



Address by

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Chief Minister, West Bengal

On the

Mid-term Appraisal of the Tenth Plan

At the 51st meeting

of the National Development Council

On 27th June 2005

At Vigyan Bhavan, New Delhi

Government of West Bengal

Respected Prime Minister, Honourable Deputy Chairman of the Planning Commission, Honourable Ministers of Government of India, Honourable Chief Ministers, Honourable Ministers from the States, officials of the Planning Commission, Government of India and the States.

I take this opportunity to express my thanks to the Planning Commission for organizing this meeting of the NDC for discussing the mid-term appraisal paper on the 10th Plan Document at an opportune moment. I propose to draw the attention of the Honourable Prime Minister to a few issues that are causing serious concern to us in West Bengal and affect all the states as well.

1. Land Reforms

1.1 In the predominantly agricultural economy of India, no sustained development is possible without land reforms being implemented throughout the country. Although West Bengal has made significant progress in this area, no definite directions have been forthcoming from the Central Government to the states despite the recommendations of the P.S. Appu Committee that was set up by the Planning Commission. The 10th Plan document places special emphasis on rising agricultural income for generating growth in the non-agricultural sector and the target for agricultural growth is set at 4%. The Plan Document continues to advocate the elimination of subsidies in the agricultural sector. However, this, as was argued in our comments on the Approach Paper, will affect adversely the small and marginal farmers. I may mention that in so far as West Bengal is concerned 72% of the land belongs to poor and marginal peasants. The bigger farmers with their dominant market power will continue to have access to the required resources—credit, water, power, fertiliser—though at a higher cost. This will raise costs and, unless productivity increases, lead to demand for higher procurement prices which the Government will perforce concede.

1.2 It is argued that proper utilisation of inputs can only be ensured if a hard budget constraint is put on the cultivators. Only radical land reforms can remove the extra market power of rich farmers, forcing them to minimise costs through a proper input-mix. But, unfortunately, land reform does not constitute the focused area of the Plan document. On the contrary, it advocates consolidation of land holdings.

1.3 Productivity gains through land consolidation in the northern States are seen

as a step to be emulated by other States. Fragmentation of land holdings is acute in Eastern India, specially in West Bengal. Consolidation of fragmented holdings of marginal farmers so as to allow them to operate as small farmers could be advisable. It is an empirical fact that small and medium farmers have higher productivity. However, the policy of large-scale consolidation of holdings could provide a pretext for alienation of land from the poor farmers. This would jeopardise the gains of land reforms and usher in a skewed agricultural growth process. It is, therefore, imperative to have social control over the land-holding consolidation process so that drastic changes in the land-ownership pattern can be thwarted.

1.4 It is apprehended that the strategy advocated in the Plan document would lead to a rich-farmer-driven growth process. In that case, the Plan's objective of generating demand for non-agricultural goods through rising purchasing power widely dispersed among the rural masses will not be realised.

2. Employment

As a definite employment target did not feature in the focused area of the Plan document, the mid-term appraisal is an opportune time for correcting this oversight. We are noticing the phenomenon of jobless growth with alarming drop in employment opportunities in the organised and even the government sectors. It is imperative that definite targets for increasing employment in agriculture, small and medium industries and the service sector are set now which can be firmed up and set afresh in the 11 th Plan.

3. Devolution of Funds

3.1 I would like to draw the attention of the Prime Minister to the financial problems of the State Governments which are largely because of the prevailing imbalance in the Centre-State relations. While the major responsibilities in the sphere of developmental expenditure and administration rest with the State, the more important powers of revenue-raising lie concentrated in the hands of the Centre. Accordingly the State Government urged upon the Twelfth Finance Commission the need for increasing the share of Central Taxes to be transferred to the States to at least 50 %. The Commission has recommended that the share of the States in the net proceeds of central taxes be increased only marginally from 29.5 % to 30.5%. Unfortunately, West Bengal has not benefited from even this marginal

increase in the States, share of central taxes, as the relative share of the State of West Bengal has been reduced from 8.116 per cent to 7.057 per cent.

3.2 The scheme of debt-relief that has been recommended by the Commission and accepted by the Central Government is much too inadequate to be of any significant assistance, particularly to States like West Bengal. It is doubtful as to what extent the State will be able to avail itself of this relief.

