



পশ্চিমবঙ্গ সরকার

Government of West Bengal

আর্থিক সমীক্ষা

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Economic Review

1987-88

Economic Review

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Sub. National Systems Unit,
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CHAPTER I

INTRODUCTION

1.1 In this review, the performance of the economy of the State in 1986-87 is covered. Depending on the availability of data, the performance in the different sectors of the economy in 1987-88, is also analysed.

1.2 The growth in the State Domestic Product (SDP) at constant prices, according to the quick estimate of SDP for 1986-87, has been 4.4 per cent. This rate of growth of State Domestic Product of West Bengal has been higher than the estimated 4.1 per cent rate of growth of the Gross National Product at constant prices for 1986-87.

1.3 In 1986-87 foodgrains production of the State again reached a record level of 96.26 lakh tonnes from the production level of 91.28 lakh tonnes in 1985-86. This is the fourth year in succession that the food grains production maintained a level above 90.00 lakh tonnes, a remarkable feature for the State. As a result, the SDP from the agriculture sector increased from Rs. 2036.21 crore in 1985-86 to Rs. 2075.31 crore in 1986-87 at constant prices. This increase could have been larger but for a fall in the production of raw jute from 73.90 lakh bales in 1985-86 to 49.50 lakh bales in 1986-87. This decline in raw jute production in 1986-87, was because of shrinkage of area under jute, from 7.31 lakh hectares in 1985-86 to 5.18 lakh hectares in 1986-87. This shrinkage in area was due to a situation of non-remunerative prices of raw jute in 1985-86 which was related, among others, to the policies of the Jute Corporation of India. It might be pointed out that apart from jute, most other agriculture products showed a rising production trend in 1986-87. The production of potato increased from 27.58 lakh tonnes in 1985-86 to 35.43 lakh tonnes in 1986-87. Similarly, oilseed production increased from 2.34 lakh tonnes in 1985-86 to 2.64 lakh tonnes in 1986-87.

1.4 These achievements in the agriculture sector in the State are specially noteworthy, as 1986-87 was not a 'normal' year weather-wise. Not only was monsoon late in arriving and scanty in the early part of the monsoon season, thus affecting Aman transplanted in large areas of the State, but also unprecedented precipitation in September inundated large areas in South Bengal. This further damaged the standing crops, especially the early maturing paddy, over a large area. This resilience against adverse weather conditions has been a marked feature of the agriculture sector in the State in recent years. The resilience was again demonstrated in 1987-88, when inspite of

the severe floods in the State, Aman production in 1987-88 has been estimated at 61.27 lakh tonnes against a production of 56.94 lakh tonnes in 1986-87.

TABLE 1.1
Estimate of State Domestic Product of West Bengal by Industry of Origin at Constant (1970-71) Prices (in Rs. Crore) for the years 1985-86 and 1986-87

Industry	1985-86 (Pr)	1986-87 (Q)
1. Agriculture	2036.21	2075.31
2. Forestry	6.03	8.53
3. Fishery	112.31	124.49
4. Mining and Quarrying	42.69	45.18
5. Manufacturing : Registered	498.68	518.00
6. Manufacturing : Unregistered	196.74	213.33
7. Construction	217.71	238.19
8. Electricity, Gas and Water Supply	50.74	56.31
9. Transport, Storage and Communication :		
(a) Railway	69.90	71.30
(b) Transport by Other means and Storage	155.65	160.06
(c) Communication	37.73	38.86
10. Trade, Hotels and Restaurant	536.46	552.25
11. Banking and Insurance	211.78	230.84
12. Real Estate, Ownership of Dwelling and Business Services	241.16	262.09
13. Public Administration	178.92	192.65
14. Other Services	424.81	449.96
Total (in Rs. Crore)	5017.52	5237.35
Per Capita (in Rs.)	839.56	859.82

Pr = Preliminary
Q = Quick

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

1.5 The new-found dynamism in the agriculture sector of the State is related to the strategy followed by the State Government in the rural sector of the economy. The basic approach of the State Government has been to begin with land-reforms. This involves not only detecting 'ceiling-surplus' agricultural land and distributing them to the landless peasants but also ensuring the security of tenure of the share-croppers by recording their 'share-cropping' rights. Till end of December, 1987, 12.56 lakh acres of 'ceiling-surplus' agricultural land has been vested. About 17.27 lakh persons have

been benefited from the distribution of vested land which includes 6.42 lakh and 3.29 lakh persons belonging to the Scheduled Castes and Scheduled Tribes respectively. Moreover, till the end of October, 1987, 13.75 lakh bargadars or share-croppers have been registered providing them with security of tenure.

