Journal DOI: 10.36713/epra1013 | SJIF Impact Factor (2026): 8.748 ISSN: 2347-4378
EPRA International Journal of Economics, Business and Management Studies (EBMS)
Volume: 13 | Issue: 5 | May 2026 -Peer-Reviewed Journal

SMALL SCALE INDUSTRIAL DEVELOPMENT AND EMPLOYMENT GENERATION IN BARAMULLA DISTRICT OF JAMMU AND KASHMIR: AN EMPIRICAL ANALYSIS

Dr. Ajaz Ahmad Ganaie[1], Dr. Mandeep Kaur[2], Dr. Sonia Kundra[3], Dr. Neha Monga[4], Dr. Parwinder Kaur Dhillon[5]

[1]Assistant Professor (Economics) ITEP Programme, Department of Education, Guru Nanak Dev University, Amritsar, Punjab.
[2]Assistant Professor (Economics) Guru Nanak Dev University College, Ladowali, Jalandhar, Punjab.
[3]Assistant Professor (Commerce) Guru Nanak Dev University College, Ladowali, Jalandhar, Punjab.
[4]Assistant Professor (Management) Guru Nanak Dev University College, Ladowali, Jalandhar, Punjab.
[5]Assistant Professor (Computer Science) Guru Nanak Dev University College, Ladowali, Jalandhar, Punjab.

Article DOI: https://doi.org/10.36713/epra27800
DOI No: 10.36713/epra27800

ABSTRACT

Small Scale Industries play a vital role in regional economic development by generating employment opportunities, promoting entrepreneurship, and utilizing local resources efficiently. The present study examines the growth performance and employment elasticity of the small scale industrial sector in Baramulla district of Jammu and Kashmir during the period from 2005-06 to 2020-21 using secondary data. The analysis focuses on the growth pattern of industrial units, employment generation, and the contribution of Baramulla district to the overall small scale industrial sector of Jammu and Kashmir. Statistical tools such as annual growth rate and employment elasticity have been used to assess the relationship between industrial growth and employment generation. The findings reveal that the small scale industries sector in Baramulla district experienced gradual and stable growth in terms of industrial units and employment up to 2017-18. The district maintained a consistent share in the overall small scale industries sector of Jammu and Kashmir, reflecting its significant role in regional industrial development. The employment elasticity analysis indicates that the expansion of small scale industrial units generally contributed positively to employment generation due to the labour-intensive nature of the sector. However, the later years of the study period witnessed severe structural disruptions, decline in industrial units, and substantial employment losses caused by economic instability, administrative changes, and external shocks such as the COVID-19 pandemic. The study highlights the vulnerability of the small scale industries sector to economic disturbances and emphasizes the need for effective policy support, financial assistance, infrastructural development, and market stability to strengthen industrial resilience and employment sustainability in the district.

KEYWORDS: *Small Scale Industries, Employment Elasticity, Baramulla, Jammu and Kashmir*

1. INTRODUCTION

Small Scale Industries (hereafter referred to as SSI) constitute an important segment of the industrial structure of developing countries like India. Since independence, the Government of India has accorded special importance to the development of SSI because of their significant contribution towards employment generation, industrial production, export promotion, entrepreneurship development, and balanced regional growth. The sector has emerged as a dynamic and vibrant component of the Indian economy due to its labour-intensive nature, low capital requirements, and ability to utilize local resources effectively (Subrahmanya & Pavan, 2013).

Industrialization plays a crucial role in accelerating economic growth and improving living standards, particularly in developing economies. In India, SSI have become an effective instrument for achieving inclusive growth by creating

employment opportunities for skilled, semi-skilled, and unskilled labour with comparatively lower capital investment. According to Dara Singh (2018), the small scale industrial sector contributes significantly to industrial output and employment generation and offers better scope for investment due to its smaller gestation period and decentralized nature. The sector also facilitates mobilization of local savings, entrepreneurial skills, and indigenous resources which might otherwise remain underutilized.