3.3 What is more disturbing for West Bengal is that the loans given to the State from the National Small Savings Fund (NSSF) from 1999- 2000 onwards have been excluded from the scope of debt-relief. The Small Savings loan, including loan from NSSF, constitutes the most dominant portion / of the central loan. Since Small Savings collection has been growing at a very high rate during the recent years, the quantum of loans given to the State from NSSF is much higher than the outstanding Small Savings loan that was received prior to the introduction of the NSSF scheme. The debt-relief scheme, therefore, will not be of any particular benefit to West Bengal.

Therefore, I urge that the entire scheme of debt-relief recommended by the Twelfth Finance Commission be reviewed and the loan given to the State from NSSF be included within the scope of debt-relief.

3.4 I would also urge, in consistence with objectives of National Common Minimum Programme, that all Centrally Sponsored Schemes in the State subjects be transferred to the States with funds as soon as possible.

3.5 I am also constrained to raise the issues of denial of the benefits of three successive revisions of the rates of royalty on coal to West Bengal on the ground that cess on coal is also collected by the State. The State Government has repeatedly argued that the State is entitled to both cess and royalty as they are levied under different entries in the seventh schedule to the Constitution, and the validity of the State's stand has been vindicated by the recent Supreme Court Judgement (January 2005). Moreover, the State Government has also reduced the rate of coal cess significantly in recent years. The matter was positively discussed in the recent meeting of Eastern Zonal Council. I would strongly request for an early decision on this issue so that West Bengal is allowed the benefits of these revisions of coal royalty.

4. Food Security

4.1 The policies pursued by the Central Government in respect of the Public Distribution System do not provide the necessary safety net to the vast masses of our people, particularly those below the poverty line, whereby they may have easy access to food as well as items for their livelihood. It is imperative that PDS be strengthened and the FCI be more pro-active so that the requirements of the common people, particularly the NFFWP and the Antyodaya and Annapurna Yojanas, can be adequately met.

4.2 The Supreme Court has prescribed that eligible persons belonging to SC and ST must be included in the BPL list. While we are doing so, it is not possible to provide them with AAY cards till the ceiling on the AAY quota is removed by the Central Government.

4.3 The National Food For Work programme (NFFWP) was launched in November 2004 only in 150 most backward districts of the country (of which 6 are in West Bengal) to generate supplementary wage employment and provide food security through the creation of need-based economic, social and community assets in those districts.

4.4 Excluding other districts from NFFWP does not enable us to address pockets of extreme poverty and unemployment in the remaining 12 districts of West Bengal, where pockets of acute deprivation exist. This programme should be extended to all the districts, affecting wage employment to the rural poor, which is an imperative necessity.

4.5 In this connection I may mention that a National Rural Employment Guarantee Act providing for compulsory employment for 100 days was part of the common minimum programme. I hope Government of India is taking steps to enact and implement the legislation.

4.6 The massive Bharat Nirman programme provides for village connectivity roads worth Rs.5000 crore to be laid out in West Bengal. In this connection I would like to bring to your notice that over the years the Block set-up has got depleted and lacks the managerial and technical expertise that such a massive programme requires. The Central Government should incorporate provision of strengthening the

Block set-up suitably in these areas under the Bharat Nirman programme.

4.7 Further, there is no provision for maintenance of these roads. In West Bengal the financial load will be approximately Rs.250 crore annually, which the State Government cannot possibly bear. I urge that a maintenance component be included in the programme out of the road cess funds collected by the Central Government.

5. ICDS

5.1 The ICDS programme in our country has indeed gone a long way in improving the health and nutritional status of children and expectant and lactating mothers. The benefits of the programme should be extended to the uncovered rural and urban regions. The NCMP envisages universalisation of the ICDS scheme to provide a functional Anganwadi in every settlement and ensure full coverage of all children. A Supreme Court order also directs the Government to increase the number of Anganwadi Centres. West Bengal has already requested for new 51 urban and 2 rural ICDS projects, apart from introducing relaxed norms for tribal areas, hill areas and riverine areas. We have neither received sanction for these, nor has Govt. of India released its 50% share @ Re.1 for the feeding component of the ICDS programme.

