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REGIONAL PERSPECTIVE

Gujarat and the contradictory co-existence of economic enterprise and political illiberalism

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Introduction

The state of Gujarat, at the western extreme of the Indian subcontinent, has been in the news throughout the young twenty-first century. Since 2014, the former Chief Minister of the state has been Prime Minister of India, and the election which brought him this victory was the first ever to give an absolute majority to the Bharatiya Janata Party (BJP), often called the ‘Hindu fundamentalist’ or ‘Hindu Nationalist’ party. Ever since that party gained power in Gujarat in 1995, the state has been seen as the ‘showcase’ of the Hindu right. Then, early in 2002, a violent clash between the Hindu and Muslim communities resulted in the death of some 1,500 to 2,000 people, with a majority of Muslims among the killed. Modi’s overwhelming election victory in December of that year was seen as partly a result of this violence, to which the government he led had been at best indifferent.

Another aspect of this recent history of the state has been striking economic growth, apparently the result of the Gujarat government’s ‘business-friendly’ liberalisation policies, with active support for Indian and international investors. This growth, however, is also seen as having brought increasing social inequality as well as pollution, and the situation of religious minorities such as Muslims has worsened under the BJP regime. After the 2014 national elections, when Modi became Prime Minister, the promises of the BJP, as well as the fears of the opposition, turned around the question: would India’s development and policies follow the Gujarat model?

As this is written, it may yet be too early to answer this question. In this chapter we shall look more closely at the constellation of forces that have produced, and are producing, the present situation in Gujarat.
Geographical factors in Gujarat’s history

The first element here is the location of the state, on the west coast of India, bordering on Pakistan to the north, and on the Indian states of Rajasthan to the northeast, Madhya Pradesh to the east, and Maharashtra to the southeast. The state covers 184,035 square kilometres, and had a population of 60,439,692 in the 2011 Census. The state is mainly situated north of the Western Ghats, and is linked by several overland routes to the heartland of Northern India. Thus it provides the heartland’s most direct access to the sea, and from Gujarat ships have sailed to the Gulf and the Red Sea, to East Africa, and to Peninsular South Asia throughout history as we know it. Commerce, then, and towns that were centres of trade have profoundly influenced Gujarat society. It has often been said that here, the merchant castes (Vaishya) are second in rank only to the Brahmins, and superior to the Kshatriya varna from which kings come. Members of the trading communities were important in the Vallabhi kingdom, an offshoot of the Gupta empire, which fell in 784 AD. Merchants occupied important political posts, such as dewan (ministers) at the time of the Solanki (Northern Chalukya) kingdom of the eleventh to thirteenth century (Majumdar 1956). They continued to be a strong lobby under the Gujarat sultanate, from the late thirteenth century onwards. The strong position of the merchants means that Gujarat may have been the first Indian region to develop a veritable bourgeoisie.

Under the Muslim Sultans Gujarat proved an important adversary as the Portuguese, in the sixteenth century, extended their control over Indian Ocean trade to this region. But gradually Gujarat and its merchants reached a modus vivendi with the Portuguese, and Gujarati merchants came to dominate the international trade of Portuguese India, while the two states – Gujarat had been annexed to the Mughal empire under Akbar in 1573 – generally maintained peaceful relations (Chaube 1975; Sheikh 2010).

Both the Solanki kingdom and the sultanate were based in the plains of mainland Gujarat, and the ‘peninsular’ parts of the state – Saurashtra and Kacch – were not always controlled from the centre. The vassal states situated here were at times conquered and controlled, at other times effectively independent. The ebb and flow of central power meant, however, that the area of the present state formed a common political arena, characterised by a clear centre–periphery axis.

