

Gujarat- A Glimpse Of 50 Years Saga Of Pain And Gain

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ABSTRACT

It is unfortunate that for most people in India, history stops at 1947. Few school textbooks talk about the developments that took place after independence which made history. This Paper is a small attempt to analyze the developmental movements and many a time's obstacles that provided a platform for the rapid growth of Gujarat since its inception on 1st may 1960. Developmental movements like Green Revolution, Operation Flood, Industrialization and Infrastructural developments though tax concessions and incentives or Vibrant Gujarat Global Investor's Summit and Social developments has been due to several governmental, NGO and corporate initiatives in the field of education & health over the last 50 years.

Along with developmental movements many a time's obstacles to rapid growth were created naturally in form of floods, storms, earthquakes and epidemics etc. While man made obstacles were created in form of political conflicts, Riots, and environmental degradation due to industrialization and urbanization.

Though scars of the earthquake tragedy still linger and religious sentiments are not so good then also the Gujarati spirit remains indomitable. To put it in short, Gujarat represents a state of business both in the physical and mental form. Its strength lies in catching the ideas and converting them into business propositions. With these and several similar indicators, Gujarat is already regarded as the "**Growth Engine of India**". (JEL O10, O13, O14, O15, O18)

Keywords: Green revolution, Industrialization, HDI, Riots.

Introduction

Every state in India boast about their developments but there are few states that have actually showed development in real sense after independence and Gujarat is one of those. The campaign for the creation of a language-based Gujarat was led in the 1950s by the late Indulal Yagnik. The term Mahagujarat encompassed the whole Gujarati speaking area including Gujarat, Saurashtra and Kachchh. In 1948, a Mahagujarat conference took place to integrate the entire Gujarati speaking population under one administrative body and on 1 May, 1960, the Bombay State split into the states of Maharashtra and Gujarat. For the first time after the Sultanate, Gujarat was once again autonomous. Since 1960, the State has seen 14 Chief Ministers, first been Jivraj Mehta (1960-63) while Narendra Modi (since 2001) is 14th.

Ever since its inception, Gujarat has witnessed many an important event, including man-made and natural disasters, and has also been a frontline State in the Indo-Pakistan Wars of 1965 and 1971. But every time it bounced back with renewed vigor, ubiquitously called the ‘Gujarati khamir’ (resilience). “It was due to the spirit of oneness and inherent social strength that the State was able to overcome the debilitating impact of all disasters.”



Gujarat –State profile

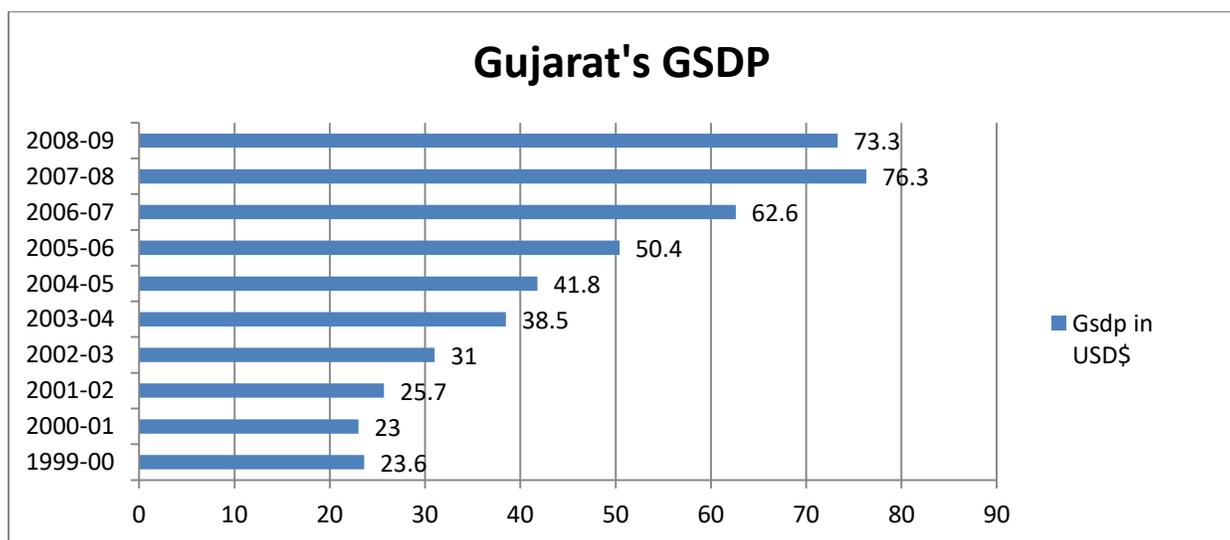
Gujarat is spread over an area of 196,024 sq km (6 per cent of India’s land area). It is located on the Western coast of India and has the longest coastline of 1,600 km in the country. The state has 26 districts. Gandhinagar is the capital city. Ahmedabad, Vadodara, Surat, Rajkot, Bhavnagar and Jamnagar are the other key cities. The state has three major groups of rivers flowing in different directions. The major rivers of central and Northern Gujarat are Narmada, Sabarmati and Mahi. Rivers flowing through the Saurashtra region are Mithi, Khari, Bhadar, Shetrunji and Bhogavo. Rivers in the Southern part of the state include Narmada, Tapi, Purna, Ambika, Auranga and Damanganga. There are eight agro climatic zones in the state that support cultivation of a wide range of crops. The most commonly spoken language of the state is Gujarati. Hindi and English are the other Indian languages used.

