

## Deciphering Gujarat's Development

Gujarat is projected as the darling of industry and a pioneer of efficient governance and infrastructure. The hype around Gujarat's economy has suggested that it is the favourite destination of foreign investors. A study by Abusaleh Shariff of the National Council for Applied Economic Research Shariff's finds that 'in the past decade Gujarat received less than 1/6th the FDI received by Maharashtra and less than 1/3rd the FDI received by Delhi'. Shariff writes: 'The size of cumulative inflows from January 2000 to March 2010 has been highest in Maharashtra with 1.75 lakh crores, followed by New Delhi at 1.02 lakh crore. Even the state of Karnataka has received 31 thousand crores, which is higher than the FDI in Gujarat only with 28 thousand crores.' **The real reason why Narendra Modi's supporters want him as PM**, Shivam Vij, rediff.com. <http://m.rediff.com/news/report/the-real-reason-why-narendra-modis-supporters-want-him-as-pm/20120606.htm>

### VIBRANT GUJARAT 2013

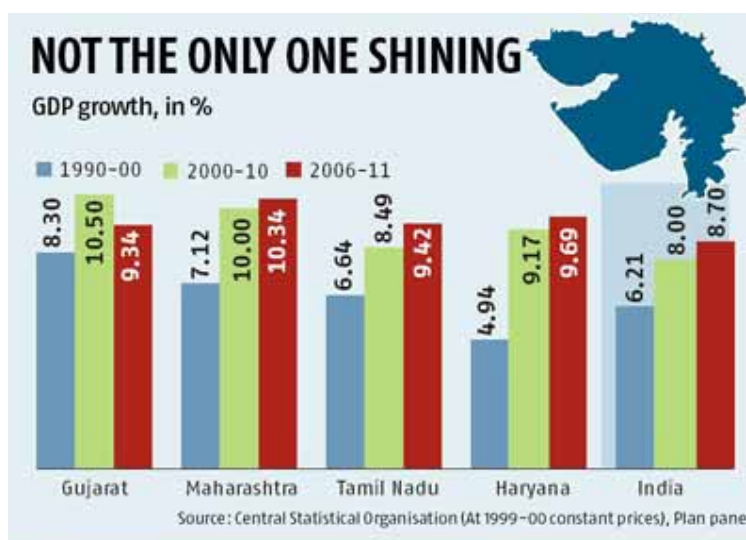
- 17,790 MoUs signed in 2013, against 8,380 MoUs in 2011
- The state govt refrains from announcing the figure of overall investment pledged
- 12,886 investment intentions with focus on SMEs in 2013, compared with 4,417 in 2011
- 373,000 jobs to be generated this year, against 228,670 promised in 2011

(Business Standard, 13 January, 2013 <http://www.business-standard.com/india/news/cyrus-mistry-sees-true-partner-in-modi-gujarat/498699/>)

Vibrant Gujarat Global Summit began in 2003 to attract investors to the state. The first summit attracted proposals worth Rs 69 crore. The figures kept increasing since: Rs 1 lakh crore in 2005, Rs 4 lakh crore in 2007, Rs 12 lakh crore in 2009 and almost Rs 21 lakh crore in 2011. - **Whose Gujarat is Vibrant**, Pravin Mishra, Ahmedabad Mirror, 28 March, 2011 <http://www.ahmedabadmirror.com/article/78/2011032820110328032129511f285d544/Whose-Gujarat-is-vibrant.html>

Examining Gujarat's growth model is important as it could shed some light on whether the state's development trajectory can be a role model for inclusive growth. Many have begun to question the nature of Gujarat's development: How different has its growth really been from its peers'? Whom has this growth benefitted? A comparison of states that are in the same league in terms of size and level of industrialisation shows Gujarat is the leader, but not by much. - **Modi's**

**magic wand or just an obvious high?** Rajiv Rao, Business Standard, 11 Dec, 2012 <http://www.business-standard.com/india/news/modis-magic-wand-or-just-an-obvious-high/495017/>



Between 2004-05 and 2011-12, Gujarat grew at an average rate of 10.08%. This is better than the national rate of 8.28%. However, Gujarat lagged Bihar in all these years except 2005-06 and 2007-08. While it can be argued that Bihar started off from a low base, Gujarat also lagged behind Tamil Nadu and Maharashtra which also started on a high base. Maharashtra, despite being more affected by the recession (growth slipping to 3.38% in 2008-10) also managed to do better than Gujarat over the period. - **Deciphering the Gujarat Growth Paradigm**, Dhirtiman Gupta, India Spend, 19 June, 2012. <http://www.indiaspend.com/states/west/deciphering-the-gujarat-growth-paradigm>