The importance of trade and merchants was not evenly distributed along this axis. The centre of merchant strength was the mainland of Gujarat: ports like Vallabhi (near present-day Bhavnagar), Bharuch (Broach), Khambhat (Cambay) and Surat were, at different times, the main gateways to Upper India. Of these only Vallabhi was (correspondence with latter part of phrase) in peninsular Gujarat, presently called Saurashtra, but it was close to the mainland. Saurashtra and the island of Kacch were close to the main trade routes, but still stood apart. Throughout the middle ages, and, effectively, until their incorporation into the modern state of Gujarat in 1961, these regions retained a ‘feudal’ structure, where merchants were at the mercy of the princes (Tambs-Lyche 2010, 2011). The northernmost part of the mainland – North Gujarat – was traversed by the trade routes, but this area, where the Solanki capital Patan had been located, also came to occupy a peripheral position from around 1411, when the Sultan Ahmedshah founded the region’s principal city of Ahmadabad. The town continued as the seat of the Mughal governors after the conquest of Gujarat by Akbar in 1573 (Gillion 1968).
Political dimensions in the history of the region

The centre–periphery dimension is, therefore, central to an understanding of the region. Central Gujarat has, since at least the eleventh century, been controlled by strong states. Villages were generally not walled, and peasants in the central villages were not armed: they were defended by the armed forces of the state. In between these villages, however, we find stretches of less fertile land, where the peasants gained part of their living from raiding the bigger villages. In the periphery, Saurashtra, Kacch and parts of North Gujarat, villages were protected by walls, and armed peasants furnished much of the military strength of the rulers. This opposition has consequences even today, notably in the contrasting interests of peasants, with the Kolis representing the descendants of the armed peasants of the periphery, while the Kanbi/Patidar caste complex stems from the central, state-controlled area (Tambs-Lyche 2010).

Some of the princes of the periphery – like those of Kacch, Junagadh, Jamnagar and Bhavnagar, as well as the centrally located state of Baroda – grew important enough, from the sixteenth century onwards, to constitute veritable states with an army and a state bureaucracy. But most of the princely states, especially in Saurashtra, were extremely small, consisting of one or a few villages. The British recognised most of the ruling princes of Gujarat, and the political opposition between centre and periphery lasted till well after independence. In Saurashtra, the princely states disappeared only in 1952, when they were merged into the United State of Saurashtra. The British annexed only a small territory directly: Ahmedabad and its surroundings were thus taken over in 1820. Even in the Gujarat heartland, the important princely state of Baroda persisted till 1949. The political map of Gujarat, in British times, was thus particularly complex: more than 200 princely states existed in Saurashtra alone. Even after their merger into Gujarat state, the larger princely capitals retained strong local patriotism linked to their specific histories. The languages of the periphery – Kathiawadi in Saurashtra, and Kacchi – are close enough to Gujarati to be considered ‘dialects’, but different enough for some to see them as separate, regional languages.

In Saurashtra, independence and the dissolution of the princely states implied an important shift in power: the princely and landholding Rajputs lost control, and the bourgeoisie consisting mainly of merchants, Brahmans and to some extent Patidars took over. One of their first moves was a land reform, weakening the Rajputs and strengthening, above all, the Patidars. The formation of a united Gujarat state, including Saurashtra and Kacch, implied that a bourgeois power constellation, centred on Ahmadabad, now dominated the state, reducing former elites in the peripheral regions to a subordinate position (Tambs-Lyche 1997).

Hindu–Muslim relations

Most of these states had Hindu rulers, but there were also Muslim states, of which Junagadh was the most important. The ruler of this state, in southwestern Saurashtra, actually tried to join Pakistan after the partition of British India, but on the initiative of Sardar Vallabhai Patel, then minister of the interior, the Indian army occupied the state in 1948. The ruler, who had fled to Pakistan, was deposed.

This leads us to a third particularity of Gujarat: the importance of Hindu–Muslim relations. Though the Muslim minority is not particularly large in Gujarat (9.1 per cent of the population in recent counts), the long period of the Muslim sultanate and Mughal rule – effective until the Mahratta incursions of the eighteenth century – had produced an important Muslim
elite, whose culture is still symbolised by exquisite architectural monuments – particularly in Ahmadabad. Other groups converted to Islam during this period. In many cases, these groups were examples of syncretism: Muslim religious practices co-existed with ‘Hindu’ customs, in terms of marriage and other traits of social behavior. Muslim occupational groups were considered the equals of their Hindu counterparts in terms of caste, or – the more common term in Gujarat until recent decades – ‘kom’ (from Persian qoum, with the same etymological origin as English ‘community’). Indeed, as late as the 1970, the Hindu–Muslim controversy was often seen, in the villages, as peculiar to urban politics.

