



পশ্চিমবঙ্গ সরকার

Government of West Bengal

আর্থিক সমীক্ষা

১৯৮৯-৯০

**Economic Review
1989-90**

Price—Rs. 20.00

Economic Review
1989-90

NIEPA DC



D05776

- 5414

330.0723

WES - E

Sub. National Systems Unit,
National Institute of Educational
Planning and Administration
17-B, Sri Aurobindo Marg, New Delhi 110028
DOC. No. 5776
Date 4-2-91

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CHAPTER I

INTRODUCTION

1.1 This Economic Review analyses primarily the performance of the different sectors of the State's economy in 1988-89. Moreover, depending on the availability of data the performance of the different sectors of the economy in 1989-90 is also carried out.

1.2 The State Domestic Product (at constant 1980-81 prices), according to a quick estimate, registered a significant growth rate of 7.5 per cent in 1988-89. This was even higher than the impressive growth rate of 6 per cent (provisional) achieved in 1987-88. And what is more important is that the per capita income in the State, at constant 1980-81 prices, increased by 5.6 per cent.

1.3 The impressive growth rate achieved by the State in 1988-89 was possible mainly because the State Domestic Product (SDP) from the agriculture sector increased, at constant prices, from Rs. 3645.50 crores in 1987-88 to Rs. 4034.86 crores in 1988-89, thus achieving a growth of 10.7 per cent. This remarkable growth in the SDP from the agriculture sector was possible primarily because the State achieved a record production of 115.15 lakh tonnes of foodgrains in 1988-89, which surpassed the previous year's record production of 103.05 lakh tonnes of foodgrains. As discussed in chapter 3, this record production of foodgrains in 1988-89, was significant because of the record production of rice. The production of rice in 1988-89 reached an all time high of 105.60 lakh tonnes surpassing the previous record rice production of 92.72 lakh tonnes achieved in 1987-88. What is interesting about the record production of rice in 1988-89, is that while in previous years the growth in rice production was mainly through the increase in the production of 'Boro' rice, in 1988-89, the record production of rice was mainly because of the significant increase in the production of Aus and Aman rice. And the most singular aspect of the 1988-89 rice production is that the yield rate of Aman rice, which had stagnated over the years, attained a record level of 1803 kgs. per hectare. In 1987-88 also the yield rate of Aman rice had shown a rising trend and if the last two years' trend in yield rate for Aman rice indicates a breakthrough, it augurs exciting possibilities for the agriculture sector in the State.

1.4 The secular increase in agriculture production in the State from 1983-84, in spite of unfavourable weather in certain years, indicate that such consistent good performance could not have been because of any fortuitous factors like weather but was the result of certain structural and fundamental

changes that have taken in the agricultural sector of the State in recent years. These important fundamental changes in turn are related to the basic strategy followed in the agricultural sector in the State.

1.5 The strategy begins with land reforms that is the distribution of ceiling surplus land to the landless as also providing security of tenure to the share croppers by recording their rights under "Operation Barga." These land reform measures bring about a structural change in the rural areas not only through more equitable distribution of land holding in rural areas but by also subverting the strangle-hold of the landed gentry on the rural economy. Next the resources of the State are concentrated on the beneficiaries of land reform measures, as also small and marginal farmers, for providing them with such non-land inputs as credit, seeds, fertiliser and irrigation facilities. The objective is thus, not only to redress the inequitable land-holding in rural areas but also to rely primarily on beneficiaries of land reform measures, small and marginal farmers for increasing agricultural production. This strategy is firmly based on the strong empirical evidence of higher per acre production record of the poor working farmers. It is this over-all strategy that has unleashed the latent productive potential of the poor farmers in the State and has led to the remarkable agricultural production record of the State in recent years.

1.6 The SDP from the forest sector, as shown in Table 1.1, increased from Rs. 42.48 crores (at constant prices) in 1987-88 to Rs. 44.38 crores in 1988-89. This increase in SDP from the forest sector, as discussed in chapter 3, is related to the increased outturn of timber and firewood in the State in 1988-89 and the resulting increase in revenue earnings from forest products.

1.7 In the fishery sector also, the SDP at constant prices increased from Rs. 372.75 crores in 1987-88 to Rs. 387.20 crores in 1988-89. This increase in the SDP from the fishery sector as discussed in chapter 3, is related to the increase in the production of fish in the State from 5.05 lakh tonnes in 1987-88 to 5.23 lakh tonnes in 1988-89.

1.8 The production of coal in the State, as discussed in chapter 4, increased from 21.06 million tonnes in 1987 to 21.56 million tonnes in 1988. As a result of this, the SDP from the mining and quarrying sector increased from Rs. 81.45 crores in 1987-88 to Rs. 87.15 crores in 1988-89.

1.9 The SDP from the manufacturing sector in the State increased from Rs. 2715.85 crores in 1987-88 to Rs. 2880.13 crores in 1988-89, that is an increase of 6 per cent. As can be seen from Table 1.1, in the manufacturing sector, the SDP from both registered and unregistered manufacturing sector increased

in 1988-89 from that in 1987-88. The SDP from the registered manufacturing sector increased from Rs. 1557.55 crores in 1987-88 to Rs. 1633.29 crores in 1988-89. This increase, as discussed in chapter 4, was inspite of a fall in production in the steel and cotton textile industries in 1988-89. However, the production of jute, tea and coal industries, among the major industries in the State, increased in 1988-89. Moreover, the growth of a number of new industries like chemical, electronics, etc. in recent years made it possible for the SDP from the manufacturing sector to increase in 1988-89 in spite of the fall in production in a few of the major industries.

1.10 The SDP from the unregistered manufacturing sector increased from Rs. 1158.30 crores in 1987-88 to Rs. 1246.84 crores in 1988-89. This growth in SDP from the unregistered manufacturing sector was possible, as will be discussed in chapter 5, because of the impressive growth of cottage and tiny small scale industrial units specially under IRDP.

1.11 As will be seen in chapters 4 and 5, the investment climate in the State has improved in recent years. The industrial projects implemented between 1977-81 had involved an investment of Rs. 173.76 crores. This quantum of investment increased significantly to Rs. 774.01 crores in the period between 1982-88. And, as will be seen in chapter 5, each year about 15000 to 19000 small scale units are set up in the State, this excludes the units set up under IRDP. At present West Bengal has the largest number of registered small scale units among the States in India.

1.12 The SDP from the construction sector increased from Rs. 445.25 crores in 1987-88 to Rs 512.04 crores in 1988-89. This increase is related to the extensive construction activities that have taken place under NREP, RLEGP, JRY and under the District Plan Scheme in rural areas and also to the construction activities in urban and semi-urban areas under housing, urban renewal and other programmes.

1.13 The SDP from the electricity, gas and water supply sector increased from Rs. 143.29 crores in 1987-88 to Rs. 156.11 crores in 1988-89. The increase in the SDP from this sector was possible primarily because the total electricity generated by all the power agencies in the State increased in 1988-89 from the generation level attained in 1987-88.

1.14 The SDP from the transport, storage and communications sector increased from Rs. 523.48 crores in 1987-88 to Rs. 533.97 crores in 1988-89.

The increase in SDP from this sector is related to the increase in production in different sectors of the economy specially to the impressive increase in the production in the agriculture sector.

1.15 As will be seen from Table 1.1, the SDP from each of the remaining sectors of the State's economy, that is trade, hotels, etc. ; banking and insu-

TABLE 1.1

**Estimates of State Domestic Product of West Bengal by Industry of Origin
(at 1980-81 Prices) for the years 1987-88 and 1988-89**

(Rs. in crores)

Industry	1987-88 (P)	1988-89 (Q)
1. Agriculture	3,645.50	4,034.86
2. Forestry	42.48	44.38
3. Fishery	372.75	387.20
4. Mining and Quarrying	81.45	87.15
5. Manufacturing	2,715.85	2,880.13
5.1. Registered	1,557.55	1,633.29
5.2. Unregistered	1,158.30	1,246.84
6. Construction	445.25	512.04
7. Electricity, Gas and Water Supply	143.29	156.11
8. Transport, Storage and Communications	523.48	533.97
8.1. Railways	82.68	89.29
8.2. Transport by other means and Storage	383.82	387.13
8.3. Communications	56.98	57.55
9. Trade, Hotels and Restaurants	1,119.20	1,152.13
10. Banking and Insurance	503.89	521.53
11. Real Estate, Ownership of Dwellings and Business Services	764.02	774.12
12. Public Administration	629.04	754.85
13. Other Services	564.89	582.39
Total	11,551.09	12,420.86
Per Capita Income (Rupees)	1,828.00	1,930.00

P = Provisional

Q = Quick

Source : Bureau of Applied Economics and Statistics,
Government of West Bengal.

rance, real estate, ownership of dwellings, business services ; public administration ; other services, increased in 1988-89 from the level prevailing in 1987-88. Thus, all the sectors of the State's economy achieved an increase in SDP (at constant prices) in 1988-89, indicative of the buoyant economic situation prevailing in the State.

1.16 In the next few chapters, the performance of the different sectors of the economy are discussed in detail.

CHAPTER 2

DEMOGRAPHIC FEATURES

2.1 The estimated mid-year total population of West Bengal increased from 6.22 crores in 1988 to 6.32 crores in 1989.

2.2 The estimated urban population of West Bengal in 1989 was 1.65 crores of which more than 56 per cent resided in the Class-I cities. To ease this high concentration of population, the urban policy of the State Government envisages a decentralised urban growth through employment generation and planning in small and medium towns with increased allocation of funds.

2.3 The vital rates of India and West Bengal are given in Table 2.1.

TABLE 2.1

Vital Rates in West Bengal and India

(Per thousand)

Year	Birth Rate		Death Rate		Infant Mortality Rate	
	India	West Bengal	India	West Bengal	India	West Bengal
1983	33.7	32.0	11.9	10.3	105	84
1984	33.9	30.4	12.6	10.7	104	82
1985	32.7	29.4	11.7	9.6	97	74
1986	32.4	29.5	11.1	8.8	96	71
1987	32.2	30.7	10.9	8.8	95	71
1988(P)	31.3	28.1	10.9	8.3	94	70

P = Provisional

Source : Registrar General, India,
Sample Registration System (SRS).

A steady declining trend in birth rates, death rates and infant mortality rates has been observed both for India and West Bengal. The rate of decline for all the rates, however, has been faster in West Bengal than that of India during 1983-88.

2.4 A four point decline in the birth rate in West Bengal during a period of five years indicates successful implementation of the Family Welfare Programme. The number of acceptors in different family planning methods increased gradually over time which is evident from Table 2.2.

TABLE 2.2

Progress of Family Welfare Programmes in West Bengal

(In numbers)

Year	METHODS				
	I.U.D.	Sterilisation	C.C. users	O.P. users	Total Acceptors
1985-86	61,754	2,88,840	1,39,706	17,261	5,07,561
1986-87	75,473	3,01,171	1,54,096	85,002	6,15,742
1987-88	94,994	3,24,575	1,97,732	81,084	6,98,385
1988-89	1,16,864	3,35,873	2,52,470	83,572	7,88,779
1989-90 (Up to Nov. '89)	66,984	1,47,323	2,13,428	68,126	4,95,861

Source: Department of Health and Family Welfare, Government of West Bengal.

2.5 There has been a continuous increase of expenditure every year on family welfare programmes in West Bengal. The expenditure has increased by about two and half times since 1982-83 as will be evident from Table 2.3.

TABLE 2.3

Expenditure on Family Welfare Programmes in West Bengal

Year						Total expenditure on Family Welfare (Rs. in lakhs)
1982-83	...	...	...	...	...	1420.54
1983-84	...	...	...	...	...	2023.05
1984-85	...	...	...	...	...	1989.38
1985-86	...	...	...	...	...	2602.51
1986-87	...	...	...	...	...	3021.78
1987-88	...	...	...	...	...	3469.23
1988-89 (P)	...	...	...	...	...	3455.21

P = Provisional

Source: Department of Health and Family Welfare, Government of West Bengal.

2.6 The response in the matter of acceptance of the family welfare programmes has been very promising in recent years which is reflected in the fall of average age of wife and a correlated fall in the number of living children among sterilization acceptors in West Bengal. This feature is shown in Table 2.4.

TABLE 2.4

**Average Age of Wives and Average Number of Living Children
among Sterilisation Acceptors in West Bengal**

Year				Average age of wife (Years)	Average number of living children
1971-72	...	...	...	32.8	4.7
1981-82	...	...	...	27.4	3.3
1986-87	...	...	...	30.3	3.2
1987-88	...	...	...	28.9	3.13
1988-89	...	...	...	28.6	3.09

Source : Department of Health and Family Welfare,
Government of West Bengal.

2.7 The literacy rates of acceptors for both husband and wife have been found to be much higher than that of the general population. This is shown in Table 2.5.

TABLE 2.5

Percentage of Literates among Acceptors of Family Welfare Programmes

Acceptor Group	Percentage of literates among acceptors					
	(Vasectomy, I.U.D., Tubectomy)					
	1986-87	1987-88	1988-89			
Husbands	53.88	69.15	65.56
Wives	46.35	54.24	58.98

Source : Department of Health and Family Welfare,
Government of West Bengal.

2.8 The data in the Table 2.5 depicts the significance of the spread of education among women in effective implementation of the family welfare programmes. With a view to this, the State Government has given much importance on the coordination between the family welfare programmes and the extension of adult and non-formal education with the active involvement of the Panchayats and Municipalities in the entire process.

CHAPTER 3

AGRICULTURE AND ALLIED SECTORS

3.1 Though the monsoon in the kharif season of 1988 was satisfactory at the beginning, heavy precipitation in the last week of August inundated large areas of the districts in North Bengal. At the same time six of the twelve districts in Gangetic West Bengal recorded deficit rainfall. Moreover, cyclonic storms devastated large areas in coastal 24-Parganas. Yet, in spite of the weather aberration the State achieved a record production of 115.15 lakh tonnes of foodgrains in 1988-89, surpassing the record production of 103.05 lakh tonnes achieved in 1987-88. The average production of foodgrains in the first four years of the Seventh Plan has been 101.40 lakh tonnes. This would seem to be a remarkable achievement since in the previous five years 1980-85 (excluding the extreme drought year of 1982-83) the average production of foodgrains was 83.17 lakh tonnes.

3.2 As can be seen from Table 3.1, the record production of foodgrains achieved in the State in 1988-89 was mainly because of remarkable increase in the production of rice. Total rice production in 1987-88 was 92.72 lakh

TABLE 3.1

Area, Production and Yield Rates of Principal Crops in West Bengal in 1987-88 and 1988-89

Crops	1987-88			1988-89		
	Area (^{'000} hectares)	Production (^{'000} tonnes)	Yield Rate (Kg./ hectare)	Area (^{'000} hectares)	Production (^{'000} tonnes)	Yield Rate (Kg./ hectare)
Rice : Aus ..	616.2	655.3	1,064	720.6	1,071.1	1,486
Aman ..	4,067.2	6,127.2	1,506	4,180.9	7,537.5	1,803
Boro ..	792.2	2,489.3	3,142	720.5	1,951.2	2,708
Total Rice ..	5,475.6	9,271.8	1,693	5,622.0	10,559.8	1,878
Wheat ..	374.2	673.9	1,801	300.1	625.0	2,082
Other Cereals	94.2	132.7	1,408	91.5	121.9	1,332
Total Cereals	5,944.0	10,078.4	1,696	6,013.6	11,306.7	1,880
Total Pulses ..	362.8	227.0	626	308.9	208.4	675
Total Foodgrains	6,306.8	10,305.4	1,634	6,322.5	11,515.1	1,821
Jute* ..	423.7	3,637.6	1,545	415.3	4,530.7	1,964
Total Oilseeds	590.1	505.8	857	492.5	403.6	819
Potato ..	179.9	3,787.0	21,048	188.8	4,348.1	23,033

*Production in ^{'000} bales (1 bale = 180 kg.)

Source : Directorate of Agriculture,
Government of West Bengal.

tonnes which in itself was a record production. However, in 1988-89, rice production attained an all time high of 105.60 lakh tonnes. What is remarkable about the rice production achieved in 1988-89 is that production of Boro (summer) rice actually declined in 1988-89 from 24.89 lakh tonnes in 1987-88 to 19.51 lakh tonnes. In the past few years, it was the increase in the production of Boro rice that had led to the higher production of rice in successive years. However, in 1988-89, the production of Aus rice increased from 6.55 lakh tonnes in 1987-88 to 10.71 lakh tonnes in 1988-89. The area under Aus increased from 6.16 lakh hectares in 1987-88 to 7.21 lakh hectares in 1988-89. And what is significant is that yield rate of Aus rice increased from 1064 kg per hectare in 1987-88 to 1486 kg per hectare in 1988-89, an increase of 40 per cent.

3.3 The main factor in the record production of rice in 1988-89, however, has been the remarkable increase in the production of Aman rice, which increased from 61.27 lakh tonnes in 1987-88 to 75.38 lakh tonnes in 1988-89, that is an increase of 23 per cent. And what is most significant is that the increase in the production of Aman rice was mainly because of the increase in the yield rate from 1506 kg per hectare in 1987-88 to 1803 kg per hectare in 1988-89. It might be pertinent to mention here that a major problem of the agriculture sector in the State has been the low productivity of Aman rice. If one considers the yield rate of Aman rice in the past few years it will be seen that in 1984-85 it was 1504 kg/hectare in 1985-86 it was 1475 kg/hectare and in 1986-87 it was 1403 kg/hectare. Thus, if the yield rate for Aman rice achieved in 1987-88 and 1988-89 indicate a trend, it will open up exciting possibilities for the agriculture sector in the State. Incidentally it must be reiterated, as was stated in the previous Economic Review, West Bengal is at present the highest producer of rice amongst the States in India.

3.4 In the production of wheat, however, there was a slight decline in 1988-89, from 6.74 lakh tonnes to 6.25 lakh tonnes in 1987-88. This decline was primarily because of the fall in area under wheat from 3.74 lakh hectares in 1987-88 to 3.00 lakh hectares in 1988-89.

3.5 In the case of pulses also production in 1988-89 was 2.08 lakh tonnes which was slightly lower than the production of 2.27 lakh tonnes achieved in 1987-88. In this case also the decline was because of the fall in the area under pulses as can be seen from Table 3.1.

3.6 The production of jute in 1988-89 was 45.31 lakh bales which was higher than the production of 36.38 lakh bales achieved in 1987-88. However, the area under jute, which was 4.24 lakh hectares in 1987-88 declined to 4.15 lakh hectares in 1988-89. The area under jute shows a steady decline

from 1985-86, when the area under jute was 7.31 lakh hectares. The uncertainty about raw jute prices and the opening up of the possibility of cultivating paddy instead of jute with the spread of irrigation in the State has influenced the cultivators to switch over to paddy from jute cultivation.

3.7 The production of oilseeds, which reached a record level of 5.06 lakh tonnes in 1987-88 from a level of 2.64 lakh tonnes produced in 1986-87, registered a decline in 1988-89. Oilseeds production in 1988-89 was 4.04 lakh tonnes, this decline was almost wholly due to a fall in the area under oilseeds, from 5.90 lakh hectares in 1987-88 to 4.93 lakh hectares in 1988-89.

3.8 The production of potato in 1988-89 was 43.48 lakh tonnes which surpassed the record production of 37.87 lakh tonnes achieved in 1987-88. The yield rate of potato also improved significantly from 21 tonnes per hectare in 1987-88 to 23 tonnes per hectare in 1988-89.

3.9 It is seen that in 1988-89, area under rabi crops like oilseeds, pulses as well as boro rice had declined from the area covered under these crops in 1987-88, though the area under potato increased. The reason for this decline is primarily because of two reasons. First, from October, 1988, the State had insufficient rainfall; for instance in October, apart from Murshidabad and Jalpaiguri which had normal rainfall, all the other districts registered deficit rainfall from 12% to 94%. While the situation improved a little in November, in December most of the districts registered a 100% deficit in rainfall. Second, the major irrigation systems in the State, irrigated smaller areas in the 1988-89 Rabi and Boro seasons than in 1987-88. For instance, D.V.C. irrigated 32,983 hectares in the 1988-89 Boro season against 64,847 hectares irrigated in the 1987-88 boro season. Similarly, Kangsabati system did not supply any irrigation water during the 1988-89 rabi and Boro-seasons. But it must be noted that though the area under oilseeds and Boro declined in 1988-89 from that in 1987-88, the area under these crops in 1988-89 was still significantly higher than what it was in 1986-87. In 1986-87, the area under Boro and oilseeds were 6.79 lakh hectares and 4.23 lakh hectares respectively against 7.20 lakh hectares and 4.93 lakh hectares in 1988-89. As for pulses the area under this crop has shown a tendency to stagnate with a slight fluctuation in the area covered in different years. Thus, in spite of adverse conditions in 1988-89 rabi and summer seasons, the State could sustain production activity over a wider area than in 1986-87. This was possible because of the significant increase in the minor irrigation potential created in the State in the period 1986-87 to 1988-89.

3.10 Apart from the main agriculture crops, every effort has been made to develop horticulture in the State. The main objective in the horticulture

sector is to increase the production of fruits and vegetables in the State. The strategy followed is to establish small demonstration orchards with major fruits in farmers' fields, distribution of planting materials, minikit distribution and demonstrations with vegetable varieties, organising plant protection etc. In addition, fertiliser demonstrations were conducted for improvement of production from existing orchards. The details of the horticulture sector is given in Table 3.2.

TABLE 3.2
Data on Horticulture Sector

	1987-88	1988-89
1. Fruits		
(a) Area ('000 ha.)	108.0	109.2
(b) Production (Lakh M.T.)	9.65	8.50
2. Vegetables		
(a) Area ('000 ha.)	388.0	406
(b) Production (Lakh M.T.)	39.57	39.70
3. Demonstration of Fertiliser		
Minikits for improved production from existing orchards (Nos.)	1400	1224
4. Distribution of improved vegetable varieties for demonstration and popularisation (Nos.)	4218	16480
5. Distribution of coconut seedlings to tribal farmers with fertiliser (Nos.)	18900	26000

Source : Department of Agriculture,
Government of West Bengal.

3.11 In 1989-90, the monsoon was slightly delayed and in July heavy rains resulted in inundation in some of the districts. However, on the whole, the monsoon was satisfactory and there is good support from the irrigation potential created in recent years. Another bumper crop is therefore expected. A concerted effort has been made in the State to make the rabi production programme a success. Arrangements have been made to supply credit, seeds, fertiliser, pesticides, etc. to the farmers. A large number of minikits of different rabi crops have been distributed among the poorer farmers. The details of the effort made by the Government in 1989-90 is given in Table 3.3.