The importance of SSI has increased considerably in the post-liberalization and globalization period. Despite facing intense competition from large-scale industries and multinational corporations, the small scale industrial sector continues to contribute substantially to India's manufacturing output and exports. Subrahmanya and Pavan (2013) observed that the sector accounts for nearly 45 percent of manufacturing output and around 40 percent of total exports while generating employment opportunities next only to agriculture. The labour-intensive nature of SSI makes them particularly important for a country like India where unemployment and underemployment remain major economic challenges.

SSI are also regarded as an important mechanism for reducing regional imbalances and promoting rural industrialization. Sheela and Balakrishnan (2014) pointed out that SSI act as a key link in the process of socio-economic transformation by encouraging industrial dispersal and creating employment opportunities in rural and semi-urban areas. The development of SSI not only improves local income and living standards but also reduces migration pressure on urban centres by generating employment opportunities at the regional level.

Over the years, the Government of India has introduced several policy measures and institutional support systems to promote the growth of SSI. Institutions such as District Industries Centres (DICs), Small Industries Development Bank of India (SIDBI), National Small Industries Corporation (NSIC), and various state-level financial institutions have been established to provide financial, technical, and marketing assistance to small entrepreneurs. Sekar and Ganesan (2012) highlighted that DICs were created to provide integrated support and guidance to entrepreneurs under one roof and to promote rural industrialization effectively. Similarly, Selvaraj and Suganya (2015) emphasized that various development programmes and policy initiatives were undertaken to create a favourable environment for the growth of small-scale industries in India.

The SSI sector has shown remarkable progress in terms of production, employment, and exports over the years. Mohan Raj and Amutha (2016) observed that SSI contribute significantly to GDP growth, industrial production, exports, and employment generation in the Indian economy. The sector is also considered important because it promotes equitable distribution of income and wealth and strengthens entrepreneurship development among economically weaker sections of society. In addition, SSI support the development of ancillary industries and contribute to the diversification of the industrial base of the country.

Despite their considerable contribution, SSI continue to face several structural and operational challenges. Problems such as inadequate institutional finance, poor infrastructure, technological obsolescence, shortage of skilled labour, marketing difficulties, and increasing competition from large industries adversely affect the performance and sustainability of the sector. Thori (2016) emphasized that issues relating to credit availability, technology adoption, infrastructure, and market awareness continue to hinder the growth of SSI in India. Globalization and economic reforms have further intensified competition, making modernization and policy support essential for the survival and growth of the sector.

In the context of Jammu and Kashmir, the role of the small scale industrial sector becomes particularly important because of the limited presence of large-scale industries, geographical constraints, and the dependence of the regional economy on labour-intensive economic activities. Districts such as Baramulla possess considerable potential for the development of labour-intensive small-scale industries based on local resources, agro-based activities, and traditional manufacturing. The growth of SSI in the district has contributed towards self-employment generation and regional economic development. However, the sector has also remained vulnerable to economic instability, political disturbances, infrastructural deficiencies, and external shocks. Therefore, an analysis of the growth performance and employment elasticity of SSI in Baramulla district becomes essential for understanding the contribution of the sector towards regional development and for formulating effective industrial policies aimed at strengthening industrial resilience and employment sustainability. Existing district-level studies in Jammu and Kashmir therefore suggest that while small scale industries play an important role in industrial expansion and livelihood creation, their employment-

Journal DOI: 10.36713/epra1013 | SJIF Impact Factor (2026): 8.748 ISSN: 2347-4378
EPRA International Journal of Economics, Business and Management Studies (EBMS)
Volume: 13 | Issue: 5 | May 2026 -Peer-Reviewed Journal

generating capacity remains vulnerable to structural disruptions and external economic shocks (Ganaie et al., 2024; Ganaie & Kaur, 2024).

2. OBJECTIVES OF THE STUDY

- To examine the growth performance and employment pattern of SSI in Baramulla district of Jammu and Kashmir.
- To analyze the employment elasticity of the SSI sector and assess the relationship between industrial growth and employment generation in the district.

3. DATABASE AND METHODOLOGY

3.1 Database

The present study is based on secondary data relating to the performance of SSI in Baramulla district of Jammu and Kashmir. The data covers the period from 2005-06 to 2020-21 and includes information on the number of small scale industrial units and employment generated in the sector. The data has been compiled from official sources and published records, including departmental reports and statistical publications of the Government of Jammu and Kashmir. The dataset is used to examine the growth pattern, employment generation, and structural stability of the SSI sector in the study area. For comparative analysis, state-level data (J&K) has also been used to compute the share of Baramulla district in total units and employment.