5.2 I strongly feel that since the national health of the children of our country is related with the nutritional component of the ICDS programme, the entire cost should be met by the Central Government.

5.3 There is a necessity for a network of creches for our working mothers in the organized and unorganised sectors. The proposal for integrating these with the Anganwadi Centres and that for merging pre-school education with ICDS needs to be examined from the viewpoint of the workload of our Anganwadi workers. It would be more practical if alternative arrangements under national creche fund could be organized for such services that could be assigned to civil society (Self Help Groups etc.).

6. National Rural Health Mission

6.1 The National Rural Health Mission (NRHM) has been launched in the country to carry out architectural correction in the basic health care delivery system to

improve the availability of and access to quality health care by people, specially for those residing in rural areas, the poor, women and children.

6.2 I regret that, given the noble objectives of the NRHM, there has been a partial selection of States for its implementation. I suggest that the health parameters at district level be taken as the basis for selection as was done for selecting districts, instead of States, under the RSVY.

6.3 Although the health indicators of West Bengal are better than those of many other states, there are pockets of severe backwardness like the Sunderbans. These, I strongly urge, ought to be covered under the NRHM.

7. Drinking water: problem of Arsenic

7.1 Arsenic contamination poses serious threat to the health of 161 lakh rural and 120 lakh urban population in West Bengal. In 1993 Government of India sanctioned a few schemes under Arsenic Sub-Mission of the National Drinking Water Mission with 100% funding initially, which was discontinued later on. The State Govt. has found it very difficult to continue the scheme under normal habitation coverage in West Bengal.

7.2 It has been estimated that Rs. 1125.00 crore will be required for covering the population in 75 it arsenic affected blocks in rural areas only. The pattern of fund flow from normal plan programmes can only provide Rs.161.00 crore up to March, 2010. You would appreciate the gravity of the problem and the huge resource gap.I request the Central Govt. to reintroduce the Arsenic mitigation scheme in West Bengal immediately.

8. Mega city—Urban Renewal

8.1 Kolkata Megacity Programme with an estimated cost of Rs. 1600 crore and a time frame of 8 years commenced in 1993-94. The programme suffered a lot during the initial 7 to 8 years of implementation due to inadequate flow of fund ,,,. from Government of India. The State Government released more than its share during this period. Now, a steady flow of fund is required to complete k: the incomplete projects under this programme which should be subsumed in the National Urban Renewal Mission.

8.2 A National Urban Renewal Mission (NURM) is going to be introduced from 2006-07 in place of the Megacity programme. While framing the guidelines due consultations with the State Governments should take place.

9. Look East

9.1 We are grateful to the Prime Minister for initiating the "Look East" strategy, for which Kolkata, the only Metropolis in Eastern India, is the gateway to South East Asia and the neighbouring countries of Bangladesh, Nepal and Bhutan. The proposed border trade between India and China via Nathula pass in Sikkim and the road link between Bangkok and Delhi are likely to increase economic activities manifold in our State. Japan's FDI in India is highest in West Bengal and our trade with them is growing. However, essential pre-requisites for such growth are strengthening our roads, railways, ports and cargo-handling capacity in the airports.

9.2 Kulpi is being developed as a river port with a private partner. We want Haldia to be developed as a chemical hub. The Mega Chemical Industrial Estate must be located in Haldia as it enjoys locational advantage of economies of scale.

9.3 In the long run, it will be necessary to develop a deep drafted seaport somewhere near the mouth of the Hooghly River or at the Sandheads at Sagar to meet the international trends of larger, deep-drafted vessel.

9.4 There should be a comprehensive programme for augmenting the handling capacity in the existing Ports at Kolkata and Haldia and for development of new ports at Kulpi and Sagar.

9.5 The International Terminal Building at Kolkata requires immediate upgradation, particularly cargo-handling. The Airport of Kolkata should be upgraded and developed as a hub for East-bound international passengers and cargo, specially to China, Japan and South-East Asia. The number of international flights originating or passing through Kolkata must also be increased for other destinations in Europe other than London.

9.6 Bagdogra Airport should also be upgraded as an international Airport for passengers and cargos to destinations like Bhutan, Nepal and Bangladesh.