3.12 The significant improvement in agriculture production in West Bengal, specially from 1983-84, is reflected in the impressive growth of State income from the agriculture sector. According to the Centre for Monitoring Indian Economy, as shown in Table 3.4, taking the average for 1984-85 to

TABLE 3.3

Distribution of Minikits and Release of Subsidised Loans during 1989-90*

1. Distribution of Minikits :						
Crops						No. of Minikits
(i) Paddy	..	..	..	..	..	6,71,625
(ii) Wheat	..	..	..	..	..	30,800
(iii) Potato	..	..	..	..	..	12,500
(iv) Vegetables	..	..	..	..	..	24,335
(v) Water Melon	..	..	..	..	..	1,600
(vi) Maize	..	..	..	..	..	6,440
(vii) Oilseeds	..	..	..	..	..	4,73,000
(viii) Pulses	..	..	..	..	..	1,58,600
<hr/>						
2. Subsidy on Seeds	..	..	..	..	..	Rs. 212.79 lakhs
3. Input Loans	..	..	..	..	..	Rs. 23.60 crores

* Up to 15. 1. 1990

Source : Department of Agriculture,
Government of West Bengal.

1986-87, West Bengal, in terms of per capita income from agriculture stands third after Punjab and Haryana among the States of India. As Table 3.4 shows the estimation of per capita rural income takes into account rural population, gross cropped area and State income from agriculture. For West Bengal to be ranked so high on the above basis is no mean achievement, specially for a State which was considered agriculturally backward only a decade back. In fact if one glances down Column 3 of the Table 3.4, it will be observed that West Bengal has the third highest State income from agriculture after Bihar and U.P., both of which have significantly higher gross cropped area than West Bengal.

3.13 The persistent improvement in agriculture production and the all-round development of the rural sector in recent years as reflected in the rising income from the rural sector in general and more specifically from the agriculture sector as was seen in chapter 1, indicate that fundamental and structural changes have taken place in the rural sector of the State which has unleashed the latent productive forces which hitherto could not be harnessed into the productive process in the rural areas. These fundamental and structural changes are related to the development strategy followed in the State, specifically in the agriculture sector.

3.14 The strategy, as has been stated in earlier Economic Reviews, begins with land reforms, that is the distribution of ceiling surplus land to the

TABLE 3.4

Per Capita (Rural) Income (Net Value Added) from Agriculture :
Average of 1984-85 to 1986-87

State	Rural Population 1981 (Lakhs)	Gross cropped area 1985-86 (Lakh hectares)	State income from agriculture 1984-87 (Rs. in crores)	Per capita (Rural) gross cropped area (Hectares) (2 ÷ 1)	Per hectare average value added (Rs.) (3 ÷ 2)	Per capita (Rural) income from agriculture (Rs.) (4 × 5)
	(1)	(2)	(3)	(4)	(5)	(6)
<i>Major States</i>						
Punjab	121	71.6	3,593	0.59	5,018	2,960
Haryana	101	56.0	2,331	0.55	4,163	2,290
West Bengal	401	79.9	5,735	0.20	7,178	1,436
Karnataka	264	111.5	3,509	0.42	3,147	1,322
Rajasthan	270	181.4	3,540	0.67	1,952	1,308
Orissa	233	92.6	2,968	0.40	3,205	1,282
Maharashtra	408	205.4	5,254	0.50	2,558	1,280
Gujarat	234	96.8	2,888	0.41	2,984	1,223
Andhra Pradesh	410	121.0	4,717	0.30	3,898	1,170
Assam	178	37.9	2,035	0.21	5,369	1,127
Kerala	208	28.7	2,183	0.14	7,606	1,065
Madhya Pradesh	416	230.2	4,413	0.55	1,917	1,054
Uttar Pradesh	910	249.8	9,157	0.27	3,665	990
Bihar	612	105.2	5,772	0.17	5,487	933
Tamil Nadu	325	68.2	2,126	0.21	3,117	655
All India	5,255	1,773.3	69,112	0.34	3,897	1,325

Note : States are ranked according to the last column. *Source* : Basic Statistics Relating to Indian Economy, States, Vol. 11, 1989, CMIE, Bombay.

landless as also providing security of tenure to the share-croppers by recording their rights under Operation Barga. These land reform measures bring about a structural change in the rural areas not only through a more equitable distribution of land in rural areas but by also subverting the strangle-hold of the landed gentry on the rural economy. Next, as mere land reform is not enough, the resources of the State are concentrated on the beneficiaries of land reform measures, as also marginal and small farmers, for providing them with such non-land inputs as credit, seeds, fertiliser and irrigation facilities. That is, the objective is not only to redress the inequitable land holding in the rural areas but also to rely primarily on beneficiaries of land reform measures as well as small and marginal farmers for increasing agricultural production. This strategy is firmly based on the strong empirical

TABLE 3.5

Census of minor Irrigation Schemes in West Bengal, 1987-88
State Level Abstract

Sl. No.	Name of the District	Shallow Tube-Well		Deep Tube-Well		Dug Well		Surface Flow Irrigation Scheme		Surface Lift Irrigation Scheme		Total Area Irrigated in Ha. ('87-'88)
		Number	Area Irrigated in Ha. ('87-'88)	Number	Area Irrigated in Ha. ('87-'88)	Number	Area Irrigated in Ha. ('87-'88)	Number	Area Irrigated in Ha. ('87-'88)	Number	Area Irrigated in Ha.	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13) = (4+6+8+10+12)
1.	North 24-Parganas	54753	110366.78	250	6342.76	—	—	43	54.27	1778	5997.22	122761.03
2.	Howrah	1177	2624.53	132	4136.80	—	—	2383	27511.82	12349	26482.35	60755.50
3.	Hooghly	23512	61936.27	376	14148.52	59	29.84	3887	11708.33	11778	46480.23	134303.19
4.	Birbhum	14661	34138.72	50	861.31	713	783.63	757	5416.68	20625	78060.97	119261.31
5.	Bankura	13002	36432.99	55	1052.32	8053	5806.04	7481	54424.17	14630	54742.92	152458.44
6.	Purulia	—	—	—	—	18290	5012.85	17375	79358.93	327	3955.84	88327.62
7.	Nadia	61137	135079.09	588	19484.22	—	—	—	—	315	9081.13	163644.44
8.	Murshidabad	52699	137329.26	402	11544.76	—	—	1233	7293.67	6044	30516.65	186684.34
9.	Malda	20101	59309.48	177	2043.82	6	4.28	1308	5791.92	5686	20687.81	87837.31
10.	West Dinajpur	22640	63216.97	134	1991.02	1381	262.27	7489	14683.61	2298	12427.14	92581.01
11.	Jalpaiguri	4370	4559.21	40	701.21	1370	2282.68	268	12866.19	193	1129.81	21539.10
12.	Cooch Behar	11331	11603.83	51	930.07	3763	1706.42	115	210.51	1918	3214.37	17665.20
13.	Darjeeling	814	390.66	4	195.00	231	101.05	510	13922.21	52	3518.90	18127.82
14.	Midnapore	43789	111096.21	304+20*	9092.70+155.00*	26328	15668.17	22675	48935.47	68076	56525.41	241472.96
15.	Burdwan	37047	89906.49	390+223*	17714.76+1648.48*	391	443.10	1476	16697.87	24018	67285.37	193696.07
16.	South 24-Parganas	5509	10663.23	6	74.00	—	—	2320	17980.51	32604	32238.76	60956.50
Total		366542	868653.72	2959+243*	90313.27+1803.48*	60585	32100.33	69320	316856.16	202691	452344.88	1762071.84

15

*Indicate the figures of Mini-Deep Tubewell (150 mm × 100 mm size) fitted with 3.5—9 H.P. Submersible/Turbine Pumps having discharge less than one cusec.
Computed and Compiled by State Water Investigation Directorate (S.W.I.D.)

Source : Department of Minor Irrigation,
Government of West Bengal.

evidence of higher per acre production record of the poor working farmers. Moreover, emphasis is placed on the optimum utilisation of labour and local resources which are abundant in supply. Thus, the emphasis is on small irrigation facilities like dug-wells, jor-bunds, etc., which are local resource-based and labour-intensive. Similarly emphasis is given to the use of improved variety of seeds available locally rather than on HYV seeds, encouragement is also given to the use of organic fertilisers like compost, green manures and to an optimal mixture of organic and chemical fertilisers.

3.15 The above strategy is made operational at the field level through the formulation and implementation of block and district level plans in which the rural poor through the panchayats play an active role.

3.16 It is this policy of land reforms with simultaneous provision of major non-land inputs and finally with the close involvement of the common people in rural areas in the planning and implementation of the programmes that has unleashed the productive forces and played the crucial role in bringing about such an improvement in agricultural production in the State.

3.17 As stated above land reforms has been the corner stone of the agricultural strategy followed in the State. Till September, 1989, 12.60 lakh acres of ceiling surplus agricultural land have been vested in the State. Out of these 12.60 lakh acres, 8.77 lakh acres have been distributed to about 18.45 lakh beneficiaries of whom 6.83 lakhs are scheduled caste and 3.57 lakhs scheduled tribe. Under Operation Barga, 14.04 lakh share-croppers have been recorded. Another important facet of the land reform policy in the State has been to provide homestead land to the rural poor so that they are no longer at the mercy of landlords for their homesites. The number of persons who have been given title to homestead land numbers 247850. This programme has now been made complimentary to the rural housing scheme which aim to provide homes to the rural poor. These land reform measures have been supplemented by providing irrigation, seeds, fertiliser and credit to the beneficiaries of land reforms and poorer farmers in the State.

3.18 The spread of irrigation in the State has been mainly through the construction of minor irrigation projects. In the minor irrigation sector new data have become available after the completion of the Minor Irrigation census 1987-88. It appears from the census that actual minor irrigation potential created in the State upto 1987-88 was 2359.08 thousand hectares which exceeds the previous estimate of the Minor Irrigation Department by about 6 lakh hectares. The breakdown of the 2359.08 thousand hectares of minor irrigation potential created is :

Ground Water = 1236.17 th. ha.

Surface Water = 1122.91 th. ha.

2359.08 th. ha.

3.19 The district-wise minor irrigation facilities with the areas actually irrigated are shown in Table 3.5. The table gives the actual irrigation as opposed to the potential created. Thus the actual area covered by minor irrigation in the State till 1987-88 is 1762.072 thousand hectares. This implies, that utilisation of minor irrigation potential in the State is 74.69 per cent, which is remarkable and is one of the highest in the country. The minor irrigation potential created in 1987-88 and 1988-89 are shown below in Table 3.6.

TABLE 3.6

Additional Potential Created through Minor Irrigation

						('000 ha.)	
						1987-88	1988-89
Ground Water	...	...	...	...	...	46.65	47.34
Surface Water	...	...	...	...	...	15.96	16.75

Source : Department of Minor Irrigation,
Government of West Bengal.

One of the encouraging developments in the minor irrigation sector has been the beginning of the West Bengal Minor Irrigation Project with State Government's strong budgetary support and the IDA Credit. The project was delayed due to procedural problems which have been sorted out and the project is being implemented with vigour. This will enhance the additional irrigation potential created in the State every year.

3.20 In the light of the new data available from the census it is estimated that additional potential of 330.71 thousand hectares is likely to be created during the Seventh Plan period making the total potential created to be 2522.42 thousand hectares.

3.21 However, the above estimate of additional potential created in individual years does not adequately include irrigation potential created through different programmes like NREP, RLEGP, District Plan Scheme, etc. This may explain, to a large extent, the difference between the previous estimates of irrigation potential and the census figures mentioned before. The additional minor irrigation potential created through these programmes in the following years are :

1985-86	19.00	thousand hectares
1986-87	17.50	,,
1987-88	15.66	,,
1988-89	14.48	,,
	66.64	,,

3.22 Irrigation potential is also generated through major and medium irrigation projects in the State. The additional irrigation potential created through such projects has been 7.76 thousand hectares in 1988-89. The total irrigation potential created through medium and major irrigation projects up to 1988-89 has been 1238.57 thousand hectares. One of the most crucial major irrigation project in the State is the Teesta Barrage Project. This Project is being implemented almost solely with the State Government funds. Work on this project is progressing and till date, 9000 hectares of irrigation potential has already been created through this project. Further, nine medium irrigation projects have been completed in the State with total irrigation potential of 29.42 thousand hectares. Work on 18 more medium irrigation projects is in progress with total irrigation potential of 38.43 thousand hectares.

3.23 The poorer farmers in the State are also provided with seeds of different crops. Usually the seeds are distributed in minikits which often contain fertilisers also. The number of minikits distributed in the last two years is shown in Table 3.7.

TABLE 3.7
Minikits distributed to Farmers in West Bengal

					1987-88	1988-89
No. of minikits (in lakhs)	...	...	...	...	18.39 (R)	19.05 (P)
R = Revised					<i>Source</i> : Department of Agriculture, Government of West Bengal.	
P = Provisional						

3.24 The consumption of fertiliser in the State has been steadily rising over the years as is shown in Table 3.8.

TABLE 3.8
Consumption of Fertiliser in West Bengal

						(In M.T.)	
						1987-88	1988-89
N	...	...	...	...	...	3,47,653	3,70,925
P	...	...	...	...	...	1,28,916	1,64,205
K	...	...	...	...	...	84,661	1,15,578
Total	...	...	...	...	...	5,61,230	6,50,708

Source : Department of Agriculture,
Government of West Bengal.

The significant increase in fertiliser consumption in the State is well brought out by the data published by Centre for Monitoring Indian Economy on State-wise fertiliser consumption per gross cropped area in 1968-69 and 1987-88. These data are reproduced in Table 3.9. It can be seen from Table 3.9 that while in 1968-69, fertiliser consumption per gross cropped area in

TABLE 3.9
Per Hectare Consumption of Fertilisers : 1968-69 and 1987-88

State	Fertiliser consumption per hectare of gross cropped area : Kg.		
	1968-69	1987-88	Annual rate of increase (%) between 1968-69 and 1987-88
Punjab	34.4	158.5	8.4
Tamil Nadu	24.6	95.8	7.4
Andhra Pradesh	23.9	79.2	6.5
West Bengal	8.1	74.0	12.4
Haryana	10.2	71.4	10.8
Uttar Pradesh	15.3	68.1	8.2
Kerala	13.0	63.5	8.7
Bihar	7.3	58.4	11.6
All-India	10.7	51.2	8.6
Karnataka	10.1	47.9	8.5
Gujarat	9.4	43.1	8.3
Jammu and Kashmir	11.2	37.9	6.6
Maharashtra	6.7	36.2	9.3
Goa (including Daman and Diu)	...	34.4	...
Manipur	3.5	34.0	12.7
Himachal Pradesh	5.3	25.6	8.6
Tripura	...	22.9	...
Madhya Pradesh	1.7	22.7	14.6
Orissa	3.2	17.8	9.5
Meghalaya	...	17.0	...
Rajasthan	2.0	12.4	10.1
Sikkim	...	11.8	...
Assam	3.2	6.4	3.7
Mizoram	...	3.5	...
Arunachal Pradesh	...	1.6	...
Nagaland	...	0.8	...

Note : The States are ranked according to per hectare consumption of fertilisers in 1987-88.

Source : Basic Statistics Relating to the Indian Economy, States, Vol-II, 1989, CMIE, Bombay.

West Bengal was only 8.1 kg. and was one of the lowest amongst the major states, in 1987-88 this figure had increased to 74 kg. In terms of annual rate of increase between 1968-69 and 1987-88, West Bengal registered the third highest growth rate after Madhya Pradesh and Manipur. And in terms of fertiliser consumption per gross cropped area, in 1987-88, West Bengal was fourth after Punjab, Tamil Nadu and Andhra Pradesh.

3.25 Apart from irrigation, seeds and fertilisers, the State Government tries to persuade the commercial banks as well co-operative banks to provide credit to beneficiaries of land reforms measures and the small and marginal farmers in the State. The credit provided by these banks to the poor farmers in the State is shown below in Table 3.10.

TABLE 3.10

Credit Disbursed to Share Croppers, Marginal Farmers and Small Farmers

				(Rs. in crores)	
				1987-88	1988-89
1.	Commercial Banks	...	...	80.80	52.00 (P)
2.	Co-operative Banks	...	...	59.55	83.30 (P)

P = Provisional

Source : Department of Finance (IF) and
Department of Co-operation,
Government of West Bengal.

3.26 The above measures are supplemented by the special programmes like IRDP, NREP, RLEGP and *Jawahar Rozgar Yojana (JRY)*. Certain non-land inputs like irrigation facilities such as wells, *Jor bunds*, etc. are provided through IRDP and NREP. Similarly, certain infrastructural facilities like roads, culverts, drainage facilities, drinking water sources, school buildings, etc. are also implemented under NREP, RLEGP and JRY.

3.27 The IRDP programme is being implemented through Panchayat Samities in all the 341 Blocks in the State under the supervision and guidance of District Rural Development Agency set up in each district. The objective of the scheme is to raise families which are below the poverty line above the same through income generating economic activities with Government subsidy and loan from banks. The subsidy component of the programme is shared by the Centre and the State on 50 : 50 basis. The State has been doing quite well in this programme and in 1987-88 and 1988-89, the State exceeded the physical target set for the years by 20.28 per cent and 22.73 per cent respectively. The progress under IRDP is shown in Table 3.11.

TABLE 3.11
Progress under IRDP

Year	No. of Families Assisted			Total Sub- sidy Released (Rs. in lakhs)	Total Credit Disbursed (Rs. in lakhs)	Per Capita Investment (Rs.)
	Old Families	New Families	Total			
1987-88	77,795	2,10,482	2,88,277	5,427.54	8,831.01	4,946.12
1988-89	41,562	2,45,551	2,87,113	5,556.01	11,014.35	5,888.34*
1989-90	7,249	1,24,135	1,31,384	2,837.60	5,698.37	6,496.96

*The figure has been calculated including SCP subsidy and Margin Money Loan.

Source : Department of Rural Development, Government of West Bengal.

3.28 Apart from IRDP, there are two other special programmes, NREP and RLEGP which are being implemented in the State. Both these are employment generating programmes mainly for the unemployed and under-employed rural poor through the creation of durable community assets. While NREP was funded by the Central Government and State Government on 50 : 50 basis, RLEGP was completely funded by the Central Government. The fund allocated and man-days generated under NREP and RLEGP are shown in Table 3.12.

TABLE 3.12
Achievement of NREP, RLEGP and JRY

Programme			Year	Total cash released (Rs. in lakhs)	Utilisation of Resources* (Rs. in lakhs)	Mandays Generated (in lakh mandays)
NREP	...	...	1987-88	3,832.61	4,086.28	161.60
			1988-89	5,676.15	4,256.79	152.00
RLEGP	...	...	1987-88	2,252.62	3,752.30	164.15
			1988-89	3,152.82	3,095.68	112.35
JRY** (since 1st. April, 1989)	...	...	1989-90	21,610.16	12,071.08†	406.81†

*Including value of foodgrains.

**The achievement and utilisation figures include the spill over works of NREP and RLEGP.

†Up to Nov., 1989.

Source : Department of Rural Development, Government of West Bengal.

Assets created under NREP and RLEGP are shown in Table 3.13 and Table 3.14 respectively.

3.29 Since 1st April 1989, the two programmes RLEGP and NREP have been merged and a new employment programme Jawahar Rozgar Yojana (JRY) is being implemented through Panchayats. The cost of the scheme is being borne by the Central Government and State Government on a 80 : 20 basis. According to the guidelines for JRY, 6 per cent of resources of the district is earmarked for construction of houses under IAY for SC/ST people and at least 80 per cent of balance resource would flow to the gram panchayats and 20 per cent would be utilised by the Zilla Parishads for implementing bigger schemes. In 1989-90, a total allocation of Rs. 21610.16 lakhs have been made to the State. The target of employment to be generated under JRY in 1989-90 has been fixed at 494.46 lakh mandays. The programme has already gained momentum and till the end of November, 1989, a total of 406.81 lakh mandays of employment has been generated as can be seen from Table 3.12.

TABLE 3.13

Social Assets created under NREP in West Bengal

Item of Works/Schemes Programmes/Works	Physical Assets Created	
	1987-88	1988-89
A. Social Forestry		
(a) Area covered (Hects.)	(a) 8437 Hects.	(a) 9056 Hects.
(b) Trees planted (Nos.)	(b) 9101398 Trees planted	(b) 14443962 Trees planted
	(c) 396840 Seedlings raised	(c) 3446 Nurseries (d) 14686000 Seedlings raised
B. Directly Productive Economic Assets		
1. Minor irrigation works including those relating to flood protection, drainage antiwater logging works.		
(i) Irrigation Wells		
(a) No. of Wells (Nos.)	3,745	1,457
(b) Area benefited (Hects.)	1,076	367
(ii) Irrigation Tanks		
(a) No. of tanks (Nos.)	940	808
(b) Area benefited (Hects.)	2,295	1,679
(iii) Field Channels		
(a) Length in kms. (Kms.)	711	286
(b) Area benefited (Hects.)	4,921	1,740
(iv) Link drains, intermediate drains and main drains (Kms.)	537	441
(v) Flood protection works (Hects.)	12,958	13,585
(vi) Anti water logging (Hects.)	415	285
2. Soil conservation and Land reclamation (Hects.)	1,513	224
3. Construction of village tanks/ponds (Nos.)	550	839

TABLE 3-13—*Concl'd.*

Item of Works/Schemes Programmes/Works	Physical Assets Created	
	1987-88	1988-89
C. Socio-Economic Community Welfare Assets		
(i) Provision of drinking water wells	29680 T.W. sinking and resinking 2030 wells	27343 T.W. sinking and resinking 650 wells.
(ii) Rural Roads (Kms.)	11622 Kms ; 1099 Culverts	2 piped water 9971 Kms. 495 Culverts
(iii) School buildings (Nos.)	3564	2224
(iv) Development of house sites (Nos.)	283	73
(v) Construction of houses (Nos.)	493	760
(vi) Panchayat Ghars (Nos.)	533	575
(vii) Mahila mandals (Nos.)	1	11
(viii) Construction of buildings (Nos.)]	39	57
(ix) Construction of Sanitary Latrines (Nos.)	—	796
(x) Miscellaneous works other than buildings (to be specified)	Lavatory 516 Waiting room 111 Bridge 82 Dustbin 1 Hut 6 Play ground 25 Burning Ghat 1 Godown 1 Community Hall 1 Club room 1 Library 4 Anganwari centre 7 W. Plat- form 10 Post office repair 3 Dev. of Burial ground 2 Bundh/Jore Bundh 18 Sluice Gate 3 Open Theatre 1 Brick Bhata 9 Fruit Garden 27 Bus stand 3 Platform 58	Waiting room 59 Bridge 58 Play ground 3 Jore Bandh 40 Pucca Ghat 1 Bus shed 1 W. Plat- form 3 Library 1 Market 8 Electrification of Panchayat Ghar 1 Extension of Panchayat Ghar 5 Guard Wall 12 Tubewell Platform 27 Hume pipe placed 509 Godown 1

Source : Department of Rural Development,
Government of West Bengal.