3.2 Methodology

The study adopts a quantitative and analytical approach to examine the growth and performance of the SSI sector. Various statistical and econometric techniques have been employed to analyze the data.

3.2.1 Growth Analysis

The annual growth rate has been calculated to measure year-to-year changes in the variables using the formula:

$$\text{Growth Rate} = \frac{X_t - X_{t-1}}{X_{t-1}} \times 100$$

Where:

- X_t = current year value
- X_{t-1} = previous year value.

3.2.2 Employment Elasticity

Employment elasticity has been estimated to examine the responsiveness of employment generation to changes in SSI units. It is calculated using the following formula:

$$\text{Employment Elasticity} = \frac{\%\,\Delta E}{\%\,\Delta U}$$

Where:

- $\%\Delta E$ = Percentage change in employment
- $\%\Delta U$ = Percentage change in SSI units

4. RESULTS & DISCUSSION

4.1 Contribution of Baramulla to Jammu and Kashmir SSI Sector

Table 1 presents the year-wise share of Baramulla district in total SSI units and employment in Jammu and Kashmir during the period 2005-06 to 2020-21. The table highlights the relative contribution of the district towards industrial development and employment generation in the Union Territory. The data reveals that Baramulla district maintained a fairly stable position in the SSI sector for most of the study period, although considerable fluctuations emerged in the later years due to structural and economic disturbances.

In terms of industrial units, the total number of units in Jammu and Kashmir increased from 48,224 units in 2005-06 to 59,899 units in 2017-18. During the same period, the number of units in Baramulla district also increased steadily from 3,774 units to 4,685 units. Consequently, the share of Baramulla district in total units remained relatively stable between 7.57 percent and 7.90 percent. This steady increase in industrial units reflects gradual industrial expansion in the district due to increasing entrepreneurial activities, availability of local labour, and government support for small-scale industries. The stable share further indicates that the pace of industrial growth in Baramulla was largely consistent with the overall industrial growth of Jammu and Kashmir.

The gradual rise in the number of units during this phase may also be attributed to the importance of SSI in generating self-employment opportunities and utilizing locally available resources in the district. Government schemes, financial assistance, and promotional policies for small-scale industries likely encouraged industrial registration and expansion during this period. Moreover, Baramulla district, being economically significant in North Kashmir, provided a favourable environment for the growth of agro-based units, and other small industrial activities.

However, a sharp structural discontinuity is observed after 2017-18. The total number of units in Jammu and Kashmir declined drastically from 59,899 units in 2017-18 to 33,845 units in 2018-19 and further to 32,726 units in 2020-21. Similarly, the number of units in Baramulla district also declined from 4,685 units in 2017-18 to 2,733 units in 2018-19 and marginally increased to 2,751 units in 2020-21. Despite the decline in the actual number of units, the share of Baramulla district in total units increased from 7.82 percent in 2017-18 to 8.41 percent in 2020-21. This increase in percentage share occurred mainly because the decline in total units at the Union Territory level was much sharper than the decline observed in Baramulla district. The sudden fall in industrial units during the later years may be associated with economic slowdown, administrative restructuring, market uncertainty, and the impact of external shocks such as lockdowns and disruptions in economic activities. Therefore, the increase in Baramulla's percentage share should not be interpreted as actual industrial progress but rather as a relative improvement caused by the larger decline in the overall industrial sector of Jammu and Kashmir.

In addition to industrial expansion, employment generation in the district also exhibited a broadly similar trend during the study period. In 2005-06, total employment generated by small scale industrial units in Jammu and Kashmir was 2, 19,127 persons, of which 15,494 persons belonged to Baramulla district, accounting for 7.07 percent of total employment. Employment in Baramulla increased gradually over time and reached 19,554 persons in 2017-18, while total employment in Jammu and Kashmir increased to 2,95,348 persons. During this period, the employment share of Baramulla remained relatively stable between 6.62 percent and 7.12 percent. This indicates that employment generation in the district expanded steadily along with industrial growth.