1.6 These land reform measures have been made more effective through simultaneous provision of the relevant non-land inputs to the beneficiaries of land reforms and the small and the marginal farmers. Thus, the State Government concentrates, as will be seen in Chapter 3, in providing to the beneficiaries of the land-reform measures, as also the marginal and small farmers, irrigation, improved variety of seeds, fertiliser and credit facilities. This strategy is based not only on egalitarian considerations but is also based on the empirical findings that the poor smaller farmers in the State have a much higher record of production per acre than the larger farmers. To ensure that this basic strategy is successfully implemented, the State Government has involved the rural poor through the Panchayats in formulation and implementation of all rural schemes. Further, from 1985-86, the State Government has completely decentralised the planning process by introducing district level planning in which the Panchayats have the sole responsibility of planning from the village to the district level.

1.7 Apart from agricultural production, as will be seen from Table 1.1, the SDP originating from Forestry and Fishery sector have also registered a significant increase in 1986-87 from that in 1985-86.

1.8 In the mining and quarrying sector, the SDP has increased from Rs. 42.69 crore in 1985-86 to Rs. 45.18 crore in 1986-87, at constant prices. This is related to the increase in coal production from 19.29 million tonnes in 1985 to 19.93 million tonnes in 1986.

1.9 The SDP originating from manufacturing (registered) sector showed an increase from Rs. 498.68 crores in 1985-86 to Rs. 518.00 crores in 1986-87, at constant prices. Production of nearly all the major industries of the State—jute, steel and cotton yarn increased. This increase would have been larger but for the fact that the index number of industrial production with 1970 base does not adequately reflect the production profile of the State. Because of the older base, it cannot cover a large number of industries that have come up in the State since 1970; and it also can not provide sufficient weightage to a number of industries in the State which have grown significantly in recent years. The State Government has therefore been preparing an index number of industrial production with base in 1980. This is near completion. In this new index, 92 new items, those which were not included

in the 1970 index, have been included. Since the new index has still not been used the actual positive situation regarding the industries in the State is under-represented in terms of the existing index.

1.10 In recent years, there has been a significant improvement in the industrial investment scenario in the State. While in the period 1977-1981, industrial approvals received for West Bengal amounted to 517 cases with total investment of Rs. 952.19 crores ; in the period 1982-86, the number of industrial approvals increased to 868 cases with total investment of Rs. 1249.85 crores. Though this increase is significant it is not sufficient to accelerate the industrial growth process in the State. What is necessary is that the Central Government should set up new large industrial units in the State. But such investment have not been forthcoming. Under the circumstances, the State Government inspite of its limited resources, is promoting a number of medium and large scale units in the State, specially in the joint sector. The details of these investments are discussed in Chapter 4.

1.11 The SDP for manufacturing (unregistered) increased from Rs. 196.74 crores in 1985-86 to Rs. 213.33 crores in 1986-87, at constant prices. In this case also, the inadequacy of 1970 index plays its part. At least 50 per cent of the SDP of this sector is estimated from the trend in the production indices of the different industries falling in the manufactured (registered) sector. Moreover, it has not been possible to include in the SDP (unregistered) sector, the production of the large number of 'tiny' sector units that have been set up in the State in recent years, specially under IRDP.

1.12 The SDP from construction sector increased from Rs. 217.71 crore in 1985-86 to Rs. 238.19 crore in 1986-87, at constant prices. This increase is related to the extensive construction that is being carried out in the rural areas, specially under programme such as NREP, RLEGP and the district plans (See Chapter 3 and also on account of the construction activity in the urban and semi-urban areas of the State.