TABLE 3.14

Expenditure Incurred, Employment Generated and Physical Assets created under RLEGP

Year	Expenditure incurred including value of foodgrains (Rs. in lakhs)	Quantity of foodgrains utilised (in metric tons)	Employment generated (in lakh mandays)	Assets created under the Programme
1987-88	3752.304	45365.680	164.150	(i) 1656.13 kms. of rural link road constructed and/or improved and 32 bridges, 28 culverts and 2 causeways constructed. (ii) 9855.009 hect. of additional irrigation potential created and 20.60 kms. of embankment erected. (iii) 231 new primary school buildings constructed. (iv) 493.781 hect. of water area developed for fish farming. (v) 220.093 hect. of land developed and 263 tubewells sunk for drinking water purpose. (vi) 10,547 houses constructed for scheduled castes and scheduled tribes under Indira Awaas Yojana. (vii) 14547.843 hect. covered by plantation under Social Forestry. (viii) 3794 Sanitary Latrines constructed at individual households and 187 Sanitary Latrines constructed at existing primary schools.
1988-89	3095.68	38776.19	112.35	(i) Link Road—633 kms., Culvert—147 nos., Bridge—11 nos., Causeway—1 no. (ii) Irrigation potential created—10521 ha., Canal re-excavated—23.98 kms., Sluiceway—3 nos. (iii) Primary School constructed—412 nos. (iv) Water area developed for fish farming—1303.93 ha. (v) Tubewells—50 nos. (vi) House constructed for SC/ST—6178 nos. (vii) Covered by plantation under Social Forestry—11076 hectares. (viii) Sanitary Latrines constructed—Individual household—3154 nos., In primary School—77 nos.

Source: Department of Rural Development,
Government of West Bengal.

3.30 The result of the successful implementation of these programmes as well as the development strategy followed in the rural sector has not only led to impressive improvement in agriculture production but also has significantly raised agricultural wage rates in the different districts of the State between 1987-88 and 1988-89. The wage rates prevailing in the different districts of the State in West Bengal in 1987-88 and in 1988-89 (up to December, 1988) is shown in Table 3.15. At present West Bengal has one of the highest agricultural wage rates amongst the states in India.

TABLE 3.15
Districtwise Average Annual Wage rate for the Category of
Male Agricultural Field Labourers*

District	1987-88	(Daily wages in Rs.)
		During 1988 (July to December, 1988) (P)
1. Darjeeling	17.43	22.32
2. Jalpaiguri	13.73	18.37
3. Cooch Behar	11.36	14.47
4. West Dinajpur	10.63	11.12
5. Malda	14.43	17.57
6. Murshidabad	14.17	17.85
7. Nadia	14.98	17.98
8. 24-Parganas (N)	15.78	17.50
9. 24-Parganas (S)	21.42	21.07
10. Howrah	N.A.	23.79
11. Hooghly	18.37	20.04
12. Burdwan	17.86	17.77
13. Birbhum	14.80	15.15
14. Bankura	14.82	17.62
15. Purulia	14.00	14.00
16. Midnapore (W)	13.50	16.52
17. Midnapore (E)	19.33	N.A.
Total West Bengal	15.41	17.69

N.A. = Not Available.
P = Provisional.

Source : Department of Agriculture,
Government of West Bengal.

*Field Labourers include Ploughmen, Sowers and Transplanters Weeders, Reapers and Harvesters.

Animal Resource Development

3.31 Due priority is being attached to the development of animal resources which contribute substantially to the State Domestic Product. It will be evident from Table 3.16 that steady growth is being maintained in milk, egg and meat production. Milk production increased from 26.64 lakh tonnes in 1987-88 to 27.03 lakh tonnes in 1988-89—the target for 1989-90 is 30 lakh tonnes.

TABLE 3.16
Production in the Animal Husbandry Sector

Item of Production	Unit	1987-88	1988-89	1989-90 (Anticipated)
1. Milk Production ..	Lakh M.T.	26.64	27.03	30.00
2. Egg Production ..	Million	2155	2197	2250
3. Meat Production ..	Th. M.T.	654.26	667.83	682.15
4. No. of Poultry Broiler ..	Lakh	70	71	100
5. No. of Improved Poultry layer	Lakh	66	70	N.A.

Source : Department of Animal Resources Development, Government of West Bengal.

3.32 The basic thrust is towards improvement of the productivity of the cattle. This is sought to be achieved mainly through augmenting artificial insemination (A.I.) facilities and increasing fodder/feed production together with expanding the health coverage. In 1989-90, new A.I. centres numbering 70 will be set up with frozen semen facilities. The coverage under A.I. programme was 6.05 lakhs and 6.48 lakhs in 1987-88 and 1988-89 respectively and the target for 1989-90 is 7.25 lakhs. Further, the unemployed youth in rural areas are being given free training in A.I. techniques and are also supplied with requisite kits and inputs to provide custom service against nominal fees.

3.33 Another factor responsible for increasing the production is the emphasis being given on fodder production. Although fodder production in the State falls short of the requirement but a coordinated effort is being made by the Agriculture Department, Animal Resources Development Department and the Forests Department to step up fodder production. In 1987-88 and 1988-89 the area under fodder was 6.77 lakh ha. and 6.96 lakh ha. respectively. The expected coverage in 1989-90 is 7.20 lakh ha. Fodder demonstration plots and distribution of fodder minikits are being organised with the cooperation of local Panchayats as a part of the extension programme. To augment production of animal feed West Bengal Dairy and Poultry Development Corporation is setting up two milling plants at Salboni and Durgapur respectively. DRDA Birbhum and DRDA Purulia have also taken steps to establish one milling plant in each of the districts.

3.34 It will be observed from Table 3.16 that the increasing trend in egg production has been maintained. In 1988-89, the production rose to 2197 million numbers from 2155 million numbers in 1987-88—the anticipated achievement in 1989-90 is 2250 million numbers. The Government policy of supplying improved quality chicks and hatching facilities has positively helped in increasing production. Three State Poultry Farms have been modernised into commercial hatcheries and 8 Duck Rearing Units have been established. The production of broilers is also increasing each year and the achievement in 1989-90 is estimated to be 100 lakh numbers as against 71 lakh numbers in 1988-89.

3.35 The increase in meat production indicated in Table 3.16 may be attributed largely to the implementation of various schemes relating to Sheep, Goat, Piggery development and strengthening of the marketing link up. These schemes are of particular benefit to the SC and ST families. During 1989-90, it is proposed to cover 3100 SC and 1422 ST families under these schemes.

3.36 Veterinary Service occupy a key position in the total range of activities relating to animal resource development. The total number of cattle treated during 1988-89 is estimated to be 52.60 lakhs and the anticipated number during 1989-90 is 55.23 lakhs. The number of cattle vaccinated during the aforesaid years is estimated to be 172.19 lakhs and 180.80 lakhs respectively. Further, 1 State Veterinary hospital, 36 additional Veterinary Dispensaries at Block level and 25 aid centres at village level have been established in 1989-90. Six mechanised boats have been procured to facilitate availability of veterinary health coverage in the riverine areas of Sunderban and Midnapore.

Fisheries

3.37 The achievements in the Fisheries sector through implementation of various programmes have significantly boosted the rural economy. From 5.05 lakh tonnes in 1987-88, fish production in the State increased to 5.23 lakh tonnes in 1988-89 ; the anticipated production in 1989-90 is 6.0 lakh tonnes out of which 5.12 lakh tonnes will be in the inland sector and the balance in the marine sector.

3.38 Of all the inland fishery resources of the State, the contribution of pond fishery is the largest. The production in 1988-89 was 4.58 lakh tonnes against 4.43 lakh tonnes in 1987-88. The target for 1989-90 is 5.12 lakh tonnes.

3.39 Fish Farmers Development Agency (FFDA) have been set up in all the fisheries districts for helping fish farmers with subsidy, technical

guidance, training facilities and assistance from Financial Institutions for improving productivity. The coverage under the programme in 1987-88 and 1988-89 was 6820 ha. and 7217 ha. respectively. The target for 1989-90 is 7500 ha.

3.40 A special scheme called Social Fishery Scheme is also in operation in all the districts of West Bengal with a view to improving the socio-economic condition of the poorer fishermen. Under this scheme public water bodies owned by the Government, community, institutions are stocked and thereafter management is transferred to groups of fishermen selected by local Panchayats from among those living below the poverty line. The coverage during 1987-88 and 1988-89 was 200 ha. and 1551 ha. respectively—the target for 1989-90 is 1920 ha.

3.41 West Bengal has a rich brackish water fisheries potential. It has got an area of 4.05 lakh ha. in the coastal districts of Midnapore, North and South 24-Parganas for shrimp culture. To ensure optimum utilisation of this vast potential and generation of employment and income in rural areas three Brackish Water Fisheries Development Agency have been set up in the fore-mentioned districts. Requisite personnel have been trained for this purpose and the area proposed to be covered in 1989-90 is 450 ha.

3.42 To promote development of marine fishery, bigger sized mechanised crafts for off-shore fishing with NCDC assistance have been introduced in addition to the small sized crafts which are in operation from before. Fifty such mechanised boats have been commissioned in 1988-89 and another 50 are expected to be launched in 1989-90. A fishing harbour at Sankarpur near Digha has been completed and is functioning. Construction of another harbour of Fraserganj in the district of South 24-Parganas will be taken in hand. In 1988-89, 280 number of fishermen were trained for marine fishing, maintenance of boats and engines, seamanship, etc., a similar target has been fixed for 1989-90. Training in net-making and ancillary developmen was also imparted.

3.43 To step up production of quality fish seed, fish farmers are provided with bank loan, subsidy for nursery and rearing centres, setting up of different types of hatcheries and transferring the technology to the interior areas through various programmes taken up by the Fisheries Department. The production of seed increased from 7005 millions in 1987-88 to 7200 millions in 1988-89. The target for 1989-90 has been fixed at 7250 millions.

3.44 Grass root training programmes at block level are organised for the benefit of fish farmers without hampering their normal activities. At the district level there are training centres where higher courses are organised

for those who have successfully completed grass root level training. The State Fisheries training centres at Kulia, Kalyani arranges for training of progressive fish farmers jointly with the officials of Fisheries Directorate, ICAR (Government of India), Nationalised Banks and General Insurance Co.

TABLE 3.17
Production of Fish and Fish-seed in West Bengal

Particulars	1987-88	1988-89	1989-90 (April to November, 1989)
1. Production of fish (in thousand tonnes)			
Inland	443	458	250
Marine	62	65	26
Total	505	523	276
2. Production of fish-seed (in million)	7,005	7,200	7,075

Source : Department of Fisheries, Government of West Bengal.

3.45 In addition, schemes are also implemented specifically for the benefit of the fishermen belonging to Scheduled Castes and Scheduled Tribes. Various welfare measures are taken up for provision of drinking water, housing facilities, construction of community halls, etc. through RLEGP and National Welfare Fund.

3.46 The Group Personal Accident Insurance Scheme has been introduced to provide social security cover to the families of fishermen. During 1988-89, 61046 numbers of active fishermen have been covered under the scheme.

Forestry

3.47 The basic objectives of the forestry development programmes are conservation and improvement of the existing natural forests and extension of tree cover outside the limits of the recorded forest areas. These are necessary not only to meet the increasing demand on the forest produce for industrial and household uses but also in the interest of environment and ecological balance. To achieve the above objectives participation of the people residing near the forest areas and the involvement of the Panchyats in forestry activities have been ensured. A system of micro planning has also been introduced to orient the programmes in conformity with local resources and needs.

3.48 A unique feature of the people's participation has been the emergence of People Protection Committee to look after forests in the neighbourhood of their villages jointly with the forestry administration. So far 1235 such committees are functioning and protecting forest areas—mostly Sal Coppice—in the laterite belt extending over 1.50 lakh hectares. The results are encouraging and there has been perceptible improvement of growth and density of the growing stock. To sustain their interest and promote further participation the Government has agreed to share 25% of the usufruct from these forests with the Committees.

TABLE 3.18
Forest Plantation raised in West Bengal by the Forest Directorate and Forest Corporation

(Area in hectares)

Year	Plantations raised in Govt. forest land and non-forest land	Notional area due to seedlings distribution	Total
(1)	(2)	(3)	(4)
1987-88	14,066	48,350	62,416
1988-89	12,279	40,200	52,479
1989-90 (Target)	15,430	39,419	54,849

Source : Department of Forests,
Government of West Bengal.

3.49 It may be seen from the foregoing table that although the area under plantation has increased in 1989-90, the notional area due to seedling distribution is estimated to fall slightly. This is primarily due to the fact that the seedling raised under the Decentralised People's Nursery Scheme funded with Central assistance may decrease due to lesser cost of production sanctioned by Government of India as against the amount sanctioned by the State Government under Farm Forestry Scheme.

3.50 The Social Forestry Project with IDA credit is progressing satisfactorily with the cooperation and active participation of the Panchayats. It may be noted that in 1988-89 the addition to the forest cover under this project will be about 11076 hectares. The productivity from the forest sector is sought to be augmented through various agro-forestry production programmes under which cultivation of vegetables, spices, fodder, etc. is combined with plantation of timber and firewood trees,

3.51 The departmental operation for extraction of timber and firewood is continuing and has succeeded in eliminating the middlemen which has resulted in higher return from the forest per hectare. Table 3.19 indicates the revenue earned in 1987-88 and 1988-89 from the departmental operation. In this connection it may be noted that clear felling in the forest of North Bengal has been substantially reduced for eco-restoration which is in conformity with the National Policy and the Forest Conservation Act, 1980. It may however be noted that despite this measure, the revenue has increased. This increase is due the reduction in wastage consequent upon elimination of the middlemen through the direct departmental operation.

TABLE 3.19

**Out-turn of Timber and Firewood and Revenue Earnings
from Forest in West Bengal**

Year			Outturn of Timber* (cum)	Outturn of Firewood** (cum)	Revenue (Rs. in lakhs)
(1)			(2)	(3)	(4)
1987-88	..	..	1,43,707	2,58,462	33,20.19(P)
1988-89	..	..	1,52,808	2,77,312	33,77.66(P)

P = Provisional

Source : Department of Forests,
Government of West Bengal.

*Timber includes plywood, matchwood, other timbers and poles.

**Firewood includes quantity of firewood required for production of charcoal, other firewood and pulpwood.

3.52 The Government has recently established the West Bengal Waste Land Development Corporation which will play an important role in the development of wasteland particularly in the laterite areas of the State.

CHAPTER 4

INDUSTRY

4.1 The general index of industrial production (base 1980 = 100) for the State increased significantly from 108.42 in 1987 to 113.70 in 1988. As can be seen from Table 4.1, the different components of the general index also showed a rising trend. The index of production for the mining and quarrying sector increased from 106.15 in 1987 to 106.65 in 1988. Similarly, the index for the manufacturing sector registered an impressive increase from 102.45 in 1987 to 108.66 in 1988. The index for the manufacturing sector is based, because of lack of data, on about 85 per cent of the total products that are supposed to be included in the index. With better data availability the index might have registered a higher increase. The index for the electricity sector increased from 190.59 in 1987 to 195.21 in 1988, because the total electricity generated in 1988 by the different power agencies in the State was higher. While the over-all performance of the industry sector in the State was satisfactory, a more meaningful understanding of the industrial scene can perhaps be achieved by a disaggregated analysis of some of the major industries in the State as well as the important developments that took place in the industry sector in the State.

TABLE 4.1
Index Number of Industrial Production
(1980 base)

	1987	1988
Mining and Quarrying	106.15	106.65
Manufacturing	102.45	108.66
Electricity	190.59	195.21
General	108.42	113.70

Source : Bureau of Applied Economics and Statistics, Government of West Bengal.

Jute Manufacturing Industry

4.2 As can be seen from Table 4.2, the production of jute goods in 1988 at 11.06 lakh tonnes was slightly higher than the production of 10.42 lakh tonnes achieved in 1987. In the first six months of 1989 production of jute goods was 5.48 lakh tonnes which was again slightly higher than the production level of 5.13 lakh tonnes achieved in the first six months of 1988.

TABLE 4.2

Production in Important Industries in West Bengal

Industry	Unit	1987	1988	January-June	
				1988	1989
Jute	Lakh M.T.	10.42	11.06	5.13	5.48
Cotton Textile					
(a) Cotton Yarn	Lakh Kg.	610.80	505.54	246.53	253.95
(b) Cotton Cloth	Lakh Metres.	953.30	685.87	360.71	309.04
Tea	Million Kg.	149.62	150.93(P)	49.12(E)	43.79(E)
Coal	Million M.T.	21.06	21.56(P)	10.88	12.09(P)
Pig Iron	Th.M.T.	1984.4	1904.4	994.0	864.7
Steel Ingots	Th. M.T.	1667.7	1653.4	857.4	753.3
Finished Steel	Th. M.T.	1047.1	1018.4	545.1	474.0

P = Provisional
E = Estimated

Source : Bureau of Applied Economics and Statistics,
Government of West Bengal.

4.3 The production of jute goods in the state has been fluctuating around 9 to 12 lakh tonnes over the last two decades. This stagnancy in the production of jute goods is attributed by industry circles to the loss of export market. But as has been repeatedly shown in previous Economic Reviews, the loss of the export market has been more than compensated by the rise in internal demand for jute goods as can be seen from Table 4.3. While in the mid-sixties about 75 per cent of the total production of jute goods was exported, at present exports contribute about 16 per cent of the total production.

TABLE 4.3

Internal Demand and Export of Jute Goods

(In '000 M.T.)

Period					Internal Demand	Exports
1965-66	..	..	..	..	287.8	895.6
1976-77	..	..	..	..	740.9	452.5
1986-87	..	..	..	..	1091.0	276.7
1987-88	..	..	..	..	957.4(R)	240.0
1988-89	..	..	..	..	1148.5	223.5

R = Revised

Source : Office of the Jute Commissioner,
Government of India.

Apart from failing to respond to the growing domestic demand, the jute industry has also shown reluctance to make investment for socially appropriate modernisation. The progress of modernisation under the Jute Modernisation Fund Scheme has not been very impressive. The total number of

applications under the scheme has been 36, out of which the number of sanctioned cases has been 14. The total amount sanctioned under the scheme has been Rs. 57.29 crores and the amount disbursed has been only Rs. 14.30 crores.

4.4 The jute industry will have to make a realistic assessment of the ground conditions, and modernise quickly if it is to survive and grow. The need for modernisation has become all the more urgent with the signs of revival of the jute exports market because of the developed countries switching over to jute packaging on ecological grounds. However, given its past performance, it is doubtful whether jute industry under the present ownership pattern can cope with the emerging challenges facing the jute industry. This then is a pointer to the need of placing the jute industry under public control.

Cotton Textile

4.5 As can be seen from Table 4.2, the production of cotton yarn in the State in 1988 was 505.54 lakh kg. which was lower than the production of 610.80 lakh kg. in 1987. The production of yarn in the first six months of 1989 was 253.95 lakh kgs. which was slightly higher than the production of 246.53 lakh kg. achieved in the same period in 1988. The production of cotton cloth declined sharply from 953.30 lakh metres in 1987 to 685.87 lakh metres in 1988. In the first six months of 1989, the decline in the production of cotton cloth continued, with a production of 309.04 lakh metres against a production of 360.71 lakh metres in the first six months of 1988.

4.6 The continuous decline in the production of yarn and cloth in the State is a reflection of moribund condition of the cotton textile industry in the State. Over the years 14 cotton mills in the State had turned sick and were taken over by the National Textile Corporation. At present five composite mills and two spinning mills are lying closed. The Mayurakshi Cotton Mill which was declared sick by BIFR has been purchased by the State Government for Rs. 1.09 crore. The rehabilitation cost for the mill will amount to Rs. 3.16 crores. The Eastern India Textile Mills Association in a recent memorandum to the government has reported that the cotton textile industry in the State was passing through a severe financial crisis. Though as will be discussed later, the cotton textile industry in West Bengal is in a far more disadvantageous position than the cotton textile mills in other parts of the country, the cotton textile industry in the country as a whole is in doldrums. Out of 278 composite mills in the country as many as 143 have gone out of business because of lack of viability.

4.7 The root of the crisis in the cotton textile industry lies in the stagnancy in the per capita demand for cloth in the country which fluctuates around 14.7 to 15.6 metres per capita per annum depending on the general

economic situation in the country. This stagnancy in demand for cloth is because of the lack of purchasing power of the vast masses of the people resulting from highly inequitable distribution of income prevailing in the country.

4.8 Over and above this basic problem at the national level, the textile mills in the State have the additional disadvantage of having to pay high freight rate on raw cotton which has to be brought from Punjab and Gujarat, which lies at a distance of 1400-1500 km. from the State. As stated in earlier Economic Reviews, the freight rate on raw cotton has been progressively increased by the Railways, in spite of the repeated appeals by the textile industry and the State Government. The railway freight on raw cotton was again increased in 1989 after it was increased in 1988. The railway freight rates for different distance slabs is shown in Table 4.4.

TABLE 4.4
Railway Freight Rates on Raw Cotton

Distance (K.m.)	Freight Rate (Rs. per tonne)		
	1982	1988 (June)	1989 (June)
100	43.30	54.90	60.40
200	65.30	90.60	100.00
300	85.40	126.10	140.00
500	123.10	200.90	222.50
750	200.40	283.90	334.60
1000	251.00	389.10	435.50
1500	343.90	554.70	615.10
2000	423.40	680.10	754.30
2500	485.60	777.00	861.90

Source : Cotton Corporation of India.

The high freight cost on raw cotton and other incidental costs increases the overall cost for the textile mills in the State by 4 per cent and with the increasing freight rates this cost is also escalating over the years. The problem of high freight rates on raw cotton has been further compounded by the high cotton prices which prevailed for most part of 1987. The 1989 cotton crop was encouraging, however, the Central Government has decided to export 16 lakh bales of cotton. This will most certainly harden up domestic prices. Given the condition of the textile industry, any steps that would increase the cost of its raw material is inexplicable, specially since cotton prices have been above the minimum support price for cotton.

Tea

4.9 The production of tea in West Bengal increased slightly from 149.62 million kg. in 1987 to 150.93 (provisional) million kg. in 1988. Production of tea in the first six months of 1989 was 43.79 (estimated) million kg., which was slightly lower than the production of 49.12 (estimated) million kg. for the first six months of 1988. A recent development in the tea industry has been the unprecedented rise in tea prices. As can be seen from Table 4.5, tea prices at Calcutta Auction after declining from Rs. 28.97 per kg. in 1987 to Rs. 28.46 per kg. in 1988, had increased to Rs. 38.84 per kg. by October, 1989. Similarly, in the Siliguri Auction, tea prices after declining from Rs. 23.61 per kg. in 1987 to Rs. 23.25 per kg. in 1988, had risen to Rs. 35.19 per kg. by October, 1989.

TABLE 4.5

Average Prices of Tea in Calcutta and Siliguri Auctions

				(Rs. per kg.)		
				1987	1988	1989 (Up to October)
Calcutta	..	..	..	28.97	28.46	38.84
Siliguri	..	..	..	23.61	23.25	35.19

Source : Tea Board.