Gujarat is the No. 1 state in India when it comes to economic freedom index. Economic freedom index means absence of government coercion or constraint in the production, distribution or consumption of goods and services beyond the extent necessary for citizens to protect and maintain liberty by itself. - **The monumental myth of vibrant gujarat**, Deepal Trivedi, The Asian Age, 26 March 2010 <http://development-dialogues.blogspot.in/2010/03/monumental-myth-of-vibrant-gujarat.html>

## ANALYSING THE GROWTH

Deven Choksey, CEO of KR Choksey Securities, says the Gujarat model of promoting big industry, which in turn leads to growth of ancillary units, is a good, inclusive model. But ASSOCHAM Gujarat Council chairperson Bhagyesh Soneji refutes the theory, she points out that the benefits of industrial development have not really reached the small and medium units, which were once the standard-bearers of Gujarati entrepreneurship and growth. Today, 22-25 per cent of such units in the state are sick, much the same as across the country, “as nothing much is being done for them in Gujarat”. - Synergy, **Thy Name**, Lola Nayar, Outlook, 31 December, 2012. <http://www.outlookindia.com/article.aspx?283391>

In Gujarat, the share of service is 46% of GDP, 13% less than the national average. What was missing from Gujarat was the new economy money, billions of dollars the rest of urban India is taking from the West. Why is information technology (IT) and IT-enabled services (ITeS), which is bread and butter for Indian cities, which is absent from “Gujarat offering relatively lower cost of operations, due to lower cost of real estate and lower compensation level”.

KPMG cites two reasons: “a lack of engineering institutes” and “lack of proficiency in English”. As a mercantile culture, Gujarat has not needed English because its elite did business and employment was not for the upper classes, which explains Gujarat’s “lower compensation level”. The lack of English means Gujarat still doesn’t have a proper middle class as Mumbai, Delhi, Bangalore do. No white-collar, anglicized, urban Indians. It is why there is little social mobility for the lower middle class. - **How Modi is hampering Gujarat’s growth**, Aakar

How Gujarat Inc prospered during Modi's regime		
Companies	2012 Market Capitalisation	% Increase since 2002
Aarvee Denims	152	2533%
Adani Enterprises	31,059	8615%
Alembic	220	205%
Arvind	2,485	1254%
Elecon Engg & Chem	449	7138%
Gujarat Alkalies	1,109	2000%
Gujarat Ambuja Exp	353	1318%
Gujarat Apollo Inds.	212	1683%
Gujarat Gas Co.	3,913	553%
Gujarat NRE Coke	1,200	8766%
GSFC	2,698	1284%
Ratnamani Metals	634	7425%
Sun Pharmaceutical	76,250	2334%
Torrent Pharma	5,680	1153%
United Phosphorus	5,497	87995%
Welspun India	545	57%
Reliance Industries	4,61,624	1357%
Essar Oil	9,812	4507%
<b>Total</b>	<b>6,03,890</b>	<b>1516%</b>
<b>BSE 100</b>	<b>54,69,754</b>	<b>1286%</b>

\*Market Capitalisation in ₹crore of major Gujarat-based listed firms. Source: KR Choksey Securities

## IT'S AT THE COST OF LAND

Gujarat state has an abundance of (so-called) non-productive land, a boon for companies and a highly urbanised Gujarat is also home to India's largest business and trading community.

For the cement plant in Mahuva, Nirma demanded a total of 4,415 hectares of land on lease for the mining of limestone from nine villages in Bhavnagar district. This includes wet, privately owned agricultural land of 3,583 hectares and "gauchar land" of 232 hectares. The Gujarat government has already given in-principle approval to 3,460 hectares for mining limestone across the coastline. Thousands of farmers have been protesting the allotment of land to Nirma which they say is in the heart of a water body created through prolonged efforts of locals over the years.

