

We welcome the convening of this 55th meeting of the National Development Council (NDC). The main items of agenda are: (1) Mid-Term Appraisal of the 11th Five Year Plan 2007-12, and (2) Issues Pertaining to Urbanization, Agriculture, Left Wing Extremism, Water Resources, Tribal Development, Interface between Power Generation and Availability of Coal, etc. It gives us an opportunity to express our views on the major issues that are so vital to our people and society.

Aggregate and Sectoral Growth:

The Eleventh Plan aimed at an average growth rate of 9 percent per annum. Our economy exceeded the expectation in the first year of the Eleventh Plan, but the momentum was interrupted in 2008-09 due to global financial crisis. The growth rate in 2008-09 declined to 6.7 percent but rebounded to about 7.4 percent in 2009-10. According to the latest available data, the estimated rate of growth of GSDP of West Bengal would reach 8.68% in 2009-2010, with the growth from agriculture, industry, and services sectors estimated at 4.59%, 7.49% and 10.45% respectively. It may be noted that the growth rate of GSDP for West Bengal is higher than the national average and in agriculture the growth rate is much above the rate of growth of GDP from agriculture for the country as a whole.

Poverty and Unemployment:

The basic objective of the Eleventh Five Year Plan of West Bengal is to follow an all inclusive growth approach for improving the living standards of the

masses, particularly of the marginalized people. Poverty and unemployment rate are two important indicators to study the conditions of people over time and across regions. The chronic problems of unemployment and poverty in the country, accentuates the required welfare role of the Government, which should be specifically oriented to address the basic issues affecting the common man. It cannot be denied that although there has been perceptible growth in certain sectors during 2009-10, comparatively speaking, the adverse effects of the recent worldwide recession are still acutely present in the economy. It is pertinent to highlight that the policy of globalization led to marked rise in unemployment. According to the latest data and analysis of the Expert Group of the Planning Commission undertaken in November 2009, the percentage of people living below the poverty line in the rural areas is still as high as 41.8% compared to the official estimate of 28.3% (2004-05). The phenomenon of jobless growth with alarming drop in employment opportunities is noted with growing alarm in the organized and government sectors. It is imperative to firm up definite targets and effective strategies for increasing employment in agriculture, small and medium industries and the Services Sector.

Uncontrolled Inflation- Need for Universal PDS

Another greatly unsettling problem of the country in recent years is obviously the uncontrolled price-rise, leading to sharp increase in prices of food and essential commodities. According to price-data published by the Government of India, the wholesale price index for food items has increased sharply by

nearly 19.8% in December, 2009, compared to the price level of December 2008. This unprecedented rate of price-rise is common to all the States and is a general problem of the entire country. Further, the recent increase in the prices of petroleum products will have a cascading effect on the prices of other commodities and particularly of the essential commodities.

Against this backdrop of rising inflation and the periodical natural onslaughts of droughts, cyclones and floods, a large section of population has major difficulties in meeting their basic minimum needs. It is suggested that the ideas of checking inflation, generation of employment and comprehensive creation of income for the common people may be translated into reality by expanding the welfare role of the government and making it more effective. To protect the common people from the ravages of inflation and to control the process of inflation itself, it is imperative to introduce, from the level of Government of India, the Universal Public Distribution System with appropriate subsidies, which needs to be implemented in close coordination with all the States. The state on its own initiative distributed subsidized rice at a price of Rs 2 per kg among 2.64 crore persons lying below poverty line during 2009-10. This scheme needs to be supported by the Central Government.

Education:

For expansion of opportunities of education, priority has been attached to access to primary education for all children (5 + to 8+) and the net enrolment ratio reached 99.25% in 2009-10. To reduce the

dropout rate among students, along with enrolment of children in the primary schools, the mid-day meal programme has been implemented at the level of primary schools through the involvement of self-help groups. It may be highlighted that the dropout rate at the primary school level has fallen to 6.85% in 2008-09, lower than the dropout ratio of the country as a whole (7.8%).

Right to Free and Compulsory Education for Children Act, 2009 has come into effect from 1st April 2010. Under this Act, various statutory obligations have been imposed on the State Government. Particularly the State Government has to improve the infrastructure of all schools to bring the same in line with the requirements laid down under the Act within a period of 3 years. Similarly, new schools have to be set up and a large number of sanctioned posts for teachers are to be created to meet the requirements under the Act. The State Government also has to bear the school tuition fees and other charges for 25% of the total number of students enrolled in private and unaided schools. But no provision for financial empowerment of the State Government to bear such huge financial requirements to meet the statutory obligations under the Act has been made. National Development Council is requested to recommend allocation of funds to the State Governments to meet the requirements under the Act.