Demographic Indicators

Population Density	258 per Sq. Km.
Rural Population	62.64(%)
Urban Population	37.36(%)
Decadal Growth Rate	22.66% (1991-2001)
Birth Rate	23.5 (2006)
Death Rate	7.3 (2006)
Growth Rate	16.6 (2005)
Sex Ratio	920 females per 1,000 males (2001)
Effective Literacy Rate	69.14 % (2001)

Gujarat Figures Compared

Parameter	Gujarat	All-states	Source
Economy			
GSDP as a percentage of all states" GSDP	7.8	100.0	CMIE, as of 2007-08, current prices
Average GSDP growth rate (%)*	15.6	11.8	CMIE, 2000-01 to 2007-08, current prices
Per capita GSDP (US\$)	1,355.7	992.5	CMIE, as of 2007-08, current prices
Physical infrastructure			
Installed power capacity (MW)	13,908.1	159,398.5	Central Electricity Authority, as of March 2010
GSM cellular subscribers (No)	26,160,079	456,586,162	Cellular Operators Association of India, as of June 2010
Broadband subscribers (No)	322,656	4,981,976	As of October 2008
National highways (km)	3,245	70,548	Ministry of Road Transport & Highways, Annual Report 2008-09
Major and minor ports (No)	1 + 41	12 +187	Ministry of Shipping
Airports (No)	14	133	Airport Authority of India
Social Indicators			
Literacy rate (%)	69.14	64.8	Census of India, 2001
Birth rate (per 1,000 population)	22.6	22.8	Ministry of Health and Family Welfare, RHS Bulletin, March 2008
Ease of doing business			
FDI inflows (US\$ billion)	6.6	120.2	Department of Industrial Policy and Promotion, April 2000 to May 2010
Outstanding investments (US\$ billion)	257.3	1972.6	CMIE, as of March 2010
Industrial Infrastructure			
PPP projects (No)	33	515	www.pppindiadatabase.com
SEZ (No)	30	363	Notified as of July 2010, www.sezindia.nic.in