9.7 The existing NH 34 needs to be upgraded to four lanes. The proposed

Eastern Link Highway connecting NH 34 with NH 117 has to be developed as a four-lane highway entirely funded by the Government of India as it links two national highways. NH 60 and NH 117 have recently been classified as National Highways. Immediate upgradation of these to NH standard is required. As part of this, a bridge over Hooghly River at Raichak-Kukrahati is a felt need for a long time in the interest of Haldia Port.

9.8 West Bengal has international Borders with Bangladesh, Bhutan and Nepal. A fair amount of International trade is routed overland. The Land Customs Stations have very limited infrastructure. Steps to improve and upgrade the infrastructure are urgently needed.

10. Special Economic Zone (SEZ)

10.1 As Special Economic Zones (SEZ) can play a central role in boosting industrial development and exports, West Bengal accords them high priority enacting The West Bengal Special Economic Zone Act, 2003.

10.2 Government of India has already declared Manikanchan (for gems and jewellery), WIPRO IT Park and Falta as SEZs. We would like to propose some more areas to be declared as SEZs - at Siliguri, Kolkata Port (for tea processing) and at Rajarhat (for financial services), and Haldia.

10.3 Apart from these, several others like 'Shilpangan' (Toy Park) at Salt Lake, an Apparel Export Park, a Modern Foundry Park, a Food Park and a Rubber Park in Howrah District, a Garment Park at Canal South Road, and Iron & Steel Parks (at Barjora and Kharagpur) are coming up rapidly. A Trade Fair Centre is also being set up.

10.4 Five Agri-Economic Zones (AEZ) have also been identified for Pineapple, Mango, Litchi, Vegetables and Potatoes. A sixth AEZ for Tea (in Darjeeling District) is in the final stage and an MOU will be signed with APEDA very soon.

10.5 It is necessary to strengthen the road network and other related infrastructure including SEZ in the State, which will require heavy investment. You are well aware of the resource position of the State Government and unless the Government of India comes forward with special allocation, the States will not be able to meet the future challenges.

11. National Horticulture Mission

11.1 I welcome the decision of the Government of India to launch the National Horticulture Mission (NHM) mooted by Dr. M. Swaminathan for the overall development of horticulture as envisaged in our NCMP.

11.2 Projects amounting to Rs. 88.25 crore under the NHM have been sent by us to the Ministry of Agriculture & Cooperation which I trust will be sanctioned.

11.3 I recommend that research on horticulture should be an important focus under the Mission. Agriculture Universities need to be associated on horticulture related research under this new initiative.

11.4 I take this opportunity to stress that with great effort West Bengal has attained self-sufficiency in paddy production and that we will focus on sustaining this. In agricultural diversification, we will concentrate on such crops in which the state is not self-sufficient, namely pulses, oilseeds, wheat and cash crops like flowers, fruits and vegetables. What we sorely lack is a post-harvest marketing mechanism because of which a significant portion of horticulture and floriculture produce goes waste in the orchards and fields.

11.5 The cold chain needs of the State are on the rise along with the crop diversification process initiated in the field. A cold chain network has now become a pre-requisite for sustaining adequate return out of such crop diversification initiative. West Bengal is already the largest producer of vegetables in the country (112 lakh MT). We have already sent two proposals for setting up of modern multi-purpose cold storages (MA/CA) which need early sanction.

12. National Jute Policy

The Textile Ministry has recently announced a National Jute Policy. I have intimated our views regarding this as follows :

"Jute Industry is very important for West Bengal since about 40 lakhs of people are engaged in the jute cultivation and 61 jute mills out of 78 jute mills in the country are located in West Bengal employing 2.12 lakh workers. This industry has, therefore, tremendous relevance to the economy of our State where it is the mainstay of agro based industries. Jute industry is exposed to uneven competition

with plastics and synthetics, but the position of jute and allied fabrics is superior and environmental friendly. The problem is that the season (April to July) when jute is grown, nothing else can be cultivated on those lands. Accordingly, any policy decision that militates against jute cultivation will leave the farmers in jeopardy.

12.1 The R&D centers should be suitably geared up to ensure realization and upgradation of technical textiles including geo- textiles, modernization and diversification of jute products.