The increase in employment corresponded with industrial expansion and greater labour absorption within the district economy. Expansion of industrial activities in sectors such as handicrafts, food processing, wood-based industries, and other small manufacturing units may have contributed to employment growth in the district. The steady rise in employment also reflects the role of SSI in providing livelihood opportunities and reducing unemployment at the regional level.

Nevertheless, considerable fluctuations emerged after 2017-18. Employment in Baramulla declined from 19,554 persons in 2017-18 to 16,698 persons in 2018-19, while total employment in Jammu and Kashmir declined sharply from 2,95,348 persons to 2,08,977 persons. Consequently, the employment share of Baramulla increased to 7.99 percent in 2018-19 and further to 8.24 percent in 2019-20. However, in 2020-21, employment in Baramulla declined drastically to only 8,072 persons, reducing its share sharply to 4.52 percent.

The severe decline in employment in 2020-21 may be due to closure or reduced functioning of industrial units, disruptions in production activities, declining market demand, and economic uncertainty. External shocks, particularly the COVID-19 pandemic and associated restrictions, likely affected labour-intensive small industries more severely, resulting in large-scale employment loss. This suggests that although SSI units showed some resilience in maintaining industrial presence, their employment-generating capacity became highly vulnerable during periods of crisis.

Overall, the table indicates that Baramulla district maintained a stable and important contribution to the SSI sector of Jammu and Kashmir for a major part of the study period. The district experienced a steady rise in industrial units and employment up to 2017-18, reflecting favourable industrial conditions and increasing entrepreneurial activity. However, the later years witnessed structural disruptions, economic instability, and employment decline, highlighting the vulnerability of the SSI sector to external shocks. Therefore, there is a need for effective policy support, financial assistance, infrastructural development, and market stability to strengthen the resilience and employment-generating capacity of small-scale industries in the district.

Journal DOI: 10.36713/epra1013 | SJIF Impact Factor (2026): 8.748 ISSN: 2347-4378
EPRA International Journal of Economics, Business and Management Studies (EBMS)
Volume: 13 | Issue: 5 | May 2026 -Peer-Reviewed Journal

Table 1: Year-wise Share of Baramulla District in SSI Units and Employment in Jammu and Kashmir (2005-06 to 2020-21)

Sr. No	Year	Number of Units		Share of Baramulla in J&K (%)	Employment (In Numbers)		Share of Baramulla in J&K (%)
		J& K	Baramulla		J& K	Baramulla	
1	2005-06	48224	3774	7.83	219127	15494	7.07
2	2006-07	51077	3868	7.57	224312	15978	7.12
3	2007-08	50470	3944	7.81	232915	16255	6.98
4	2008-09	51441	4020	7.81	238281	16536	6.94
5	2009-10	52629	4112	7.81	245774	16969	6.90
6	2010-11	53544	4184	7.81	251251	17216	6.85
7	2011-12	54714	4272	7.81	260393	17588	6.75
8	2012-13	55742	4369	7.84	267194	18015	6.74
9	2013-14	56660	4446	7.85	274011	18518	6.76
10	2014-15	57788	4566	7.90	276680	18582	6.72
11	2015-16	58596	4619	7.88	283105	18929	6.69
12	2016-17	59223	4646	7.84	288524	19106	6.62
13	2017-18	59899	4685	7.82	295348	19554	6.62
14	2018-19	33845	2733	8.08	208977	16698	7.99
15	2019-20	32766	2743	8.37	204062	16815	8.24
16	2020-21	32726	2751	8.41	178579	8072	4.52
Total		809344	63732	7.87	3948533	270325	6.85

Source: Author's calculations based on data from Digest of Statistics 2020-21, Directorate of Economics and Statistics, Government of Jammu and Kashmir.

After examining the contribution of Baramulla district to the overall SSI sector of Jammu and Kashmir, it becomes important to analyze the internal growth dynamics and employment responsiveness of the district-level industrial sector. The following section therefore examines the pattern of industrial growth, employment generation, and employment elasticity of SSI in Baramulla district during the study period.