The British and post-independence period has seen a decline of the Muslim elites in favour of Hindu and Jain groups, and though Hindu–Muslim relations have not always been conflictual in Gujarat – indeed, historically speaking, co-existence and mutual influence has been more typical – the changing relationships between Muslims and Hindus still form a recurrent theme in the region’s history. In recent years, the influence of Hindu nationalism as well as Muslim militancy influenced by the Gulf has considerably sharpened the potential conflict between Hindu and Muslim groups.

**Particularities of caste in Gujarat**

A fourth particularity is found in certain characteristics of the caste system of Gujarat. One feature was the division into two blocks, one led by the Rajput land owners and princes and dominating the agricultural sector, particularly in the periphery. The other block was led by the merchant castes, and in the central areas – where peasants had been unarmed – certain castes like the Patidars tended to affiliate themselves with this block from the nineteenth century onwards. Two blocks of peasants, differently situated in relation to those in power, thus opposed each other: for short, we may identify them with the peripheral Koli caste, historically allied to the Rajputs, and the Patidars of the centre. This feature underscores the centre–periphery dimension. Another feature, partly linked to this division, was the importance of hypergamy, with women marrying into a higher caste. Thus women from the Koli caste might marry Rajput men, while the topmost level of the Patidar farming caste gave their daughters in marriage to Brahmans. These marriages did not weaken the hierarchy but they did create vertical solidarities which were important on the social, cultural and political level. These vertical solidarities are still important, influencing political alliances (Tambs-Lyche 2010).

**Gujarat in the colonial period**

When the British took control of Central Gujarat in 1820, they found the country ravaged by the wars of the preceding period. In this particular area, Pax Britannica did favour reconstruction, and Ahmedabad soon recovered its position as a centre of trade and manufacture. In Bengal and other places, imported English textiles destroyed the market for local produce, but much less in Ahmedabad, since the coarse cotton produced in the city continued to find buyers among the Indian popular classes. Thus the Ahmadabad capitalists did not suffer greatly from colonialism: indeed, the coming of the railway favoured the growth of the city’s trade. The leading merchant families of the city strengthened both their political and their financial position under colonial rule. This, to a considerable extent, was taking place at the cost of the older Muslim elite.

The Hindu and Jain merchants founded new industries, textile factories which, unlike others in the subcontinent, were entirely controlled by Indians. With the introduction of
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municipalities, they came to dominate politics, too (Gillion 1968: 40–98). Part of their strength stemmed from the older ‘guild assemblies’ (Mahajan) and the institution of Nagarsheeth (head of the guild assembly), which were important in Ahmadabad and other cities well before municipal politics were introduced – the institution of Nagarsheeth is attested in Ahmadabad from the eighteenth century (Gillion 1968: 20–23). I.P. Desai (1964), investigating municipal politics in the small Saurashtra town of Mahuva in the late 1950s, felt that both the authority and the functioning of the town council represented a direct continuation of the earlier guild assembly.

Second only to Bombay as a centre of the textile industry, Ahmedabad was often called ‘the Manchester of India’. As Bombay expanded in the nineteenth century, it was mainly Gujarati merchant communities which constituted the Indian sector of its trade. These included the Parsis, who originally came to Gujarat as ‘refugees’ from Islamisation in the ninth century. They played an important role in Bombay’s trade, but perhaps even more in the production of regional identity, in that they wrote and published books in the Gujarati language and contributed to a cultural and literary awakening in the province.

Gujarat had always had important commercial links overseas, but these, too, expanded strongly in the British period, when British territories in Africa, South East Asia and the Gulf were open to Indian traders. Indeed, the main presence of Indian traders throughout much of Britain’s overseas empire was constituted by Gujarati and Sindhis: Sindh, now in Pakistan, shows considerable cultural continuity with, and has strong historical links to, Gujarat.

