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Gujarat: Combining sense & sensibility

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Gujarat no longer competes with the rest of [India](#) but with [China](#) instead. The rate of growth of the state GDP from 2002 till date has been, on average 12.80 %. That's as good as China's and way above the Indian average of 7.7% or even Gujarat's own past performance of 3.52% per annum in real terms from 1997 to 2002, as per data from the [Central Statistical Organization](#).

One of the quietest yet proudest achievements for Gujarat in the last decade has been the astonishing 9% rate of growth of agriculture per annum, which is three times the national average.

A recent [World Bank](#) study on Gujarat's highways reveals that its superlative performance can be benchmarked by global standards. It lists several institutional and organizational factors that set it apart from other Indian states.

[Cato Institute](#), the high priest of political liberalism, has done a detailed study on port-based development, which says that in 2007, Gujarat's ports handled 176.6 mt of cargo, making it India's biggest handler of traffic.

World Bank data reveals that, as a proportion of India's output, Gujarat accounts for 39% of industrial output, 25% of its textile production, 40% of pharmaceutical products, 67% of petrochemical production, and 20% of exports.

V-governance or [vibrant governance](#) could be added to the global public policy lexicon as Gujarat shows that it has overtaken the rest of India on roads, agriculture, ports, pharmaceuticals and petrochemicals. In other words, it is actually disintermediating, cutting India out of deal-making and hardsell and directly engaging with the world on several economic dimensions.

Gujarat's economic progress has been a quiet yet puissant tale. A couple of years ago, I had the opportunity to lead a global investment delegation to the state. Two facts hit one right between the eyes. One, the average Gujarati is eager to do dhanda and we were, in fact, met by sarpanches often in trendy, torn designer jeans with maps and data, enthusiastic to attract investment. Two, the quality of roads even in small towns like Dahej, beat even the legendary US I-94 hands down.

But not everything is perfect. Data from the Centre for Monitoring Indian Economy shows that Gujarat has dropped, on average, about 26% of its signed Memorandums of Understanding (MoU) over the past seven years. However, it has managed to garner promised investment running into several billion dollars. It would be difficult for any government anywhere to convert every MoU into actual investments and so to believe that the entire Rs 18 lakh crore promised investment would come in, is at best aspiration, and at worst, hype.

The state's per capita electricity consumption is almost twice India's average of 704.2 kWh (2007-08). An impressive 99.7% of its villages have electricity (compared to the national average of 84.4%), according to the Central Electricity Authority. The Jyotigram power project is an intelligent rationing of power that bifurcates electricity supply with parallel lines and feeders for agricultural and non-agricultural use. The state has also invested about Rs1,000 crore in a parallel power grid and laid 56,000 km of high transmission lines and 22,000 km of low transmission lines.

What else? Ahmedabad's BRTS, the ambitious rapid transport system that's being developed by the Gujarat Infrastructure Development Board, is being replicated in other states. Last year's UN Public Service Award went to Gujarat for improving transparency, accountability and responsiveness in public service, perhaps on the grounds that there is no 'Adarsh' to sully its image — so far. And the state has perhaps the smallest cabinet in all of India — just 15 ministers, which may indicate that there is good governance in practice rather than merely in theory.

It all sounds exemplary but there is one important area where Gujarat has some serious catching up to do - its human development indicators. The government is trying hard to increase literacy, reduce the school drop-out rate and enhance its people's sense of wellness in accordance with the UN well-being index, but it has a long way to go.

Even so, the economic turnaround makes us wonder — what does Gujarat have that other states don't? Strong leadership and institutions that ensure good governance perhaps? Now, it needs to develop more of a social conscience and get to work on its human development index.

The writer is an IAS officer. The views expressed are personal

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