Acres of land were granted to Orpat Limited at Rs 40 per sq metre to construct a tourist resort in Wankaner taluka. A water body which was the only source in the area for drinking and irrigation was blocked by 20 feet high surrounding walls. The Gujarat High Court has stayed all activities and has ordered the reconstruction of the irrigation channel by demolishing the walls. **Whose Gujarat is Vibrant**, Pravin Mishra, Ahmedabad Mirror, 28 March, 2011 <http://www.ahmedabadmirror.com/article/78/2011032820110328032129511f285d544/Whose-Gujarat-is-vibrant.html>

L&T was allotted 8,00,000 sq m of prime land in the industrial zone of Hazira, Surat, without auction, at the rate of Re 1 per sq m. Simultaneously, others were allotted 2,57,867 sq m of land at Rs 700 (or Rs 1,000) per sq m on survey No. 446/A of Suvali, Hazira, while the price fixed by the land committee was Rs 950 per sq m. Even taking the rates between Rs 700 and Rs 1,000 per sq mtr, giving prime industrial zone land in Hazira is practically gifting it to the company for only Rs 80 lakh, thereby costing the state exchequer a few hundred crore rupees.

There's the famous Singur to Sanand odyssey by Tata Motors. As a favoured industrialist, Tata Motors got a Rs 33,000 crore concession for its Nano car project in Sanand, Gujarat, for 1,100 acres of land allegedly sold at Rs 900 per sq m, while its market rate was around Rs 10,000 per sq m. The Tatas were given facility of payment through installments. Tata also got a loan of Rs 9,570 crore at 0.10 per cent interest with a moratorium of 20 years. It got exemption from payment of stamp duty, registration charges on conveyance or transfer of land, and given free two to four roads providing connectivity from the state highway to the project site. *So, for each Nano car produced in Sanand, the Gujarat government's contribution is more than Rs 60,000; for every car produced, the tax payer loses Rs 60,000.*

"The rest of India and, in fact, the entire world will focus on the stability of policy framework set up by the government of Gujarat, providing an environment that attracts investments, by institutions such as the Tata group."

"In a world filled with uncertainty and volatility, it is extremely important that proactive and balanced policies of the government of Gujarat be implemented in true-to-its spirit and intent to ensure long-term sustainability and attractiveness of the state of Gujarat." - **Cyrus Mistry**, Chairman, Tata Group (Business Standard, 13 January, 2013. <http://www.business-standard.com/india/news/cyrus-mistry-sees-true-partner-in-modi-gujarat/498699/>)

Take the case of the Essar Group, apparently allotted 2.08 lakh sq m of disputed land for a steel plant on the CRZ (Coastal Regulation Zone) and forest land that can't be allotted as per Supreme Court

guidelines. When this land was allotted, the deputy conservator of forests, Vyara, reportedly recorded a Forest Offence CR-11 No. 2 of 2006, punishable under the Indian Forest Act, 1927. Four different offences have been recorded and settled by imposing fines of Rs 20 lakh. Illegal constructions carried out on this forest land has been directed to be removed or demolished, and land directed to be restored to the forest department. The occupier is unauthorised but no action has been taken by the state machinery, while Essar peacefully enjoys this encroached upon land. The market rate of this land is more than Rs 3,000 per sq m. The total cost of land at this rate works out to Rs 6,228 crore. This is a massive loss to the government over and above the loss to the environment. - **Corporate Cronyism in 'Vibrant Gujarat'**, M. Mehta, Hardnews, July 2012. <http://www.hardnewsmedia.com/2012/07/5445?page=show>

During the Vibrant Gujarat summit in January 2009, the government signed MoUs allowing the Adani group a Rs. 15,000-crore expansion of its SEZ over the next 15 years. The Modi government topped off its largesse of land to the Adani Group with five-year tax breaks of over Rs. 3,200 crore, almost four times what it had marked for redeveloping Kutch after the 2001 earthquake. Government data shows an investment of Rs. 1,31,702 crore in the Adani SEZ, port and power plant, but only 38,875 jobs created. That comes to an astonishing figure of Rs. 3.38 crore for creating one job — exposing the whole development lie that Gujarat is always spinning out. **Vibrant Gujarat? Your coast is not clear, Mr Adani**, Anumeha Yadav, Tehelka Magazine, Vol 8,26, February, 2011 [http://archive.tehelka.com/story\\_main48.aspfilename=Ne260211DEVELOPMENT\\_CONFLICTS.asp#-anumeha@tehelka.com](http://archive.tehelka.com/story_main48.aspfilename=Ne260211DEVELOPMENT_CONFLICTS.asp#-anumeha@tehelka.com)

## AGRICULTURE

“While in large parts of India agriculture is in deep crisis and growing at 2% per annum, the rate of growth in Gujarat has been over 10%. A major factor for this consistent growth is the efficiency and speed with which Gujarat government has worked to spread irrigation. The check dam movement started by a religious leader in Gujarat has been carried forward in a determined manner by the government. Modi got all manners of civil society organisations as well as village and caste panchayats involved in building 120,000 check dams. He also started the Khet Talawadi programme for creating a pond in every field. He told the farmers, I will give you funds under NREGA to build a pond on your farm if you earmark 5% of your land for this purpose. As a result of this mass participation in recharging groundwater, Gujarat is the only state in the country where water table is rising while it is fast depleting in most other states of India.” – Dr.Ashok Gulati, Chairman of the National Commission for Agricultural Costs and Prices.