The migration of indentured Indian labour to the sugar colonies, such as Mauritius, Fiji, Trinidad and Guyana, were mainly of people from Central, Eastern and Southern India. But they were followed by smaller numbers of Gujarati traders exploiting the market provided by the expatriate Indians. East Africa was, however, particularly important. The traditional merchant communities already had a presence here, and when the British had the railway built to Lake Victoria, they used Indian labour and technicians. These were mainly Sikhs from Punjab, and few of them stayed on in Africa when the work was finished, but in the meantime, a famine in 1899–1902 had led a new social group to migrate: these were Patidar farmers from Charottar, south of Ahmedabad, and they established themselves as traders and intermediaries between Africans and the British in East Africa (Morris 1968). The Patidars, through migration and social mobility – they entered trade and manufacture in Gujarat itself – became a significant addition to the Gujarati bourgeoisie of merchants and Brahmins.

The relative absence of colonial influence meant that the Ahmedabad bourgeoisie had a particular character. It is typical that few of the important merchants spoke English. They remained vegetarians and teetotallers, and very few adopted European dress. While its industries made Ahmedabad one of the most modern cities of the subcontinent, it was equally one of the most Indian. This particular character, merging Indianness with modernity, and owing little to a properly colonial experience, is still typical of the Gujarat scene.

Towards independence and after

When Gandhi returned from South Africa in 1915, he joined an independence movement and a Congress Party which was well established in Ahmedabad’s bourgeoisie. The town now became Gandhi’s base for many years as he worked to extend the appeal of the independence movement to much larger sections of the population.

Gandhi himself was from a Gujarati merchant caste, and his father had been the minister (dewan) of several states in Saurashtra. His vegetarianism and much of his ideology of ‘non-violence’ can be traced to this source. In spite of his unconventional ideas on matters
such as untouchability and unionism he went down well with the powerful Ahmedabad families, and they gave him considerable support (Spodek 2011). One move which was to shape Ahmedabad’s economic climate was the trade union he helped to found. This was a union bent on compromise with the factory owners, stressing their moral duty towards their workers as well as the duties of the workers to them. It made for peaceful conditions in Ahmedabad’s textile industry until the owners started to close down their factories in the 1980s. Jan Breman (2004) and others have documented the pauperisation of the textile workers that resulted.

Until independence, mainland Gujarat was seen as one of the most highly developed regions of India, with a flourishing industry and a strong agricultural sector which had long been well integrated into the market economy. The peripheries, such as Saurashtra and Kachch, were in contrast seen as backward. Still, when these regions joined the new state of Gujarat in 1961, they formed part of one of the country’s richest and most ‘advanced’ states.

There followed years of frustration, as other regions were catching up. Gujarat had few natural resources for industrialisation, such as coal or iron, and the shortage of energy was limiting growth. The Narmada project, constructing enormous dams and electric power stations (at the cost of displacing very large numbers of people, mainly in other states) became a central point in Gujarat politics. Part of Modi’s strength comes from championing this project, and his insistence that a very large portion of the electricity produced should come to Gujarat. The strong position of his party also stems from a long tradition of bourgeois hegemony, where the local capitalists are seen as the champions of progress and development for the state. This is supported by a considerable literature on the great businessmen of Gujarat as architects of present and future prosperity.

Recurrent themes in Gujarat’s modern history include the centrality of geography, the role of merchants and entrepreneurs in economic and political life, and the politics of identity that underlies the distribution of power. The post-independence, post-unification state of Gujarat demonstrates a continuity of these key characteristics.

**Shifting economic geography**

Having lost Bombay to Maharashtra in 1961, Gujaratis and their government were determined to make a success of the economic belt along the railway linking Ahmedabad, Baroda and Surat to Bombay. Business propelled by the entrepreneurial Gujarati continued to flourish in many other parts of Gujarat, such as tile manufacture in Morbi (see Das 1998) and salt manufacture in Kachchh. Yet, the government of the new state channelled disproportionate resources into the industrial belt in the mainland. The Gujarat Industrial Development Act 1962, led to the establishment of the Gujarat Industrial Development Corporation (GIDC). Its main purpose was to ‘assist in the rapid and orderly establishment, growth and development of Industries in the State of Gujarat’ (Government of Gujarat 1962). The idea was for entrepreneurs to lease plots developed by GIDC, with electricity, sewerage, roads and other infrastructure, in order to focus on manufacturing. The initial GIDC estates were set up in the mainland, especially in South Gujarat. Even today, the mainland has 115 GIDC estates, and Saurashtra and Kachchh combined have 71.