1.13 The increased generation of electricity in the State in 1986-87, as shown in Chapter 6, is reflected in the increase of SDP from this sector from Rs. 50.74 crore in 1985-86 to Rs. 56.31 crore in 1986-87.

1.14 The SDP originating from Railways increased marginally from Rs. 69.90 crore in 1985-86 to Rs. 71.30 crores in 1986-87, at constant prices. Similarly, SDP from transport and storage sector increased from Rs. 155.65 crore in 1985-86 to Rs. 160.06 crores in 1986-87, at constant prices. This increase is related to the general increase in production in the State, specially in the agriculture sector.

1.15 In the communication sector, SDP at constant prices, increased marginally from Rs. 37.73 crore in 1985-86 to Rs. 38.86 crore in 1986-87.

1.16 The SDP from trade, hotels and restaurant also increased marginally from Rs. 536.46 crore in 1985-86 to Rs. 552.25 crore in 1986-87, at constant prices. As the SDP from trade is dependent on the production in the agriculture and manufacturing sector, the SDP in this sector has also been affected by the limitations of the 1986-87 index number of industrial production with 1970 base. As will be seen from Table 1.1, the SDP originating from banking and insurance, real estate, ownership of dwelling, public administration and other services have increased significantly, at constant prices, in 1986-87 from that in 1985-86.

1.17 On the price front, there has been a slight upward trend in the whole-sale price index in Calcutta, (See Chapter 9). However, the whole-sale price index in Calcutta has been at a lower level than that in India for the whole of 1986 and upto October, 1987 i.e. the month upto which the indices are available. In fact as will be seen in Chapter 9 and in the Appendix, that the index number of consumer prices in Calcutta for both industrial workers and also for non-manual employees has been at a lower level than the All-India indices and at the lowest level in comparison with other major metropolitan cities.

1.18 In the following chapters, a detailed analysis of the different sectors of the State's economy has been carried out.

CHAPTER 2

DEMOGRAPHIC FEATURES

2.1 The estimated mid-year population of West Bengal in 1987 was 6.11 crores. The share of West Bengal's population in relation to India stood at 7.91 percent in 1987.

2.2 The total urban population in the year 1987 was 1.6 crores which is about 26 percent of the total population. As per 1981 census, the percentage of urban population residing in Class 1 cities in West Bengal was 55 percent, revealing a population concentration in already significantly populated cities. The State Government in its urban policy, therefore, have made provisions for spatial distribution of urban population through planning for production and employment generation in small towns by more allocation of funds. To this end the concept of district and block-level planning will be extended to each of the urban areas.

2.3 The scheduled caste and scheduled tribe population accounted for about 27.6 percent of the state population. Population distributions by rural and urban, scheduled caste and scheduled tribe are given in the Table 2.1.

TABLE 2.1
Estimated Population in West Bengal (in '000)

Year	Population			Scheduled Caste	Scheduled Tribe
	Rural	Urban	Total		
(1)	(2)	(3)	(4)	(5)	(6)
1984	42774	15258	58032	12761	3267
1985	43567	15501	59068	12989	3326
1986	44348	15755	60103	13217	3384
1987	45139	16000	61139	13444	3443

Source : Department of Health, Government of West Bengal.

The vital rates in West Bengal and India are shown in Table 2.2.

TABLE 2.2
Vital Rates in West Bengal and India

(Per thousand)

Year	Birth Rate		Death Rate		Infant Mortality Rate	
	India	W. Bengal	India	W. Bengal	India	W. Bengal
1982	33.8	32.3	11.9	10.4	105	86
1983	33.7	32.0	11.9	10.3	105	84
1984	33.9	30.4	12.6	10.7	104	82
1985(P)	32.7	28.6	11.7	9.1	95	77

P = Provisional

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

2.4 Birth rates, death rates and infant mortality rates are declining steadily in India and West Bengal, but the rate of decline for all these rates is faster in West Bengal than the corresponding rates for India. The faster rate of decline in birth rate accounted for the less decadal (1971-81) growth rate of West Bengal than India.

