency) by National Fertiliser Limited (NFL)’ in 1993-96 (Times of India, 8 November 2014).

[13] For example, Interviewee #8 (12/24/2014) spoke about shortage of good quality pesticides in Sopore. He said, “last year Iqbal Dythene had sold sabun (local name for pesticide) worth Rs.4 crores. It was only later that products from other companies entered the market.” Another farmer added that, “each year government sends samples of pesticides for testing and issues a warning in October or November that such-and–such product is spurious and should not be used, though the pesticides have already been sprayed in March or April.”

[14] Interviewees #9 and #10 (12/27/2014) were vehement in their criticism of the apparent monopoly enjoyed by Iqbal Dythene and Dilawar Mir in the pesticide business. They mentioned that Mir has also been indicted and sentenced by the High Court. One grower commented that “these individuals are well entrenched in the system. They themselves are the politicians as well as the businessmen. They also have connections with the army. It is not possible to get anything done, let alone do business on that scale in Kashmir without army’s blessings”.

[15] Interviewee #9 (12/27/2014) remarked that “individuals like Iqbal Dythene are the Ambanis of Kashmir. They fund both the parties. They not only have political and business connections with parties but have familial relations with the leadership of both the parties. They are Peers (the religiously and socially dominant section among the Kashmiri Muslims) and they are highly endogamous. So whichever party comes to power, their interests are always taken care of. But they are supposed to be closer to PDP now, since it is said that they funded PDP when it first came to power in J&K. Iqbal Dythene’s son recently won as a PDP candidate”.

REFERENCES