In the field of higher education, for expansion of the opportunities of education and research and improvement of the academic standard, along with necessary expansion of the two newly established universities, namely, West Bengal State University

(Barasat) and Gour Banga University (Malda), steps taken are - establishment of Sidho Kanhu Birsha University centered around Purulia and Bankura, strengthening of the campuses of the University of North Bengal at Jalpaiguri and Rabindra Bharati University at Siliguri, initiation of the process for conferring the status of a university upon Presidency College and playing a facilitating role in the upgradation of BESU to the level of National Institute of Science and Technology. In addition, a Center of Aligarh Muslim University will shortly be established in Murshidabad. The State Government has also decided that in the next year, 20 new colleges will be set up and 15,000 additional posts of teachers will be created. A special initiative will be taken to conduct courses on management and information technology in the campuses of 100 general degree colleges.

In order that students can take part in the production process, special priority has been accorded to expansion of vocational and technical education at all levels. With the target of setting up of vocational training centres in secondary and higher secondary schools in the State, 2000 additional training centres will be set up in 2010-2011. 25 new ITIs will be added to the existing 89 ITIs.

In the sphere of madrasah education, 112 junior high madrasahs have been upgraded to High madrasahs and 196 high madrasahs have been upgraded to higher madrasahs in 2009-2010. 75 junior high madrasahs will be upgraded to high madrasahs and 100 high madrasahs will be upgraded to higher madrasahs during 2010-2011.

A new campus for women will be set up for Aliah University.

Health:

In health sector, priority has been accorded to decentralized health care and development of infrastructure of the sub centres within each Gram Panchayat and improvement of services in the sub centres located at the headquarters of the Gram Panchayat. It is found from the latest State-wise data (2008) published by the Government of India that as a result of the measures taken by the State Government, the death rate in the State has fallen to 6.2 per thousand, which is not only lower than the all India average (7.4) but also the lowest among the States. The infant mortality rate in the State has fallen further to 35 which is much lower than the all India average (53). Birth rate in the State has also fallen to 17.5, which again much lower than the all India average (22.8). In the year 2008 the total fertility rate in the State has fallen to 1.9, which is far below the all India average (2.8).

Left Wing Extremism – Development Issues:

In West Bengal, 28 Police stations in the three districts of Paschim Medinipur, Bankura and Purulia are affected by the LWE Activities. Many civilians and security personnel have been killed and normal services have been seriously affected on many occasions. Joint operations are being continued by the state police and the central paramilitary force since June 2009. This is the matter of serious concern.

The State Government has announced a surrender-cum-rehabilitation package for naxalities (Maoist) in accordance with the guidelines issued by the Government of India in this regard. This apart, a package of special schemes has been announced for socio-economic development of the LWE affected areas. These schemes include, among others, (i) subsidized rice at the rate of Rs.2/- per kilogram to eligible all ST families, (ii) filling up of posts of teachers in primary schools in affected blocks with preference for qualified local ST people, (iii) providing bicycle to each girl in classes IX to XI, (iv) minor irrigation schemes, (v) soil and water conservation schemes, (vi) subsidies for forest produce collected by tribal persons, etc. These schemes would be implemented over and above the usual national and state level schemes. A committee headed by the Chief Secretary and comprising Secretaries of the related departments has been set up to oversee the implementation of the special development package as well as other flagship schemes in LWE affected areas.

The Government of India has included Paschim Medinipur district in the list of LWE-affected districts for sanction of special development fund in order to wean away people from extremist movement. Since Purulia and Bankura districts are also significantly affected by LWE, the State Government urges the Government of India to include these two districts also for sanction of special fund for development.

Agriculture and Irrigation:

Over the years, the lingering uncertainty and retarded growth in the agricultural sector, has contributed to the price-rise factor. As a result of comprehensive steps starting with land reforms, extension of irrigation facilities and improved production techniques appropriate for common farmers, the rate of growth of Gross State Domestic product (GSDP) from agriculture in 2009-10 reached 4.2 per cent in West Bengal. Use of improved agricultural techniques, flow of institutional credit and improvement of marketing facilities cannot be over-emphasised. For these initiatives, along with the direct involvement of the Government, it would be necessary to create more opportunities for the common farmers. The goal would be to increase production and productivity in agriculture through these combined initiatives in such a manner that self sufficiency in food grains can be achieved and maintained at the State level, necessary crop diversification can be brought about and overall employment generation and income can be enhanced for common farmers and others. Special emphasis on extension of irrigation facilities and enhancement of the net irrigated area will be helpful.