4.10. The basic problem of the tea industry in India is that while production increases by 10 million kg. per annum, domestic demand increases by 15 million kg. per annum. Unless production of tea increases at a rate sufficient to cater to the export and domestic market, the rise in tea prices will continue. The reason for the low growth in the production of tea in the country is well brought out by a discussion of the problems facing the tea industry in West Bengal.

4.11 The basic problem of the tea industry in the State has been the utter neglect by the private tea garden owners in re-investing their profits in the tea gardens, so that replantation of tea bushes, which is essential for increasing the productivity of tea gardens, has not been at the required level. The result has been that tea bushes of over 50 years covered 57.97 per cent of the total area under tea bushes in 1987. This is shown in Table 4.6. In 1986, 52.84 per cent of the area was under tea bushes over 50 years old, that is in one year the percentage has increased by 5 percentage points.

4.12 This lack of perspective of private tea garden owners has made a large number of tea gardens in the State sick. The West Bengal Tea Development Corporation Ltd. (WBTDC), a State Government undertaking, has taken-over the ownership of four such gardens covering an area of 686.50 hectares and manages three others which have an area of 573 hectares,

TABLE 4.6

Percentage of Area under Different Age-Groups of Bushes in Tea Gardens in West Bengal in 1987

		Below 5 yrs.	5-10 yrs.	11-20 yrs.	21-30 yrs.	31-40 yrs.	41-50 yrs.	Over 50 yrs.	Total
1987	..	5.43	6.24	7.66	11.76	5.94	5.00	57.97	100

Source : Tea Board.

4.13 The average production of the tea gardens under WBTDC in the last three years is around 330 M.T. per annum. WBTDC has drawn up a programme for revival of these units and will in future also take-over/purchase other tea gardens which can be made viable.

Coal

4.14 The production of coal in the State as can be seen from Table 4.2, increased from 21.06 million tonnes in 1987 to 21.56 (P) million tonnes in 1988. The same upward trend in production was maintained in the first six months of 1989 with the production of coal of 12.09 (P) million tonnes against production of 10.88 million tonnes in the first six months of 1988. As was stated in earlier Economic Reviews, the production of coal could have been higher, if supply of power to the coal fields had been normal. DVC is the main supplier of power to the coal fields in the State. It can be seen from Table 4.7 that the loss in coal production has been primarily because of inadequate and erratic supply of power to the coal fields.

TABLE 4.7

Reasons for Loss in Coal Production in the State

	Loss of Production (Million tonnes)		
	1987-88	1988-89	1989-90 (Up to Nov., 1989)
1. Due to Power Shortage ...	1.49	1.52	2.04 (P)
2. Other Reasons ...	1.24	0.51	1.31 (P)

P= Provisional

Source : Eastern Coalfields Ltd.

Steel

4.15 As can be seen from Table 4.2 the production of pig iron, steel ingots as well as finished steel declined in 1988 from the production level achieved in 1987. Production in the first six months of 1989 has also been at a level lower than the production achieved in the first six months of 1988. However, it is encouraging to note that Durgapur Steel Plant (DSP) has taken up a massive expansion and modernisation programme estimated to

cost Rs. 2667.6 crores. The work of technological upgradation and renovation of DSP has been planned to be executed through 16 turnkey packages. Contracts for most of these packages have already been awarded. However, the State Government is not satisfied with the progress made towards ancillarisation benefits accruing to small scale units in the State from DSP modernisation programme. The State Government has requested the Steel Ministry to persuade SAIL to include specific clauses in their contracts for modernisation of DSP such that services/products that are locally available from small scale units are procured from them.

4.16 It is also expected that the Government of India will take an early decision to carry out the modernisation programme relating to IISCO.

Public Sector

4.17 The public sector in the State can be divided into two parts, one under the Central Government the other under the State Government. The public sector under the Central Government consists mainly of erstwhile sick units taken over by the Central Government. As such the major activity of the Central Government has been to rehabilitate/modernise these units. The Central Government has not invested in a single new manufacturing unit in the State, except for the Dankuni Coal Complex, in the last twenty years. Even if one considers the investments in non-departmental Central Government Undertakings, West Bengal, in comparison with other industrialised States, has received much less attention than it deserves. For instance, in the share of total Central investment which the share of a comparable State such as Maharashtra has increased from 3.1 per cent in 1970 to 16.0 per cent in 1986, that of West Bengal has gone down from 11.7 per cent in 1970 to 6.6 per cent in 1986.

4.18 There are nine undertakings in the public sector under the control of the State Government. These undertakings are (1) Durgapur Chemicals Ltd., (2) Westinghouse Saxby Farmer Ltd., (3) Kalyani Spinning Mills Ltd., (4) Electro-Medical and Allied Industries Ltd., (5) West Bengal State Warehousing Corporation, (6) Teesta Fruit and Vegetable Processing Ltd., (7) West Dinajpur Spinning Mills Ltd., (8) West Bengal Agro-Industries Ltd., (9) Sunderban Sugarbeet Processing Co. Ltd.

4.19 The West Bengal State Warehousing Corporation Ltd. and the West Bengal Agro-Industries Corporation Ltd. are the two companies operating in the rural sector.

4.20 West Bengal State Warehousing Corporation had a target of setting up 38,200 M.T. of storage capacity in the different districts of West Bengal

during the 7th Plan. Since 1985-86, the Corporation has completed the construction of 25,750 M.T. of storage capacity. In 1988 it completed godowns of 12,150 M.T. capacity, construction of further storage capacity of 8,700 M.T. is nearing completion. It is expected that the Corporation will exceed its 7th Plan target by 2450 M.T.

4.21 The West Bengal Agro-Industries Corporation supplies various agricultural inputs to the farmers in the State. In 1988-89, the Corporation supplied Rs. 6.50 crores of fertilisers, Rs. 2.75 crores of seeds and Rs. 0.44 crore of pesticides. The Corporation also sold in 1988-89, 1436 power tillers of the value of Rs. 6.61 crores, various agricultural implements valued at Rs. 1.19 crores, 225 tractors of the value of Rs. 2.52 crores and 257 numbers of pumps of different types of the value of Rs. 41.52 lakhs.

4.22 West Dinajpur Spinning Mills Ltd., has completed the commissioning of a 25088 spindles spinning mill. Commercial operation has started, in 1987-88 its turnover was Rs. 265.97 lakhs which has increased to Rs. 359.52 lakhs in 1988-89.

4.23 Sundarban Sugarbeet Processing Company Ltd., has undertaken a project to set up a unit for production of industrial alcohol and other chemical derivatives. The main distillation plant along with the sugarbeet processing plant has already been set up.

4.24 Teesta Fruit and Vegetable Processing Ltd., is implementing a project for processing and packaging fruits and vegetables in North Bengal. Work on the project is continuing.

4.25 Durgapur Chemicals Ltd., Kalyani Spinning Mills Ltd., Westinghouse Saxby Farmer Ltd. and Electro-Medical and Allied Industries Ltd., face a number of problems like obsolescence of machinery and technology, lack of professional managerial capabilities, etc. The State Government has drawn up a package programme for rehabilitation of these units. As can be seen from Table 4.8, the turnover of these companies have risen significantly in 1988-89 from that achieved in 1987-88.

4.26 The State Government incurs considerable amount of expenditure in rehabilitating and developing public sector units. In the 7th Plan period, against an agreed outlay of Rs. 8.54 crores, actual expenditure up to 1989 has been to the extent of Rs. 13 crores and in 1989-90 about Rs. 2.54 crores is expected to be spent. Apart from this the State Government provides a 10 per cent price preference to the products of the State Public Sector units.

TABLE 4.8

Annual Turn-over (Estimated) of State Public Sector Units

(Rs. in lakhs)

Unit	1987-88	1988-89
1. Durgapur Chemicals Ltd.	440.00	647.58
2. Westinghouse Saxby Farmer Ltd.	323.00	436.92
3. Kalyani Spinning Mills Ltd.	587.40	835.21
4. Electro-Medical and Allied Industries Ltd.	85.13	402.73
5. West Dinajpur Spinning Mills Ltd.	265.97	359.52

Source : Department of Public Undertakings,
Government of West Bengal.

4.27 In recent years a number of new public sector units and joint sector units have been promoted by the State Government, these will be discussed later.

Revival of Closed and Sick Industrial Units

4.28 Though, as stated in earlier Economic Reviews, revival of closed and sick industrial units in the medium and large scale sector is the sole responsibility of Central Government, the State Government because of the less than enthusiastic attitude of the Central Government, has taken upon itself a major responsibility of reviving sick and closed industrial units in the State. The State Government has been managing 13 industrial units, the management of which had been taken-over under I (D and R) Act, 1951, five Government companies and one Departmental undertaking involving the employment of about 13,000 persons. Ten of the thirteen taken-over units have been nationalised. The State Government has also participated in the reconstruction of 52 units involving an employment of about 52,000 persons by declaring these units as Relief Undertakings.

4.29 The State Government has incurred considerable expenses in reviving taken-over sick units and in assisting other sick units in the State. During the 7th Plan from 1985-86 to September, 1989, Rs. 18 crores has been spent by the Department of Industrial Reconstruction of the State Government. This expenditure has started bearing fruit with a number of taken-over units on their way to achieving viability. Some of the units which are doing well are : Eastern Distilleries and Chemicals Ltd., Gluconate (India) Ltd., Britannia Engineering Products and Services Ltd., and Shalimar Works (1980) Ltd.

4.30 A number of other marginal loss making units are expected to turn the corner in the near future.

4.31 It is not always possible for the State Government, in spite of its best intentions, to take-over all the sick units because of the prohibitive cost involved. The State Government, therefore, encourages the formation of co-operative societies of employees of sick units and assists these co-operative societies with financial assistance. Units like : Aliond, Veegal Engine and Engineering Ltd. Bharat Electricals Ltd., National Tannery Co. (NTC) are being revived in this manner.

4.32 The State Government has tried to revive some sick units which have been denotified by the Central Government. Containers and Closures and Carter Poller & Co. fall in this category. The State Government has also helped in re-opening ACC-Babcock Ltd., which employees 4,000 persons. The State Government also provides soft loans to enable a sick company to liquidate its arrear Sales Tax dues provided a proper rehabilitation programme is drawn up in consultation with financial institutions. Das Reprographics is being assisted in this way. The State Government has agreed to provide Rs. 4 crores as equity participation in New Central Jute Mill for its revival as part of rehabilitation package operated by IRBI. About Rs. 110.00 lakhs have already been advanced to the Mill and the rest will be provided to the Mill in due course.

Investment

4.33 It was stated in earlier Economic Reviews that there was appreciable improvement in the industrial investment climate in the State in the eighties. The actual number of industrial projects implemented in the State between 1977-1981 involved an investment of Rs. 173.76 crores and in the period between 1982-88 the number of projects implemented involved an investment of Rs. 774.01 crores.

4.34 In 1988, the buoyancy in the investment climate continued with the total number of applications received for industrial approvals amounting to 201. This is shown in Table 4.9.

TABLE 4.9

Applications Received for Grant of Industrial Approvals in West Bengal*

			(Number)	
			1988	1989 (Jan. to Sept.)
Applications for grant of LI and IL	...	...	103	94
Applications for grant of SIA/DGTD	...	...	98	37

*Excludes Applications for Falta Export Processing Zone.

Source : Directorate of Industries, Government of West Bengal.

The actual number of projects implemented in West Bengal in 1987 and 1988 is shown in Table 4.10.

TABLE 4.10
Projects Implemented in West Bengal

Year	No.	Investment (Rs. in crores)
1987	37	76.79
1988	33	73.40

Source : Directorate of Industries,
Government of West Bengal.

4.35 In the Falta Export Processing Zone, 65 investment proposals have been cleared involving an investment of Rs. 146.28 crores. This improvement in industrial climate in the State is related to the persistent efforts of the State Government over the years to improve the industrial infrastructure in the State, provide alluring incentives for industrial investments and to set up new units in such high growth industries like electronics, chemicals, etc.

4.36 The West Bengal Industrial Infrastructure Development Corporation (WBIIDC) is the prime State level agency for setting up industrial estates. WBIIDC is setting up growth centres (industrial estates) in all 'No Industry Districts' in the State that is Cooch Behar, Jalpaiguri, Malda, Darjeeling and Bankura. In all these cases work has been completed or are in the process of completion. In addition growth centres have been set up at Uluberia (Howrah), Falta (South 24-Parganas) and work has started on growth centres at Kalyani (Phase-II), Haldia (Phase-II) and Bagdogra (Darjeeling). Advance planning for setting up growth centres in other backward districts are in progress. Action has been taken to establish a growth centre at Khanyan (Hooghly).

4.37 Apart from WBIIDC, the West Bengal Electronics Industry Development Corporation Ltd. (WBEIDC) has also set up a number of industrial estates for the electronics industry. An electronics complex has already been completed at Taratala, Calcutta, where a number of WEBEL units as well as twenty-six small scale units are carrying out their production activities. A large industrial estate has been developed at Salt Lake, Calcutta. The Salt Lake electronics complex is being developed in two phases. In the first phase 40 acres of land has been developed and a number of units have already taken up plots and some of these units have started production activity. In the second phase a 93 acre plot of land has been developed. A major portion of the land has already been allotted to entrepreneurs. The work for development of an industrial estate for electronics industry at Jalpaiguri has been making steady progress. WBEIDC plans to set up a number of co-operative societies in this estate.

4.38 The State Government also promotes directly or in the joint sector ventures in industries like electronics, chemicals, etc., which have high growth potential. WBEIDC is the nodal agency in the State for promoting electronics industry. WBEIDC has so far promoted 16 companies to manufacture a wide range of electronic products. The total turn-over of these companies in 1988-89 was about Rs. 30 crores, in 1989-90 it is expected that the turn-over will reach Rs. 46 crores. It is important to note that of late a very significant possibility of setting up of a joint sector unit between a Central Government undertaking and WEBEL has emerged in the sphere of telecommunication.

4.39. The West Bengal Pharmaceutical Phytochemical Development Corporation Ltd. (WBPPDC), has set up a number of drug manufacturing units in the State. WBPPDC has set up a unit to manufacture Aspirin at Kalyani. Another unit to produce Di-iodohydroxyquinoline has also been set up at Kalyani. Infusions (India) Ltd., a unit lying closed in Behala, has been taken over by WBPPDC. This unit produces transfusion fluids, production of this unit has increased by 20% by the installation of an automatic filling machine. WBPPDC has initiated a number of steps to improve the efficiency of the units under its control. As a result of these steps it is expected that turn-over of the Corporation will nearly double. WBPPDC has also set up a Research and Development cum Drug testing Laboratory at Behala to provide testing facilities to small and medium drug manufacturing units. WBPPDC also proposes to set up a few bulk drug and drug intermedia manufacturing units in the State in the near future. It has also decided to set up an industrial estate for units manufacturing drugs and allied chemicals.

4.40 A very significant fillip to the chemical industry in the State would be provided by the setting up of the Haldia Petro-Chemical complex. In this context it may be noted that the State Government has made a decision recently (January, 1990) to set up the basic Naptha Cracker Plant and some of the major downstream units in the joint sector framework with the Tata Tea Ltd. Effective clearance of the project from the Central Government has only been obtained recently and it is expected that the work will start before the rainy season. The State Government is also having discussions with the previous co-promoter of the project for setting up joint sector units in related downstream products. Along with the Naptha Cracker and first generation downstream units, the State Government is also planning in advance for second and third generation downstream units which will be significantly employment intensive and be set up in medium, small and cottage sectors. As a result an important link will be forged between large scale and small & cottage sectors and in the process about 1.5 lakh employment may be generated.

4.41 The State Government has also devised an exciting incentive scheme to promote industries in the State. The West Bengal Incentive Scheme, 1983, which was in operation up to March, 1988, played a significant role in not only promoting industries in the State but also in the dispersal of industries to backward and No-Industry districts. Under the 1983 incentive scheme, 186 projects with total project cost of Rs. 719.51 crores were registered with the State Directorate of Industries up to 31st January, 1989. Of these projects, 152 projects with the total cost of Rs. 621.54 crores were for location in backward districts, representing a share of 81.72 per cent in terms of number and 86.38 in terms of investment.

4.42 With the expiry of the 1983 incentive scheme, a new incentive scheme has been formulated in consultation with different Chambers of Commerce and provides incentives which are comparable if not better than those provided by other States.

4.43 In order to assist entrepreneurs for speedy implementation of industrial projects a High Powered Committee of Secretaries has been set up. Apart from this Committee, 'Silpa Bandhu' provides one window facility to entrepreneurs. Assistance in obtaining clearances relating to land, power, finance, environment and pollution, sales tax, incentive registration, etc. were sought for by entrepreneurs from 'Silpa Bandhu' in respect of 273 cases during the period September, 1984 to February, 1989 and Silpa Bandhu helped the clearance of 245 of these cases.

4.44 The West Bengal Industrial Development Corporation (WBIDC) is the nodal agency for promoting medium and large scale industries in the State. WBIDC provides a wide spectrum of assistance to promote industries in the State. The assistance provided by WBIDC includes provision of loans, direct participation in share capital, refund of sales tax, power subsidy, capital investment subsidy, employment subsidy, etc. The financial assistance sanctioned and disbursed by WBIDC is shown in Table 4.11.

TABLE 4.11

Financial Assistance Sanctioned and Disbursed by WBIDC

(Rs. in lakhs)

Year	Assistance Sanctioned	Assistance Disbursed
1986-87	2156.78 (a)	2478.40 (b)
1987-88	2629.06 (a)	2642.17 (b)
1988-89	3239.30 (a)	3540.07 (b)

Note : (a) Excluding Incentives and Guarantee.

(b) Including Incentives but excluding Gurantee.

Source : WBIDC

4.45 Investments catalysed through individual units assisted by WBIDC is shown in Table 4.12.

TABLE 4.12

New Investment Made by Units Assisted by the WBIDC

	1986-87	1987-88	1988-89
Number of Units	27	30	34
Capital Investments (Rs. in lakhs) ..	6541.87	7894.69	18942.00

Source : WBIDC.

4.46 A list of projects implemented with the assistance of WBIDC is shown in Statement A. WBIDC also promotes projects in the joint sector. Some of the joint sector projects in the process of being implemented are : Granulated Slag Cement ; Nitro Chloro Benzene ; Polyester Filament Yarn ; Acrylic Fibre ; Bi-Axially Oriented Polypropylene Film (BOPP) ; Electric Grade Insulation Paper, Synthetic Detergent, Cattle Feed, Toilet Soap and Glycerene.

STATEMENT A

West Bengal Industrial Development Corporation Limited, Calcutta

Projects implemented during 1988-89 (From 1-4-1988 to 31-12-1988)

Name of Project (Assisted sector)	Project cost (Rs. in lakhs)	Location (District)	Product
1. Baisali Multilayer (P) Ltd.	1,64.34	Bankura	Multilayer Co-extended film.
2. Oscar Equipments (P) Ltd. ...	1,58.92	24-Parganas (S)	Hydraulic Cylinder.
3. Unitech Paper and Board Industries (P) Ltd.	1,80.00	Midnapore	Duplex Board.
4. Balaji Steel Castings (P) Ltd....	1,53.97	24-Parganas (S)	Alloy Steel foundry.
5. MB Duplex Board (P) Ltd. ...	1,46.00	Darjeeling	Duplex Board.
6. Sethia Oils Ltd. ...	2,35.00	Burdwan	Solvent extraction plant.
7. Silvopack Paper and Foils (P) Ltd.	1,26.00	Hooghly	Laminated Composite Container.
8. Sree Bishnu Potato Storage (P) Ltd.	2,04.00	Hooghly	Cold Storage.
9. Peoples Papers Ltd. ...	1,30.00	Hooghly	Duplex/Grey Board.
10. Cellulose Containers (P) Ltd. ...	1,27.62	Bankura	Laminated Composite Container.
11. Hotel Rajmahal Pvt. Ltd. ...	1,06.90	Burdwan	Hotel.
12. Exodus Knitwear (P) Ltd. ...	2,58.00	Bankura	Cotton hosiery processing unit.
13. Himadri Cold Storage (P) Ltd.	1,58.40	Hooghly	Cold Storage.
14. Mahashakti Cold Storage (P) Ltd.	1,04.60	Burdwan	Cold Storage.
15. Plastosen Pvt. Ltd. ...	1,22.00	24-Parganas (N)	Bottle.
16. Pal Cold Storage (P) Ltd. ...	1,00.16	Bankura	Cold Storage.
17. Suraj Roller Flour Mills (P) Ltd.	1,08.87	Malda	Flour mill.
18. Naba Mudran (P) Ltd. ...	1,14.26	Calcutta	Printing press.
	26,99.04		

Source : Department of Commerce and Industries, Government of West Bengal.

4.47 West Bengal Financial Corporation (WBFC) also assists industrial units in the small, medium and large scale sectors by provision of finance. The assistance provided by WBFC is shown in Table 4.13

TABLE 4.13
Financial Assistance Disbursed by WBFC

Year						No. of units	Assistance Disbursed (Rs. in lakhs)
1987-88	..	..	..	..	..	1,443	30,30.48(R)
1988-89	..	..	..	..	..	2,459	36,98.51

R = Revised Source : WBFC

4.48 These sustained and all embracing efforts of the State Government has had a positive impact on the upward trend in the index of industrial production as noted at the outset of this chapter.

CHAPTER 5

COTTAGE AND SMALL SCALE INDUSTRY

5.1 The State Government has laid special emphasis on the growth of cottage and small scale industries in the State not only because it has greater employment potential than medium and large scale industries but also because they provide the crucial link through which overall multiplier effect of industrial development can be spread across the economy.

5.2 The State Government encourages the growth of small scale industries through various promotional measures like provision of incentives, arranging of institutional finance, etc. It also tries to ensure the viability of small scale units by organising the supply of crucial inputs and by arranging marketing outlets.

5.3 As a result of these measures a large number of new small scale units are set up each year in the State. Apart from the small scale units directly promoted by the State Government, a large number of small scale units, specially in the tiny sector, are set up each year in the State under IRDP. The new small scale units set up in 1987-88, 1988-89 and 1989-90 and the employment generated are shown in Table 5.1.

TABLE 5.1
New Small Scale Units Set Up and Employment Generated

	1987-88	1988-89	1989-90 (Anticipated)
1. New Small Scale Units Set up	19,413	15,667	16,000
Additional Employment Generated	44,027	40,331	42,000
2. New Units Set up under IRDP	34,946	52,185	54,000
Additional Employment generated from IRDP	48,579	61,691	65,000

Source : Department of Cottage and Small Scale Industries, Government of West Bengal.

5.4 The State Government has tried through various policy measures to develop small scale industries in the districts, specially in those areas where growth of industries in the past has not been very significant. In this aspect

the State Government is assisted by the Panchyats which take the initiative in identifying areas where there is potential for developing local resource or market based small scale units. As can be seen from Table 5.2, there has been significant growth of small scale units in districts which are backward industrially.