12.2 The policy envisages stipulation of the support in the area of public private partnership in consultation with appropriate Ministries of Government of India. We suggest that the opinion of our Government in the matter of establishment of R&D should be given due consideration since the State of West Bengal is the largest jute producer having 61 jute mills in the State.

12.3 Our contention on packaging ratio on jute and synthetic bags for sugar and foodgrains leaves no room for compromise. However, once diversification in a major way takes place, we can rethink on the issue. It is essential that major technical diversification such as geo-jute etc. should be explored in order to use the massive jute production of over 76 lakh bales that cannot be absorbed merely through production of jute bags. We suggest that this may be incorporated in the policy in an explicit manner.

12.4 We appreciate the proposal for setting up of a National Jute Board as mentioned in the policy. The Board should have appropriate representation from our State.

12.5 We also appreciate the idea of setting up of a jute R&D fund and venture capital assistance funded for the development of efficient jute manufacturing machinery and commercialization of new products. Such R&D facilities can also be created through Public Private Partnership with foreign technology.

12.6 The State, is however, deficient in jute seed production. Jute seed is mainly imported from Andhra Pradesh and Maharashtra to our state, the variety of which is developed by Central Research Institute for Jute & Allied Fibre (CRIJAF) at Barrackpore near Kolkata. This ICAR Research Institute developed some other

varieties of jute but I understand these have not been adopted by the farmers as they require very restrictive management and cultural practices. CRIJAF is now trying to develop varieties for easy adoption by the common farmers. I suggest that adequate technical and financial support should be extended to this Institute so that the jute farmers of West Bengal may not have to depend on other states for seed."

13. Revival of Cooperative Credit Institutions

We have seen the recommendations of the Task Force on Revival of Cooperative Credit Institutions under the Chairmanship of Prof. A. Vaidyanathan. The Task Force has raised fundamental issues regarding the rural cooperative credit sector. We have serious reservations on some of the recommendations. I understand that Union Finance Minister is contemplating a meeting of the Chief Ministers to discuss the ramifications. I feel that these require detailed discussions and consensus regarding action points amongst the State Governments and cooperative institutions. We should await outcome of the meeting proposed to be taken by the Union Finance Minister.

14. Fish Harbour at Khejuri

14.1 West Bengal leads the country in fish production (12 lakh MT) but our exports suffer because we are unable to go in for deep-sea fishing. The State Government is keen to improve upon the infrastructural support base for the fishery sector with its multiplier potentialities in generating employment, securing nutrition and assured export.

14.2 The proposed fish harbour at Khejuri will be the largest in the country. It would facilitate fishery export of about Rs. 600 crores from the Haldia Port which is around 25 km. away from Khejuri. I urge the Government of India to take it up as a national project to enable us to complete it within the 10th Plan period.

15. Incentive Scheme for North Bengal Districts at par with North-Eastern States

15.1 Government of India adopted a New Industrial Policy in 1997 which provided certain concessions initially for North-Eastern States, which was later extended to Sikkim and Himachal Pradesh, Uttaranchal and Jammu & Kashmir. The policy includes providing 100% central assistance for development of Growth Centres and

exemption from Income Tax and Excise Duty for a period of ten years for new industrial units in the zones.

15.2 I had pointed out to the Prime Minister that central support on grounds of location, hilly terrain, infrastructural infirmities and socio-cultural status for such States is equally relevant for the six North Bengal districts. People of these six districts viz. Jalpaiguri, Darjeeling, Cooch Behar, Uttar Dinajpur, Dakshin Dinajpur and Malda have a justified long-standing demand for development of large industries in the area which would create employment potential directly and indirectly.

15.3 As the Prime Minister is aware, when adjacent areas enjoy favourable tax regime it is impossible to attract investment in the North Bengal region where no such tax concession exists but the ground situation is similar. I request Government of India to include these districts of North Bengal in the incentive scheme as in the case of other States mentioned above.