To an extent, Gujarat’s so-called ‘golden corridor’ has lost its sheen over time. While it is still prosperous and home to some of the state’s best known industries such as Zyudus Cadila pharmaceuticals, Torrent Pharma and Reliance Textiles, this region is reaching saturation in terms of land, and is also highly polluted. Further, in the current phase of economic reform, India’s economy is generating new business demands, which look beyond the metro cities.
and national economy serviced by the golden corridor. With trade liberalisation, privatisation of most industries, encouragement of infrastructure development through Public Private Partnerships, and altogether more outward looking business enterprise models, there is renewed focus on the coastline. Gujarat is being projected as a ‘global business hub’ (Government of Gujarat 2014), with a ‘silver corridor’ powered by ports, export-oriented Special Economic Zones (SEZ), power plants, oil refineries and a range of manufacturing units. Port-based industry at Hazira, the Reliance petroleum refinery at Jamnagar, export-oriented cement manufacturing in Abdasa, Kachchh, and a vast SEZ in Mundra with an airstrip, port, private rail line, power plant and a range of manufacturing and packaging facilities, are products of this shifting economic geography.

In the case of Kachchh, for long ignored in the economic map of Gujarat, the economic geography of globalisation has coincided with the political economy of natural disasters. In 2001, Kachchh witnessed a devastating earthquake. Since then, in an attempt to rejuvenate the region, the government has announced several packages for enterprise generation. The seemingly untapped desert land, proximate to the border with Pakistan, is being developed to have prosperity coincide with peace. In a skewed development model, which prioritises economic growth over human development or environmental sustainability (Shah et al. 2002), the mangroves, fragile desert ecosystems, pastures and coastline of Kachchh have become (un)fair game in the economic progress scripted by the likes of Sanghi Cement, Adani Ports, Jindal Pipes, and so on. In this story, Kachchh is painted as a vast, unproductive territory that is only now being tapped. This is to the detriment of the livelihoods of the largely lower caste and Muslim salt pan workers, pastoralists, fish workers and forest produce pickers whose common lands are being appropriated under new development models in tune with global economic geographies (Sud 2009).

But as the old adage goes, the only constant seems to be change. After the global financial crisis of 2008, there is increasing realisation that while integration with the global economy is desirable, Gujarat or indeed the country cannot be over-dependent on global markets. Instead, local and global manufacturers have sought to tap India’s demographic dividend and ‘Make in India’, for the Indian market. Unsurprisingly, Modi’s old playing ground of Gujarat will be one of the test cases for his Make in India campaign. One result of this new and ongoing shift, which had already started under the previous Congress-led UPA government, is the move from export-oriented SEZs to internal manufacturing-oriented National Industrial and Manufacturing Zones, Special Investment Regions, Industrial Corridors and the like. Gujarat and enterprising Gujaratis are once again at the forefront of this new move. The Adanis, who own India’s largest SEZ at Kachchh, are now the key investors in the Dholera Special Investment Region, which will be part of the upcoming Delhi Mumbai Industrial Corridor, being built with Japanese collaboration. The thrust of Gujarat’s economic geography is shifting towards the mainland, once again.

**Merchants and entrepreneurs in economic and political life: growth over redistribution**

Merchants and entrepreneurs have shaped not just the economy, but also politics in Gujarat over time. This is apparent in the discussion of Gujarat’s history above, and is also visible post-independence. The state has had a symbiotic relationship with traders and manufacturers. Its policies have supported them, been responsive to them, and they have buttressed ruling dispensations in return. On the few occasions that a ruling party has gone against the perceived interests of these groups, it has faced a backlash, and even a shift in power.
From the start, growth rather than redistribution headlined the development agenda of the government. The beneficiaries were entrepreneurs who had access to capital, and to a range of schemes for business generation. These included the ‘Technicians’ Scheme’ of 1969, under which technically qualified persons with a viable project were offered loan finance up to 100 per cent of the fixed assets costs, working capital and pre-operative expenses, on liberal terms. From 1973, persons without a technical background but with experience of sales, management or trade were also able to access business finance under the ‘New Entrepreneurs’ Scheme’.