TABLE 5.2

District-wise Registration of Cottage and Small Scale Industrial Units in West Bengal

(Number)

District	1988-89 (New Units)	Up to 31.3.89 (Cumulative)
Burdwan	2,417	25,922
Birbhum	1,099	11,963
Bankura	1,073	10,082
Midnapore	3,214	27,382
Howrah	2,851	35,036
Hooghly	2,042	18,312
24-Parganas (North)	4,358	} 52,098
24-Parganas (South)	1,114	
Calcutta	2,218	44,136
Nadia	1,666	15,288
Murshidabad	1,092	15,255
West Dinajpur	627	6,476
Malda	833	8,685
Jalpaiguri	1,856	13,177
Darjeeling	829	9,093
Cooch Behar	390	5,220
Purulia	857	10,180
Total	28,536	3,08,305

Source : Department of Cottage and Small Scale Industries, Government of West Bengal.

5.5 It is interesting to note that West Bengal at present has the highest number of small scale units amongst the different States in India. Comparable data for 1971 and 1986 are available and are reproduced in Table 5.3. It can be seen that in 1971, West Bengal had only 19,423 small scale units and was behind Maharashtra, Punjab and U.P. In 1986, West Bengal had 1,25,057 registered small scale units and was ranked first among the States in India, followed by M.P. and U.P.

TABLE 5.3

**Small Scale Units Registered with Small Industries Development
Organisation : 1971-1986***

	1971		1986	
	Number	%	Number	%
<i>Major States</i>	2,23,745	93.5	8,99,392	93.7
Andhra Pradesh	18,639	7.8	53,749	5.6
Assam	809	0.3	7,362	0.8
Bihar	8,637	3.6	53,540	5.6
Gujarat	15,849	6.6	53,433	5.6
Haryana	7,633	3.2	51,370	5.3
Karnataka	11,364	4.8	49,462	5.1
Kerala	8,604	3.6	33,243	3.5
Madhya Pradesh	13,446	5.6	1,07,271	11.2
Maharashtra	25,696	10.7	45,227	4.7
Orissa	1,577	0.6	14,120	1.5
Punjab	30,837	12.9	77,831	8.1
Rajasthan	9,949	4.2	53,135	5.5
Tamil Nadu	22,899	9.6	68,846	7.2
Uttar Pradesh	28,383	11.9	1,05,746	11.0
West Bengal	19,423	8.1	1,25,057	13.0
<i>Other States</i>	5,904	2.5	36,082	3.7
Arunachal Pradesh	—	—	248	—
Goa, Daman and Diu	621	0.3	3,700	0.4
Himachal Pradesh	4,000	1.7	8,067	0.9
Jammu and Kashmir	1,101	0.5	15,473	1.6
Manipur	8	—	4,220	0.4
Meghalaya	—	—	643	0.1
Nagaland	—	—	429	—
Mizoram	—	—	1,191	0.1
Sikkim	—	—	80	—
Tripura	174	—	2,031	0.2
<i>Union Territories</i>	9,479	4.0	25,856	2.6
Andaman and Nicobar	—	—	424	—
Chandigarh	—	—	2,135	0.2
Dadra and Nagar Haveli	—	—	217	—
Delhi	9,117	3.8	21,240	2.2
Lakshadweep	—	—	—	—
Pondicherry	362	0.2	1,840	0.2
Total	2,39,128	100.0	9,61,330	100.0

*No later data are available.

Source : Basic Statistics Relating to Indian Economy, States, Vol-II, 1989, CMIE, Bombay.

5.6 This phenomenal growth in small scale industries in the State, as stated earlier was because of the various promotional measures taken by the State Government. The Government for instance provides various incentives to small scale units. As can be seen from Table 5.4, the incentives provided by the State has been increasing in successive years.

TABLE 5.4
Incentives to Small Scale Units in West Bengal

	1986-87	1987-88	1988-89
(a) State (Rs. Lakhs)	182.66	197.18	281.75
(b) Central (Rs. Lakhs)	19.99	24.90	46.20
Total Units Covered (No.)	537	731	717

Source : Department of Cottage and Small Scale Industries, Government of West Bengal.

5.7 The State Government, apart from assisting small-scale units in obtaining institutional finance, also arrange for financial provision to these units through the West Bengal Financial Corporation (WBFC). WBFC implements an interesting scheme of providing a composite loan under which term loan and working capital up to Rs. 50,000 are sanctioned to a small-scale unit. As can be seen from Table 5.5, the financial assistance disbursed by WBFC to small-scale units in 1988-89 was significantly higher than the amount disbursed in 1987-88.

TABLE 5.5
Financial Assistance Disbursed by WBFC to SSI Units in the State
(Rs. in lakhs)

1987-88	1793
1988-89	3013

Source : WBFC.

5.8 The State Government also tries to develop entrepreneurship through Entrepreneurship Development Programme (EDP). Under EDP in 1988-89, 1,841 entrepreneurs including women, SC/ST and others belonging to backward communities have been trained in the districts in collaboration with the technical and financial institutions including Electronics Testing and Development Centre, WEBCON and SISI.

5.9 The Small Industries Development Agency (SIDA) provides one window facilities to entrepreneurs of Calcutta and its neighbouring districts since 1983-84. Up to September 1989, of the total cases forwarded by SIDA, 339 units having project cost of Rs. 74.49 crores have been sanctioned by financial institutions.

5.10 The State Government also operates a Modernisation Programme for small scale industries. Under the Modernisation Programme a package of assistance is provided which include 25 per cent margin money on fixed capital and 3 per cent incentive on term loan interest. During 1988-89, to familiarise the entrepreneurs with modern and upgraded technologies, 3 seminars were organised and in all 4 cases involving Rs. 8 lakhs were sanctioned and disbursed under modernisation loan programme.

5.11 The State Government has laid special emphasis on the growth of small scale electronics units in the State. Till August 1989, 2,240 number of electronic schemes have been approved through State Level Technical Committee. During 1989-90, 182 electronic schemes have been approved by SLTC. Moreover, under Self Employment Programme for educated youths, 70 schemes in the electronics industry have been approved up to September 1989.

5.12 The Government also sets up bio-gas plants in the districts to provide cheap energy source to the poor. In 1988-89, 6,905 bio-gas plants were set up in the districts.

5.13 The West Bengal Small Industries Corporation Ltd. plays an important role in the development of small scale industries in the State. The Corporation sets up industrial estates, provides raw materials and marketing assistance to small scale units. It also promotes industrial projects.

5.14 During 1989-90, the Corporation started work on industrial estates to be located in Kasba, Behala, Ashoknagar, Dabgram and Purulia. About 272 units are proposed to be accommodated in these estates. Further, expansion and maintenance work on fifteen existing estates is continuing. Advance planning has been made to set up industrial estates in Madurdaha (near EM Bypass), Sankrail, Belur, Durgapur, Bakreswar, Malkita (Burdwan) and Haldia.

5.15 The Corporation provided raw materials to small scale units to the tune of Rs. 32 crores in 1989-90 against Rs. 23.6 crores achieved in 1988-89. A number of new raw materials like natural rubber imported PVC resin, etc. are being procured by the Corporation for supply to small scale industrial units. The Corporation has also initiated steps to provide raw materials to small scale industrial units in Durgapur and Siliguri.

5.16 Under the Marketing Assistance Scheme, the Corporation achieved a turnover of Rs. 350 lakhs in 1989-90 against a turnover of Rs. 271.25 lakhs in 1988-89. The Corporation has taken a drive to enlist new units under the Marketing Assistance Scheme and has so far received 196 applications from new units. A separate cell has been set up at Siliguri to provide Marketing Assistance to SSI units in North Bengal. During 1989-90, the Corporation

received orders worth Rs. 131 lakhs from WBSEB, which has been distributed to registered small scale units. The Corporation also participated in various trade fairs like International Trade Fair in New Delhi, IITF in Calcutta in 1989 and the International Leather Fair in Madras in 1990 to popularise the products of SSI units. It has also registered itself-with TDA, Government of India, to facilitate export of products of SSI units.

5.17 The Corporation also assist sick small scale units. In 1989-90, Rs. 26.60 lakhs were provided by the Corporation to assist nine sick units. The Corporation has set up West Bengal Projects Ltd., which operates a china clay washery. In 1989-90, the Company sold 8500 M.T. china clay against a sale of 5500 M.T. achieved in 1988-89.

5.18 The Government has also made special efforts to develop cottage an agro-based industries in the State. A coir training -cum-servicing centre has been set up in Howrah district which aims at imparting training in coir net making and coir brush making. The unit also provides raw material as well as marketing assistance to tiny coir units and coir co-operatives. Currently 17 artisans are under training, one women coir co-operative society has been associated in training and marketing. Another 14 units are getting benefit of the scheme. A scheme has been drawn up for expansion of training facilities for coir artisans in the tiny and co-operative sectors and for this purpose a full fledged servicing and training centre is being set up at Budge Budge. Land for the above project has been acquired and work is in progress.

5.19 To assist the poor artisans in the lac industry an effort has been made to form co-operatives of lac artisans which will purchase raw lac from growers in Bankura and Purulia districts, the main concentration of lac growers in the State. A tie up arrangement has been made in Bakura district with LAMP so that suitable members of LAMP are trained in processing and manufacturing of lac products. The project is well on its way to completion.

5.20 In the handicrafts sector, financial assistance including marketing support through rebate are being provided to handicrafts artisans. An effort is being made to publish a Directory of handicraft artisans of different districts of West Bengal. In 1990-91, a scheme for pension for handicraft artisans will begin. Under this scheme, those artisans who have won awards from the Central or the State Governments will be covered in the first instance. In February, 1990, a 'Handicrafts Expo '90' was held in Calcutta which provided an important marketing outlet to handicraft artisans in the State.

Handloom Industry

5.21 As stated in the previous Economic Review according to the 1982-83 census of the handloom industry there were 2.57 lakh looms in the State giving direct employment to 6.5 lakh artisans. A new census of the handloom industry in the State has just been completed and the results are awaited. The basic strategy of the State Government in the handloom sector has been to bring the economically weak individual artisans into the co-operative fold so as to ensure their economic viability. Up to 1987-88, as many as 1,09,701 handlooms were brought under active co-operatives. In 1988-89, 113 new co-operatives were organised and 7 dormant ones were revitalised, bringing in 9819 additional looms under active co-operatives. Further, 6 co-operative societies exclusively of loomless weavers were organised in 1988-89 and sanction of funds for looms and worksheds were given to all these co-operatives. In 1989-90, up to November 1989, 27 new co-operative societies have been registered thus bringing in 2433 additional looms under the co-operative fold. As a result of these efforts the number of co-operatives in the handloom industry has increased from 1510 in 1987-88 to 1623 in 1988-89, and it is expected that in 1989-90, the total number of co-operatives will increase to 1719. These and other details of the handloom industry are given in Table 5.6.

TABLE 5.6

Progress of Handloom Industry in West Bengal

	1986-87	1987-88	1988-89
a. Production in Handloom Industry (in million metres)	383	390	399
b. No. of Co-operatives in Handloom Industry ...	1429	1510	1623
c. Production under co-operative fold (in million metres)	162.2	173.74	188.45
d. Number of viable Societies	280	290	316
e. Number of Potentially viable Societies ...	618	675	676
f. Number of Societies involving marginal weavers (cumulative)	110	113	113
g. Number of Societies of loomless weavers (cumulative)	40	45	50

Source : Directorate of Handloom and Textiles,
Government of West Bengal.

5.22 As can be seen from Table 5.6, the emphasis on formation of co-operatives have led to a consistent increase in the production of the handloom industry. In 1988-89, production in the handloom industry in the State was 399 million metres against a production of 390 million metres in 1987-88. As can be seen from Table 5.6 production in the handloom industry under the

co-operative fold has consistently increased. In 1988-89, about 47 per cent of the total production in the handloom industry was under the co-operative fold against 45 per cent in 1987-88 and 42 per cent in 1986-87.

5.23 The production of Janata cloth by the handloom industry has also shown a rising trend. In 1988-89, 46.6 million sq. metres of Janata cloth was produced against the production of 43.02 million sq. metres in 1987-88.

5.24 One of the major problems faced by the weavers in the handloom industry has been obtaining yarn at a competitive price. The State Government has ensured the supply of yarn to the co-operative societies through the West Bengal Handloom and Powerloom Development Corporation Ltd. and West Bengal State Handloom Weavers' Co-operative Society Ltd. (Apex) The supply of yarn to the handloom industry by these two organisations has been significant as can be seen from Table 5.7.

TABLE 5.7
**Supply of Yarn to Handloom Industry by WBHPDC Ltd. and
W.B. State Handloom Weavers' Co-operative Society Ltd.**

	1987-88	1988-89
a. West Bengal Handloom and Powerloom Dev. Corporation Ltd.		
(i) Up to 40 count (in bales)	2541	3880
(ii) Above 40 count (in bales)	760	890
b. West Bengal State Handloom Weavers' Co-operative Society Ltd.		
(i) Up to 40 count (in bales)	7295	10000
(ii) Above 40 count (in bales)	2963	4804
(iii) Polyester (in Kgs.)	70596	49963

Source : Directorate of Handloom and Textiles,
Government of West Bengal.

5.25 Further in order to ensure easy availability of yarn within the State, the Government has been funding the expansion programme of the West Bengal Co-operative Spinning Mills Ltd., which is the main supplier of hank yarn to WBHPDC and the Apex Society, in 1988-89, the State Government sanctioned Rs. 50 lakhs to this Mill. Moreover, to ease the supply position of yarn the State Government is financing two more spinning mills, one in Bankura district and the other in Midnapore district.

5.26 Apart from the supply of inputs, the State through WBHPDC and the Apex Society organises the marketing of the products of the handloom

industry. As can be seen from Table 5.8, the number of showrooms of these two organisations for marketing the products of the handloom industry has been increasing and so has been the turnover from sales of the handloom products.

TABLE 5.8

Marketing Outlets and Sales Turn-over of Tantusree* and Tantuja*

				1986-87	1987-88	1988-89
<i>Number of showrooms (cumulative)</i>						
(a)	Tantusree	...	...	71	75	85
(b)	Tantuja	...	...	130	140	150
<i>Sales Turn-over (Rs. crores)</i>						
(a)	Tantusree	...	...	12.50	13.91	17.00
(b)	Tantuja	...	...	41.00	41.50	45.00

*WBHPDC—Tantusree

*W.B. State Handloom Weavers' Co-operative Society—Tantuja

Source : Directorate of Handloom and Textiles, Government of West Bengal.

5.27 Apart from supplying of inputs and organising marketing, the State Government in order to improve the efficiency of the handloom industry has a programme for modernisation of looms. Till 1988, 22544 looms have been modernised. And on the financial side, the cash credit limit sanctioned under NABARD scheme for Weavers' Co-operatives has gone up to Rs. 29.75 crores in 1988-89 from Rs. 26.11 crores in 1987-88.

5.28 The State Government also operates a number of welfare schemes for the poor handloom weavers in the State. Up to 1988-89, 8081 weavers were covered under provident fund/thrift fund scheme. Under a scheme for house cum workshed for poor weavers up to 1988-89, 2826 units were provided. Finally, under a scheme for medical facilities and supply of spectacles to weavers, up to 1988-89, 7233 weavers were covered. It is these all embracing measures that has led to the rejuvenation of the handloom sector in general and more specifically of the poor weavers in the State.

Sericulture

5.29 The development of sericulture in the State was taken up seriously only from the late seventies. During the seventh plan considerable progress has been made in the sericulture sector. A sustained effort has been made by the State Government to extend the area under mulberry, encourage the plantation of high yielding varieties of mulberry, increase the production of disease free layings in large numbers, training of new sericulturists, improvement of reeling system, provision of marketing assistance, etc. An effort

has also been made to popularise sericulture in non-traditional districts. The Government also tries to assist mainly the beneficiaries of land reform measures and marginal farmers to take up sericulture. The assistance include provision of irrigation, supply of cuttings, provision of land and access to improved rearing facilities at the collective rearing centres.

5.30. During 1988-89, 1208 persons belonging to the scheduled caste and 1562 persons belonging to the scheduled tribe communities benefited under various schemes in the sericulture sector. Also 811 new farmers were given training in sericulture. As a result of all these measures production in the sericulture sector has shown an increasing trend in recent years. This is shown in Table 5.9.

TABLE 5.9
Progress of Sericulture Industry in West Bengal

	1987-88	1988-89
Acrage under Mulberry (cumulative in Acres)	35,903	38,028
Production of Raw Silk (Mulberry) (Lakh Kg.)	7.80(R)	8.71
Production of Raw Silk Tassar (Lakh Kg.)	0.15	0.14
Production of Raw Silk Eri (Lakh Kg.)	0.11	N.A.
Employment (in thousand) (cumulative)	287	304

R=Revised

Source : Directorate of Sericulture,
Government of West Bengal.

5.31 Sericulture industry in the State will receive a fillip with the launching of the National Sericulture Project at a cost of about Rs. 68 crores with World Bank assistance. The project will be implemented over a period of five years. The project envisages significant increase in the area under mulberry, improve ment of infrastructure and qualitative improvement of the silk produced through various measures. It is expected that by the end of the project, silk production in the State will double as well as be of a higher quality.

Leather

5.32 The State Government has laid special emphasis on the development of the small scale sector of the leather industry. It has also laid stress on the improvement of the condition of the poor artisans (cobblers) by arranging special training and by offering servicing facilities for different types of leather goods. As stated in the previous Economic Reviews, two model service

centres are operating at Calcutta and Siliguri, which offer modern machine service facilities against nominal charges. A model servicing centre for tannery is also operating in Tangra. In addition, the West Bengal Leather Industries Development Corporation (WBLIDC), has entrusted WBIIDC to develop a Central Footwear Training Centre at Budge Budge. Work on this project is continuing. WBLIDC is the nodal agency in the State which provides various incentives to small scale leather units as well as provide marketing assistance to these units. For instance, the State Government buys all its requirements of leather goods from WBLIDC which acts as a marketing agency for small scale units. The result of these promotional measures has been that the total number of small scale leather units in the State has increased from 15,246 in 1987-88 to 16,000 units in 1988-89. Employment in the small scale leather industry in the State has also increased from 1.64 lakhs in 1987-88 to 1.72 lakhs in 1988-89. The details are shown in Table 5.10.

TABLE 5.10
Small Scale Leather Units in West Bengal
with Investment and Employment

	1987-88	1988-89
No. of Units	15,246	16,000
Employment (lakh no.)	1.64	1.72
Total Investment (Rs. crores)	175.5	184.3

Source : Department of Cottage and Small Scale Industries, Government of West Bengal.

5.33 The production in the small scale leather industry is given in Table 5.11. As can be seen from Table 5.11, production of leather has increased in 1988-89 from the production level in 1987-88. The production of footwear shows the same trend.

TABLE 5.11
Production of Small Scale Leather Units

	1987-88	1988-89
1. Finished Leather		
(a) Cow and Buffalo (lakh pcs.)	91.8	96.4
(b) Goat and Sheep (lakh Pcs.)	112.8	118.9
2. Footwear (lakh pairs)	89.0	93.4

Source : Department of Cottage and Small Scale Industries, Government of West Bengal.

CHAPTER 6

POWER

6.1 Power supply position in the State remained critical during the year 1988-89. Two of the units at Santaldih and the 110 MW unit at DPL remained inoperative during the year. M/s. BHEL has been entrusted with the work which requires extensive repair of damaged parts. Generation by the State power agencies during the year declined to 8295 MU from 8893 MU during the preceding year.

TABLE 6.1
Generation of Electricity from Different Sources in West Bengal
(Excluding DVC, NTPC, DPS* & NHPC)

Agencies	1985-86	1986-87	1987-88	1988-89	(In MU)
					1989-90 (Up to Dec.)
W.B.S.E.B.	4,741	3,900	3,590	3,354	2,624
W.B.P.D.C.L.	—	1,156	1,932	1,814	1,535
C.E.S.C.	2,465	2,552	2,298	2,392	1,859
D.P.L.	677	1,029	1,073	735	375
Total	7,883	8,637	8,893	8,295	6,393

*DPS = Dishergarh Power Supply Corporation

Source : Department of Power,
 Government of West Bengal.

6.2 The position started improving in the later part of the current year with increase in generation at the power stations, except for DPL. Two 210 MW units at Kolaghat under WBPDCCL achieved significantly higher generation. Generation of the 210 MW unit at Bandel was also satisfactory during the year. It earned a reward for the year 1988-89 for its exemplary performance.

6.3 Better results in generation could have been attained by the Units under WBPDCCL and WBSEB if generating units under WBSEB and WBPDCCL had not received poor quality of coal which affected their performance. A serious condition developed during the monsoon when clayey coal from open cast mine at Jamadoba choked the chute of conveyor forcing temporary suspension of generation. After a series of discussions with Coal and Railway authorities the position improved from the month of September.

6.4 Performance of the old 80 MW units at Bandel could not show much improvement because of the ageing of the units and difficulty in procurement of spares for the pulverizing mills. Supply of rings and balls for the pulverizing mills from the indigenous manufacturer has been erratic as there are only two power stations in the country equipped with such mills. WBSEB has moved for import of rings and balls with CEA.

TABLE 6.2

Monthwise Generation of Energy (Thermal) in West Bengal
(excluding DVC, NTPC, NHPC & DPS)

(In MU)

Month	1987	1988	1989
January	712	748	658
February	704	683	600
March	791	749	672
April	780	738	706
May	777	766	687
June	775	646	642
July	785	698	714
August	754	716	720
September	738	654	739
October	710	714	793
November	690	735	712
December	668	646	681
Total	8,884	8,493	8,324

Source : Department of Power,
Government of West Bengal.

6.5 Monthwise generation as shown in Table 6.2 suggests poor performance during the monsoon months. Apart from deficit in supply from DPL, which ran without 110 MW unit, supply of poor quality coal led to a precarious situation during the monsoon months.

6.6 For four years in succession installed capacity for the State stood at the same level. The last unit installed in the State system was 110 MW at DPL in 1986-87. Prospects for addition to capacity has however improved with resumption of operation by M/s. ABL, manufacturers of Boilers for KTHP. M/s. ABL has started supplying materials for erection of boilers. It is expected that two 210 MW units at Kolaghat will be coming into stream during 1990.

TABLE 6.3

**Installed Capacity of Electricity in West Bengal
(Including DVC & NTPC)**

At the end of the year					Installed (Derated) Capacity (MW)
1978-79	...	...	...	...	1,753
1979-80	...	...	...	...	1,825
1980-81	...	...	...	...	1,945
1981-82	...	...	...	...	2,155
1982-83	...	...	...	...	2,425
1983-84	...	...	...	...	2,553
1984-85	...	...	...	...	2,823
1985-86	...	...	...	...	3,278
1986-87	...	...	...	...	3,443
1987-88	...	...	...	...	3,653
1988-89	...	...	...	...	3,653
1989-90	...	...	...	...	3,653

Source : Department of Power,
Government of West Bengal.

