

Communist Party of India (Marxist)

Election Campaign Booklet

NO TO THE GUJARAT MODEL

Facts speak louder than boasts.

The Modi Macro model for India is based on the so-called achievements of Gujarat. There is enough material to show how this macro model has developed on the basis of huge largesse to corporates and cronies of the Chief Minister. Earlier published details of Modi's land giveaways are available in an annexure in this booklet.

These deals taken together show at a conservative estimate a loss to the exchequer of over one lakhcrore rupees.

It is not just a question of the corruption involved. This is embedded in the model itself. But that is not the full story.

Have you ever wondered why in all his public pontifications Modi never once speaks of workers or the working people ?

Here is the reason:

An untold truth is that the Modi model is based on cheap labour. It is based on low wages, low monthly consumer expenditures, both in urban and rural areas--it is a cruel model built on the blood and sweat of workers. While Gujarat boasts of industrial and agricultural development the growth rates have left untouched the earnings of workers.

In particular, women workers in Gujarat have suffered the most.

The Modi model is also built on low Government expenditures on education and health leading to very poor social indicators. Gujarat has large surpluses but it has not been used to eradicate malnourishment, disease or illiteracy. This is why on the main social indicators, Gujarat has a very poor record. Modi talks about skill development but in his own State he has high dropout rates, illiteracy rates worse than many other States.

In other words, the Modi model is used to extract high surpluses from the exploitation of labour enabling maximization of profits. Revenues accruing to the State from taxes are not used for the betterment of the workers but to further subsidise the corporates.

The figures speak for themselves:

Incomes in Gujarat are lower than all India average and sliding down

Under Modi, Gujarat has become a low income, low earnings, State despite a long history of industrialization and urbanization. This is reflected in figures of monthly expenditure of the people. Low wages mean low expenditures.

In rural areas, 40 per cent people spend less than Rs.40 per day and 90 per cent people spend less than Rs.75 per day.

In urban areas, 30% people spend less than Rs.55 per day and 60% of people spend less than Rs.80 per day.

Gujarat's average urban per monthly capita expenditure of Rs.2472 is **marginally less** than the all-India average of Rs.2477.

In expenditure rankings of 17 major states Gujarat **slid from 4th in 2000 to 8th** in 2012 in rural areas, and from **7th to 9th** in urban areas.

(sources:NSSO NSS KI (68/1.0) and 458)

Factory Workers

Despite being one of the most industrialized states, Gujarat's factory workers get about 30-40 per cent less than states like Jharkhand and Maharashtra.

The huge concessions given to industrialists for land, electricity, tax breaks, easy bank loans etc. have not resulted in higher wages for workers.

Factory wages have grown at 9% per annum over 2005-06 to 2010-11, the same as the all India average but much less than Assam (13%), Karnataka (12%), AP (11%) and others. A factory worker in Gujarat can expect to earn just Rs.23 more than the all India average.

(Source Annual Survey of Industries, 2010-2011)

Gujarat has some of the lowest wages in the country. This is valid across the different types of work whether of regular employees or casual workers, whether urban or rural whether male or female except in the case of casual rural female workers, which could be the MNREGA impact.

Average Daily Wages of Regular Employees (Amount in Rupees)

	Rural areas		Urban areas	
	Male	Female	Male	Female
All India	322.28	201.5	469.87	366.15
Gujarat	286.69	173.13	326.34	271.86

Source: NSSO Report 554

Average Daily Wages of Casual Labour

(Amount in Rupees)

	Rural areas		Urban areas	
	Male	Female	Male	Female
All India	149.32	103.28	182.04	110.62
Gujarat	115.77	104.96	160.64	88.84

Source: NSSO Report 554

Average Daily Wages for Agricultural Work

(Amount in Rupees)

	Ploughing	Sowing	Weeding	Harvesting	Transplanting	Unskilled labour
All India	230	199	178	199	186	192
Gujarat	166	142	129	136	122	129

Source: Labour Bureau, October 2013

With such a poor record in workers wages, it is clear that workers, particularly women workers, suffering from the policies of the UPA will be even worse off under any Modi led regime. Workers, of India must unitedly work to defeat this Modi model of development which he wants to impose throughout the country.

Jobless growth

Modi boasts that he has a magic wand for the youth. But why was that wand not used to provide jobs in Gujarat?

In fact in Gujarat **jobs are growing at a slower pace than the rest of the country and as far as women are concerned, jobs are declining - the Modi model of jobless growth.**

The total number of workers grew at an abysmal 0.4% in Gujarat over 2001-2011, compared to all India growth of 1.2%. Female workers

declined by nearly 1% in Gujarat while nationally they increased by about 1%.

Adjusting for population growth, during 2001-2011, Gujarat's workers/jobs declined by about 2.8% compared to an overall national increase of 2.1%.

Working class youth desperately looking for jobs should know that the Modi model which could not deliver in Gujarat will be no different from the UPA as far as provision of work is concerned.

(Source: Census 2001 and 2011)

Where do State Funds Go?

Gujarat which has given such huge concessions to corporates, has no funds for improving the education and health facilities in the Government sector. Here Modi has implemented the Manmohan model of privatization and cuts in public expenditures on major social sector projects. Gujarat has become a haven for expensive schools, colleges and hospitals all privately run. Out of 17 major States, Gujarat ranks a poor 14 in expenditures on education.

Not on Education

In ten years of Modi rule the average expenditure on education as a proportion of total expenditure was 13.2 per cent. This was lower than the All States average which was 14.8 per cent.