While in other states, NREGA has created major distortions in the farm sector, made farm labour scarce and farming non-viable, in Gujarat it has given major boost to farm sector through careful targeted use of NREGA funds for improving productivity of individual farms instead of siphoning off funds through corrupt means, says Dr Ashok Gulati, Chairman of the National Commission for Agricultural Costs and Prices. - **The Kettle Hits Back**, Madhu Purnima Kishwar, Outlook, Dec 31, 2012 <http://www.outlookindia.com/article.aspx?283393>

A paper by researchers at the Institute for Resource Analysis and Policy (IRAP), Hyderabad says “the real growth in agricultural production has occurred during 1988-89 to 1998-99. The growth rate was not only high but also steady.” There was severe drought in 1990-2000. Economist Alagh points out that

the Gujarat government figure of 10% agricultural growth is based on using this low beginning year while it hovers around the 6 per cent mark which is quite good.

Whichever statistic you believe, the fact is, agriculture can still be a precarious occupation in parts of water-starved Gujarat. Thirty-seven farmers from Saurashtra committed suicide a few months ago, not exactly a statistic you would expect from a state proclaiming a green revolution. **What is behind Gujarat's agriculture miracle? Rajiv Rao, Business Standard, Dec 11, 2012** <http://www.business-standard.com/india/news/what-is-behind-gujarats-agriculture-miracle/495187/>

There are other issues. In the last 10 years, an unprecedented run of rain in 9 out of 10 years has fuelled a boom in BT Cotton and enabling many communities such as the ones in Hamirpur who had largely abandoned farming for government jobs and small-scale businesses to plunge back into it.

In her longitudinal study of BT Cotton farmers, E Shah spoke of “what the BT cotton is doing to the water problem in Gujarat and also to the cultivable land. The ground water in Gujarat is available at 1000 feet and it has by now gone to 1200 ft down. In fact much of Gujarat can be described as “a dark zone” which means ground water level gone into a level that it can never be raised or it will take a very long time to raise.” When she discussed the unsustainable practices that the BT cotton cultivation the response was “Well, this will last for one generation and that’s the time frame that we are thinking about; because by that time it will become a completely ‘unlivable’ area and our generation would have been dead”. - in their own words, in their own acknowledgment.- **How do farmers drive innovation trajectories of crop biotechnology?** Esha Shah – Institute of Development Studies, University of Sussex, UK <http://kicsforum.net/kics/KD/023-farmers-innovation-trajectories.html>.

Farmers seem to be resigned to degeneration of agriculture, thus fuelling growth while allowing the soil and water to go for broke, as State policy for shifting to Industry could allow them to monetize their land value.

Investors are flocking to Gujarat, but the struggle of farmers and fishing families in Kutch reveals the state’s growth paradox. Kutch district constitutes over a quarter of Gujarat’s area, its coast making up half of the state’s 1,600-km coastline. What is going on is central to understanding what is happening to Gujarat’s land, coasts and resources — and how state policy weighs in against the poor. - **Vibrant Gujarat? Your coast is not clear, Mr Adani,** Anumeha Yadav, Tehelka Magazine, Vol 8, Feb 26, 2011

#### Power Rates in Gujarat Highest?

Power rates for farmers in Gujarat, led by Narendra Modi, has grown at the highest pace across consumer categories over the past five years. Agricultural tariff in the state grew 47.2 per cent from 119.5 paise per unit in 2007-08 to 176.0 paise per unit in the last financial year (2011-12). In comparison, rates in the domestic category grew 22.1 per cent, the commercial category by 17.3 per cent and industrial power rates by 16.1 per cent during the period, according to the Planning Commission. - **Power Rates Highest in power sector, Sudheer Pal Singh, Business Standard, New Delhi Dec 11, 2012,** <http://www.business-standard.com/india/news/power-rate-highest-in-agriculture-sector/495188/>

Rajabhai Kambalia, Farmer, Forala village, Rajkot district - “We were promised that Narmada water will reach our fields, but many medium and small canals in our area await a single drop to this day. Our crops are badly affected.