2.5 The decline of birth rate by about four points during 1982-85, as against only one point in India, is a clear indication of the success of the family welfare programme in West Bengal. The steady increase in the number of acceptors in the different family planning measures is shown in Table 2.3

TABLE 2.3
Progress of Family Welfare Programmes in West Bengal
(In numbers)

Year	METHODS				
	I.U.D.	Sterilisation	C.C. users	O.P. users	Total Acceptors
1984-85	46121	271615	111456	24827	454019
1985-86	61754	288840	139706	17261	507561
1986-87	75473	301171	154096	85002	615742
1987-88 (Up to Nov., 1987)	49047	162875	113684	35302	360908

Source: Department of Health, Government of West Bengal.

With the steady increase in the number of acceptors in family planning methods the expenditure has also been raised significantly by the State Government on family welfare programmes. The total expenditure on the family welfare programme had been Rs. 8.24 crores in 1981-82, which increased to Rs. 27.01 crores in 1986-87.

TABLE 2.4
Expenditure on Family Welfare Programme in West Bengal

Year	Total Expenditure on Family Welfare (Rs. in lakhs)
1981-82	823.54
1983-84	2023.05
1984-85	1989.38
1985-86	2602.51
1986-87 (P)	2701.43

P = Provisional

Source: Department of Health, Government of West Bengal.

2.6 The knowledge and attitude of the people towards the beneficial role of family welfare measures have become increasingly favourable. This general awareness of the people, particularly wives, has resulted in decrease in the average number of living children among the sterilisation acceptors in West Bengal in recent years, as shown in Table 2.5

TABLE 2.5
Average Age of Wives and Average Number of Living Children of Sterilisation Acceptors in West Bengal

Year				Average age of wife (years)	Average number of living children
1971-72	..	..	..	32.8	4.70
1980-81	..	..	..	30.1	3.40
1985-86	..	..	..	29.2	3.28
1986-87	..	..	..	30.3	3.23

Source : Department of Health, Government of West Bengal.

2.7 The fertility indices are closely related with education, specially among women, and other socio-economic indicators. Surveys carried out by the Demographic and Evaluation Cell of the State Family Welfare Branch reveal that the percentage of literates amongst acceptors of family welfare measures has been far higher than the percentage of literates in the general population. According to 1981 Census, 50.49 percent of males and 30.33 percent of females were literates, whereas in 1986-87, 53.88 percent of husbands and 46.35 percent of wives, who were acceptors of family welfare measures, were literate. This is shown in Table 2.6.

TABLE 2.6
Percentage of Literate Acceptors of Family Welfare measures

Acceptor Group				Percentage of literates within acceptors		
				(Vasectomy, I.U.D. Tubectomy)		
				1984-85	1985-86	1986-87
Husbands	..	..	..	63.20	63.24	53.88
Wives	..	..	..	54.83	59.59	46.35

Source : Department of Health, Government of West Bengal.

2.8 The relationship of couple protection rate with birth rate in West Bengal has been well maintained and that also reveals the qualitative aspect of achievement in family welfare in West Bengal.

2.9 Apart from the sustained effort of spreading knowledge and awareness of the family welfare measures to the common people by the State Government, this programme is closely monitored by the authorities at the District and Block levels. Further, the Panchayats are directly involved in carrying the message of family welfare to the common people. Promotion of primary health care and provision of health guides throughout the state are the other key factors in the reduction of birth rate.

2.10 All these factors together have led to the success of the family welfare programme in the State.

CHAPTER 3

AGRICULTURE AND ALLIED SECTORS

3.1 The total foodgrains production which is the main component of agricultural production witnessed a remarkable growth since 1983-84 in the State of West Bengal. Since then there has been significant growth in foodgrains production culminating in an all-time record production of 96 lakh tonnes in 1986-87. This was clearly a demonstration of resilience in the field of farm production as in none of these years the climatic condition was totally conducive to agricultural production. In all these years the monsoon was characterised either by late monsoon, occasional breaks during the growing period, heavy rainfall with consequent flooding and drainage congestion and cyclones of varying intensities in different places.

3.2 Apart from foodgrains production the State has also achieved a record level in oilseeds production. The output increased from 2.34 lakh tonnes at 1985-86 to 2.64 lakh tonnes in 1986-87, again an all-time record in the State.