6.7 While the installed capacity in the State system remains static, demand for power has been increasing rapidly over the years causing a widening of gap between demand and supply, particularly during the evening peak hours. It has been possible with increase in generation and some central assistance to keep the load-shedding hours during peak period at a reduced level. Demand for power has been assuming strong seasonal characteristics because of rapid increase in energisation of pumpsets in recent years. There was heavy pressure on load during Boro season months of February to May, 1989. Demand for power, usually increasing by 30 MW during the year in the WBSEB system, rose by 90 MW in March and 110 MW in April, 1989, because of drought condition. This occasioned severe load-shedding in the urban areas.

6.8 Work of Bakreswar Thermal Power Station was taken up by WBPDC during the year. In the absence of any assurance from the Central Government regarding the Soviet credit which was available for the project, the State Government decided to implement the project with its own resources. Orders for turbines and boilers have already been placed with manufacturers. Civil work has been taken up with the cooperation of the Zilla Parishad and with assistance of technical personnel from different departments of the Government. It is only recently, for the last two months or so, that encouraging developments have started taking place on the part of the Central Government as to how and to what extent the Soviet credit can again be made available for the Project.

6.9 There has been increase of 25 MW of load through 89 new connections and augmentation of capacities in the HT industries in the State between January and December, 1989. 19 MW of load was connected to new HT industries and 6 MW of load to 33 existing HT industries in the State.

TABLE 6.4

**New Connections and Power Capacity Addition to H.T. Industries
for the Period from January '89 to December '89**

Area	New connections		Additional power capacity	
	No.	Load (MW)	No.	Load (MW)
CESC	8	1.43	22	3.86
WBSEB	81	17.57	11	2.32
Total	89	19.00	33	6.18

Source : Department of Power, Government of West Bengal.

6.10 Total number of mouzas electrified under the rural electrification programme increased to 24858 accounting for 65.37 per cent of total number of mouzas. Village electrification increased by 5.8 per cent compared to 7.3 per cent during the last year. Number of pumpsets energised increased to 69,401 during the year — an increase of 14.9 per cent against 12.3 per cent in the previous year.

TABLE 6.5

Rural Electrification in West Bengal

At the end of the year	No. of villages electrified	Percentage of villages electrified	No. of pumpsets energised
1977-78	11,669	30.65	20,346
1978-79	12,163	31.94	22,426
1979-80	12,863	33.78	24,068
1980-81	13,744	36.10	24,825
1981-82	15,144	39.78	25,589
1982-83	17,165	45.08	27,429
1983-84	18,475	48.52	31,663
1984-85	19,201	50.43	39,431
1985-86	20,531	53.92	47,556
1986-87	21,881	57.47	52,398
1987-88	23,485	61.68	60,401
1988-89	24,858	65.37	69,401

Source : West Bengal State Electricity Board.

6.11 The position of rural electrification in the districts during the year 1989-90 is shown at Table 6.6. With increase in number of energised mouzas it has been possible to attain 100 per cent electrification in three districts. Work now remains to be completed for the districts where 100 per cent electrification of villages has not been achieved. Major number of such mouzas are shared by 5 districts of Midnapore, Bankura, Purulia, 24-Parganas (South) and West Dinajpur. Special arrangement is being made for intensifying the work in these districts.

TABLE 6.6
**Present Status and Programme of Rural Electrification with District-wise Break up
(as per 1981 Census)**

Sl. No.	Name of Districts	Total no. of Mouzas	No. of Mouzas electrified as on 31.3.89	(%) Electrified	Balance Mouzas for electrification	No. of Mouzas in R.E. Programme 1989-90
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	Bankura ...	3,540	1,595	45.06	1,945	165
2.	Birbhum ...	2,229	2,191	98.30	38	38
3.	Burdwan ...	2,570	2,143	83.39	427	102
4.	Cooch Behar ...	1,139	1,082	94.99	57	57
5.	Darjeeling ...	659	434	66.00	225	48
6.	Jalpaiguri ...	736	694	94.39	42	40
7.	Hooghly ...	1,899	1,743	91.79	156	156
8.	Howrah ...	755	694	91.92	61	61
9.	Malda ...	1,615	1,587	98.27	28	28
10.	Midnapore ...	10,468	3,859	36.86	6,609	198
11.	Murshidabad ...	1,927	1,561	81.01	366	92
12.	Nadia ...	1,255	1,242	98.96	13	13
13.	24-Parganas (N) ...	1,619	1,462	90.30	157	53
14.	24-Parganas (S) ...	2,125	1,397	65.74	728	107
15.	Purulia ...	2,452	1,075	43.84	1,377	148
16.	West Dinajpur ...	3,036	2,099	69.14	937	120
	Total ...	38,024	24,858	65.37	13,166	1,560

Source : Department of Power,
Government of West Bengal and
WBSEB.

6.12 Number of consumers in the State increased to 21,92,537 in 1988-89 registering an increase by 2,20,658 number for the year. The increase was by a little over 11 per cent. Pumpsets in the agricultural sector increased by about 15 per cent. Rapid rise in the increase in the number of energised pumpsets has been reflected in the agricultural load in the system. The combined load of agriculture and non-agriculture sectors during summer has been rising fast, widening the gap between demand and supply of power considerably. Number of consumers belonging to small industries increased by about 7 per cent.

TABLE 6.7
Growth of Number of Consumers in West Bengal

At the end of the year	No. of consumers
1977-78	1,132,972
1978-79	1,180,646
1979-80	1,233,451
1980-81	1,293,300
1981-82	1,356,700
1982-83	1,400,000
1983-84	1,493,500
1984-85	1,578,300
1985-86	1,686,580
1986-87	1,794,676
1987-88	1,971,879
1988-89	2,192,537

Source : Department of Power,
Government of West Bengal.

6.13 In the transmission system a Double Circuit 132 KV Line linking Bidhan Nagar to Ukhra was installed in April, 1989. The second circuit of 132 KV line between Malda and Raiganj was completed in September, 1989. The line forms a part of Malda-Dalkhola 132 KV D/C line. Work on 220 KV Inter-State line between Kolaghat and Andherkali is progressing satisfactorily. The line is a part of Kolaghat-Talcher inter-connection between West Bengal and Orissa. When completed in 1990, the line will permit exchange of power between thermal plants of West Bengal and hydel stations of Orissa. Progress of work at West Bengal end has been satisfactory. Orissa SEB is also trying to complete their part of work in time.

6.14 Transformation capacities for different existing EHT Substations were augmented by 60 MVA at 132 KV. Capacities of new EHT Substation installed is 64 MVA. Distribution Wing installed 9 transformers with 31.4 MVA capacity at 9 new 33/11 KV substations during the period April, 1989 to October, 1989. 18 MVA capacity transformers were added to 9 number of existing 33/11 KV substations during the period April, 1989 to October, 1989.

6.15 120 sets of Solar Photovoltaic Cells in the villages remote from grid system were installed bringing the total number of sets to 565. 180 numbers of these Cells have been installed in Health Centres in the rural areas.

6.16 The State Government received partial assistance from Central Government for continuation of the erstwhile Lok Deep Scheme as Kutir Jyoti-Lok Deep Scheme. The scheme envisages providing two light points in houses belonging to poorer section of the people. 5530 connections were given to 5530 households bringing the total to 21,536 numbers by December, 1989.

CHAPTER 7

TRANSPORT

7.1 The State provides the road net work for internal communication and shares the responsibility of organising surface transport facilities along with the private sector. Recently it is entering the sphere of water transport.

7.2 The length of surfaced road constructed and maintained by P.W. (Roads) and P.W.D. will reach 14,758 km. by the end of 7th five year plan, the break up being State Highways—3455 km., Major District Roads—2784 km., Other District Roads—3819 km. and Village Roads—4700 km. The length of National Highways running through the State remains static at 1,631 km. The P.W. (Roads) Department has completed some important bridge connections. The Bansberia-Kalyani Bridge over the Ganges has been thrown open to traffic facilitating movement between Hooghly and Nadia districts. The Department has submitted a scheme for strengthening and widening (to two lanes) of Panagar-Dubrajpur-Nalhati-Moregram Road to the Asian Development Bank for its assistance. The length of the road is 150 km. and the project cost is estimated to be Rs. 92 crores. For unavoidable reasons, work on Durgapur Expressway could not be started. In view of heavy traffic at specific road sections, more kilometerage should be brought under NH and central fund should flow to the State. Within the districts, the Zilla Parishads are trying to build up a road net work for internal communication with funds available under rural development programmes. There is a move to co-ordinate the activities of Zilla Parishad and P.W. (Roads).

7.3 Three Road Transport Corporations are operating within the State for carrying passengers in bulk. One of them, Calcutta State Transport Corporation is operating mainly within Calcutta Metropolitan area. There is also the Calcutta Tramways Company in charge of a second mode of surface transport.

7.4 The performance of different Corporations may be judged from the detailed information given under Table 7.1. A quick glance reveals that total revenue kilometres are on the increase while vehicle productivity in case of N.B.S.T.C. and S.B.S.T.C. is also rising. Regarding worker's efficiency, the Corporations are trying to lower staff bus ratio and increase staff productivity. The South Bengal State Transport Corporation (S.B.S.T.C.) is increasing its sphere of operations as is evident from the increasing number of depots and rising fleet strength. Performance of the Calcutta Tramways Company has also been shown in this Table.

TABLE 7.1

Performance Parameters of State Transport Undertakings in West Bengal

PHYSICAL PERFORMANCE

Sl. No.	Item	1987-88	1988-89*	1989-90 (P)
<i>North Bengal State Transport Corporation</i>				
1.	No. of buses purchased during the year (fit for operation after body building) ...	107	188	105
2.	Serviceable buses at the end of the year ...	472	577	641
3.	Utilisation			
(a)	Total revenue kms. for the fleet (in lakhs)** ...	326.08	460	576
(b)	Buses on road to the average fleet held (per cent) ...	87	92	97
(c)	Vehicle productivity (Kms. per bus per day) ...	209	220	252
4.	Load Factor (per cent) ...	69	74	76
5.	Staff-Bus ratio ...	10.8	9.50	8.85
6.	Staff productivity (Kms. per worker per day)	19.00	25.31	29.41
7.	No. of depots ...	18	19	19
<i>Calcutta State Transport Corporation</i>				
1.	No. of buses purchased during the year (fit for operation after body building) ...	206	144	204
2.	Serviceable buses at the end of the year ...	1244	1081	1154
3.	Utilisation			
(a)	Total revenue kms. for the fleet (in lakhs)** ...	436.37	494.55	542.17
(b)	Buses on road to the average fleet held (per cent) ...	59	72	79
(c)	Vehicle productivity (Kms. per bus per day) ...	175	116	127.42
4.	Load Factor (per cent) ...	96	100	100
5.	Staff-Bus ratio ...	17.46	14.39	13.98
6.	Staff productivity (Kms. per worker per day)	9.54	11.13	11.48
7.	No. of depots ...	10	10	10
<i>South Bengal State Transport Corporation</i>				
1.	No. of buses purchased during the year (fit for operation after body building) ...	29	25	35
2.	Serviceable buses at the end of the year ...	244	256	234
3.	Utilisation			
(a)	Total revenue kms. for the fleet (in lakhs)** ...	81.00	103.44	106.81
(b)	Buses on road to the average fleet held (per cent) ...	60	56	65
(c)	Vehicle productivity (Kms. per bus per day) ...	96	121	131

TABLE 7.1—concl.

Sl. No.	Item	1987-88	1988-89*	1989-90 (P)
4.	Load Factor (per cent)	68	64	68
5.	Staff-Bus ratio	12.00	9.00	10.00
6.	Staff productivity (Kms. per worker per day)	17.28	23.76	19.50
7.	No. of depots	2	5	9
<i>Calcutta Tramways Company (1978) Limited</i>				
1.	No. of Tram Cars purchased during the year	—	45	—
2.	No. of Tram Cars at the end of the year	380	401	390
3.	Utilisation			
(a)	Total Kms. for the fleet (in lakhs)	95.88	100.39	102.05
(b)	Tram Cars on the road to average fleet held (per cent)	71	70	75
(c)	Vehicle productivity (Kms. per Tram Car per day)	69	70.52	70.78
4.	Load factor (per cent)	96	100	100
5.	Staff-Tram ratio	33.48	32.95	29.91
6.	Staff productivity (Kms. per worker per day)	2.90	3.07	3.10
7.	No. of depots	7	7	7

P = Provisional

*1988-89 Pre audited figures.

**Revenue Kms.—Kms. covered to earn revenue.

Source : Department of Transport,
Government of West Bengal.

7.5 Against the physical performance it is encouraging to note that all the undertakings are increasing their revenues over the last three years. Improvement in both physical as well as financial sphere has been possible because of strict vigil and continuous monitoring. Table 7.2 presents total earnings of the undertakings.

TABLE 7.2

Traffic Earnings of the State Transport Undertakings

(Rs. in lakhs)

Sl. No.	Name of the Undertakings	Total Earnings		
		1987-88	1988-89	1989-90(E)
1.	North Bengal State Transport Corporation ...	1,000.00 (R)	1,509.00	1,958.00
2.	South Bengal State Transport Corporation ...	221.00 (R)	298.00	351.00
3.	Calcutta State Transport Corporation ...	1,821.00 (R)	2,114.00	2,356.00
4.	Calcutta Tramways Company ...	693.00 (R)	756.00	790.00

E = Estimated
R = RevisedSource : Department of Transport,
Government of West Bengal.

7.6 The State Government is interested in effectively organising water transport system, which appears to be a cheap and convenient mode of transport in different areas of the State. The West Bengal Inland Water Transport Corporation Ltd., set up by the Government, started functioning effectively from the middle of the year 1989. All schemes of the IWT Sector are being implemented through this Corporation. The Corporation is creating necessary infrastructure facilities and will soon enter into the business of running ferry services, both across and along the river Ganges. It has a plan to connect Panihati-Konnagar in the north with Botanical Garden-Metiaburuz in the south through ferry services. Similarly, in the Sunderban area it is penetrating to connect Hemnagar the last human habitation with Shambazar in Calcutta through ferry services across different rivers. Tenders have been floated to construct several floating jetties in the area. The ferry service is expected to carry both passenger vehicles and trucks.

7.7 The Centrally sponsored scheme for construction of four jetties (at Bally, Belur, Howrah RLS and Bazarghat near Chandpal) has made good progress. The first two have been completed and the third is nearing completion. Four launches for which orders have been placed with a local manufacturing unit last year are expected to be delivered by March, 1990. The Corporation is planning to place orders for six additional vessels and construct jetties at Cossipore (Calcutta) and Telkolghat (Howrah). With the infrastructure thus organised it will directly participate in running ferry services along with the co-operatives already in the field.

7.8 It is always a problem with the Transport Department to ensure smooth traffic flow on the roads of Calcutta. The Calcutta Urban Transportation Project (CUTP) taken up with World Bank Assistance is complete but the problem is still there. The latest position in respect of CUTP is given in Table 7.3.

7.9 The Transportation Operation Improvement Programme is running in full swing to ensure necessary improvement in traffic circulation within the city as also both traffic in-flow and outflow in the CMC area. It consists of short duration project aimed at making overall improvement in traffic flow as also increasing traffic safety at critical points.

7.10 The progress of work under this programme is stated briefly. The B. T. Road has been widened and improved thoroughly. As a finishing touch guard rails—are being installed near Dunlop Bridge and Baranagar Bazar. The construction of east-west connection, the Circular Canal Road has been started and the road section between E.M. Bye-pass and Ultadanga R. S. is

TABLE 7.3

Physical Progress in Regard to Different Segments of the CUTP

Name of the Scheme	Achievement (December, 1989)
T.E.A.W. Schemes	
1. Passenger Shelter	542 completed
2. Special Passenger Shelter— Howrah Station Bus Terminus	Completed
3. Bus Terminus—Dunlop Bridge	Earth filling completed. Hard stand under construction. (likely to be completed soon)

Note : T.E.A.W. —
Traffic Engineering and
Allied Works Scheme.

Source : Department of Transport
Government of West Bengal.

expected to be completed within this financial year. The work of improving and widening A.P.C. Road between Raja Bazar and Sealdah Flyover is rapidly progressing, and that of A. J. C. Bose Road, South of Sealdah Flyover has been taken up. Works like re-sectioning of C. I. T. Road at Moulali, dereservation of tram track and widening of Rash Behari Avenue from Bijan Setu to Gariahat Road, widening and re-sectioning of Chowringhee Road between Park Street and Birla Planatorium are on the anvil. Crucial road interections are being improved and new bus terminals being constructed. Additional parking spaces are being created in the B. B. D. Bag area. Traffic Management plans by way of introduction of one-way roads, right turn control, restriction of entry, rerouting of buses have been implemented in Esplanade and some other places. All these measures have been taken up with a view to facilitating faster and safer traffic movements as also providing basic facilities to passengers in Calcutta and its neighbourhood.

CHAPTER 8

EMPLOYMENT AND LABOUR

8.1 The employment position in the organised sector remained almost steady in the State for the last five years as is revealed in the following table.

TABLE 8.1

Sector-wise Employment in the Organised Sector in West Bengal, 1984 to 1988

(In thousands)

Year (Figures relate to quarter ending June)	Public Sector	Private Sector	Total
June 1984	1,593.3 (62 p.c.)	950.8	2,544.1
June 1985	1,609.1 (64 p.c.)	902.7	2,511.8
June 1986	1,620.1 (63 p.c.)	954.0	2,574.1
June 1987	1,594.6 (64 p.c.)	902.7	2,497.3
June 1988	1,562.5 (63 p.c.)	895.8	2,458.3

N.B. Figures in paranthesis in the 2nd Col. indicate p.c. to total.

Source: Department of Labour, Government of West Bengal.

8.2 An industry-wise distribution of employment is presented in Table 8.2 for the year 1988.

TABLE 8.2

Industry Division-wise Employment in the Organised Sector in West Bengal, 1988

(In thousands)

Industry Division	Public Sector	Private Sector	Total
1. Agriculture, Hunting, Fisheries, Forestry	24.1	215.9	240.0
2. Mining, Quarrying	175.5	0.4	175.9
3. Manufacturing and Processing	277.6	524.7	802.3
4. Electricity, Gas, Water	44.7	17.8	62.5
5. Construction	55.8	4.6	60.4
6. Wholesale and Retail Trades, Hotels, Restaurants	7.6	15.4	23.0
7. Transport, Storage, Communication	353.3	5.5	358.8
8. Financing, Insurance, Real Estate, Business Services	80.3	21.9	102.3
9. Community and Social Services	549.4	96.9	646.3
Total	1,568.3	903.2	2,471.5

Source: Department of Labour, Government of West Bengal.

8.3 Tables 8.1 and 8.2 testify to the fact that Public Sector provides major portion of employment in the organised sector, (nearly 62% to 63% of the total). Further from Table 8.2 it is clear that major portion of employment in the Public Sector is provided in the Transport, Storage, Communication and Community Social Services Division (58% of total sectoral employment). In the private sector on the other hand, Agriculture and Allied activities together with Manufacturing and Processing covers 82% of total sectoral employment.

8.4 The State Government is making serious effort for generating productive employment and special stress is being placed on self employment projects to be operated in collaboration with banking sectors. For example the C & SSI Department has undertaken a Scheme for Self Employment of Educated Unemployed Youths (SEEUY). The Development & Planning Department is running Additional Employment Programme (AEP). The Labour Department's Self Employment Scheme for the Registered Unemployed (SESRU) which was initially taken up in a limited sphere (i.e. in the Districts of North and South 24-Parganas, Howrah and Calcutta) has subsequently been extended to the entire State. Basically, in all these schemes, the State is to provide seed money and thereafter the banks are to finance the project. In case of SEEUY, 25% of project cost comes as subsidy from Central Government. Under AEP, the State Government normally provides 10% of the capital cost of the project, on soft terms, as margin. This may be raised to 20% of the project cost in special cases e.g. for handicapped, SC/ST people & Ex-army men.

8.5 In the SESRU Scheme the State Government provides up to 25% of project cost as subsidy and the remaining part flows as credit on easy terms and conditions from Commercial Banks. Total project cost should normally be retained at Rs. 25,000. It may go up to Rs. 35,000 only in case of Auto Rickshaw projects. Some details about the project is presented below in Table 8.3

8.6 The Government is encouraging labour intensive projects in rural and semi-urban areas for creation of assets as also for production of basic consumer goods. Large number of mandays have been created under different heads of Rural Development Programmes. A year-wise statement is given in Table 8.4. The declining trend in 1987-88/1988-89, due possibly to rise in wage rates, has been arrested in 1989-90.

TABLE 8.3
Progress Under SESRU Scheme

Description	Years			Total
	1986-87	1987-88	1988-89*	
1. No. of projects screened for Self-employment ...	47,851	48,982	55,462	1,52,295
2. No. of Projects forwarded for bank loan ...	21,964	20,474	52,794	95,232
3. No. of Projects sanctioned by the bank ...	12,760	555	22,751	36,066
4. No. of Projects utilising bank loans ...	8,841	238	14,428	23,507

* Up to November, 1989.

Source : Department of Labour,
Government of West Bengal.

TABLE 8.4
Employment Generation under NREP, RLEGP and JRY

Year	(Lakh mandays)			
	NREP	RLEGP	JRY	Total
1986-87	217.61	219.74	—	437.35
1987-88	161.60	164.15	—	325.75
1988-89	152.00	112.35	—	264.35
1989-90 Up to Nov., 1989	—	—	406.81	406.81

Source : Department of Rural Development,
Government of West Bengal.

8.7 Small scale units are also encouraged for they provide employment opportunity to unskilled and semi-skilled labour. In Table 8.5 an account of Small Scale Units has been provided for two consecutive years. The role of IRDP (a rural development programme) is significant here.

TABLE 8.5
New Cottage and Small Scale Industrial Units Set Up
and Additional Employment Generated

Year	New Units		Additional Employment Generated	
	IRDP	Others	IRDP	Others
1988-89	52,185	15,667	61,691	40,331
1989-90 (Anticipated)	54,000	16,000	65,000	42,000

Source : Department of Cottage and Small Scale Industries,
Government of West Bengal.

8.8 In order to ensure fairness in employment the State Government is trying its best to recruit people through Employment Exchanges. Table 8.6 reveals the position in respect of different Government agencies.

TABLE 8.6
**Vacancies Filled up by the Employment Exchange
 Nominees in West Bengal**

(In thousands)

Public Sector	1987	1988	1989 (Up to June)
Central Government	1.0	2.1	0.8
State Government	5.4	5.9	2.6
Quasi-Government and Local Bodies ...	2.5	2.2	1.0
Total ...	8.9	10.2	4.4

Source : Department of Labour,
 Government of West Bengal.

8.9 Number of persons in Live Register of Employment Exchanges went down from 45.77 lakhs in December, 1987 to 42.65 lakhs in December, 1988. But again it rose to 44.80 lakhs in October, 1989.

