



Speech of

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at

The National Development Council Meeting

on the

Draft Approach Paper to the Eleventh Five-Year Plan

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## **Respected Prime Minister, Hon'ble Members of the NDC, Deputy Chairman & Members of the Planning Commission, officials of the Union and various State Governments,**

I am really happy to attend this important meeting of the NDC which has been convened to deliberate on the Draft Approach Paper to the Eleventh Five-Year Plan.

Earlier, the Planning Commission organised Regional Level Consultations with the State Governments to discuss the Draft Approach Paper. In the Regional Level Consultation held in Kolkata on July 17 this year, I had put forward some of my observations and suggestions on the Approach Paper. In today's forum I take the opportunity to place once again the issues I had raised earlier and focus our attention on a few more vital issues as well.

### **Economic Growth vis-a-vis Reduction in Poverty and Unemployment**

The basic emphasis of the Draft Paper is on an accelerated growth rate. But no attempt has been made to fix specific targets for a reduction in poverty and unemployment. Our recent experience has been that though GDP growth reached around 8%, employment in organised sector—both in public and private has declined. If growth remains "jobless", no amount of acceleration in growth rate would ever reduce poverty. The plan must provide a framework for an inclusive growth and set specific targets for creation of employment. Thus creation of employment opportunities has to be the main thrust of the 11<sup>th</sup> Plan in an organically integrated manner. We should not get bogged down in fixing growth rate targets; we must also have specific targets with regard to employment, poverty reduction and in social sectors like health and education. Inadequate public provisioning in health and education will make economic growth unsustainable. The Approach Paper advocates "Public-Private Partnership" model as the strategy of development, not just in infrastructure, but in social sectors like education and health as well. High cost of services offered by private players in education and health excludes the poor from availing these facilities and thus they depend on the services being provided by Government institutions. In this situation enhanced public investment in education and health becomes an absolute imperative. The Draft Approach Paper does not show sufficient awareness of the seriousness of ground reality in relation to deprivation in education and health. Truly inclusive growth will require much larger financial allocations for education and health.

### **Agriculture**

In this backdrop the sharp decline in country's agricultural growth rate to 1% per annum in the first three years of the 10<sup>th</sup> Plan is a matter of grave concern and requires serious introspection. This has accentuated rural poverty. Programmes like National Rural Employment Guarantee Programme can only bring cosmetic changes, unless a serious attempt for Land Reforms is undertaken throughout the country. In this connection I am happy to point out that West Bengal has implemented Land Reforms vigorously to the extent that 53.2% of total beneficiaries of Land Reforms in the country are from West Bengal. Its very favourable impact on increase in food production is clearly seen as we were able to register an agricultural

growth rate of 3.64% during the 10-year period 1993-94 to 2003-04, whereas the corresponding figure for the country as a whole was only 1.53%.

The Agriculture Sector still can absorb additional labour force through scientific management of water resources and value addition in agriculture and horticulture sector.

## **Horticulture**

To give a boost to the horticulture sector, Horticulture Mission was set up. The Mission is to be strengthened, A significant portion of our vegetable and fruit production perishes in the field. The pressing need for the growth of this sector is creation of modern storage facilities such as Cold Chain and marketing infrastructure. The State Governments would require adequate support for establishing Cold Chain facilities and modern markets, including setting up of Terminal Markets and creating modern storage facilities at the Ports and the Airports.

## **Water Management & Irrigation**

In our country floods create havoc during monsoon, damaging agricultural crop. Kandi in Murshidabad District, Jalpaiguri and Coochbehar Districts of North Bengal, Ghatal in West Medinipore and Egra Sub-Division of East Medinipore get worst affected. It is necessary that the Drainage Master Plans and the recommendations for flood protection of various expert bodies (Task Force) set up by the Ministry of Water Resource are implemented without any further delay. Further, for flood protection schemes central support should be made available to the extent of 75%.

Rain water harvesting is to be taken up very seriously to hold as much water as possible.