3.3 In potato production the State has achieved a breakthrough, the production showing up to 35.43 lakh tonnes in 1986-87 as compared to previous record of 31.35 lakh tonnes reached earlier in 1984-85. The productivity of the crop also reached a new height (over 20,000 kg/ha) over all these years which is much above the national average and only second to Gujrat in the country.

3.4 Even the jute crop which is not fetching remunerative price in recent years has registered significant increase in productivity. In 1985-86, the yield rate registered a record level of 10.11 bales per hectare. In 1986-87, the yield rate registered a slight fall to 9.57 bales per hectare, but remained well above the normal yield of 8.2 bales/hectare. The total production of jute was 73.90 lakh bales and 49.50 lakh bales for 1985-86 and 1986-87 respectively.

3.5 The area, production and productivity of major crops in the State from 1984-85 to 1986-87 are shown in Table 3.1.

3.6 During 1987 the season was far from satisfactory in so far as agricultural production was concerned. The behaviour of the monsoon was erratic. Although the date of onset of the monsoon was not delayed it was too weak to bring about well distributed rain all over the State almost until the first week of July. The July weather was more or less normal over a greater part of the State but a part of Gangetic West Bengal experienced very little rainfall for the three successive weeks in July—August. On the

TABLE 3.1

Area, Production and Productivity of Major Crops in 1984-85, 1985-86 and 1986-87

	1984-85			1985-86			1986-87		
	Area (^{'000} ha.)	Yield rate (Kg/ha.)	Production (^{'000} tonnes)	Area (^{'000} ha.)	Yield rate (Kg/ha.)	Production (^{'000} tonnes)	Area (^{'000} ha.)	Yield rate Kg/ha.	Production (^{'000} tonnes)
<i>Crop</i>									
Aus ..	631.38	1,046	660.62	483.12	1,119	540.62	637.35	1,114	710.10
Aman ..	4,096.42	1,504	6,161.94	4,083.29	1,475	6,023.15	4,059.21	1,403	5,694.15
Boro ..	470.68	2,698	1,269.95	512.33	2,786	1,427.18	679.36	3,030	2,058.77
Total Rice	5,198.48		8,092.51	5,078.74		7,990.95	5,375.92		8,463.02
Wheat ..	335.92	2,418	812.20	305.13	2,421	738.70	397.66	1,717	682.63
Minor Cereals ..	105.02	1,240	130.53	97.43	1,376	134.02	118.55	2,241	265.67
Pulses ..	377.70	586	221.39	420.98	628	264.27	377.02(P)	570(P)	214.90 (P)
Total Foodgrains	6,017.12	1,538	9,256.63	5,902.28	1,546	9,127.94	6,269.15(P)	1,535(P)	9,626.22(P)
Total Oilseeds ..	389.30	607	236.20	371.02	630	233.63	423.28	623	263.60
Potato ..	148.80	21,071	3,135.28	138.37	19,930	2,757.65	173.07	20,469	3,542.57

P = Provisional

Source : Department of Agriculture, Government of West Bengal.

other hand North Bengal districts experienced worst flood during the same period due among others, to heavy rains which started from the last week of July. The situation completely reversed during the second fortnight of August when a greater part of Gangetic West Bengal came under the grip of floods due to heavy rain and consequent release of water from the irrigation reservoirs. In this way the State witnessed partial drought condition and spells of severe flood during the kharif season of the year. Twelve districts were affected by flood and the crop area affected, was to the tune of 6.11 lakh hectares.

3.7 The percentage departure from normal rainfall in the districts of West Bengal from June '87 to October '87 is presented below in Table 3.2.