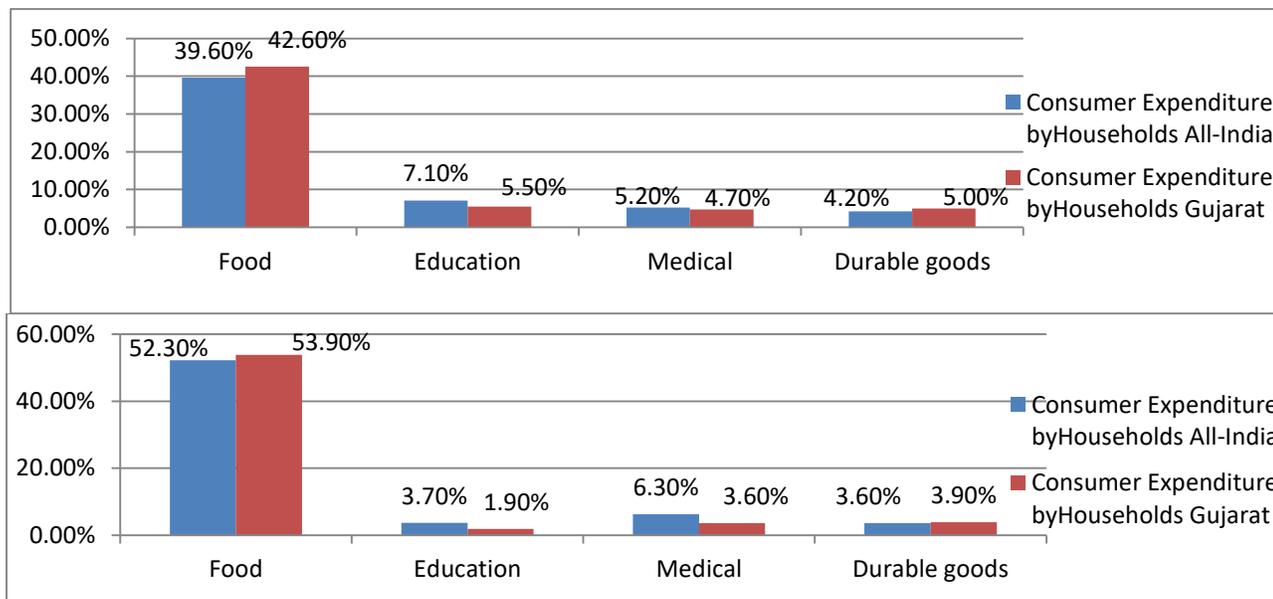
Source: Socio- Economic review 2009-10

Gujarat was among the states that recorded very high GSDP growth rates in the last decade, compared to the other states.

Consumer expenditure on household goods and services

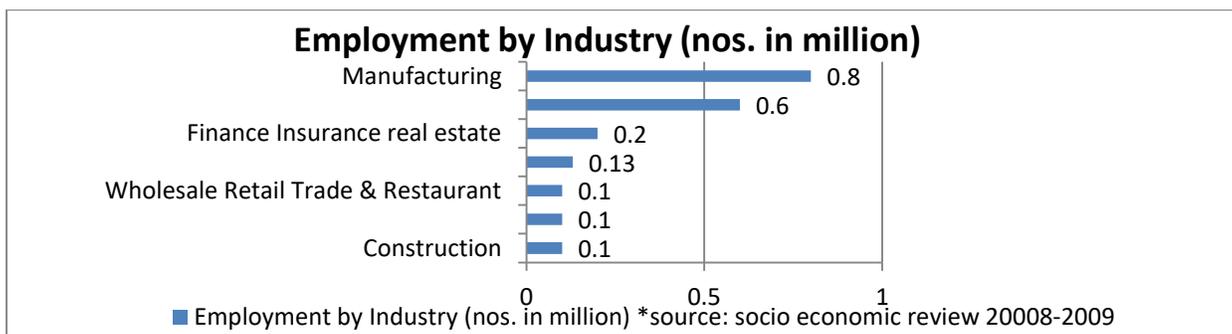
Gujarat is ahead compared to all-India in share of per capita expenditure on food and durable goods. But state government has to do still a lot in the area of Education and Health as compared to all India levels.

URBAN & RURAL



Source: Households Consumer Expenditure in India 2007-2008 NSS 64th round.

Employment distribution in Gujarat



Manufacturing accounts for largest share (41 per cent) of employment across industries in Gujarat. The total employment in the public and private sectors has increased from 1.8 million in March 2008 to 1.9 million in March 2009.

As of March 2009, the public sector establishments employed 0.8 million while the level was 1.1 million in the private sector.