8.10 A project for modernisation and development of skill at the I.T.Is has been formulated in collaboration with the World Bank. The project cost has been estimated to be Rs. 13.82 crores, 50% of which will be provided by the World Bank. The project has components like setting up of Basic Training Centres, setting up of Women's I.T.Is, purchase of machinery for replacing old obsolete ones, etc.

8.11 In the sphere of industrial relations in 1988, the State conciliation machinery handled 8,590 industrial disputes of which 4,434 (i.e. 51.62%) disputes have been disposed of. Of these 776 cases (i.e. 17.50%) have been settled through conciliation. In 1989, 17.59 p.c. of disputes are provisionally estimated to be settled through conciliation. A detailed account of strike and lockouts and persons affected by them is supplied in Table 8.7.

8.12 The State Government operates an Unemployment Assistance Scheme for 30-40 age group which has been modified in 1985. In order to be eligible for getting the assistance, the waiting period will have to be six years on 1st April and the family income ceiling, Rs. 500/- per month. The period of assistance is 2 years and is to be given to one member of the family

only. The number of recipients of this assistance were 18,712 and 22,330 in 1987-88 and 1988-89 respectively. Total expenditure including administrative cost was Rs. 311.02 lakhs in 1987-88 and in 1988-89 the total disbursement, excluding administrative cost, was Rs. 246.73 lakhs. From April to October, 1989, approximately 30,572 unemployed persons received such assistance.

TABLE 8.7
Incidences of Strikes and Lockouts, Persons involved and Mandays Lost since 1981

Year	Closure due to strike			Closure due to lockouts		
	No. of cases	Persons involved	Mandays Lost (in lakh days)	No. of cases	Persons involved	Mandays Lost (in lakh days)
1981	43	16,952	6.26	117	1,42,735	99.03
1982	29	8,114	3.09	117	1,22,738	154.79
1983	39	12,014	5.64	136	1,12,695	143.20
1984	49	2,86,460	215.97	135	78,409	76.58
1985	39	13,527	1.97	165	1,35,885	151.12
1986	29	23,104	2.66	178	1,29,681	132.73
1987	39	92,546	16.35	197	1,61,575	214.72
1988	34	99,249	33.20	212	1,62,857	284.52
1989 (P)	16	14,173	2.45	211	1,48,369	281.60

P = Provisional

Source : Department of Labour,
Government of West Bengal.

CHAPTER 9

PRICES AND CIVIL SUPPLIES

9.1 Rise in the wholesale price-level in the country in 1989 as measured by the All-India Wholesale Price Index Number (base : 1970-71 = 100) for all commodities continued unabated throughout the year except for a slight fall in the price level in July, 1989, as will be evident from Table 9.1. The all-India price-level of various manufactured and primary articles particularly sugar, gur, tea, electricity, milk, paper, cotton yarn and textiles, jute and jute products increased significantly during 1989. It may be noted that tea, jute and jute products have a greater weightage in the Calcutta wholesale price index than in the all India index. Despite this, the wholesale price index for Calcutta remained at a lower level than the corresponding all India index.

TABLE 9.1

Index Number of Wholesale Prices (all commodities) in Calcutta and All-India in 1988 and 1989

(Base 1970-71 = 100)

Month	All India		Calcutta	
	1988	1989	1988	1989
January	416.0	440.9	368.0	400.2
February	415.8	441.4	367.7	411.5
March	417.6	445.3	367.3	414.2
April	422.2	450.8	373.0	421.1
May	423.6	459.1	377.9	429.7
June	425.2	462.2	379.2	440.9
July	435.1	455.6 (P)*	385.3	440.0 (P)
August	437.7	466.8 (P)*	392.6	444.7 (P)
September	435.7	469.3 (P)*	393.9	454.1 (P)
October	441.0	469.0 (P)*	395.8	460.0 (P)
November	438.3	468.4 (P)*	395.0	
December	436.5	465.6 (P)*	393.0	

P = Provisional

*Converted from base 1981-82 = 100

Sources : (1) Office of Economic Adviser, Ministry of Industry, Government of India for All-India Index Numbers.

(2) Bureau of Applied Economics & Statistics for Calcutta Index Numbers.

Consumer Price Index Numbers

9.2 The impact of rising prices on the budget of common people may however be better judged on the basis of Consumer Price Index Numbers for Industrial Workers (base : 1960 = 100) given in Table 9.2. From the table it would be clear that the inflation rates reflected in the All-India Consumer Index Nos. in the early months of the year 1989 were higher compared to those measured through the Wholesale Price Index Nos. for all-commodities (vide Table 9.1). Again, the Calcutta Consumer Price Index Numbers (base : 1960 = 100) continued to be the lowest in comparison to all other metropolitan cities and All-India. This implies that the real worth or purchasing power of the Rupee remained the highest in Calcutta in terms of the Consumer Rupee of 1960. Prevalence of the Public Distribution System (PDS) here seems to be the principal contributory factor.

TABLE 9.2

Movement in 1989 of Consumer Price Index Numbers for Industrial Workers : All India, Calcutta, Bombay, Delhi and Madras

(Base : 1960 = 100)

Month	Consumer Price Index Numbers for Industrial Workers						
	All India			Calcutta	Bombay	Delhi	Madras
	1988	1989	Percentage increase in 1989 over 1988	1989	1989	1989	1989
January ...	753	813	8.0	811	870	870	843
May ...	771	833	8.0	830	891	890	843
September ...	806	868	7.7	853	927	919	884

Note : Index Nos. for 1989 are converted figures from the new series with base 1982 = 100.

Source : Labour Bureau, Simla.

Rice

9.3 Though a record production of aman rice was harvested in 1988-89, its rising price curve in the open market of the State did not show any let-up till October, 1989 as may be seen from Table 9.3. The State annual average minimum retail price of rice in open markets, (viz., Rs. 4.04), in the year 1989 was higher by 27 paise per kilogram compared to the earlier year. This price situation occurred mainly because the monthly Central allotment of rice which was lowered down from 125 thousand tonnes in 1987 to 80 thousand tonnes or nearabout in early 1988 was further reduced to 64 thousand tonnes in 1989 from February onwards. Only in October and November, 1989 a token

TABLE 9.3

**Monthly State Average Open Market Minimum Retail Prices and
Rice Wheat in West Bengal, 1988 & 1989**

(Rupees per kilogram)

Month	Rice		Wheat	
	1988	1989	1988	1989
January	3.50	3.62	2.38	2.86
February	3.60	3.72	2.40	2.95
Morch	3.80	3.84	2.39	3.01
April	3.91	3.90	2.39	2.74
May	3.82	4.01	2.41	2.73
June	3.79	4.09	2.42	2.74
July	3.89	4.16	2.46	2.75
August	3.94	4.31	2.51	2.77
September	3.97	4.37	2.63	2.80
October	3.87	4.35	2.68	2.81
November	3.62	4.15	2.66	2.76
December	3.56	3.93	2.71	2.74
Annual Average	3.77	4.04	2.50	2.81

Note: Price of Rice and Wheat represent the average of the weekly prices in the subdivisions of the State.

Source: Department of Food and Supplies Government of West Bengal.

augmentation in Central allotment of rice did occur. The situation was further aggravated due to continued reduced supply of wheat to the State by Food Corporation of India in the year. The resultant shock in the supply system encouraged the traders to push up the price line particularly at times when the statutory rationing faced serious problems due to grossly inadequate supply of foodgrains from the Central godowns. Again, since the size of boro harvest in the year 1989, was lower than those in the earlier two years, the price situation continued to be problematic. The aus crop of 1989-90 showed also no improvement over the previous year. Consequently, the State average minimum retail price in the open market rose to Rs. 4.37 a kg in September 1989, having been higher than the corresponding average price a year ago by 40 paise. To mitigate the sufferings of the consumers due to worsening price situation the State Government rushed in some supply from Andhra Pradesh and distributed at a specially subsidised rate large quantities of locally purchased rice along with the Andhra Pradesh rice among the agricultural labourers and their families for about one month, between mid-

October to mid-November. This was in addition to subsidised distribution of foodgrains in ITDP blocks. The average minimum retail price came down to Rs. 3.93 per kilogram in December 1989. Unless the rationing system's requirement could be met in full from the Central Pool, the price level is unlikely to come down appreciably in 1990 also.

Wheat

9.4 The severe cut in the monthly allotment of wheat from the Central Pool for the State from 126 thousand tonnes to 80 thousand tonnes as made in early part of 1988 remained virtually unchanged for six months in 1989, while in the other months the allotment was partly restored in the range of 84 to 95 thousand tonnes. The State average minimum retail price of wheat in open markets which was Rs. 2.86 a kg in January 1989 could thus hardly be expected to decline. In fact, it rose to Rs. 3.01 in March. The price however came down to Rs. 2.74 in April with the new crop arriving in the markets and continued to be during the subsequent months in the range of Rs. 2.73 to Rs. 2.81 a kg. The annual average minimum retail price in open markets in the State was Rs. 2.81 per kilogram and thus higher by 31 paise over the last year's average.

Sugar

9.5 So far sugar is concerned, the State is primarily dependent on the supplies from other parts of the country. The price situation for sugar in West Bengal is, thus, closely related to what is happening at the National level. Though, supply of sugar for the country as a whole during 1989 was substantially larger in quantity than in the previous year, the price rose to a higher level on the pretext of lower production in the country. The shortfall in production though substantial when related to the target, was marginal compared to the earlier year and was made good satisfactorily by drawing upon the stock which had been quite large. Thus, without any valid economic reason the consumers in the entire country had to pay a higher price for purchasing sugar in open market, the annual average minimum open market retail price in the State having been Rs. 8.86 a kg in 1989 against the previous year's average of Rs. 7.27 which was in its turn was higher by 77 paise over the 1987-average. From August to November in 1989 sugar was costlier by more than Rs. 2 a kg compared to the price in the corresponding months a year ago. In November 1989, it was dearer by more than Rs. 3 per kilogram in the open market on an average in the State (vide Table 9.4).

9.6 It is important to note that the price of sugar has started showing some downward trend after the new Government assumed office at the Centre.

TABLE 9.4

**Monthly State Average Open Market Minimum retail prices of Sugar
in West Bengal in 1988 and 1989**

(Rs. per kg.)

Month	Sugar	
	1988	1989
January	6.71	7.34
February	6.63	7.29
March	6.65	7.46
April	6.73	7.77
May	6.80	8.41
June	7.27	8.38
July	7.94	9.24
August	7.67	10.31
September	7.79	10.21
October	7.85	10.15
November	7.57	10.72
December	7.48	9.09
Annual Average	7.27	8.86

Note : Prices of sugar, represent the average of month-end prices in Calcutta and other district headquarters of West Bengal.

Source : Department of Food & Supplies, Government of West Bengal.

9.7 Given this national scenario, the index number of wholesale prices, as well as consumer price index number remained at a lower level in the State as painted at the outset, primarily because of a price controlling force which was made to operate through the system of Public Distribution. A detailed account of the items covered under PDS is given below.

Civil Supplies

9.8 A detailed account of some major items covered by the public distribution in the State is given in Tables 9.5 and 9.6. The number of Statutory Ration shops and Modified Ration shops in West Bengal in December, 1989, was 2748 and 17155 respectively, aggregating close to 20 thousand. These ration shops have been providing each week, apart from rice, wheat and sugar, a number of other essential commodities such as rapeseed oil, biscuits, turmeric powder, dry chillies (dust), soaps (both toilet and laundry varieties), exercise books, matches, candles, Janata and controlled varieties of cloth, etc.

TABLE 9.5

**Distribution of Rice, Wheat, Sugar, Edible Oils and Kerosene under
Public Distribution System in West Bengal**

Year	Offtake (in thousand tonnes)			Sale by WBECSC Ltd. for distribution through P.D. System (thousand tonnes)	Kerosene distributed (^{'000} kilolitre)
	Rice (a)	Wheat (a)	Sugar	Rapeseed and other oils	
1986 ...	801.0	1237.9	295.2	86.0	750
1987 ...	816.9	1248.3	297.8	127.7	775
1988 ...	875.7	1121.7	301.7	120.0	807*
1989	548.3(P)	974.8(P)	297.4(P)	49.9(P)	869(P)

P = Provisional ;

* = Corrected.

Note : (a) Off-take figures for rice and wheat include distribution through ration shops as well as distribution for Tea Gardens, ITDP, NREP, RLEGP, Jawahar Rozgar Yojana, Flour Mills, GR/TR, Relief Camps, CRP, etc. The rice off-take figure of 1989 however excludes the quantity (36 thousand tonnes) distributed among the families of landless agricultural labourers at a subsidised rate.

Sources : (1) Department of Food & Supplies,
Government of West Bengal.

(2) Food Corporation of India,
West Bengal Region.

TABLE 9.6

**Distribution of some essential commodities under Production-cum-Distribution
Scheme in West Bengal**

Year	Exercise Book (^{'000} pcs)	Soap (^{'000} pcs)		Turmeric Powder (quintal)	Biscuit* (quintal)	Janata Cloth (^{'000} bales)
		Toilet	Laundry			
1986 ...	6,037	9,283	14,198	4,796	—	0.2
1987 ...	2,697	6,633	11,878	5,108	5,056	1.8
1988 ...	1,431	8,072	10,557	7,086	12,007	4.1
Up to September (9 months) :						
1988 ...	844	6,005	7,777	5,243	8,754	3.6
1989 ...	9,344	5,209	8,236	6,193	12,023	14.6

* Distribution of biscuits started
from February, 1987.

Source : Department of Food and Supplies,
Government of West Bengal.

9.9 Due to the curtailment of the Central allotments of both rice and wheat, the off-take of foodgrains in the State had to be lower by about 4.74 lakh tonnes in 1989 compared to the previous year, hitting very hard the economically weaker sections of the population, particularly the agricultural labourers of West Bengal. The State Government tried to alleviate their suffering by distributing about 36 thousand tonnes of rice at a specially subsidised rate viz., Rs. 2.25 per kg. during the agriculturally lean season of mid-October to mid-November benefiting more than 1 crore 30 lakh persons. This was in addition to the quantities of rice and wheat distributed at subsidised rates to more than 20 lakh people, mainly tribals, living in the ITDP blocks of the State as in the last few years.

CHAPTER 10

EDUCATION, HEALTH AND HOUSING

10.1 The basic objective of education policy of the State Government is to reach the common people with facilities of education in as extensive a manner as possible in rural and urban areas in order to help them understand and cope with the socio-economic environment. The emphasis has, therefore, been on the universalisation of elementary education, expanding the facilities for non-formal and adult education and widening the opportunities of higher level of education.

10.2 Noticeable progress towards universalisation of elementary education has taken place in recent years. Enrolment in primary schools as percentage of the relevant age-group, has, almost reached the 100 per cent mark in 1989. The extent of universalisation of primary education in the State is further reflected by the fact that for 97 per cent of the villages in West Bengal there is now a primary school within a radius of 2 kilometres. The following table on the enrolment position of students at the elementary level will indicate the steady progress in this area over the last few years.

TABLE 10.1
Students Enrolled in Elementary Schools

					(In lakhs)		
Age-group					1987-88	1988-89	1989-90 (Anticipated)
6—10	..	..	..	Total :	86.38	87.02	88.20
(Class I—V)				Boys :	48.94	49.26	50.05
				Girls :	37.44	37.76	38.15

Source : Department of School Education,
Government of West Bengal.

10.3 In recent years, the Government has been concentrating on the improvement of the facilities available for elementary education. A concerted effort has been made by the State Government to renovate/enlarge existing school buildings. The Panchayats have also utilised NREP, RLEGP, JRY and District Plan funds to renovate and improve schools in rural areas.

10.4 The significant progress in the universalisation of elementary education in the State, owes much to the Government policy of making school

education free. This measure has been further supplemented by the distribution of free text books to the students belonging to classes I to V, providing school dresses to SC/ST students and girls in rural areas. Further, it has been found that often poor students are forced to drop out of schools for reasons of economic necessity. In order to lower the rate of drop-outs, the State Government has introduced a programme under which mid-day meals are provided to students. About 28 lakhs of children are covered under this programme every year.

10.5 Apart from elementary education, enrolment in Junior High Schools, Secondary Schools and Higher Secondary Schools have increased significantly in recent years. As can be seen from Table 10.2, enrolment in Junior High Schools (i.e. classes VI—VIII) increased from 32.97 lakhs in 1987-88 to 36.97 lakhs in 1988-89. Similarly, in Secondary Schools (i.e. classes IX to X) enrolment increased from 10.62 lakhs in 1987-88 to 11.83 lakhs in 1988-89. And in Higher Secondary schools (i.e. classes XI to XII) enrolment increased from 4.10 lakhs in 1987-88 to 4.47 lakhs in 1988-89.

TABLE 10.2

Enrolment in Different Levels of Schools

				(In lakhs)		
				1987-88	1988-89	1989-90 (Anticipated)
Classes VI—VIII	..	..	..	32.97	36.97	37.67
Classes IX—X	..	..	..	10.62	11.83	13.00
Classes XI—XII	..	..	..	4.10	4.47	4.50

Source : Department of School Education,
Government of West Bengal.

10.6 The formal education system in the State is being supplemented by Non-Formal Education (NFE). Steady progress in the area of non-formal education has been registered in recent years. In 1989-90, total number of non-formal education centres has reached the level of 23,470 including 600 centres exclusively for girls. In order to improve the implementation of the NFE programme, the State Government has involved Panchayat bodies at different levels with it. Better results have started becoming evident.

10.7 Moreover, for those adults who did not have the opportunity for education, the State Government has created extensive facilities for their education as can be seen from Table 10.3. In order to make adult education popular, the Government carries out campaigns through jathas, exhibitions, etc. The participation in the Adult Literacy Programme in 1987-88, 1988-89 and 1989-90 has been quite substantial as will be evident from Table 10.3.

TABLE 10.3

**Participation in Adult Education Programmes and
Number of Centres Opened**

	1987-88	1988-89	1989-90 (Anticipated)
1. No. of participation (in lakhs) (15 to 35 Age-group)	519	530	650
2. No. of Centred Opened			
(a) Central Programme	6201	5318	6081
(b) State Programme	7877	7242	8208
(c) Voluntary Agency	285	290	940
(d) Other Programmes	4250	4672	4158

Source : Department of Mass Education Extension,
Government of West Bengal.

10.8 The importance given by the State Government to the removal of illiteracy can be realised by the fact that the State Government has set up a new Mass Education Extension Department in 1988. Further, the importance given by the Government to non-formal and adult education is amply reflected by the fact that the outlay for these programmes has been increased from around Rs. 150.00 lakhs in 1988-89 to Rs. 700.00 lakhs in 1989-90.

10.9 In the last decade or so library facilities for the common people have steadily expanded, especially in the smaller towns and villages of the State, as will be seen from Table 10.4.

TABLE 10.4

Number of General and Government Sponsored Libraries

	1979-80	Up to 1987-88	Up to 1988-89
1. District Library (Nos.)	17	23	23
2. Sub-divisional/Town Library (Nos.)	35	234	234
3. Rural/Primary Units/Area Library (Nos.)	301	2,276(R)	2,276
4. Other Voluntary Organisations (Nos.)	N.A.	8	8

R = Revised

Source : Department of Education,
Government of West Bengal.

10.10 Along side school education, attempts have been made to expand the scope of college education in the State by setting up of a number of new

colleges and expanding facilities in the existing ones. In fact, expansion and development programmes have been undertaken for both Government and non-Government colleges and as in the previous two years, are continuing in 1989-90 also. A new Engineering College in Salt Lake under Jadavpur University has already been set up and classes have started from the current session. The programme for strengthening and expansion of higher education at the University level has also been pursued. Recently UGC has given recognition to the Vidyasagar University.

Health

10.11 In the health sector, the State Government has geared up its activities in a manner so as to reach the goal of 'Health for All by 2000 A.D.' In order to attain this objective the State Government follows the basic strategy of strengthening the existing curative institutional health care services and at the same time laying great importance to the spread of preventive health measures, specially among the rural poor.

10.12 In order to bring more and more people under the coverage of institutional health care services, such institutions as, primary and community health centres, subcentres, have been set up in increasing numbers. The number of beds in these institutions has also increased. In Table 10.5, the figures regarding the number of such centres and the number of beds in 1987 and 1988 are shown.

TABLE 10.5
Number of Health Centres, Beds in West Bengal

Sl. No.	Institutions	1987		1988	
		Nos.	Beds	Nos.	Beds
1.	Primary health centres at the block level (including rural hospitals)	337	6723	339	6735
2.	New Primary health centres	837	4638	854	4740
3.	Subcentres	7969(R)	—	8078(P)	—
4.	Polyclinics	5	95	5	95

R=Revised
P=Provisional

Source: Department of Health and Family Welfare, Government of West Bengal.

10.13 Recently, the strategy has been not to set up larger number of primary health centres (PHC), but to upgrade the existing PHCs for more meaningful services to the rural population.

10.14 In the case of hospitals, the State Government lays emphasis on the upgradation and improvement of the facilities available in sub-divisional, district and general hospitals. However, the number of beds in hospitals has increased in recent years. While in 1986, the number of beds in hospitals was 53,837, in 1988, this had increased to 53,977. In 1989-90, a sub-divisional hospital with 20 beds is expected to be opened at Mekliganj in Cooch Behar district. Further, a new State General Hospital with 100 beds is also planned to be opened in 1989-90 at Bagha Jatin Colony in Calcutta.

10.15 Medical facilities are also made available through other categories of medical units. A list of such units has been given in Table 10.6 below.

TABLE 10.6
Other Categories of Medical Units

Type	No. of Units		Total
	State Government	Other Agencies	
1. Dispensaries	25	426	451
2. Dental Clinics	241	—	241
3. T.B./Chest Clinics	84	48	132

Source : Department of Health and Family Welfare, Government of West Bengal.

10.16 For providing guidance in preventive health care, there is one health worker in each sub-centre. Further, there are 41,732 number of trained Health Guides operating at the village level who provide guidance to the people in health care and prevention of diseases. The Government has also made a concerted effort to control communicable diseases like Malaria, Kalazar and Encephalities.

10.17 In recent years, Homeopathy, and other systems of medicine are becoming popular, and the Government is allocating increasing amount of funds for proper development of these systems.

10.18 The Family Welfare Programme has gradually exercised wider and deeper impact on the people of West Bengal. Over the last few years, as noted in chapter 2, a large number of persons have come forward to accept different types of population control measures. The Government has steadily increased the infrastructural facilities available for carrying out family welfare programmes. The number of Family Welfare centres and Post Partum centres functioning in the State is about 520.

10.19 State Government lays special emphasis on immunisation of mothers and children. By associating panchayat bodies in this programme satisfactory results have been achieved. In Table 10.7 below, the figures regarding mothers and children immunised under Mother and Child Health (M.C.H.) programme in the last few years are shown.