TABLE 3.2
Percentage Departure from Normal Rainfall in the Districts
of West Bengal from June '87 to October '87

District	June '87	July '87	Aug. '87	Sept. '87	Oct. '87
1. Darjeeling	-27	21	49	33	41
2. Jalpaiguri	27	13	95	17	3
3. Cooch Behar	0	28	63	- 2	36
4. West Dinajpur	31	33	97	24	9
5. Malda	-20	53	202	11	-61
6. Murshidabad	-43	52	80	- 7	-75
7. Nadia	- 8	54	92	27	-84
8. Birbhum	-41	16	65	- 9	-78
9. Burdwan	-26	- 3	39	9	-82
10. Hooghly	-14	3	90	-19	-87
11. Bankura	-49	-10	59	6	-90
12. Purulia	-50	52	37	6	-88
13. Midnapore (East)	-33	1	-14	-34	-91
14. Midnapore (West)	-42	11	- 4	-10	-85
15. Howrah	-31	- 9	9	-11	-65
16. 24-Parganas (N)	-40	17	112	10	-69
17. 24-Parganas (S)	-46	-21	- 9	93	-81

Source : Agriculture Department,
Government of West Bengal.

3.8 However, despite the flood, by taking prompt compensatory measures in terms of spread of irrigation and adoption of improved technology, particularly, provision of improved seeds and booster dose of nitrogenous fertilisers, it has been possible to exceed last year's level of production by about 5 lakh tonnes in respect of aman rice.

3.9 Advance planning for rabi compensatory programme has been completed in time. The programme for distribution of minikits, seeds and fertiliser subsidy has been taken up. Besides the input loan has been one of the main components of the programme. The details are given below. It may be noted that the above allocation of minikits is exclusive of the minikits made available under normal programme. In order that the farmers are able to utilise water from Government installations without pre-payment, instructions have been issued for deferred payment of water rates.

TABLE 3.3
Distribution of Minikits and Release of Subsidies Loans in 1987-88

	Crops	No. of Minikits
1. Distribution of Minikits	Wheat	2.15 Lakh
	Potato	0.20 Lakh
	Boro	2.40 Lakh
	Kalai	0.42 Lakh
	Mustard	1.23 Lakh
	Aman Paddy	0.14 Lakh
	Vegetables	2.80 Lakh
2. Subsidy on seeds	Rs. 18.66 lakhs	
3. Input loan	Rs. 6.21 crores	

Source : Department of Agriculture, Government of West Bengal.

3.10 As a result of these concerted efforts, despite the devastating floods, production of aman rice, the most important crop of the State, has, as already mentioned, exceeded in this year the last year's production. In fact, it is expected that the total production of foodgrains this year may reach and even exceed the production level of the last year, which has already been the all-time record level of production in the State.

3.11 This year's performance is not an isolated instance, but an indicator of the rising trend in agricultural production witnessed in the State for the last few years. The trend, it is held, is an outcome of an overall strategy. The strategy begins with land reforms on the basis of hard evidence of superior production record per acre of the land-poor farmers. In other words, the land

reform measures—distribution of ceiling-surplus lands to land-poor farmers and recording of the names of bargadars—are not any exercise in charity but are essentially a productive move. Keeping this in view, till the end of October, 1987, 13.75 lakhs of bargadar have been recorded and, till the end of December, 1987, 12.56 lakh acres of ceiling-surplus agricultural land have been vested. About 17.27 lakh persons have been beneficiaries of the distribution of vested lands, which include 6.42 lakh and 3.29 lakh beneficiaries belonging to Scheduled Castes and Scheduled Tribes respectively.

3.12 These land reform measures have then been supported by simultaneous provision of non-land inputs, such as irrigation, fertilisers and improved seeds to the common farmers. The total additional irrigation potential created in the State, taking into account the major and the minor irrigation projects as well as the potential created from the NREP and the RLEGP type of programmes, has increased from 84.95 thousand hectares in 1985-86 to 88.70 thousand hectares in 1986-87 and is further expected to cross 1 lakh hectares in 1987-88. Increasing trend in the consumption of fertilisers can also be seen from Table 3.4. In addition, provision of minikits, containing, among others, improved seeds, is also expected to increase from 9.33 lakhs in 1986-87 to 15.4 lakhs in 1987-88. These provisions are directed primarily to the marginal and the small farmers, and in implementation of all these programmes the common local people have been involved through the elected Panchayats.

TABLE 3.4
Consumption of fertilisers in West Bengal

					(In tonnes)		
					1985-86	1986-87	1987-88 (anticipated)
N	..	..	..	..	2,56,826	3,04,023	3,19,231
P	..	..	..	..	9,23,12	1,13,827	1,29,938
K	..	..	..	..	59,616	81,371	87,070
				Total ..	4,08,754	4,99,221	5,36,239

Source : Agriculture Department, Government of West Bengal.