As of March 2009, the public sector employed 0.3 million women (14.7 per cent) while, the private sector employed 0.1 million (10.2 per cent).

A 50-year-saga of pain and gain

Green-Revolution

Gujarat saw a growth in the agriculture sector in the 1960s and 1970s due to extensive cultivation, expansive irrigation facilities and the Green Revolution that brought in high-yield seeds and increased used of fertilizers.

Farmers started cultivating cash crops such as cotton, tobacco, groundnut and oilseeds. Unfortunately, the change in the cropping pattern, coupled with erratic rainfall led to a decline in food crop agriculture in the 1980s and 1990s. Since 1999, the state has experienced rapid growth in the agriculture sector propelled by government initiatives, biotechnology, groundwater economy and improved market access.

Gujarat has a robust agricultural economy; the total crop area covers more than 50 per cent of the state's total land area.

- The top-ten crops account for over 96 per cent of the total crop production of the state.
- In 2008-09, the total production of the major crops of the state was over 40 million tonnes. Of these, sugarcane was the major crop. It was followed by cotton, wheat and potatoes.
- The other major crops grown in the state include tobacco, coconuts, groundnuts, rice, jowar(sorghum), bajra(millet), oilseeds, maize, turand gram .

Source: CMIE as of 2008-09.

White-Revolution- Agro and food processing –the dairy industry

Crop	Annual production in 2008-09 (,000 tonnes)
Sugarcane	15,280.0
Cotton	7,013.8
Wheat	3,000.0
Onions	1,409.6
Groundnuts	1,440.0
Rice	1,390.0
Potatoes	1,448.8
Bajra	1,020.0
Maize	602.6
Rapeseed and mustard	500.0
Castor	490.0

Amul: The brand name "Amul," (meaning precious) formed in 1946, is a dairy cooperative in India. It is a brand name managed by an apex cooperative organization, Gujarat Co-operative Milk Marketing Federation Ltd. (GCMMF), which today is jointly owned by some 2.8 million milk producers in Gujarat.

India's milk revolution began in Gujarat with the birth of the Gujarat Cooperative Milk Marketing Federation in Anand in 1973, also known as the Amul Cooperative. India's National Dairy Development Board (NDDB) replicated the Amul model and launched Operation Flood, a rural development programme to create a nationwide milk grid. Operation Flood, often referred to as India's White Revolution, helped reduce malpractices by milk traders, in alleviating poverty and in making India the largest producer of milk and milk products.

Animal husbandry and dairying have a vital role in the rural economy of Gujarat. Gujarat has been a pioneer in cooperative dairy farming, with over a million members, now.

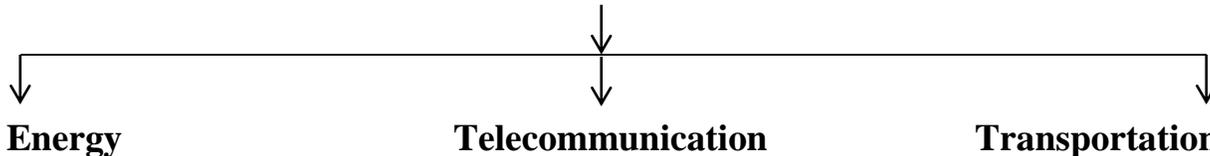
Gujarat Co-operative Milk Marketing Federation (GCMMF) that markets milk products under the well-known "Amul" brand is the state's largest milk producer and is based in Anand.

Amul is the largest food brand in India and world's Largest Pouched Milk Brand with an annual turnover of US \$1700 million (2009-10). Currently Unions making up GCMMF have 2.8 million producer members with milk collection average of 9.10 million litres per day. Besides India, Amul has entered overseas markets also.

Late Dr Vargeeshe Kurien, former chairman of the GCMMF, is recognized as a key person behind the success of Amul. On 10 Aug 20 Parthi Bhathol, chairman of the Banaskantha Union, was elected chairman of GCMMF.

