

Kerala vs Gujarat development model

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Kerala Model of development

- The Kerala Model focused on marching to economic development through desirable social changes.
- Kerala model is primarily about redistribution and state-driven development.
- Believes in bottom-up development + decentralised planning and development
- Amartya Sen and Jean Drez- supported Kerala Model of Development.
- Sen believes that investment in capability enhancing sectors (social infrastructure) will surely bring economic development.
- Sen believed that without the investment in social infrastructure inequality will widen and the growth process itself will falter.
- Kerala has performed positively in terms of social indicators but the economy has been in disarray, as it is ranked among bottom half of the country.
- Kerala happened to be the real 'model' for all states and showed its humanistic face of development with its incredible performance in health and education indicators which are reflected as lowest poverty ratio, infant mortality rate, maternal mortality rate and drop out ratio, and highest literacy, life expectancy, sex ratio, women- enrolment ratio in higher education and schooling years.

Gujarat model of development

- Gujarat Model tries to bag desirable social changes through sound economic anchor.

- Gujarat model as a metaphor for a primarily growth and private entrepreneurship driven development
- It believes in top-down development model→ trickle-down approach + more of centralised planning and implementation
- Jagdish Bhagwati and Aravind Panagariya, preferred Gujarat Model of Development.
- Bhagwati thinks that the Kerala model of development is not sustainable as it has no resource base. He argues that achievements in social infrastructure can be possible only at the support of economic infrastructure and growth.
- Bhagwati argues that growth may raise inequality initially but sustained growth will eventually raise enough resources for the state to redistribute and mitigate the effects of the initial inequality.
- Gujarat by now has a very well diversified and dynamic structure of the economy with a large and expanding industrial sector, a high degree of commercialized agriculture and allied activities, and a relatively large degree of urbanization.
- The active private participation and the emergence of entrepreneurs have contributed to this phenomenal growth. Wherein the status of Kerala is entirely different as it has never been a major economic power in India. capita NSDP shows its inclusive nature of development while that of Gujarat is more exclusive as its phenomenal economic growth in the current decades has never been accompanied by respective growth of per capita NSDP.
- Gujarat, a high income state in the country is a step ahead to Kerala in income per capita. Gujarat's process and progress in agricultural and industrial sectors have really erected it to the top income generating states.
- Theoretical and empirical evidence suggest that there is a positive relationship between economic growth and social development. However, the economic development

has not been necessarily accompanied adequately by social development, especially in the case of Gujarat.

- It is reinforced by the Human Development Index (HDI) position and other social indicators of development of Gujarat.
- At that, Kerala which is blessed with top standard social indicators trails by high crime rate against women and children and suicide rate.
- Biggest paradox in these models of development is the highest unemployment rate in Kerala with lowest poverty ratio and lowest unemployment rate in Gujarat with higher poverty ratio.
- Karnataka model of development and Tamil Nadu model of development models are being vouched as alternate models of development.