Inadequate coverage of irrigation and drainage aggravates the problem of productivity. Although in the Union Budget of 2010-11, there has been inclusion of Centre-State joint schemes in irrigation and drainage for the State, the share of the irrigation sector in the total Central Plan Outlay was, unfortunately, only 2%, as a result of which the proportion of irrigated area of the country,

particularly in connection with foodgrains, has still not exceeded 45% (Govt. of India, Economic Survey, 2008-09, Statistical Appendix). This has led to the inevitable neglect of investment in fertilizers and regrettable dependence on imports.

In the sphere of major irrigation projects, accepting the demand of the State, the Government of India has accorded the status of a project of national importance to the Teesta Project. Till now, the State Government has incurred nearly 79 per cent of the total expenditure of the project (Rs.1,332.55 crore). It is expected that in the coming years, in accordance with the funding patterns of national projects, 90 per cent of the balance requirement of fund for completion of the first phase of the project (Rs.1,759.04 crore) will be borne by the Central Government. The revised project cost of Subarnarekha Project, included under AIBP, now stands at Rs. 1986 crore. As this project's command area is inhabited mainly by scheduled tribes, the Centre should bear 90 % of the expenditure, the remaining 10 % being borne by the State. Similar AIBP norms should also be extended for Darakeswar-Gandheswari reservoir project (estimated cost of Rs. 1574 Cr.) and the projects proposed for stabilization of irrigation potential created through old projects like Kangsabati in the districts of Bankura and Purulia. In this context, I draw the attention of National Development Council to the need of further modification of the guidelines of Accelerated Irrigation Benefit Programme (AIBP) in the LWE affected districts and in the backward districts so that the irrigation schemes in these areas may receive the enhanced grant of Govt. of India (90% of the Project cost) under AIBP without

insisting on percentage of tribal population only as the criteria for such benefit.

I would make special mention here about the post 'Aila' Mega Scheme of reconstruction and improvement of Sundarban embankments planned to be executed at an estimated cost of Rs.5.032 crore. This project is extremely important for saving the ecologically fragile Sundarbans and for saving millions of people living there from the threat of violent cyclonic storms. So far the State has received only Rs.187 crore against the project. Since the project has to be completed on war footing Govt. of India should ensure timely release of fund for this project. Further, as execution of all the Flood Management Programmes involve substantial land acquisition and may not be completed within 31st March 2012. Govt. of India should agree to our proposal of extending validity of these programmes to 12th Plan period.

Land Reforms and Land Distribution:

In the predominantly agricultural economy of India, no sustained development is possible without land reforms being implemented throughout the country. Redistributive land reform remains the fundamental basis of increasing employment-oriented production. It may be noted that 54% of the farmers of the country, who have benefited from distribution of surplus land, belongs to West Bengal (data compiled by Govt. of India on land reforms). The total agricultural land distributed in West Bengal, holding the foremost position in land reforms, was 11.28 lakh acres upto February, 2010. By now, 30.12 lakh farmers have benefited in the State, 55%

belonging to Scheduled Castes and Scheduled Tribes. With a view to empowering women, 6.15 lakh joint patta and 1.62 lakh female patta have been distributed. This apart, through recording of share croppers, which forms an important component of land reforms, 15.13 lakh farmers have benefited. The gains achieved through land reforms, however, needs to be consolidated for raising productivity by increasing irrigation facilities and credit facilities.

Infrastructure Development:

Weakness in infrastructure is the most important constraint for growth of the economy. For increase of production in agriculture and industries and generation of employment, sustainable improvement of infrastructure is obviously crucial. In 2010-11, construction of 15 new bridges will start in the State. In case of improvement of 650 kms of road, taken up during the first three years of the 11th Five Year Plan, work has been completed in respect of 270 kms. It is expected that 500 kms of road will be brought under improvement work during 2010-11.