Infrastructural Developments...a glimpse

Economic Infrastructure



Energy

The installed power capacity in the state increased from 9,291.1 MW in 2005-06 to 13,908.1 MW in 2009-2010. There are 29 power stations supplying power to Gujarat & 18,000 villages are supplied with 24-hour, three-phase electricity under the Jyotigram Yojana. Gujarat State Petroleum Corporation's (GSPC) gas company supplies piped natural gas (PNG) to nearly 59,709 domestic households, 370 commercial establishments and 551 industrial customers.

All district headquarters are provided with back-up support of transportable V-SAT terminals.

The state also has the State Disaster Resource Network (SDRN), a database of disaster management related inventory.

Sources: Telecom Regulatory Authority of India, Ministry of Communications & Information Technology, Socio-Economic Review of Gujarat, 2009-2010.

*As of June 2010 & **As of March 2010.

As on March 2009, the state had 19,163 km of State Highways, 20,707 km of Major district roads, 10,503 km of other district roads and 21,259 km of Village roads.

Pragatipath Yojana", a State Government initiative introduced in 2005, envisages the development of nine high-speed corridors and widening of highways to connect the tribal, coastal, industrial and rural areas with mainstream areas.

The state has one of the strongest port infrastructures in India. It is the first state in India to take up port privatization. Gujarat has 42 ports along a 1,600 km coastline, including one major port at Kandla and 41 minor ports. The state has two LNG terminals that offer transportation facilities for natural gas, crude oil and petroleum products from the Middle East and Europe.

The state has 13 domestic airports (the highest in any state) and one international airport at Ahmedabad. The Sardar Vallabhai Patel International Airport in Ahmedabad is India's eighth-busiest airport with an average of 150 aircraft movements a day. The state had a railway network of 5,309 km as of 2009. It comprises 3,100 km of broad gauge, 1,422 km of meter gauge and 787 km of narrow gauge.

Source: Socio-Economic Review of Gujarat, 2009-2010

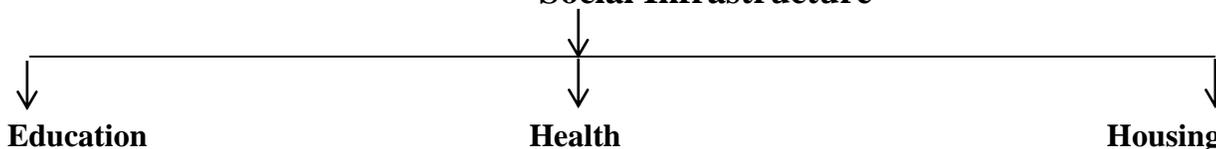
Telecom infrastructure as on 2009
GSM cellular subscribers: 26,160,079*
Internet/broadband subscribers: 787,710*
Wireless connections: 32,349,149**
Wire-line connections: 2,081,793**
Post offices: 8,972
Telephone exchanges: 3,226

Special economic zones

As on July 2010, Gujarat had 47 formally approved SEZs, 13 in-principle approvals and 30 notified SEZs. It is the first state to formulate an SEZ policy, which includes flexible labour laws and exit options for investors. SEZs in Gujarat get a 10-year corporate tax holiday on export profit: 100 per cent for the initial five years and 50 per cent for the next five years

Gujarat ranks first in terms of total area covered under SEZs in India. It is also a leading SEZ state with the highest geographical area of 27,125 hectares under SEZ development.

Social Infrastructure



Kanya Kelavani" is a state-wide girl child education campaign to increase enrolment ratio and decrease drop-out rates: It covers 28,346 primary schools. It has resulted in increase in net-enrolment ratio from 75 per cent to 98.98

per cent. Total number of students enrolled in 2008 was 7.7 million, of which 3.5 million were girls. Around 33,410 girls have benefited from this fund.

VidyaLaxmiYojana" has been implemented to achieve 100 per cent enrolment and retention of girls in primary schools:

Around 750,000 girls have been given the VidyaLaxmiBond between 2003-04 and 2009-2010.

VidhyadeepYojna" has been implemented where in case of an unfortunate death of a child studying in the school, the parents or the guardians of the child are offered US\$ 500 as an insurance amount. About 8.5 million students are insured under this scheme.