In addition to involving Brahmans and Vaniyas, from the late-nineteenth century, textile and related industries had been able to absorb artisanal middle castes such as Suthars (carpenters), Lohars (ironsmiths), Kansaras (coppersmiths) as well as Patidars. In the first half of the twentieth century, individuals from these groups had set up small-scale enterprises servicing modern industries, say through the manufacture of wooden bobbins and machine parts (Streefkerk 1997). Thus, in addition to traditional business groups, these emerging entrepreneurs benefited from the policies of the new state government.

It is clear that entrepreneurship, particularly in manufacturing, flourished in the 1960s and 1970s. Gujarat had 749 large factories in 1960, 1,129 in 1969 and 1,837 in 1978. Further, there were 1,948 small-scale units in 1960, 12,000 in 1969 and 34,000 in 1978 (Pathak 1982). Apart from direct government intervention, merchants and entrepreneurs have benefited from their dominance over Gujarat’s very successful cooperative movement, especially cooperative credit. Interviews with directors of cooperative banks show that leadership positions in these institutions tend to be dominated by particular upper castes, with credit flowing along caste lines (Sud 2012). In a reminder of the synergetic relationship between private capital, government and politics, it is not surprising that many prominent political leaders have had their initial administrative experience, and seed electoral campaign finance, through the cooperative system. This mutuality has also guaranteed that the government has looked the other way in a series of cooperative scandals in Gujarat, where dubious loans have resulted in banks defaulting and even shutting down. This, of course, has been to the detriment of ordinary depositors (Bhatt 2002).

At times, entrepreneurial groups have risen due to the unintended consequences of government action. Redistributive land reforms were unsuccessful in Gujarat (Shah and Sah 2002). The only notable success was in Kachchh and Saurashtra where estates owned by former princes and large landlords passed into the ownership of tenant tillers (not landless labour). While the losers of this land reform, or redistribution of privilege (Herring 1983) were mostly Rajputs, allied to the British, against the nationalist movement, the gainers were largely Patidars. The latter were a core constituency of the Congress Party, and best represented by their tallest leader: Vallabhbhai Patel. This social distribution of political allegiance had something to do with the failure of even marginal land reform in the mainland, where ownership was often with upper and middle castes, including Patidars. The Patidars have been at the forefront of the green revolution in Gujarat, taking advantage of scientific advances in seeds, irrigation and cropping techniques. Their resultant wealth has been ploughed back into cash crops like cotton and groundnut, but also into a diversification towards agro-industry and entrepreneurship, especially among the younger generations (Rutten 1995). It is these powerful political groups that have straddled agriculture and industry, and benefited from government largesse, that have demanded selective market liberalisation from the 1990s. In the case of land, agrarian and agro-industrial entrepreneurs have lobbied for the opening up of land markets, such as through the easy convertibility of agricultural land for industrial purposes. These same groups have opposed the entry of
foreign capital into the state, unless in partnership with local business or when ancillary benefits to local business are apparent (Sud 2012). The entrepreneurial and practical Gujarati has moved with the times, partaking of land reform and government largesse in the dirigiste era and demanding specific types of liberalisation during market reform.

The cosy relationship of traders, entrepreneurs and the powers-that-be has been unsettled in two notable periods of Gujarat’s recent history. Led by students and the political opposition, the Navnirman movement of 1974 protested against corruption and price rise. It resulted in the resignation of the Chief Minister. Significant finance for dissidents came from the unlikely source of Saurashtra’s traders and millers of edible oil, and their counterparts in the rice business. Following inflation after the world crude oil price shocks of 1973, these traders had been making huge profits through hoarding and speculation. In response, the national government, led by the Indira faction of the Congress, had instructed its Gujarat counterpart to impose levies on rice and groundnut. Forced to sell at fixed purchase price, Gujarat’s powerful traders rebelled, with much success.