Urbanization and JNNURM

The percentage of urban population in West Bengal (28.3%) has always been higher than the national level. This calls for special attention. In keeping with the approach of 11th Five Year Plan, the State Government has been laying emphasis on holistic and inclusive development so that the urban sector may become economically vibrant and environmentally balanced. West Bengal has taken

up several projects under JNNURM for creating urban infrastructure and housing facilities for the urban poor. In the Urban Infrastructure and Governance component of JNNURM, the current expenditure as on 31-05-1010 is Rs.1218 crore. The expenditure in BSUP where about 32000 dwelling units have already been completed the expenditure is Rs.806 crore. Escalation of costs of the schemes is leaving a large burden of expenditure for the State Government. The State Government has requested GOI to share the escalation costs. Some JNNURM projects may not be completed by March 2012; it is necessary to roll over such projects to the next Five Year Plan period. The State government also feels that it is necessary to launch a new JNNURM program for non-mission towns. In order to attract private investments for creation and maintenance of new infrastructure facilities, it is necessary to evolve a National PPP Policy framework and create a Regulatory Body for better management of PPP projects. At the state level there is also need to build in-house core urban planning expertise. This will need financial and technical support of the Government of India.

Govt. of West Bengal agreed to procure 1300 buses under JNNURM for Kolkata and Asansol as a part of stimulus package of Govt. of India to the Automobile manufacturing sector on the explicit commitment of Govt. of India to extend subsidy @ 35% (for Kolkata) and @50% (for Asansol). On the basis of this commitment State Govt. has already procured 933 buses and has ordered further 150 buses under this programme for improving city transport system. The full amount of committed Central share against this procurement has not yet

been released linking the same with certain reforms in the Transport sector. The reforms suggested will take substantial time to be implemented and some steps have already been initiated in that direction. It is requested to release the full amount of Centre's committed share under this programme without making such release conditional at this stage in the interest of development of Transport infrastructure under JNNURM.

Rural Banking Services and Rural Credit:

Rural credit has become a casualty because of the change in Government of India's banking policies. The directive to close down loss-making branches has created a serious vacuum for institutional credit in rural areas. Over 1000 Gram Panchayats (nearly one third of the total) in West Bengal do not have any bank branch. This cripples, at inception, the Self-Help Groups of women who may need to spend Rs. 20 for commuting to a bank to deposit Rs. 100.

It is suggested that the facilities for banking services should be extended to all rural and urban areas of the State and banking services should be made universal. For this purpose, it will be necessary to have a bank branch or Business Correspondent in every village. Agreeing with this view of the State Government, the RBI has issued a directive that in order to extend within the next two years the facility of banking services to every village of the State where the population is more than 2,000, a bank branch will be set up and/or a Business Correspondent would be appointed. This should be implemented at the earliest.

According to the assessment of Expert Committee (Dave Committee) about the need for the credit from the banking systems for agriculture and allied sectors, the minimum annual requirement of bank credits for these sectors in West Bengal is about Rs. 25,000 crore. However, during the year 2006-07, the credit disbursed by the Nationalised Banks and Co-operative Banks was only Rs. 3,580 crore. It was accordingly decided after discussions with the representatives of Reserve Bank of India and other Banks that the target for the annual credit disbursement in this sector should, to begin with, be raised to Rs. 12,000 crore and thereafter the amount should be steadily increased to Rs. 25,000 crore. National Development Council is requested to take note of this.

NREGA – The Fund Flow Problems:

In promotion of employment opportunity, the NREGA is certainly a step towards recognizing and ensuring work as a right of the people in rural areas. Our state government and the Panchayats at the three levels have taken keen interest in implementing the scheme. Our expenditure under the scheme during 2009-10 was Rs 2100 Cr., which is nearly double the expenditure in 2008-09. While implementation of the scheme has gained momentum, its progress is now getting affected due to non-availability of adequate funds. Large-scale unemployment and under-employment is not only a rural phenomenon. As it is also a problem in urban areas, we feel that NREGA should be also extended in urban areas. To reduce the problem of unemployment in urban areas the State

Government has already decided to introduce the West Bengal Urban Employment Scheme during 2010-11, which should receive appropriate support from GOI.

Pension Schemes:

National Social Assistance Program (NSAP) has three component schemes, namely, the National Old Age Pension Scheme, the National Family Benefit Scheme (widow pension), and the National Disability Scheme (disability pension). The schemes provide for payment of pension @ Rs. 400 per month (Rs. 200 by GOI and Rs. 200 by State Government). In our state there are some schemes funded and implemented by the state governments, where payments are presently @ Rs. 750 per month and it is proposed to be increased to Rs. 1000 pm. In terms of benefits provided, we feel that the Rs. 400 per month is too meager an amount. We feel that the amount of benefits under the central scheme should be increased. Another important issue is the age limit for eligibility under the old age pension schemes. The age limit for national schemes is 65 years, but for the state schemes it is 60 years. It may be noted that the Maintenance and Welfare of Parents and Senior Citizens Act, 2007 defines a 'senior citizen' as a person who has attained the age of sixty years or above. We feel that the age limit for the Old Age Pension Scheme should be reduced to 60 years.