4.2 Growth Performance, Employment Pattern and Employment Elasticity of SSI in Baramulla District

4.2.1 Growth Pattern of Industrial Units

The growth pattern of small scale industrial units in Baramulla district reveals a gradual and consistent expansion during most of the study period. The number of industrial units increased from 3,774 units in 2005-06 to 4,685 units in 2017-18, indicating steady industrial development in the district. The present findings are broadly consistent with the evidence reported for Pulwama district, where the SSI sector also experienced stable industrial growth during the normal period followed by structural decline in the later years (Ganaie et al., 2024). The annual growth rate of units remained positive throughout this period and generally ranged between 0.58 percent and 2.70 percent. The highest growth rate of 2.70 percent was recorded in 2014-15, followed by 2.49 percent in 2006-07 and 2.29 percent in 2009-10. This stable growth trend suggests that the SSI sector in Baramulla experienced gradual industrial expansion without major fluctuations.

The consistent increase in industrial units during this phase may be attributed to the growing importance of small-scale industries in generating self-employment opportunities, utilizing local resources, and promoting regional economic development. Government initiatives, financial assistance, and promotional policies for SSI might have encouraged local entrepreneurship and industrial registration in the district. In addition, the labour-intensive nature of small industries and comparatively lower capital requirements made SSI an attractive sector for investment and employment generation in Baramulla.

However, a major structural break is observed after 2017-18. The number of industrial units declined sharply from 4,685 units in 2017-18 to 2,733 units in 2018-19, recording a negative growth rate of -41.66 percent. Although a slight recovery is observed in the subsequent years, with growth rates of 0.37 percent in 2019-20 and 0.29 percent in 2020-21, the overall industrial base remained significantly lower than the pre-2018 level. The sharp decline in industrial units during this period may be associated with economic slowdown, political disturbances, administrative

Journal DOI: 10.36713/epra1013 | SJIF Impact Factor (2026): 8.748 ISSN: 2347-4378
EPRA International Journal of Economics, Business and Management Studies (EBMS)
Volume: 13 | Issue: 5 | May 2026 -Peer-Reviewed Journal

restructuring, market uncertainty, and disruptions in industrial activities. External shocks such as restrictions on movement, weak market demand, and financial stress might have adversely affected the functioning and sustainability of SSI units in the district. Therefore, while the SSI sector showed stable growth during the earlier years, the later period reflects industrial vulnerability and structural instability.

4.2.2 Employment Generation Pattern

The employment pattern in the SSI sector of Baramulla district also exhibited a generally increasing trend during the initial phase of the study period. Employment increased steadily from 15,494 persons in 2005-06 to 19,554 persons in 2017-18. Similar fluctuations in employment generation were observed in the Anantnag district study, where employment growth remained unstable during the later years because of structural and external disturbances affecting industrial activities (Ganaie & Kaur, 2024). The annual employment growth rate remained positive during most of these years and fluctuated between 0.35 percent and 3.12 percent. The highest employment growth rate of 3.12 percent was recorded in 2006-07, followed by 2.79 percent in 2013-14 and 2.62 percent in 2009-10. These figures indicate that industrial expansion during this period contributed positively towards employment generation in the district.

The rise in employment can largely be explained by the labour-intensive nature of SSI, which generally require relatively less capital and absorb more workers compared to large-scale industries. Expansion of agro-based industries, handicrafts, wood-based activities, and other small manufacturing units in Baramulla may have created additional employment opportunities and supported local livelihoods. Furthermore, the gradual increase in industrial units during this phase naturally stimulated labour demand and contributed to employment generation.

Nevertheless, employment growth became highly unstable during the later years of the study period. Employment declined sharply from 19,554 persons in 2017-18 to 16,698 persons in 2018-19, recording a negative growth rate of -14.61 percent. Although employment marginally improved to 16,815 persons in 2019-20 with a growth rate of 0.70 percent, a severe decline was witnessed in 2020-21 when employment fell drastically to only 8,072 persons, registering a negative growth rate of -52.00 percent. This sharp fall in employment indicates serious disruptions in industrial operations and labour absorption capacity.

