Gujarat's development story

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The economic growth of Gujarat state in the last two decades has attracted a lot of attention from academia, policymakers and journalists. Several factors, such as growth in industrial sector, impressive growth in agriculture despite poor rainfall, infrastructure development like extensive road network and availability of electricity, rapid urbanization along with entrepreneurship, a historical edge in commerce and trade and ease of doing business have all contributed to the sustained growth and development of the state. Even in the wake of successive droughts, earthquake of 2001, macro-shocks like the worldwide recession in 2008, demonetization in 2016, and the ongoing COVID-19 pandemic, Gujarat has displayed remarkable resilience power to emerge successful.

Despite the much-acclaimed economic development in Gujarat, there are evidences that the state has lagged behind many other Indian states in improvements in social sectors such as health and education. Further, not all social groups or all regions of Gujarat have shared the fruits of development equally implying that growth has not been inclusive. This lacuna in the growth story of the state has been studied extensively using primary and secondary data by the current and former faculty members of Gujarat Institute of Development Research (GIDR), Ahmedabad. Several of them were invited to contribute papers based on their work for including in the special issue of JSED to commemorate the Institute's golden jubilee year. A dozen papers that have been selected after the review process followed by the journal are included in this issue. Needless to add that the views expressed in the papers are that of the authors.

The essay by Iyengar brings to our attention that nearly a century ago, Mahatma Gandhi had emphasized that all sections of society, regardless of caste, creed, and religion, must share the benefits of industrial growth of the state. In order to protect the rights of the downtrodden and of labour class, he set up three institutes in Ahmedabad city. Majoor Mahajan Sangh was set up not only to settle disputes between the mill owners and the mill workers but also to protect the livelihoods of the workers. Gujarat Vidyapith was set up to provide basic and higher education to children from tribal and other disadvantaged social groups, and Navajivan Press was started to print in local language literature to carry his messages to masses.

While these institutes continue to flourish in Ahmedabad city while keeping in with the changing times, the question of sharing the fruits of industrial and agricultural growth equally among all social groups or regions within the state eludes us even today as shown

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with empirical data by several contributors in this issue. Viswanathan and Bahinipati's paper, based on 2001 and 2011 Census data, shows that human development indicators related to availability of health infrastructure, educational attainment and standard of living improved in only seven of all the 33 districts of Gujarat. These are the districts where most of the industries were set up and despite some efforts to develop other regions, regional disparities in every social sector increased over time.

The disparities are evident in employment as well, as shown by Shah and Pattanaik in their paper based on the analysis of data from Census and NSS. They show that in India the non-farm employment has taken place in urban/industrialised areas rather than in rural areas. In Gujarat, the districts that attracted more industries and/or were better endowed with natural and other resources, provided non-farm employment to their rural population in industries, whereas workers from districts that did not benefit from industrialization were largely employed as casual wageworkers in activities like construction or transport.

The inequalities in inter-district growth are observed between blocks in the districts. Bansal and Parthasarathy in their paper argue that post 2001 earthquake in Kachchh district, fiscal incentives offered to provide livelihood to the people of the district were used to set up industries in those blocks that were well connected to the highways, or were near the ports and the blocks that were not well endowed with such facilities were ignored. Also, due to miss-match between skills available among local population and those needed for many industries, the local population of Kachchh did not benefit in terms of employment opportunities from industrial growth, although the district as a whole recorded high growth post earthquake.

Along with the impressive growth in industrial sector, Gujarat has made strides in agriculture despite poor rainfall and a general perception is that the farmers of Gujarat have succeeded in converting such disadvantages into opportunities. One example of this is growing a unique variety of wheat in saline areas without irrigation under conserved soil moisture. Known as *Bhalia* wheat, it is highly coveted, fetches high price and is given a geographical indication (GI) registration. However, despite these distinct advantages, as Lalitha, Bandi and Vinayan point out in their paper, the farmers have not been able to reap the benefits because they are not informed about the advantages of the GI tag and receive little support with quality authenticity.