•"Sakshardeep" is a literacy campaign for adult education, under which 1.27 million adults had been educated until 2006.

•Society for Creating of Opportunity through Proficiency in English (SCOPE) is an initiative of the Government to make Gujarati youth proficient in business English.

Premier educational and research institutions in Gujarat
<ul style="list-style-type: none"> •Indian Institute of Management, Ahmedabad (IIM-A) •National Institute of Technology, Surat •Indian Institute of Technology, Gandhinagar •SardarVallabhbbhaiNational Institute of Technology, Surat •Institute of Rural Management (IRMA), Anand •MudraInstitute of Communication, Ahmedabad (MICA) •National Institute of Fashion Technology (NIFT), Gandhinagar •National Institute of Design, Ahmedabad •Centre for Environment Planning and Technology, Ahmedabad •Central Salt and Marine Chemicals Research Institute, Bhavnagar

Source: National University of Educational Planning and Administration, DISE, 2008-09.

Key health schemes of Gujarat Government
<p>Chiranjeevischeme</p> <ul style="list-style-type: none"> •Introduced to reduce maternity-related deaths and infant mortality; involves collaborations between government and private sector specialists to facilitate safe deliveries for the economically weaker sections.
<p>Bal SakhaYojna</p> <ul style="list-style-type: none"> •An initiative under the Chiranjeevischeme. •Provided facilities for proper checkup of newborns and infants by pediatricians. The main aim of the scheme is to bring down the Infant Mortality Rate (IMR) and the Maternal Mortality Rate (MMR).

Source: Gujarat Portal

Market capitalization

Gujarat accounts for 30 per cent of India's stock market capitalization, 21 per cent of exports and 9.5 per cent of the workforce. The State is the world's largest producer of castor and cumin, has the largest gas-based single location sponge iron plant, the largest producer of processed diamonds and the third largest denim producer. Besides, it also has Asia's largest grassroots petroleum refinery at Jamnagar and the country's only LNG import terminals at Hazira and Dahej.

In terms of its presence across sectors, Gujarat produces India's 31.2 per cent of petroleum products, 22.9 per cent of chemicals and pharmaceutical products, 12.6 per cent of engineering goods and 10 per cent of food and beverages.

It contributes significantly to the country's soda ash production (98 per cent), salt processing (85 per cent), diamond processing (80 per cent), plastic industry (65 per cent), petrochemicals (58 per cent), chemicals (50 per cent), groundnut (42.3 per cent), pharmaceuticals (42 per cent), cotton (35 per cent), and fabrics (30 per cent).

Vibrant Gujarat Global Investors Summit- a great tool for rapid growth

Many believed that last decade of Gujarat under Shri Narendra Modi as chief minister is its golden era of developments. Vibrant Gujarat Global Investors Summit is organized by Gujarat government to attract foreign investment for development of Gujarat. Based on the theme –Gujarat Going Global and aimed at bringing together business leaders, investors, corporations, thought leaders, policy and opinion makers; the summit served as a perfect platform to understand and explore business opportunities with the State of Gujarat. Since 1st summit in 2003 to 5th in 2011 it has attracted many investors. Vibrant Gujarat Global Investors Summit 2011- Signed 7936 MOUs having total investment of Rs. 20.83 lakh crores.

This impressive record, however, does not mean Gujarat only means business! In cultural arena, too, the State has emerged a major attraction for tourists and pilgrims alike.

Cultural infrastructure

Various dance forms of the state include dandiyaraas, garba, garbi, rasaka, tippani and padhar. Many fairs and festivals are celebrated in the state such as Bhavnath mahadev mela, Dang darbar, Vichitra mela, Dhrang fair, Trinetreshwa mahadev fair, Vautha mela, Shamlaji mela, Kutch mahotsav, Bhadrapurnima, Kavant mela, Modhera (dance festival), Makarsankranthi, International kite festival (Uttarayan) and navratri festival.