Tribal Development:

The Constitution of India provides for a comprehensive framework for the socio-economic development of the scheduled tribes and for preventing their exploitation by other groups of society. Our objective is to provide more focussed attention on the integrated development of the scheduled tribes in a coordinated and planned manner. However, there are problems in implementation of the centrally sponsored schemes in this priority sector. During the last financial year the Government of India released only 50% of the budgetary allocation in respect fund under Art. 275(I) of the Constitution of India due to budget cut. This is not at all desirable. In the centrally sponsored schemes there is a concept of "Committed Liability", which is extremely detrimental to the interest of the State Government. Under this policy, the total of expenditure of a scheme in the concluding year of a five year plan becomes the "Committed Liability" of the State Government. We propose that this policy of "Committed Liability" should be reviewed and Government of India should bear 50% of the "Committed Liability". Disability due to old age is a major problem for the tribal population more particularly as they have lower life expectancy. The State Government is implementing a Pension scheme for the tribal people of age 60 years and above, where the expenditure of about Rs.150 crore annually is met by the State Government. We propose that Government of India should bear 50% of the cost of this Scheme.

Power – Improving Availability

Electricity remains a key element of infrastructure, essential for delivery of targeted levels of economic growth and social development. In our state, the demand for electricity is likely to grow substantially because of the demand from the industry and expansion of rural electrification programme under the Rajib Gandhi Gameen Vidyutikaran Yojana. Accordingly the State is in the process of augmenting its generation capacity by more than 3500 MW by the end of 12th Plan period. Two major Central Public Sector Companies: BHEL and NTPC have been involved for setting up additional generation capacities at Katwa and Santaldihi. Our distribution company WBSEDCL has been ranked as the best public sector distribution company in the country, but power availability suffers because of the disruptions in supply in power generation. There have been progressive additions to our capacity for electricity generation, but the balance between demand and supply is sometimes disrupted because of non-availability of standard quality coal. In our country's present coal availability scenario sourcing of coal from captive mines is extremely important to ensure availability of good quality coal. It is therefore necessary to allot captive coal blocks to meet the coal requirements of power stations in the public and private sectors in the state. Such coal blocks are needed not only for the power generation units they are also needed for the Steel plants. We feel that the Coal Ministry should allot coal blocks to the State Government through the State Dispensation route to ensure timely supply of adequate coal to power plants and other industries. The state is also facing problems

in getting the promised power from NHPC. An MOU was signed in March 2003 between NHPC and the State Corporation, by which 500 MW power is to be purchased by the State Corporation from Subansiri Lower Hydro Electric Project, but power from the project has been allocated to other states without taking the said MOU into consideration. WBSEDCL, the state power utility company, would like to set up a hydel power project in Bhutan for which Ministry of Power has been approached. As hydel thermal mix in the state is very low, this needs early clearance.

Sundarbans – Needs Special Attention

We would like highlight the case Sundarbans which is the largest mangrove forest in the world internationally recognized as a World Heritage Site and a Global Biosphere Reserve. The islands are also inhabited by several lakhs of people who are economically backward. I am thankful that Planning Commission has arranged for a Non-Lending Technical Assistance from the World Bank for Climate Change Adaptation, Bio-diversity, Conservation and Sustainable Socio Economic Development of the Sundarban area of West Bengal. Action on this report may be taken at the earliest.

Concluding Note:

The above presentation will establish that my Government, during the initial three years of the Eleventh Plan period, has tried to achieve the national goal of growth rate of 9% per annum. As a welfare State we have tried to make this growth an

inclusive growth benefiting all sectors of the people. The focus of our activities during these years was centered around alleviation of poverty, reduction of unemployment, make life more bearable for the common man in the face of rising inflation, expansion of facilities in the Health Sector to cover majority of the people, expansion of infrastructure for education in all stages including setting up of a good number of Universities and facilitating setting up of Institutes of excellence, continuing land reforms and raising productivity in agriculture and allied activities, and creation of appropriate environment for promotion of industrial activities. Our effort has been to provide employment to these who are able to work and to provide assistance in the form of pension to those who are unable to work. We are hopeful that during the remaining two years of the Eleventh Plan Period the momentum of growth will increase further. To maintain this growth momentum, however, it will be necessary on the part of Union Govt. to take positive decisions on some of the issues discussed in brief in this presentation.