Like our fields, our throats are parched. Cattle are dying and diseases spreading due to drinking dirty water. Availability of fertiliser is also an issue. Small farmers are selling their land and migrating to cities. Medium-level farmers like us opted for the real estate business to survive. Some farmers in our villages committed suicide because they were unable to repay loans. This has created a general depression.

As Saurashtra becomes another Vidarbha, the state government remains ignorant”. - **Hope-Nots,** Panini Anand, Outlook, Dec 31, 2012 <http://www.outlookindia.com/article.aspx?283384>

## GOVERNANCE?

Three big scams in two years have done little to promote Vibrant Gujarat. There was the Rs.1,700 crore 'Sujalam Sufalam' scam in 2009: labourers who were to be given wheat in exchange for digging ponds in fields were given rice instead by local fair price traders although they had been paid wheat prices by the government. Many of the ponds were 'dug' only on paper and large stocks of the rice were sent to Maharashtra and sold there at a profit. Also in 2009 came the Rs.260 crore scam pertaining to the National Rural Employment Guarantee Scheme: non-existent traders sold boris (sacks) to set up sandbag check dams, non-existent labourers were registered, and NREGA funds were misappropriated. In 2010, it was found that the Fisheries Minister had been awarding contracts for fishing in 58 reservoirs across the State. Reservoir fishing is awarded on the basis of tenders. It was alleged that the irregularity cost the State exchequer Rs.600 crore. - **Marketing a Myth**, Lyla Bavadam, Frontline, May 7-20, 2011 <http://www.frontlineonnet.com/fl2810/stories/20110520281001800.htm>

On the issue of corruption, Modi's response to the initiative to bring in a strong enactment or to wipe out corruption is, to say the least, only politically motivated. If only he was committed to an institution like the Jan Lokpal, how could the Lokpal's post be vacant in Gujarat since 2005? His government has suppressed massive corruption in the land purchases while submitted exaggerated data on benefits to the drought areas of Kutch and Saurashtra and the rural population. (Letter written to Anna Hazare by Medha Patkar and others. from an E-Digest- **Myth of Vibrant Gujarat**. [http://www.anhadin.net/IMG/pdf/Myth\\_of\\_Vibrant\\_Gujarat\\_EDigest.pdf](http://www.anhadin.net/IMG/pdf/Myth_of_Vibrant_Gujarat_EDigest.pdf))

## SOCIAL INDICATORS

The biggest reason to question this brand of growth, is the state's dismal showing in the sphere of human development.

The per-capita income of the state has more than tripled since the turn of the century. All the other states have shown nearly similar increments but none could touch Gujarat. Starting from a per-capita income of Rs 17,227 in 2000-01, Gujarat has than more than good to reach Rs 52,708 in 2010-11.

Rising per-capita incomes signals people oriented development only to the extent that poverty is declining. Growing incomes with rising inequality would imply that the poor are being left behind. This brings us to a somewhat natural corollary - Gujarat's performance in poverty reduction.

The states have been ranked from best to worst in poverty reduction, among the big states with similar (below 40% BPL population) levels of poverty as Gujarat in 2004-05. Among the 7 states which had a BPL population of less than 40% in 2004-05), Gujarat ranked 5<sup>th</sup> when it came to poverty reduction. In 2004-05, 31.6% of people of Gujarat lived below poverty line. This came down to 23.0% in 2009-10; a reduction of 8.6%. The performance however lags Maharashtra and Tamil

Nadu who managed to reduce their BPL population by 13.7% and 12.3% respectively. Even Rajasthan beat Gujarat by reducing its poverty rate by 9.6%. - **Deciphering the Gujarat Growth Paradigm**, Dhirtiman Gupta, India Spend, 19 June, 2012. <http://www.indiaspend.com/states/west/deciphering-the-gujarat-growth-paradigm>

State Rank	% population BPL in 2004-05	% population BPL in 2009-10	% reduction in BPL population
Maharashtra	38.2	24.5	13.7
Tamil Nadu	29.4	17.1	12.3
Karnataka	33.3	23.6	9.7
Rajasthan	34.4	24.8	9.6
Gujarat	31.6	23.0	8.6
Andhra Pradesh	29.6	21.1	8.5
West Bengal	34.2	26.7	7.5

(BPL- Below Poverty Line), Tendulkar Methodology used.  
Source: Planning Commission Data

A 2010 report by IFPRI, a US-based research organisation supported by 64 governments, put Gujarat among the five worst performing states in India in reducing hunger, along with Bihar, Madhya Pradesh, Chhattisgarh and Jharkhand.