Another group of people working in primary sector who have not benefitted from the growth in the sector are the tribal who work on piece rate as sugarcane harvesters. The paper by Visaria and Joshi, based on primary data from the households of Dangs district in South Gujarat, shows that every year a third of young adults migrate to neighbouring sugarcane cultivating districts for half a year to work as harvesters. The sugarcane growers benefit from the cheap labour, but the migrants continue to earn much lower than the minimum wage rate for agricultural labour, and pay hefty interest to the contractors who provide cash advances during the lean post-monsoon months. Young adults are forced into circular migration and generations of migrant workers are trapped in the vicious cycle of poverty and indebtedness.

That Gujarat's economic development has done very little to improve the health of its people or reduce inequity is brought out in two papers in this collection that have examined the data on health indicators. Gumber's analysis of National Sample Survey (NSS) data related to healthcare access, quality, cost and utilization over almost 35 years from 1980–81 to 2014 reiterates that social inequities persist. The rural poor and women in Gujarat and Maharashtra have been at a disadvantage compared to those living in urban areas and belonging to high-income strata. Based on the analyses of data from two rounds of the National Family Health Surveys (NFHS) carried out in 1992–93 and 2015–16, Dhak has also shown that in Gujarat

socioeconomic inequalities between population groups in child under-nutrition, measured in terms of stunting or height for age, have not only persisted over time but have increased. Also, children from poorer and less endowed districts are at a greater disadvantage compared to those living in relatively better off districts.

The inequities between haves and have-nots are evident even in access to drinking water in urban areas as shown by Mehta, Mehta and Vavaliya in their paper. With data from cities of Gujarat they show that despite the state government's effort to provide drinking water to all, accessibility in terms of connection within the premise, availability measured in terms of duration of supply time, and quality of drinking water were issues of concern for the residents living in poor localities. Intermittent supply of water gave rise also to issues of water storage and wastage in the slums.

Of the three other papers in this collection one deals with Gujarat's effort to choose.

people's representatives at the grassroots level unanimously and consensually without contesting election. A qualitative study carried out by Bandi in two districts of Gujarat shows that caste, political affiliation of the candidates and money played important role in their selection supposedly with the consensus of all. The method, known as *samras*, of selecting candidates for the panchayat however did not ensure that the gains of development were accessible or shared equally by all sections of the village society. The relatives and others close to the selected candidates benefitted disproportionately. The study reiterates the fact that the poor from disadvantaged social group lose out even in their representation in the local government.

The paper by Unni and Dev, using the data from the Centre for Monitoring the Indian Economy, has analysed the impact of macroeconomic shock due to demonetization on employment of workers in five Western Indian states. The results showed that demonetization had significant negative impact on the work participation rates of men and women in relatively backward states of Rajasthan, Madhya Pradesh and Chhattisgarh where economic activities are largely conducted by cash. But the work force of Gujarat was less affected and was able to withstand the shock of demonetization better.

Pathak and Upadhyay address the much-neglected issues of mental health of women in their paper by using the elements of capability approach such as functioning, agency, and endowment. The Government of Gujarat in partnership with voluntary agencies launched a programme to address mental health issues of survivors of domestic violence. The authors show that with psychosocial and legal counseling and with support of family members, friends, police, voluntary agency, these women can achieve the kind of lives they value and gain confidence to demand their rights and develop capabilities to achieve socially desirable outcomes.

The papers in this special issue on Gujarat have addressed different dimensions of development trajectory including the lacunae in its growth story. Most of the papers in this collection on Gujarat have brought home the mismatch between economic growth and human development indicators. They have also empirically showed that the fruits of economic development or small gains in health and other social indicators have not been shared equally by all social groups. The better off populations gained to a much greater extent leading to increasing and deepening the divide and disparities between the well to do and poor. Almost a century after Gandhi's efforts to ensure wellbeing of all regardless class, caste, creed in the state, are we still struggling to achieve inclusive growth is a question that still haunts us.

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