A few years after the traders’ revolt, it was the turn of consolidated elite interests to flex their political muscle. In 1980–1985, under the leadership of Jinabhai Darji and Madhavsinh Solanki, the Congress Party engineered a massive electoral coalition of Kshatriyas-Harijans-Adivasis-Muslims (KHAM). These groups, which had been on the peripheries of power politics in the post-independence period, then received significant representation in the legislature and government ministries. One of the early tasks of this government was to reopen about 25,000 cases of land ceiling avoidance. The potential beneficiaries were from the KHAM groups, and the potential losers were Patidars and other upper-caste land owners. Immediately, a conglomerate of 13 organisations representing the dominant castes and classes petitioned the High Court to halt the government’s new land initiative. Among them were the Gujarat Chamber of Commerce and Industry, the Gujarat Chamber of Agriculture and the Khedut Samaj (Farmers’ Society). After this action, local government administrators filed a report suggesting that if the land redistribution cases were not given up, ‘class war’ would break out in Gujarat. Under tremendous strain from various sides, by 1983, the government withdrew all cases against the evaders of land ceiling (Sud 2012).

After stamping their authority over politics, Gujarat’s traders and entrepreneurs have mostly gone along with governments that by and large represent their interests. A more recent iteration of the government-business relationship was seen after the 2002 communal violence. When the Modi government’s handling of the violence was criticised in the national press and even in the national Confederation of Indian Industry (CII), a group of prominent Gujarati businessmen stood by Modi. Gautam Adani, owner of India’s largest private port and SEZ in Mundra, Indravadan Modi of Cadila Pharma, and Karsanbhai Patel of the Nirma Group established the rival Resurgent Group of Gujarat. They and many other Gujarati businessmen then offered monetary and moral credence to Modi’s Vibrant Gujarat business summits. The latter aimed to attract investment back to Gujarat after the economic and political disturbance of the riots, and the earthquake of 2001. The Vibrant Gujarat summits have become one of Modi’s most talked about initiatives in building a business-friendly image for himself, and for Gujarat. The sustained backing of Gujarati’s entrepreneurs is the foundation of this image and investment building exercise. One of the first prominent public calls for Modi as Prime Minister was made at Vibrant Gujarat 2012 by these same business people. It is no coincidence that in the year since the declaration of Narendra Modi as the BJP’s prime ministerial candidate in November 2013, the stock market value of the Adani Group rose by a stupendous 94 per cent.
The politics of identity

To contemporary observers, Gujarat is associated with the politics of regional and religious identity. In regional terms, Gujarati pride or asmita, the will of 'five crore Gujaratis' (50 million), and aapnu Gujarat aagvu Gujarat (our Gujarat, unique Gujarat) are just some of the Pan-Gujarat constructs being peddled today. Gujarati asmita, for instance, has been invoked in the wake of criticism of the 2002 violence. Gujarati pride also headlined Narendra Modi’s bid for prime ministership. It has been suggested that Modi is Gujarat’s retribution for Sardar Patel apparently being denied a shot at power in New Delhi in 1947. Of course regional pride, which easily slips into chauvinism, is built on ‘imagined communities’ (Anderson 1983) and selective interpretations of history. The link drawn between Patel and Modi misses another Prime Minister from Gujarat: Morarji Desai, who served in the Janata government from 1977–1979. Modi’s prime ministerial campaign, in which all parliamentary seats from Gujarat went to his BJP in 2014, was centred on sending ‘Gujarat’s son’ to Delhi. The projection of a business-friendly model of economic reform as the specifically ‘Gujarat model of development’ is part of the state’s regional brand building exercise.

Yet Gujarat as we know it today is a very recent creation. For centuries, scholars and intellectuals have interrogated ‘the idea of Gujarat’ (see Simpson and Kapadia 2010) and asked koni koni chhe Gujarat, or to whom does Gujarat belong? (Poet Narmadashankar Lalshankar Dave (b. 1833), known popularly as Narmad, cited in Yagnik and Sheth 2005: 201). Even more recently, the unified state of Gujarat has struggled to shake off the sub-regional Kathiawadi, Kacchi and (mainland) Gujarati identities that are enhanced by the varied histories, cultures, languages and access to resources for these areas. Post-independence politics has been a fertile ground for the playing out of contests over regional and sub-regional identity.