Says economist Dr Indira Hirway, who co-authored Gujarat’s Human Development Report, 2004 - “If you

question anything, you are labelled anti-Gujarat and anti-development. Industrialisation in Gujarat is not decided by market forces but by government concessions to a few industrial groups. This is crony capitalism, not even a free-market or a neo-liberal paradigm. Tough questions make the government angry; they ask why you are sticking your nose into these matters. Gujarat was among the top five states in per capita income since the 1960s but new policies are benefiting a handful at the cost of the majority, and the environment.” - **Vibrant Gujarat? Your coast is not clear, Mr Adani**, Anumeha Yadav, Tehelka Magazine, Vol 8,26, February, 2011

[http://archive.tehelka.com/story\\_main48.aspfilename=Ne260211DEVELOPMENT\\_CONFLICTS.asp#-anumeha@tehelka.com](http://archive.tehelka.com/story_main48.aspfilename=Ne260211DEVELOPMENT_CONFLICTS.asp#-anumeha@tehelka.com)

Consider this state in India: As much as 44.6 per cent of its children are malnourished. While Infant mortality rates have gone down, its decline has been slower than the national average. More than 65 per cent of its rural households and 40 per cent of its urban ones do not have access to latrines and they use open spaces for defecation. The state has 918 women for every 1,000 men, well below the national average. Poverty amongst urban Muslims is eight times School enrollment is up to 95 per cent in rural Gujarat, but learning levels remain shockingly low. Fifty five per cent of rural students in the fifth standard cannot read a second standard level text, and 65 per cent of these students cannot do simple subtraction.

The state is Gujarat, but you would have perhaps never imagined these dismal statistics, considering the state’s high-growth trajectory - **An unhealthy paradigm?** Rajiv Rao Business Standard, Dec 13, 2012. <http://www.business-standard.com/india/news/an-unhealthy-paradigm/495451/>

The shrill rhetoric has gone from “investment drive” to “inclusive growth”, but the numbers reveal where the gains end up. The Survey

Sixteen thousand Gujarati work force committed suicide during Modi’s tenure. The number consists of 9,829 workers, 5,447 farmers and 919 farm labourers. The ‘rich’ government of a ‘vibrant’ state cannot save lives of its own people who kill themselves because they are unable to survive.

That Gujarat produces some of India’s wealthiest is well known. What is not known so widely is that Gujarat also has the highest percentage of poor population, a whopping 31.8 per cent, as per a Planning Commission data. - **Whose Gujarat is Vibrant, Pravin Mishra, Ahmedabad Mirror, 28 March, 2011** <http://www.ahmedabadmirror.com/article/78/2011032820110328032129511f285d544/Whose-Gujarat-is-vibrant.html>

of Industries data shows workers' share as wages in Gujarat has fallen from 23 to 8 percent. The gap between incomes of the rich and the poor has risen to more than the national average, *says a 2010 paper by Rajesh Shukla of the National Council of Applied Economics Research.*

Reportedly, 9,829 workers, 5,447 farmers and 919 labourers have committed suicide in Gujarat during Modi's tenure. Over 3.98 lakh farmers do not have electricity connections. Gujarat has the highest poverty rate in the country, according to the Suresh P Tendulkar Committee appointed by the Planning Commission. The state debt has steadily increased every financial year from Rs 87,010 crore in 2008-09 to Rs 98,528 crore in 2009-10 and Rs. 1,12,462 crore in 2010-11. - **Corporate Cronyism in 'Vibrant Gujarat', M. Mehta, Hardnews, July, 2012.**  
<http://www.hardnewsmedia.com/2012/07/5445?page=show>

Gujarat is a State divided. At one end there is progress: 90 per cent of the village roads are paved; 98 per cent of the villages are electrified, with 80 per cent of them having electrified homes and 18 hours of electricity every day; and 86 per cent have piped water supply and good phone connections, banks, post offices and bus services. But amid all this, there are falling human development and social indices and rising corruption, which is all the more unacceptable because of the clean and progressive image that is being projected of the State.

A February 2007 Reserve Bank of India report put Gujarat as 17th among 18 large states when it came to social sector budget allocation. With 31.6 per cent budgetary expenditure on social sector, Gujarat dipped from 12th spot in 1991 (then there were 15 large states category) to 17th of the 18 large states proving expenditure on social sector had considerably declined in Mr Modi's regime. In the past, former President Abdul Kalam has also commented on the need for Gujarat to focus more on its social development index. - **The monumental myth of vibrant gujarat**, Deepal Trivedi, The Asian Age, 26 March 2010  
<http://development-dialogues.blogspot.in/2010/03/monumental-myth-of-vibrant-gujarat.html>

## What's with the hype!

Gujarat has been, and hopefully will always continue to be, one of the faster growing states in India. To portray Gujarat's faster growth solely as a recent achievement owed to Chief Minister Narendra Modi is simply a "poopganda" ploy by Modi bhakts not supported by statistical data on growth rates.