(source RBI)

But the Dropout rate class 1-10 in Gujarat at a high 58% is much higher than the all India average of 49%.

While Modi waxes eloquent about the knowledge economy and so on, in his own State, the Gross enrollment ratio in higher education is just 18%, which is lower than the India average of 20%; Among tribals it is even worse. In Gujarat it is just 9.7%, compared to India (10.8%).

(source Selected Education Statistics 2010-2011, MHRD)

Not on Health

The record on health is equally dismal. Gujarat is ranked 16th in ranking of 17 major states As a proportion of total expenditure Gujarat spent 3.4% on health compared to the all States average of 4 per cent;

(source RBI)

The outcomes are apparent in the higher infant mortality rates, the higher maternal mortality rates as well as high malnutrition prevalent in the State.

No to Gujarat Model for India

India's working people can never accept Gujarat as a model.

The crores of rupees spent on branding Modi as a "development" oriented leader taking "decisive" measures hides the question: Development for whom? Decisiveness for whom?

The real picture of Gujarat that emerges from the facts stated in this short booklet shows that the so-called model of Gujarat stands on the blatant exploitation of its workers, urban and rural men and women.

Reject and Defeat the anti-working people "Gujarat model"

Vote CPI(M) - Strengthen the Left

For a pro-people alternative to the BJP and UPA

Annexure on Land Deals

Mundra Port and SEZ: 10,000 crore loss to help Adani

In 2003-04, the influential Adani group was allotted 6700 hectares of land for Mundra Port and the Mundra Special Economic Zone. Large tracts of land were taken from farmers and handed over to them. The allotment was done at a throwaway price band of Re 1 to Rs 32 per square metre, with most land being allotted for less than Rs 10 per square metre. However, the group, after developing roads, sold off the sub-plots to other firms, including many public sector enterprises, at an astonishing price ranging into thousands of rupees. The ensuing loss to the public exchequer is calculated to be around Rs 10,000 crore.

Adani Power Ltd: Again a gift to Adani

BJP's government in Gujarat went out of its way to purchase electricity from Adani group even when that meant higher costs for the common people. In 2006, when Gujarat was in dire need of power the Gujarat UrjaVikas Nigam Limited (GUVNL) decided to call on private companies to produce 3000MW electricity for the state. It signed two Power Purchase Agreements (PPAs) with the Adani group for production of 1000MW each and the rate was decided at Rs 2.89 per unit and Rs 2.35 per unit respectively. However, just before the deal with Adani, GUVNL had signed an agreement with the Coastal Gujarat Power Project, for purchasing power at the rate of Rs 2.26 per unit – a difference of 63 paise per unit between the two. Simple calculations show that for supplying 7000 million units of power in 2011 and 14,393 units of power in 2012 the GUVNL has ended up paying Rs 441 crore and Rs 906 crore more to Adani Power Limited for those two years respectively – a total profit of Rs 1347 crore for the Adani group. On the other hand, common consumers – farmers and the common man – ended up paying way more than they should ideally have been required to.

Sweetheart deals in Corporates haven

The Essar Group companies, which, along with Tata Telecommunications, are involved in the 2G scam, too got a sweet-heart deal from Modi. 2,07,60,000 square metres of land that

partially falls in the Coastal Regulatory Zone, and includes forest land, was given to them. The Supreme Court has banned any kind of development in these zones. When this land was allotted, the deputy conservator of forests, lodged a complaint, Forest Offence CR-11 No. 2 of 2006, punishable under the Indian Forest Act, 1927. Four different such offences have been recorded, but the BJP government ensured that all of them are settled by imposing fines of Rs 20 lakh. Directions to remove or demolish illegal constructions carried out on this forest land and the land restored to the forest department, were not implemented by the state machinery. Essar continues to enjoy this encroached 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, which is the monetary loss to the government. Of course this is over and above the loss to the environment.

To bring Tata's from W.Bengal it is estimated that Modi gave concessions worth 33,000 crores. In addition, for the Nano plant Tata's were given permission to exploit ground water resources, while neighbouring farmers were deprived of water for irrigating their land.

In another instance, prime land in Surat belonging to the 108-year-old, Navsari Agricultural University was allotted to Chhatrala India Hotel Group for the development of a seven star hotel. The land was allotted at a meagre price of Rs 15,000 per square metre against the market price of Rs 1 lakh per square metre. However, after the matter went to the Supreme Court, the government had to increase the rate marginally to Rs 35,000 per square metre. The government in the process lost hundreds of crores from the sale of this land.

Larsen & Toubro (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. when the actual land price is reported to be around 3500 rupees per sq metre resulting in huge losses to the exchequer.

A RTI enquiry brought to light Rs1,700croreSujalamSufalamYojana (SSY) scheme scam (2009). In 2003, Modi had announced that Rs 6,237.33 crore would be provided for irrigation and water supply in north Gujarat. The work component of Rs 2,063 crore was awarded to the state-owned Gujarat Water Resources Development Corporation Ltd for completion by December 2005. Till 2008, expenditure of Rs 1,127.64 crore was incurred. The Public Accounts Committee (PAC) of the state legislative assembly that monitors government expenditure mentioned in its report that more than Rs 500 crores were lost in corruption in the implementation of this scheme.

The BJP government disallowed the tabling of the report and muscled its way in the assembly, scuttling democracy. The CAG, whom the BJP never tires of quoting, in its report, elaborated various financial irregularities in the implementation of this scheme.

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