The decline in employment during the later years may be due to closure of industrial units, reduction in production activities, weak market conditions, and external economic shocks. The COVID-19 pandemic and associated restrictions likely affected labour-intensive small-scale industries severely by disrupting production, transportation, supply chains, and market access. Many industrial units may have reduced their workforce or temporarily shut down operations, resulting in large-scale employment loss. Thus, while the SSI sector contributed significantly towards employment generation during the earlier years, the later period highlights the vulnerability of employment to structural and economic disturbances.

4.2.3 Employment Elasticity Analysis

Employment elasticity measures the responsiveness of employment generation to changes in industrial growth. The elasticity values for Baramulla district indicate that during most of the study period, employment growth responded positively to the growth of industrial units. The elasticity values largely remained close to or greater than unity, suggesting a moderate to strong relationship between industrial expansion and employment generation. These findings are also supported by the empirical evidence from Anantnag district, where employment elasticity remained close to unity during the normal growth period, indicating a positive relationship between industrial expansion and employment generation (Ganaie & Kaur, 2024). For instance, the elasticity value was 1.25 in 2006-07, indicating that a 2.49 percent increase in industrial units resulted in a 3.12 percent increase in employment. Similarly, elasticity values of 1.59 in 2013-14, 1.61 in 2015-16, and 2.79 in 2017-18 reflect that employment growth exceeded the growth of industrial units during these years.

Elasticity values greater than one imply that SSI growth generated proportionately higher employment opportunities, reflecting the labour-intensive nature of the sector. This suggests that the expansion of industrial units in Baramulla contributed significantly towards labour absorption and livelihood creation. The higher elasticity values observed in some years may also indicate improved utilization of labour, expansion of labour-intensive activities, and increased operational capacity of industrial units.

Journal DOI: 10.36713/epra1013 | SJIF Impact Factor (2026): 8.748 ISSN: 2347-4378
EPRA International Journal of Economics, Business and Management Studies (EBMS)
Volume: 13 | Issue: 5 | May 2026 -Peer-Reviewed Journal

Despite the overall positive relationship between industrial growth and employment generation, certain years exhibited relatively low elasticity values. For example, the elasticity value declined to 0.13 in 2014-15, indicating that despite a 2.70 percent increase in industrial units, employment increased only by 0.35 percent. This suggests that industrial growth during that year was less employment-oriented, possibly due to mechanization, efficiency improvements, or slower labour absorption. Similarly, elasticity values below unity in certain years reflect that employment growth lagged behind industrial growth.

A major structural disruption is visible in the later years. In 2018-19, despite a sharp decline of -41.66 percent in industrial units, employment declined comparatively less by -14.61 percent, resulting in an elasticity value of 0.35. This indicates that employment contraction was proportionately smaller than the decline in industrial units, possibly because some units retained labour despite reduced industrial activity. In contrast, the year 2020-21 recorded an extremely high negative elasticity value of -178.28. This abnormal value emerged because industrial units increased marginally by 0.29 percent, whereas employment declined drastically by -52.00 percent. Such an unusual elasticity value reflects severe structural disturbances and abnormal economic conditions rather than normal industrial behaviour.

Overall, the employment elasticity analysis suggests that SSI growth in Baramulla district generally contributed positively towards employment generation during the normal period. However, the later years reveal significant instability and weakening of the employment-generating capacity of the sector due to external shocks, economic uncertainty, and structural disruptions. Therefore, there is a need for policy interventions aimed at strengthening labour-intensive industries, improving industrial resilience, and ensuring employment sustainability in the district.

Table 2: Growth Performance and Employment Elasticity of SSI in Baramulla District

Sr. No	Year	Units	Growth Units (%)	Employment	Growth Employment (%)	Elasticity
1	2005-06	3774	-	15494	-	-
2	2006-07	3868	2.49	15978	3.12	1.25
3	2007-08	3944	1.96	16255	1.73	0.88
4	2008-09	4020	1.93	16536	1.73	0.90
5	2009-10	4112	2.29	16969	2.62	1.14
6	2010-11	4184	1.75	17216	1.46	0.83
7	2011-12	4272	2.10	17588	2.16	1.03
8	2012-13	4369	2.27	18015	2.43	1.07
9	2013-14	4446	1.76	18518	2.79	1.58
10	2014-15	4566	2.70	18582	0.35	0.13
11	2015-16	4619	1.16	18929	1.87	1.61
12	2016-17	4646	0.58	19106	0.94	1.62
13	2017-18	4685	0.84	19554	2.34	2.79
14	2018-19	2733	-41.66	16698	-14.61	0.35
15	2019-20	2743	0.37	16815	0.70	1.89
16	2020-21	2751	0.29	8072	-52.00	-178.28

Source: Author's calculations based on data from Digest of Statistics 2020-21, Directorate of Economics and Statistics, Government of Jammu and Kashmir.