Sonali Ranade & Shaelja Sharma present growth figures, to show the patterns relating to economic reforms and Modi's tenure as CM, as well as compares the figures for the same states with the tenure of NDA at the Centre.

Gujarat's growth figures are a result of Narendra Modi being able to bring big business on his side by reportedly giving them "out of turn favours and concessions" running into huge sums. This image-building exercise, wherein prosperous Gujarat has been constantly shown as the favoured destination for industry, has cost very dear to the exchequer. **Sweet Heart Deals ?**, Hardnews, October, 2011  
<http://www.hardnewsmedia.com/2011/10/4151?page=show>



Period	Before Economic Reforms [82-83 to 91-92]	After Economic Reforms [92-93 to 2001-02]	After Economic Reforms with Modi [02-03 to 11-12]	Growth Rate last 5 years [2006-11]
Gujarat	3.67	7.41	10.28	9.34
Maharashtra	5.80	6.39	9.90	10.34
Andhra	5.36	5.41	8.23	9.18
Tamil Nadu	4.88	5.76	8.92	9.42
Karnataka	5.67	6.21	8.39	8.72
W.Bengal	5.36	6.42	6.75	7.46

Period	Growth over 5 years before NDA [1993-94 to 1997-98]	Growth over 6 years that NDA ruled [1998-99 to 2003-04]	Growth over 8 years after NDA [2005-06 to 2011-12]	Actual growth over last 5 years [2006-11]
Gujarat	7.36	5.59	9.99	9.34
Maharashtra	7.06	4.91	10.53	10.34
Andhra	5.38	6.82	8.80	9.18
Tamil Nadu	7.51	3.78	10.22	9.42
Karnataka	7.03	6.31	8.80	8.72
W. Bengal	7.35	5.72	7.19	7.46

The Hype is being used to promote a fascist ideology as if the two, Hindutva and Modi, are a necessary condition for superior economic performance of the sort seen in Gujarat. That is a spurious argument not grounded in fact. Maharashtra's growth story, equal if not better than Gujarat's, shows neither fascism nor a cult figure like Modi is necessary for superior economic performance. And Gujarat's "high starting base" is irrelevant to the argument. Maharashtra has a

GSDP 2.5 times the size of Gujarat and is well ahead of Gujarat's growth rate over the last five years. - **Can Gujarat's growth story be attributed to Modi?**, Sonali Ranade and Shaelja Sharma, Rediff.com, July 25, 2012 <http://www.rediff.com/money/column/can-gujarats-growth-story-be-attributed-to-modi-column/20120725.htm>

It is not only about the growth of gross domestic product, it is also and mainly about human development. Gujarat's performance in poverty reduction and human development has been poor compared to other states which are growing at a lower rate. Sadly, however, civil society has kept silent on malnutrition and poor health services. It has certainly kept quiet on rampant injustice to the minorities. Today Gujarat appears peaceful because the minorities have been banished to the spatial margins or the ghetto, and bludgeoned into acquiescence by a muscular ideology that has tamed both political and civil society. The people of Gujarat have paid a heavy price for buying into demagoguery. Let us hope they understand that growth without human development is hollow, and democracy without minority rights is tyranny. - **Modi's Gujarat and Its Little Illusions**, Neera Chandoke, Vol - XLVII No. 49, December 08, 2012 <http://www.epw.in/commentary/modis-gujarat-and-its-little-illusions.html>

In an article in the New York Times, Hartosh Singh Bal writes that "Gujarat has an urban poverty ratio of almost 18 percent, compared with almost 21 percent for the country as a whole." According to Bal, "42.4 percent of the Muslims in urban Gujarat are poor, compared with 33.9 percent of Muslims in urban India overall." Bal illustrates the disenfranchisement of Muslims in Gujarat by citing the refusal of the Narendra Modi government to release 53,000 scholarships for Muslim students. Vij writes in his Rediff piece that "Gujarat is the only state to not have implemented central government scholarships for students from minority communities, started in 2008." - **An open letter to Madhu Purnima Kishwar**: Zahir Janmohamed, January 15, 2013, Kafila.org <http://kafila.org/2013/01/15/an-open-letter-to-madhu-kishwar-zahir-janmohamed>