An exercise for linking some major rivers is under consideration. But it must be attempted only after thorough scrutiny of all technical and environmental aspects. It is also to be ensured that the interests of the States concerned are protected.

## **Urban Poverty**

While in rural areas we have introduced National Rural Employment Guarantee Programme, there is practically no programme at present to tackle abject urban poverty and unemployment. Though Swarna Jayanti Sahari Rojgar Yojana (SJSRY) programme has a component for wage employment generation and another component for Thrift & Credit Groups for BPL women, the allocation under the programme is too meagre. It is necessary that the allocation under the wage component of SJSRY is sufficiently enhanced, which would ensure creation of civic infrastructure in smaller towns through wage employment generation. Further, the one-time allocation of revolving fund for Thrift & Credit Groups of women of BPL families in urban areas be enhanced from Rs. 1000.00 to minimum Rs. 5000.00 per member.

## **Child Labour**

Government of India has prohibited engagement of children as domestic workers and in dhabas, restaurants, hotels and recreation centres with effect from 10<sup>th</sup> October 2006. While the notification has strengthened legal framework for child protection, it has threatened livelihood of many children and their family members. Enforcement of the Act alone cannot resolve the problems of child labour, we need financial assistance or welfare schemes for these children and their families. This is particularly important for children who do not have parents or protecting parents and for families of child workers whose parents are unable to work. Withdrawal of children from work places needs to be accompanied with welfare schemes for child workers and their family members. Some child workers are orphans or do not have protecting parents; they must be kept in shelter homes and provided with educational facilities. Some child workers have parents who are unable to work because of sickness or otherwise; these families should be provided with adequate financial assistance. Some child workers have parents who are under-employed because of non-availability of work; we need schemes to augment their earnings. Schemes under different departments provide for the welfare measures suggested above, but they have limited coverage and specific guidelines for selection of beneficiaries. We need separate fund for rehabilitation of child workers and their families. Government of India is implementing the National Child Labour Project for child labour in hazardous industries/occupations. The project should be modified to meet immediate needs of the child workers withdrawn from work and their families. Our focus should not only be on work places of child labour, it should be more on areas that are sources of child labour.

## **Institutional Credit**

The Banking Sector is to be sensitized so that small and marginal farmers, handlooms weavers, fishermen and self-help groups get adequate credit from financing institutions. The coverage of Kishan Credit Scheme is to be increased manifold. The self-help groups in both urban and rural areas are to be provided with cash credit facilities.

## **Problems of the Minorities**

The minorities account for 27% of the population of West Bengal. They are generally economically deprived and deserve some special measures so that they have access to improved housing and educational facilities and their employment opportunities improve. To ensure this we may have to think of adopting a sub-plan approach, in which there will be separate provisioning of funds for them.

## **Industry**

We are absolutely at one with the thrust in the approach paper that the manufacturing sector and particularly the SME sector requires a big push. An appropriate strategy is to be evolved for the growth of the SME sector in a cluster approach and adequate provisioning of funds is necessary for creation of necessary

infrastructure for this.

Area based tax concessions being provided by Government of India to units in the States like Uttaranchal, Sikkim and Himachal Pradesh are highly discriminatory in relation to units being set up in North Bengal. Contrary to the impression given earlier, Government of India has recently extended the cut-off date for availing these benefits by another three years up to March 2010. In this situation I cannot but ask for extending similar benefits for the units in North Bengal.

On the question of **Infrastructure** I cannot but mention the example of China which has made massive investment in infrastructure. That could draw more FDI than ours. Investments are to be made without any further delay for setting up of new seaports, airports and highways to upgrade the status of our infrastructure.

## **Education & Health; Malnutrition & Anaemia in Women and Children**

To achieve total literacy and also to tackle the problem of drop-outs, while central support in programmes like mid-day meal, Sarba Siksha Abhijan are to be continued, augmentation of fund is necessary in items like creation of additional class-rooms, toilets and drinking water facilities, school-health programme etc. Up till now Sarba Siksha Abhijan covers education up to Elementary level. Its coverage may now be extended to Secondary and Higher Secondary level. Further, Technical Education should also be brought under its coverage. The financing pattern of Sarba Siksha Abhijan should remain the same in the Eleventh Plan period to the effect that seventy five per cent of funding should continue to be provided by the Government of India.