16. Sunderbans Region

16.1 I would like to highlight the case of Sunderbans which is the largest mangrove forest in the world internationally recognised as a World Heritage Site and a Global Biosphere Reserve. The estuarine forest has also the highest population of Bengal Tigers and other wildlife. The islands are also inhabited by several lakhs of people who are economically backward. It is necessary to evolve a strategy for sustainable livelihood development for conservation of Biodiversity in the Sunderbans. Planning Commission has set up a committee on Sunderbans. I urge that the Planning Commission evolves a comprehensive strategy incorporating the following at the earliest:-

16.1.1 Erosion of embankments protecting the agricultural land against incursion of saline water is an annual problem. Regular inflow of saline water damages the fertility of the land for years. I strongly urge that a technical committee be set up to evolve a long-term solution of this problem

16.1.2 Protecting the Mangrove forest, which acts as a bulwark against cyclones and also protects rare species of wildlife, is indispensable in the interest of ecological sustainability.

16.1.3 To conserve the Biodiversity of this World Heritage Site, it is absolutely

necessary to provide alternate livelihood options to the people living within the Ecosystem in the areas of fishery, agriculture, horticulture and modern riverine transport.

17. Minerals Policy

17.1 I wish to draw the attention of the Prime Minister to the problem regarding mineral resources in which Eastern states are rich (WB, Jharkhand, Orissa, Chhatisgarh). While there is a national policy regarding mining and utilising coal, there is no such framework governing iron ore, bauxite etc. I would like to draw attention of the Prime Minister to a recent CII-commissioned study by McKinsey on the minerals and metals potential of Eastern India. McKinsey have recommended :-

17.1.1 sharing of resources by the Eastern States;

17.1.2 elimination of artificial restrictions on location of industry; and

17.1.3 creation of a Eastern State Minerals and Metals Council which would constitute the formal mechanism of collaboration among these States so that all these States benefit from each other's structural advantages.

I would, therefore, urge to consider evolving a consensus on these issues so that a proper framework can be established for collaboration.

17.2 Incidentally, we are exporting over 50% of the annual production of iron ore which could be effectively utilised within the country for steel and downstream products. Despite the licensing regime having been dismantled in 1991, an informal system appears to be operating in granting mining leases for iron ore. As there is no shortage of resources, such a system is unjustified. An appropriate policy is needed to restrict such export, at least of the higher grade ore, and concentrate on export of steel rather than of iron ore.

18. Panchayat Institutions

18.1 As you are aware, West Bengal has gone a long way with implementing the PR concept and holding regular elections under the West Bengal Panchayat Act since 1978.

18.2 As agreed with the Union Minister for Panchayats, by 30 June we will be able

to complete activity-mapping relating to funds, functions and functionaries of Panchayat institutions.

19. Public Private Partnership

It is the policy of our government to encourage PPP. Starting with the housing sector, we have already seen it significantly successful. At present we are expanding this to cover small satellite townships and are exploring such partnership in the health sector.

20. Power Sector Reforms

The WBSEB has already been restructured and is turning around. Operational profits have begun coming in. Further, we have already set up a separate agency for rural electrification and are about to split transmission and generation into two distinct agencies. We are going to appoint a consultant of international repute for a further study and to recommend regarding the restructuring of the entire power sector under the State Government with the objective of increasing efficiency and viability.

21. Irrigation

21.1 It is a matter of regret that West Bengal does not have a single national irrigation project. I am hopeful that the Government of India will take up Teesta Barrage Project as a national project fully funded by the Central Government.

21.2 Recently Government of India has extended the jurisdiction of the Farakka Barrage Project to include 40 km upstream and 80 km downstream of the barrage to take care of the erosion problem of the river Ganga. However, the problem relating to floods in that area remains with the State Government. This type of dual control is not a sound administrative practice for effective management of such a critical project. I request the Central Government to take up the work in the extended jurisdiction of Farakka Barrage in its entirety—both the erosion and the flood control matters.

22. Transport

A proposal for introduction of Elevated Mass Rapid Transit System (EMRTS) in Kolkata (32 kms) estimated at Rs.2400 crore under JBIC funding has been

cleared by Government of India and is part of the 2006-'07 shelf of JBIC projects. It is requested that this may be brought forward to 2005-'06 and the feasibility study started.

23. Conclusion

I am thankful to all present for giving a patient hearing. I am confident that this meeting will contribute to taking stock of the progress so far and to make course corrections for successfully implementing the 10th Plan over the remaining years of the plan period.