5. CONCLUSION AND POLICY IMPLICATIONS

The findings of the study indicate that the SSI sector played an important role in the industrial and economic development of Baramulla district during the study period from 2005-06 to 2020-21. The findings indicate that SSI expansion contributed substantially to industrial growth and employment generation in Baramulla district, although external shocks exposed structural weaknesses in the sector. The employment elasticity analysis further revealed that industrial expansion generally resulted in proportional growth in employment, reflecting the labour-intensive nature of the sector. However, the later years experienced severe decline in industrial units and employment due to economic slowdown, administrative restructuring, political uncertainty, and the adverse impact of the COVID-19 pandemic. These developments exposed the structural vulnerability of the SSI sector and weakened its employment-generating capacity.

In view of these findings, there is a need for comprehensive policy support to strengthen the resilience and sustainability of the SSI sector in Baramulla district. The government should enhance financial assistance, provide easier access to institutional credit, and introduce special rehabilitation packages for sick and non-operational units. Improvement in industrial infrastructure, power supply, transport facilities, and market accessibility is essential for promoting industrial growth. Skill development and entrepreneurship training programmes should be expanded to improve productivity and encourage self-employment among youth. In addition, technological modernization, digital marketing support, and export promotion measures should be encouraged to increase competitiveness and market integration of small industries. Strengthening labour-intensive industries such as handicrafts, agro-based industries, and traditional manufacturing activities can significantly improve employment opportunities and ensure balanced regional development in the district.

REFERENCES

1. *Dara Singh. (2018).* An analysis of small scale industries in India. International Research Journal of Management and Commerce, 5*(9), 28-30.*
2. *Ganaie, A. A., & Kaur, M. (2024). Growth dynamics and employment elasticity of small scale industries: Evidence from Anantnag district of Jammu and Kashmir. International Journal of Social Research and Development, 6(2), 64-67.*
3. *Ganaie, A. A., Sharma, J., & Kaur, M. (2024). Industrial growth and employment dynamics in small scale industries: A longitudinal study of Pulwama district, Jammu and Kashmir. International Journal of Humanities Social Science and Management, 4(3), 1709-1715.*
4. *Mohan Raj, N., & Amutha, S. (2016).* A study on the performance and evaluation of small scale industries in Sivagangai district: An entrepreneurial perspective. Shanlax International Journal of Arts, Science & Humanities, 3*(3), 95-99.*
5. *Sekar, M., & Ganesan, R. (2012).* A study on SSI entrepreneurs' business performance and its constrains before and after registering in DIC – Special reference to Thoothukudi district. International Journal of Business Management and Economic Research, 3*(5), 614-619.*
6. *Selvaraj, N., & Suganya, M. (2015).* A study on the development of small-scale industries in India. International Journal of Research in IT, Management and Engineering, 5*(3), 86-92.*
7. *Sheela, B., & Balakrishnan, V. (2014).* A study on socio-economic conditions of small scale industries in Thanjavur district. Indian Journal of Applied Research, 4*(7), 506-508.*
8. *Subrahmanya, K. C., & Pavan, K. U. (2013).* Importance of small scale industries in the economic development of India. Indian Journal of Applied Research, 3*(8), 453-454.*
9. *Thori, R. L. (2016).* A study on small scale industries and its role in the growth of Indian economy. IJFANS International Journal of Food and Nutritional Sciences, 5*(1), 97-99.*
10. *Tripathi, A. K. (2021).* Role of small-scale industries in district level development: A study of Ambedkarnagar, UP. International Journal of Innovative Research in Technology, 8*(5), 488-489.*