Economically poorer sections of our population are very much dependent on the Government health infrastructure, which requires massive augmentation. What we need is State-led support to primary health care in all its dimensions. The need is to strengthen the entire primary health care system. State Governments are facing huge financial problems in doing so. There are massive shortages in human resource like public health nurses, ANMS, male multi-purpose workers etc.

Improved health outcomes demand access to a minimum level of nutrition. According to the National Family Health Survey (NFHS-3) 2005-06, prevalence of anaemia among children (6-35 months) and women in the reproductive age group (15-49 years) are 69.4% and 63.8% respectively. According to the report available for the last few years, the prevalence of anaemia and malnutrition among women and children has been decreasing very slowly. Anaemia and malnutrition of women in the reproductive age group results in inter-generational cycle of malnutrition and anaemia. Therefore, this issue needs to be addressed with priority.

In difficult areas such as ITDP villages, riverine belt of Sundarbans, Tea Gardens, forests and hills of Darjeeling relaxation of norm for setting up of Anganwadi Centre to the extent of one Anganwadi Centre per 350 population is called for so that mothers and children living in those difficult areas with very low density of population can avail themselves of the feeding facilities and health programmes. This would help in reduction in malnutrition and anaemia among women and children who are the target groups of ICDS schemes.

The cost of feeding per capita per day has been augmented from Re. 0.80 to Rs. 2 w.e.f 1st January, 2006 only, when Government of India started contributing 50% of Special Nutrition Programme (SNP). The quantum of feeding needs to be further augmented if we want substantial impact of this feeding in reduction of malnutrition and anaemia. Therefore, Government of India may increase their contribution from Re. 1 to Rs. 2 per capita per day so that the total cost of SNP becomes Rs. 3 per capita per day.

As of now, expectant mothers get feeding from Anganwadi Centres for six months before delivery and nursing/lactating mothers get feeding for six months after delivery. A child qualifies for feeding after six months when his mother becomes ineligible for feeding. Therefore, a mother feels demotivated to bring her six months old child to a Anganwadi Centre. Government of India should extend feeding of nursing/lactating mothers from 6 months to 12 months from the date of delivery, so that the nursing mothers are properly trained to feed their children during the weaning period of complementary feeding. Incidence of malnutrition among children starts rising exponentially during the period from 6 months to 24 months. Therefore, the first months of the complementary feeding period is very important for nursing mothers and children. Therefore, Government of India should agree to this proposal which has minimal financial implication.

There are many Anganwadi Centres without proper structure and hygienic condition. Government of India should sanction funds @ 2.5 lakh per centre for setting up the centres with drinking water facility and toilets.

## **Trafficking in women and children**

Socio-economic empowerment of women, specially adolescent girls is one of the important solutions to the problem of trafficking. Government of India has withdrawn w.e.f. 01-04-2006 the scheme SWABALAMBAN, which was utilised for skill development of women and adolescent girls, thereby contributing to their socio-economic empowerment. This scheme should be reintroduced by Government of India so that more women and adolescent girls are covered under this programme.

## **Issues related to financial resource**

In order to achieve the growth rate projected for the Eleventh Five-Year Plan and ensure balanced development of all regions of the State, adequate investment in social and infrastructure sector will be necessary. This calls for bigger plan-size and additional mobilisation of resources. The State Government will certainly try to mobilise maximum resources through tax reforms and improved tax administration. The Value Added Tax, which was introduced from April 1, 2005, has been showing good growth. The State has been able to contain the growth of non-plan revenue expenditure, thereby freeing resources for plan. However, these steps alone will not be adequate for ensuring the desired plan-size during the Eleventh Plan period.