TABLE 10.7
Numbers of Immunised Persons

Sl. No.	Diseases	Year-wise numbers of Immunised Persons (in thousands)		
		1986-87	1987-88	1988-89
1.	Anti-tetanus for pregnant women ..	676.4	864.5	991.6
2.	D.P.T. for Children	533.3	912.6	1069.6
3.	Polio	366.0	555.0	1009.8
4.	Measles	62.2	374.4	531.8
5.	B.C.G	578.4	917.9	1060.2
*6.	Typhoid	66.7	260.8	—
7.	D.T. for Children	470.8	766.6	893.4
8.	T.T. (10 years)	65.4	253.8	460.7
9.	T.T. (16 years)	47.3	168.6	344.3
10.	Prophylaxis against nutritional anaemia among children	2967.9	2684.9	2498.3
11.	Prophylaxis against Blindness	1161.3	1555.8	2215.4
12.	Prophylaxis against anaemia among mothers	2932.4	2868.0	2748.5

*This programme has since been discontinued

Source : Department of Health and Family Welfare, Government of West Bengal.

10.20 The above-mentioned activities have yielded good results in respect of reduction in both birth rate and infant mortality rate as was seen in chapter 2.

10.21 Improvement in health service facilities has been brought about also by reducing the imbalance in the ratio between the doctors and the nurses. In 1986, there was one nurse for one doctor. In 1987 and 1988 this figure went up to 1.03 nurse per doctor and 1.11 nurse per doctor respectively.

Housing

10.22 The Housing Department of the State Government on its own initiative has constructed buildings for both rental and sale purpose. The Housing units constructed under Housing Department schemes up to 1988-89 are shown in Table 10.8.

TABLE 10.8

Number of Housing Units Constructed under Housing Department Scheme

Schemes			(Number)	
			Up to 1987-88	Up to 1988-89
Middle Income Group (MIG)	..	..	5,201	5,401
Low Income Group (LIG)	..	..	14,804	14,954
Rental Housing Scheme (RHS)	..	..	9,192	9,632

Source : Department of Housing,
Government of West Bengal.

10.23 The West Bengal Housing Board implements various types of housing projects for different income groups. Its policy is to make profit on sale of units for higher income groups and utilise the proceeds to provide subsidised units to economically weaker section (EWS) of the people. The Board also develops residential plots. The construction activities of the Board is presented in Table 10.9.

TABLE 10.9

Housing Units Constructed under Various Schemes by the State Housing Board

Schemes					No. of Units completed up to 31.3.88	No. of Units in progress at the end of 1988-89	Completion Target for 1989-90
	H.I.G.	5,168	1,224	997
M.I.G.	..	..	..	..	6,527	728	368
L.I.G.	..	..	..	..	3,005	190	174
E.W.S.	..	..	..	..	1,116	2,850	21,750
Total	..	..	..	..	15,816	4,992	23,289

Source : Department of Housing,
Government of West Bengal.

As can be seen from Table 10.9, in 1989-90 the Board has clearly shifted the emphasis on construction of shelter for E.W.S.

10.24 In order to encourage co-operative efforts in the sphere of housing, the West Bengal State Co-operative Housing Federation Ltd., has been established. It is a financial institution supplying cheap credit to house building co-operatives affiliated to it. In Table 10.10, the major activities of the Federation for the last two years are given.

TABLE 10.10

**Summary of Activities of the W. B. State Co-operative
Housing Federation Ltd.**

Items	Position Up to	
	30.6.88	30.6.89
1. Affiliated Co-operative (Nos.)	848	888
2. Paid-up share Capital (Rs. lakhs)	422.64	590.02
3. Housing units sanctioned (Nos.)	14,589	14,983
4. Amount of loan sanctioned (Rs. lakhs)	4,704.08	5,050.00
5. Amount of loan released (Rs. lakhs)	3,815.25	4,033.00
6. Housing Units completed (Nos.)	11,671(R)	11,986

R.—Revised

Source : West Bengal Co-operative Housing Federation Limited.

10.25 For improving living condition of rural people the Rural Development Department has taken up rural housing scheme. The scheme envisages programmes of developing housing sites and providing assistance for construction of huts. Again, the Indira Awas Yojana (IAY) under the RLEGP (now under Jawahar Rojgar Yojana) offers assistance for constructing houses in rural areas. The Fisheries Department also under the IAY provides assistance to poor fishermen for building housing units. The number of units built under the two programmes are shown in Table 10.11.

TABLE 10.11

**Housing Units Completed under Rural Housing Scheme (RuHS) and
Indira Awas Yojana (IAY)**

Year	(Number)	
	RuHS*	IAY
1987-88	4,514	10,547
1988-89	1,711	7,925

*RuHS—Rural Housing Scheme

Source : Department of Rural Development,
Government of West Bengal.

CHAPTER 11

OTHER SOCIAL SERVICES

11.1 The State Government has taken special steps for the wellbeing of Scheduled Caste and Scheduled Tribe people. The main responsibility of implementing welfare programmes lies with the Department of Scheduled Castes & Tribes Welfare. In addition to its own schemes, the Department is responsible for ensuring that all other departments spend a stipulated portion of their Plan outlay for the welfare of scheduled castes and scheduled tribes. As is well-known, the State Plan, to ensure this flow of funds, has two components, viz., Tribal Sub-Plan and Special Component Plan. Under the Departmental Plan a sum of Rs. 15 crores has been spent during 1989-90. The bulk of this amount has gone to finance educational schemes giving stipends, book-grants, hostel charges, examination fees, etc. to scheduled caste and scheduled tribe students in the Pre-matric stage. During the year under review, 60,000 students have received hostel charges and 92,000 day scholars have been given maintenance allowance. In the post-matric stage, about 75,000 scheduled caste and scheduled tribe students will receive similar grants.

11.2 In addition to the massive educational programmes, the Department runs training centres in different crafts and trades. A new scheme has been introduced to give additional assistance to meritorious scheduled caste and scheduled tribe students.

11.3 Another focus of the Departmental activity is on economically backward families. Up to January 1990, 90,562 scheduled caste and 26,068 scheduled tribe families have been given financial assistance for undertaking various income-generating projects. Some schemes for creating infrastructural facilities like roads, bridges, water supply and minor irrigation have also been taken up.

11.4 For providing financial help to needy families, two Corporations, viz., West Bengal Scheduled Castes & Scheduled Tribes Development and Finance Corporation and West Bengal Tribal Development Cooperative Corporation Ltd. have been set up. Both are giving credit for family-oriented schemes. The West Bengal Tribal Development Cooperative Corporation, which is the apex body for about 90 LAMPS in the State, is handling the marketing of minor forest produce collected by LAMPS, and has been instrumental in fetching a better price for the same. Subsidised ration and consumer service through-mobile vans cater to the needs of people in tribal areas.

Special Central Assistance of the order of about Rs. 18.92 crores are earmarked for the Scheduled Caste and Rs. 9.00 crores for Scheduled Tribes which will be spent through family-oriented economically beneficial schemes, administered by both the Corporations. The Special Central Assistance money takes care of the subsidy component. The provision of institutional finance will do away with the practice of borrowing from private financiers.

11.5 The following table gives the flow of funds from various departments towards TSP and SCP for the benefit of SC/ST people. While actual expenditure is available for 1988-89, anticipated figures are provided for the next year.

TABLE 11.1

Economic Development Programmes for S. C./S. T. Population in West Bengal

(Rs. in lakhs)

Sector/Item	1988-89	1989-90 (Anticipated)
1. Tribal Sub-Plan		
(a) Agriculture	150.00	154.10
(b) Minor Irrigation	137.88	242.41
(c) Animal Resources Development	29.49	41.70
(d) Forest	217.77	335.00
(e) Fisheries	49.99	50.00
(f) Development and Planning	262.22	354.00
(g) Rural Development	350.00	350.00
(h) Co-operation	18.76	47.48
(i) Irrigation and Waterways	632.22	640.21
(j) Cottage and Small Scale Industries	31.97	57.30
(k) Sports and Youth Services	26.50	29.00
(l) Land Reforms	181.50	84.00
2. SCP for Scheduled Castes		
(a) Agriculture	577.16	604.65
(b) Minor Irrigation	580.68	985.51
(c) Land Reforms	332.35	143.62
(d) Animal Resources Development	91.52	118.65
(e) Forest	132.64	204.00
(f) Fisheries	234.21	261.00
(g) Development and Planning	1,227.13	2,033.00
(h) Rural Development	875.00	875.00
(i) Co-operation	53.54	188.43
(j) Cottage and Small Scale Industries	88.86	120.90
(k) Sports and Youth Services	49.85	61.00

Source: Department of Scheduled Castes and Tribes Welfare,
Government of West Bengal.

11.6 The State Government through its Department of Relief and Welfare undertakes welfare activities for weaker sections of the society especially for the children, women, old and infirm, physically handicapped and mentally retarded people and vagrants.

11.7 Integrated Child Development Services Scheme is one of the important schemes implemented by the Department. Under the Scheme a package of service comprising Supplementary Nutrition Health-Care and Pre-School Education is provided to Children up to 6 years of age. Expectant and nursing mothers are also provided with Health-Care and Nutrition. The purpose of the Scheme is to prevent infant mortality rate and to increase the health status of the future generation. Up to 1989-90, 129 Projects are in operation. Supplementary nutrition is provided under the scheme with food-assistance from CARE. This Scheme also offers employment opportunity specially for the ladies. More than 35,000 workers are engaged in this scheme in various capacities. At present 13.23 lakhs of beneficiaries are covered under the schemes.

11.8 Under the provision of the Juvenile Justice Act which was made operational from 2.10.87 for establishing a uniform framework for care, protection, education, training, development and rehabilitation of "Juveniles", the existing Homes under this department have been classified and developed. While 34 such institutions were in operation in this sphere, 5 after Care Homes—two for boys and three for girls—have been organised during 1989-90 for the purpose of taking care of juveniles after they leave Juvenile Homes or Special Homes as the case may be and for the purpose of enabling them to lead an honest, industrious and useful life.

11.9 Four Juvenile Welfare Boards, one each for the Districts of 24-Parganas (North), Cooch Behar, Murshidabad and Jalpaiguri have so far been constituted for trial of neglected juveniles as per provisions of the above Act. These Boards will have their Jurisdiction in respect of other districts where such Boards have not yet been constituted.

11.10 New initiatives have been taken in different spheres. The State Government have so far constructed 646 numbers of low-cost latrines (water sealed) in Anganwadi Centres.

11.11 Further, 2,05,646 numbers of smokeless chullahs have been installed in the State, up to November, 1989.

11.12 During the year 1989-90, 30675 numbers of old, 7740 number of widows and 4077 number of disabled persons have been assisted financially under the pension scheme.

11.13 With a view to extending excursion facilities to the weaker section of the society at a nominal cost, "Digha Kalyan Kutir" at Digha has been opened this year and the response in this regard is quite satisfactory.

11.14 The State did not have to face any severe natural calamity last year. However, assistance was provided for occasional disturbances. Accordingly a sum of Rs. 457.39 lakhs was allotted for the period 1.4.89 to 31.12.89 to meet emergencies arising out of floods, etc. On account of drought relief, fund sanctioned during the period 1.4.89 to 31.12.89 was Rs. 372.61 lakhs.

CHAPTER 12

STATE FINANCE

12.1 In the sphere of Centre-State fiscal relationship there exists a structural imbalance which has progressively accentuated over the years. As was pointed out in the previous Economic Review, this imbalance arises out of the fact that in Constitutional allocation of responsibilities between the Centre and the States, while the major responsibilities in the spheres of development and administration lie with the States, the more elastic sources of revenue are concentrated in the hands of the Centre. This concentration has now reached a point where of the total resources raised in the country, about two-thirds get raised in the hands of the Centre and the remaining only one-third in all the States taken together. Of the total market borrowings, about 85 percent goes to the Centre and only 15 percent to all the States. Given this accumulation of resources in the Centre on the one hand, and the ever increasing responsibilities of the States on the other, there has not been a corresponding devolution of resources from the Centre to the States. In fact, of the total budgetary resources (tax, non-tax and capital receipts) raised by the Centre, the percentage transferred to States has declined from 42 percent in 1951-56 to 33 percent in 1979-84. As a result of this, the States have been forced to rely on their own inelastic resource base. In the case of West Bengal, for example, in its 1988-89 budget (taking into account both revenue and capital accounts), Centre's contribution was only 31 percent, while the State raised 69 per cent of the total budgetary resources of Rs. 4329 crores from its own meagre resource base. Incidentally, in the seventies, the Centre's contribution to the total budgetary resources of the State in a year was about 40 per cent.

12.2 In this context, the State Government had urged the Ninth Finance Commission to increase the quantum of over-all devolution of resources to the States. For instance, the State Government had argued that the shareable percentage of net proceeds with the States be increased from 85 percent to 90 percent for income tax and from 40 percent (general) to 60 per cent for excise duties. The State had also re-emphasised the demand for inclusion of corporation tax and surcharge on income tax in the divisible pool, which had also been recommended by the Eighth Finance Commission and the Sarkaria Commission. Further, the State had taken strong exception to the undesirable practice, in recent years, of the Central Government to substitute the upward revision of excise duties by increases in administered

prices and not sharing the resulting proceeds with the States ; the State had urged the Ninth Finance Commission to evolve a principle for sharing these proceeds between the Centre and the States.

12.3 The State had also strongly argued that the Commission should desist from recommending for any additional items the merger of additional duties of excise in lieu of sales tax with basic duties of excise, since this would further erode the meagre earmarked areas of taxation of the States. In fact, the State Government, given the denial of resources to the States in this regard, had categorically requested that the pre-1957 power to levy sales tax on these items be re-introduced.

12.4 The attention of the Commission was also drawn to the problem of repayment of Central loans faced by most of the State Governments. A major part of this liability relates to the so-called Central plan assistance of which 70 per cent is in the form of loan. The rate of interest on this loan component has also been arbitrarily increased by the Centre. As a result of this and other reasons, the total loan repayment liability of a State Government has become so large that it often exceeds the Central plan assistance for a particular year. In 1988-89, for instance, for West Bengal's Annual Plan of Rs. 951 Crores, Central plan assistance was Rs. 312 crores, whereas the loan repayment to the Centre was around Rs. 641 crores. It would appear that the States are caught in an 'internal debt trap' in relation to the Centre. Against this background the State Government had urged the Commission that since plan assistance is related mainly to public utilities, the loan component in Central Plan assistance should be reduced and that a significant part of the outstanding plan loan should be written off.

12.5 Recommendations of the Ninth Finance Commission and the Government decisions have just been made known on March 12, 1990. It seems that although the arguments raised from this State and some other States were not accommodated in the First Report of the Commission (1989-90), these arguments had eventually some impact on the final recommendations of the Commission (1990-95). There are, however, important areas of financial needs of the State where the problem has not been totally resolved and remedial measures will have to be taken soon.

12.6 The total transfer of funds to West Bengal as recommended in the First Report of the Commission for 1989-90 was Rs. 955.24 crores consisting of Rs. 851.90 crores as share of taxes, duties, etc. and Rs. 103.34 crores as grants. In the Final Report of the Commission relating to five years 1990-95, the recommended total transfer of funds is Rs. 7409.40 crores, with share of

taxes, duties, etc. as Rs. 6260.75 crores, Rs. 998.65 crores as grants and Rs. 150 crores as Centre's contribution to the Calamity Relief Fund.

12.7 The seriousness of the loan repayment burden of the States to the Centre has already been mentioned. Unlike in the First Report, the Commission in its Final Report has considered the problem but has suggested a partial remedy. The plan loans advanced to the States during the five years 1984-89 and outstanding as on March 31, 1990, will be consolidated and rescheduled to 15 years for all States. But, for the first 5 years, 1990-95, repayments have been allowed to be less than due only by a small percentage, for instance, only by 5% for the State like West Bengal. There is a need for reconsidering this issue. Regarding basic excise duties, the State's share in the net proceeds of shareable excise duties has been increased from 40 to 45 per cent for all States. Since, previously this sharing at 45 per cent was restricted to a selected category of States, this has been a beneficial decision.

12.8 Since the terms of reference (dictated by the then Central Government) has included the examination of feasibility of the merger of additional duties of excise in lieu of sales tax with basic duties of excise, there was an apprehension about further intrusion by the Centre into these areas of taxation of the States. From this State and some other States, there was a strong opposition against any such possible move. In the Final Report, it appears that the Commission has decided against any merger of additional duties of excise in lieu of sales tax with basic Union excise duties.

12.9 In the terms of reference there was also a dictation to examine the feasibility of establishing a Relief Insurance Fund to which only the States will contribute. There was again an objection from this State and others against this possible abdication of responsibility by the Centre. In the Final Report, recommendation has been made for setting up of a Calamity Relief Fund in each State where the Centre will contribute 75 per cent and the concerned State the remaining 25 per cent.

12.10 In the sphere of income tax, however, share of the States has not been increased, and kept at 85 per cent. The corporate income tax and surcharge on income tax have not been included in the divisible pool. No decision has also been taken on consignment tax. Final recommendations of the Ninth Finance Commission and the decisions of the Central Government have, therefore, some positive merits, but there are areas, particularly those relating to the immediate loan repayment liability of the States, where further consideration is essential.

12.11 It may also be noted in this context that in the sphere of institutional finance there has been of late some increase in the credit deposit ratio—from 49.9% in September, 1988, to 55.2% in the year 1989. But, here also, there is a significant scope for improvement. It may be kept in mind that the repayment record has systematically improved in this State over the last five years and is one of the highest in the country for the target group oriented bank schemes such as IRDP, etc. Further, in terms of infrastructural facilities relevant for bank advances, West Bengal is very highly placed amongst the States in India. Yet, in spite of these facts, the credit-deposit ratio of the State is far below the National average.

12.12 Confronted with this situation, where there has of late been some improvement in the Centre-State relationship, there is a need for continuous interaction with the Centre so that the crucial requirements, such as those relating to loan repayment liability and the availability of institutional finance are resolved much more positively.

12.13 At the same time, an all-out effort is being made to mobilise State's own resources relating to small savings and State's taxes. So far small savings are concerned, there has indeed been a breakthrough in recent years, as can be seen from Table 12.1.

TABLE 12.1

Small Savings in West Bengal

(Rs. in crores)

Year	Small Savings Collection
1987-88	285.67
1988-89	440.20
1989-90	601.00

Source Department of Finance,
Government of West Bengal.

12.14 In the sphere of taxation, every effort has been made to improve collection. It is important to note in this context that in the Final Report of the Ninth Finance Commission, in terms of States' own tax-raising efforts, West Bengal has been ranked in the first position among all the States. This has been shown in Table 12.2.

12.15 It is primarily through these efforts that it has been possible to raise the size of State's plan and to protect it. The approved plan outlays in recent years are shown along with expenditure made (see Table 12.3).

12.16 In 1990-91, the approved plan outlay has been fixed at Rs. 1328 crores, which shows an increase of about 19 per cent from the approved outlay of the previous year. This increase in the annual plan size is the largest in recent years.

TABLE 12.2

Tax-Efforts of States

States						Per Cent Tax Effort.
Andhra Pradesh	..	..	..	..	..	103.37
Bihar	..	..	..	..	..	96.52
Gujarat	..	..	..	..	..	88.49
Haryana	..	..	..	..	..	97.54
Karnataka	..	..	..	..	..	96.52
Kerala	..	..	..	..	..	96.29
Madhya Pradesh	..	..	..	..	..	104.68
Maharashtra	..	..	..	..	..	93.25
Orissa	..	..	..	..	..	103.05
Punjab	..	..	..	..	..	97.25
Rajasthan	..	..	..	..	..	108.68
Tamil Nadu	..	..	..	..	..	89.38
Uttar Pradesh	..	..	..	..	..	100.43
West Bengal	..	..	..	..	..	114.52
14 Major States	..	..	..	..	..	97.95

Source : Second Report of the Ninth Finance Commission, Page-111.

TABLE 12.3

Approved Plan Out-lay and Actual Expenditure in West Bengal

(Rs. in Lakhs)

Year	Approved out-lay	Actual expenditure	Expenditure as % of out-lay.
1	2	3	4
1985-86	67500.00	63922.60	94.70
1986-87	77600.00	70511.04	90.86
1987-88	86200.00	80735.73	93.66
1988-89	95088.90	96082.02	101.04
1989-90	111500.00	76650.32(P)* *(up to 3rd Quarter)	68.74* *(up to 3rd Quarter)

Source : Department of Development and Planning, Government of West Bengal.

CHAPTER 13

PROSPECT FOR THE STATE ECONOMY

13.1 It has already been pointed out at the outset, in Chapter 1, that the State Domestic Product (at constant 1980-81 prices) registered a significant growth rate of 7.5 percent in 1988-89 which is higher than the growth rate of about 6 per cent in 1987-88. This over-all performance of the State Domestic Product, it has been further noted, is related to growth in agricultural production. In particular, foodgrains production reached an all-time record of 115.15 lakh tonnes in 1988-89 surpassing the record production of 103.05 lakh tonnes in 1987-88. This has been accompanied by an increase in productivity (per hectare yield) for the major crops.

13.2 Now, the provisional estimates for the current year 1989-90 indicate that this year's foodgrains production may be even higher than the last year's all-time record production of 115.15 lakh tonnes. This increase, it is anticipated, will be achieved despite untimely rains during the rabi season. These vagaries of weather are there, as they were in the past. What is new, however, is that over the last five years or so, it has been systematically possible to overcome these negative effects of weather and establish a confidently rising trend in agricultural production. This is the result of the strategy adopted at the State level. It is a strategy which recognises the higher production record of the smaller working farmers and therefore begins with redistributive land reforms, and then attempts at supporting the land reform measures through a co-ordinated provision of non-land inputs, such as irrigation facilities, improved seeds, etc. This strategy has now started yielding results.

13.3 Since this increase in agricultural production has its basis in land reforms, it is also accompanied by a rise in income and purchasing power of the poorer sections in rural areas. This increase in the purchasing power of the common people provides an important basis for growth of mass consumption goods industries. Moreover, due to this systematic increase in agricultural production, a new situation has been created for development of agro-industries and industries providing inputs to agriculture.

13.4 Many of these industries may be set up in the small-scale sector, and the available record tends to indicate a rising trend in the growth of small scale units in the State.

13.5 Along with this growth in the small scale sector, there has, over the last few months, arisen a new situation where major mother complexes in the joint sector framework is going to be set up in petrochemicals, telecommunication and synthetic fibres. There is an excellent possibility of forging a link between the mother complexes in the large scale with the downstream and related units in the employment intensive small-scale units. The State of West Bengal is now at the threshold of a unique industrial breakthrough which is being innovatively planned to establish a link between the large and the small scale sector, so that there is a significant generation of employment.

13.6 The prospect for the State economy is, therefore, one of rising trend in the State Domestic Product supported by growth in agriculture and industry and with strong possibilities of employment generation.

13.7 In planning for this process of development, the common people are sought to be involved through a system of democratic and participatory decentralised planning through the elected Panchayats in rural areas and the elected municipalities in urban areas. In the coming year, this process of decentralised and democratic planning through elected bodies will be further strengthened and made more coordinated in rural areas and also, particularly, in urban areas.

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