Museums in the state include The Gandhi SmarakSangrahalaya (Ahmedabad), Calico museum of textiles (Ahmedabad), Vadodara museum (Vadodara), Maharaja Fatehsingh museum (Vadodara), Gandhi Museum (Bhavnagar), Kite museum (Ahmedabad), Watson museum (Rajkot) and the Lady Wilson museum (Valsad).

Prominent stadiums in the state include the SardarPatel cricket stadium (Ahmedabad), MotiBagh stadium (Vadodara), Indian Petrochemicals Corporation Ltd (IPCL) sports complex (Vadodara) and the Surat indoor stadium.

Drought, Low HDI, Corruption, Natural & Man-made Disasters....*the other side of the coin!!*

We know that India is a Land Dried in Droughts & Dragged away in Floods; And Gujarat is no exception of it. It has also observed severe water crisis due to drought and less rainfall. However numbers of farmer's suicides are less as compared to other states. On the other hand many a time's floods have ruin peoples' life. All over Gujarat Per Capita availability of water had declined to 1137 cubic metres in 2000.

In the Race of developmental glory, Environmental damage has been done to a large extent in Gujarat. Forest covered area has come down to almost 7% which is much less than its standard level resulting in uncertainties in rainfall causing crop failure. Health problems relating to breathing have gone up. Industrial pollution has degraded the quality of potable water. As in India, corruption is spoiling the sentiment of people like termite in Gujarat too. Corruption cases increased by 45% in past few years. Many co-operative banks have become bankrupt pertaining to corruption while others are on the brink of bankruptcy. Whether it is the matter of Medical Mafia or corruption in the distribution of earthquake relief funds, no action has been taken yet.

Disasters: Natural & Man-made

Impact of the January 26, 2001 earthquake that devastated large swathes in Kutch, Surendranagar and Ahmedabad districts and claimed nearly 13,000 lives cannot be forgotten. In May 1999, Kutch faced a super-cyclone from the Arabian Sea that left hundreds dead, mainly the salt-pan workers. Similarly, unprecedented floods hit Ahmedabad in 1999 and Surat in 2006, causing colossal losses to business activity in a State known by its people's business acumen.

Among the major man-made disasters were the communal riots of 1969 and 1985 as well as the Sabarmati Express carnage and the subsequent communal riots in 2002, whose impact can still be seen. **“While there is peace in Gujarat**

now, tension between the two communities still exists and post-riot community ghettos have formed in Ahmedabad, Mahesana and Vadodara districts”.

Summing Up

- ✓ Gujarat’s Human Development has not kept pace with its economic development. Although it is one of the most economically advanced states, it still lags behind several states in terms of Human development. The rate of growth of literacy is 8.7 percent, much less than the all-India growth rate of 13.2 percent. Thousands of families in earthquake hit areas still do not have homes. Sex ratio is continuously falling which is a matter of concern. Caste & gender discrimination are also widespread.
- ✓ Leaving behind this inheritance of pain, Gujarat has had many a reason to smile. In fact, the State converted crises into challenges and challenges into opportunities.
- ✓ Thus, the once-parched State now has the bounty of the Narmada waters in many districts, thanks to the ambitious Sardar Sarovar project on the mighty river, on which more than Rs 25,000 crore have been invested during the last three decades. The project went through the pain of a long process of litigation on environmental and rehabilitation issues. But the State’s unity, cutting across political lines, saw it through every such challenge.
- ✓ The results of economic liberalization could be seen most clearly in Gujarat in the first decade of the new century, beginning 2001. The State emerged stronger and a beacon of hope for the rest of the country in terms of economic and industrial development. With the agricultural growth of more than 11 per cent in the last five years, the highest in India, Gujarat came in for praise by the Washington-based International Institute for Food Policy Research last year.
- ✓ In the sports, particularly in the national ‘religion’ called cricket, Gujarat is padding up to play a long innings. While Mr. Narendra Modi now doubles up as President of the Gujarat Cricket Association. Also recently a world record has been made for playing chess in a huge number at once.
- ✓ With these and several similar indicators, Gujarat is already regarded as the “**Growth Engine of India**”.

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