Around the time of Gujarat’s formation as a united state, there was a deep schism between Congressmen from the mainland versus those from other regions. When Jivraj Mehta from Saurashtra became Chief Minister in 1957, much of his cabinet was from Saurashtra and he refused to take orders from the mainland dominated Gujarat Pradesh Congress Committee. Even now, the replacement of the BJP Chief Minister Keshubhai Patel by Narendra Modi in 2001 was seen by Patel’s supporters as a great affront to Rajkot city, and Saurashtra more broadly, to which he belongs. When Modi stood for a by-election from Rajkot in 2001, local BJP workers refused to campaign for him. Schisms in regional and sub-regional identity are not played out in high politics alone. On an everyday basis, one feels the tension between local and sub-regional identification, versus a rather top-down regional Gujarati identity-building project. Kachchh, for instance, has significant fault-lines in its meshing with greater Gujarat (Simpson 2010).

As in the case of regional identity, Gujarat’s politics of religious identity construction is also ongoing, and often reveals fragile foundations. For some, Gujarat has been a Hindu rashtra or Hindu nation-state from the mid-1990s, which coincides with the BJP’s ascent to power. This is the impression one would get by reading the signboards that dot the state’s cities and towns, and now increasingly villages. Put up by organisations such as the Vishva Hindu Parishad (World Hindu Council), an affiliate of the BJP, these boards welcome visitors to the ‘Ambaji Pradesh [province] of Hindu rashtra’, and the like. Daily life carries on around these cartographic artefacts. Village and town councils, even when these have representation from non-Hindu nationalist parties, do not seem to feel the need to remove the Hindu rashtra boards in an ostensibly secular country.

The quotidian acceptance of a majoritarian Hindu idiom is repeated across space. Private transport services into Gujarat tend not to serve non-vegetarian food as this will apparently...
antagonise ‘Gujaratis’. The latter is usually a reference to Gujarat’s Hindu upper-caste ruling groups, as vegetarianism is not common among lower castes, indigenous tribes and the minority Muslim and Christian communities. Similarly, government offices regularly sport posters and even micro-shrines of Hindu deities. These are presumably erected by Hindu employees, some with BJP affiliations. Again, that this is acceptable in what are constitutionally mandated secular public spaces speaks volumes about the attempted Hindutva-isation of Gujarat.

By Hindutva, we refer to the ideology of Hindu nationalism, centred on the idea of India as one nation, one culture, one people. But even in the artificial, clear-cut boundaries demanded by political identity construction, Hindutva faces dissonance from caste. Till the mid-1980s, caste and sub-regional politics, not Hindutva, dominated Gujarati electoral contests. This is clear in the preceding discussion of KHAM, and the Saurashtra–Kachchh—mainland divide. While the BJP has sought to override these contests to build a pan-Hindu identity with Muslims and Christians as the ‘other’, on an everyday basis the Hindutva movement faces the challenges from alternative identity divisions. Thus, decisions about political representation and voice often have to take into account caste and sub-caste claims. Lower castes and indigenous groups, while incorporated in Hindutva movements to some extent, continue to be marginalised when it comes to experiencing any substantial power. Upper castes dominate government, politics and business. Hindutva then, despite its current success in Gujarat, is built on a fragile foundation. This foundation needs the constant fertiliser of minority bashing, regional Gujarati-Hindu chauvinism, violence, and invoking the threat of terrorism from within and from neighbouring Pakistan.

To conclude, Gujarat is built on many historic particularities, and certain recurring themes around geography, entrepreneurship and identity. Over the decades, progressive and outward looking Gujarat has faced the test of economic competition, the demands of globalisation, and the schisms of identity and fierce contests over electoral and social power. As enterprising Gujaratis have faced economic challenges, they have also been susceptible to the entrenching of narrow political identities. This explains the contradictory co-existence of economic enterprise with political illiberalism in the state. It remains to be seen how long this pattern will last. Gujarat has been the theatre of constant innovation, and it is hard to believe that the current impasse will remain unchallenged.

References