Just as the laws of the land are exercised selectively for harnessing business initiatives, the selective enforcement of criminal laws may reflect the existence of special political zones...Gujarat's exceptional 'success' as the poster child of neoliberal development was complemented by the manner in which it had normalized an exceptional social order predicated on accelerated practices of social

segregation, which in turn enabled anti-Muslim violence (and its rhetorical justification). Urban growth, economic development and ghettoization operated in tandem in Ahmedabad, with patterns of spatial expansion and capital accumulation together working to force Muslims more closely together into spatial proximity and social intimacy, while rendering the rest of the city as a canvas for Hindu aspirations.

The relay between the special economic and political zones as both a symptom and a form for understanding the specificity of Indian globalization, can be understood at two levels. First, it asks us to view 'Gujarat' as signaling the possible consolidation of a set of relationships between political violence and economic globalization, between an accelerated emphasis on regional identity, or Gujarati *asmita*, on the one hand, and the globalization of Gujarati business classes on the other as a circuit secured by the performance of anti-Muslim violence. **Urban Segregation and the Special Political Zone in Ahmedabad: An Emerging Paradigm for Religio-Political Violence**, Arvind Rajagopal, South Asia Multidisciplinary Academic Journal, 5/2011 <http://samaj.revues.org/3285>

While it is important to dissociate the effects of a market-focused, apolitical and decentralised (almost China-like) model from the hype of Narendra Modi, there is one question that too few of his attackers ask, though it, in truth, underlies much of the anxiety and ecstasy over Mr Modi, is the fact that Gujarat can single-mindedly implement this development model easier than can most other states, distracted as they are by economic populism, also part of the Modi Effect?

If *asmita*-based development is to be financed by political space bought by a harsh subnationalism, communal-ethnic triumphalism, a leader vastly intolerant of disagreement and dissent and an artificial, restrictive homogeneity imposed on politics and society, then some of us believe the price is too high for India. It always has been. - **Unpacking the Modi Hype: The real disagreement over Gujarat's 'economic miracle'** Mihir S Sharma Business Standard, Dec 14, 2012, <http://www.business-standard.com/india/news/mihir-s-sharma-unpackingmodi-hype/495502/>

Hindutva is the Indian New Right, the political accompaniment of neoliberal capitalist development around the world in recent decades. Like the New Right everywhere, whether from Margaret Thatcher to David Cameron or Ronald Reagan to Mitt Romney, Hindutva combines neoliberal economic policy and authoritarian social and cultural policy and politics. Originating in, and for long confined to small upper-caste enclaves in north India, Hindutva came into its own as the ideology of India's New Right, as economic policy progressively liberalised and laid the basis for neoliberal capitalist development in India in recent decades.

Hindutva's modern vocation would be to ideologically bind the new middle-caste propertied to their upper-caste counterparts in many States to create what the late K. Balagopal called "provincial propertied classes" (PPC). - **India's New Right**, Radhika Desai, Frontline, January 11, 2013 <http://www.flonnet.com/fl2926/stories/20130111292601900.htm>

Modi knows what he stands for- Development. Development is the bell that makes corporate groups salivate and the middle class feel that progress is around the corner. Modi knows he is Mr Development, inviting investment, turning Gujarat into the new Detroit. But this raises a new set of ethical questions. Development and urbanization go together. If so, can one see the riots as the first

stage of a new urban process? Is it a signal to the minorities that they can be citizens only as a part of a new urban process that demands they leave the security of the ghetto?” - **Shiv Vishwanathan**  
<http://m.ibnlive.com/blogs/shivvisvanathan/2943/62716/fast-forwarding-moditva.html>

The short run has been captured by the language of growth and the corporation. It is the long run that is pregnant with questions: what is the decent society? Is it only growth or does it have a wider theory of citizenship? It is not just a question about the Muslim but of other marginalised and minorities like nomads, tribes and pastoral groups as well? Can a society afford to hypothecate the coastline to the corporation? What is the future city and who can live there? Does the middle class have a place for other classes? Is the business of Gujarat only business? Is Modi’s idea of governance adequate for culture, for a decent society? ....The silence is deafening.. **Future is now: Elections and Gujarat, Shiv Vishvanathan**, Mumbai Mirror, 11 Dec, 2012  
<http://www.mumbaimirror.com/article/2/2012121120121211045100875567ccb97/Future-is-now-Elections-and-Gujarat.html>