The most serious problem of the State finances is the debt burden of the State and corresponding debt-servicing liability. Increasing interest payment stands on the way for adequate State's investment in social and infrastructure sector. The Twelfth Finance Commission (TFC) has not addressed the problem of debt-relief in a satisfactory manner in as much as the outstanding National Small Savings Fund

(NSFF) loan, which forms the most dominant component of all Central loans in case of West Bengal, has been kept out of the purview of the debt-relief package recommended by the TFC.

The NDC Sub-Committee, which was constituted to explore the possibility of providing relief on outstanding small savings loan, has come up with a recommendation which will provide only a partial relief to the States. For fuller and more appropriate relief, interaction between the Central Government and the State Government needs to be continued. If the burden of payment of interest is reduced, the State Government will be able to deploy more resources for plan, particularly for the social and infrastructure sector.

From April 1, 2005, the loan component of central assistance for plan has been discontinued and the States have been given the liberty to meet the shortfall by borrowing from the market or financial institutions. Since the debt burden of the State is already a matter of concern, the Central Government should increase the grant component of the normal central assistance to 50 per cent, remaining 50 per cent being met by the States either out of their own resources or by borrowing from the market or financial institutions. This step will help the State Government reduce the net accretion to its debt stock.

Service tax has become a very buoyant source of revenue. But the State Governments are getting only 30.5 per cent of the service tax collected by the Central Government. The Constitutional amendment relating to the service tax which provides for levy of tax on services by the Central Government and collection and appropriation of net proceeds of such taxes by the Centre and the States in accordance with the principles to be formulated by the Parliament by law is yet to be given effect to. It is necessary to enact necessary legislation whereby the States may get 50 per cent of the net proceeds of the service tax. This will help the State Government increase investment in social and infrastructure sector.

All centrally sponsored schemes in the State list should be transferred to the State Governments along with funds without any further delay. This would speed up the decentralisation initiative.

## **Special problems of the State**

I will now touch upon a few specific problem areas pertaining to West Bengal, which require special attention.

The problem of **Ganga-Padma erosion** has been a constant threat to our economy and livelihood. The problem is of gigantic nature. The rivers coming down from Bhutan create floods in North Bengal. Similarly the river Ichamati linked with Bangladesh causes severe flooding in North 24-Parganas District. These are international rivers. So far only half-hearted attempts have been made to tackle these problems. It is necessary that a time-bound plan of action is adopted.

The **Sundarbans** spanning a large chunk of land area in North and South 24-Parganas of our State and consisting of 102 islands of which 54 are habited is the largest delta in the world. It has a population of over 40 lakhs. Here we are faced with the problem of coastal erosion (the embankments spread over a length of 3500

km), maintaining the bio-diversity with its mangrove forests and rich variety of wild life, promoting eco-tourism by inviting tourists from home and abroad and last but not the least improving the quality of life of the people living in such remote areas. To evolve an appropriate strategy for development of Sundarbans we had approached the Planning Commission for guidance. Planning Commission has asked us to frame a Detailed Project Report encompassing different sectors for development of Sundarbans. We are in the process of engaging a reputed consultant for framing the DPR. Once it is ready we will approach the Commission for financial support for its implementation.

The problem of **Arsenic contamination** of ground water has been another problem affecting a number of Districts in the State. In the past the Central Government has extended financial support to us to tackle the problem. The support is to be continued as it is still a serious problem.

The State Government is determined to complete the Sub-stage I of Stage I of **Teesta Barrage Project** at the earliest which would irrigate 5.34 lakh Hectares in three North Bengal Districts of Jalpaiguri, Darjeeling and Uttar Dinajpur, as against the present coverage of around 1.33 lakh Hectares. This would involve a total investment of Rs. 2068 crore. We have spent Rs. 1043 crore so far. Considering the importance of early completion of the project, I would urge the Planning Commission to provide us 75% of the balance fund of about Rs. 1000 crore as grant under Accelerated Irrigation Benefit Programme (AIBP).

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