3.13 The provision of non-land inputs is also made in a co-ordinated manner through the Integrated Rural Development Programme (IRDP). Similarly, the provision of infrastructural facilities, such as roads, community irrigation facilities etc. is made through the programmes such as the National Rural Employment Programme (NREP) and the Rural Landless Employment Guarantee Programme (RLEGP). In the formulation as well as implementation of all these programmes, the Panchayats are again closely involved.

IRDP

3.14 The IRDP is being implemented through the Panchayat Samities at the Block level with an over-all co-ordination by the District Rural Development Agency (DRDA) set-up in each district. The objective of this programme is to help the poorer households in rural areas in terms of provision of Government subsidy and bank loan relating to income generation activities. These poorer households are supposed to belong to categories of small and marginal farmers, landless labourers, rural artisans etc. The subsidy component of the programme is being shared by the State and the Centre on 50 : 50 basis.

3.15 The State has been exceeding the physical target of assisting beneficiaries in recent years. The actual performance has been 128.72% of the target in 1986-87. It is further expected that the target for 1987-88 will again be exceeded. The progress of implementation of IRDP in the State is shown in Table 3.5.

TABLE 3.5
Progress of IRDP in West Bengal

Year	No. of families assisted			Total subsidy released (Rs. lakhs.)	Total Credit disbursed (Rs. lakhs)	Per capita investment (Rs.)
	Old families	New families	Total			
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1984-85	—	—	2,75,405	2233.55	4003.41	2264.64
1985-86	32,741	2,54,311	2,87,052	3598.56* (3033.71)	5798.58** (5531.74)	3273.67
1986-87	70,925	1,72,996	2,43,921	3871.49* (3426.87)	6397.87** (6384.22)	4210.11
1987-88 (Till Sept. '87)	27,693	91,766	1,19,459	1961.85* (1788.03)	3486.39	4560.75

*Includes S.C.P. subsidy

**Includes Margin Money Loan
from SC & ST Dev. & Fin. Corpn.

Source : Rural Development Department,
Government of West Bengal.

NREP and RLEGP

3.16 In both the NREP and the RLEGP, employment to the rural poor is effected through the provision of financial resources and foodgrains for the creation of social assets, such as roads, community irrigation facilities, etc. The funding is borne by the Central Government for the RLEGP, but is shared by the State Government and the Centre on 50 : 50 basis for the NREP. These programmes are also formulated and implemented by the Panchayats.

3.17 Progress of employment generation and expenditure is shown for NREP in Table 3.6 and for RLEGP in Table 3.7. In 1986-87 physical targets of employment generation for both these schemes were exceeded in the State, as can be seen from Tables 3.6 and 3.7. It is also expected that the physical targets for both the schemes will similarly be exceeded in 1987-88.

TABLE 3.6

Progress of expenditure, generation of mandays and physical achievement under NREP in West Bengal

	1985-86	1986-87	1987-88 (Up to 30.9.87)
Expenditure (Rs. in lakhs)*	2,839.42	4,442.27	1,885.60
Foodgrains (M.T.)	13,508	56,493	23,803
Employment Generation (in lakh mandays)	130.95	217.61	85.01
Target of employment generation (in lakh mandays)	141.00	180.00	153.99

*Including value of foodgrains.

Source : Rural Development Department, Government of West Bengal.

TABLE 3.7

Expenditure and Employment Generation under RLEGP in West Bengal

	1985-86 (R)	1986-87	1987-88 (Till 30.9.87)
1. Total expenditure including value of foodgrains (in Rs. lakhs)	2,133.43	4,637.06	1,815.96
2. Foodgrains used (in M.T.)	7,912.00	45,659.11	27,373.78
3. Employment generated (in lakh mandays)	107.77	219.74	82.11
4. Target (in lakh mandays)	127.29	160.00	144.83

R = Revised.

Source : Panchayat and Community Development Department, Government of West Bengal.

3.18 Details of social assets created from the NREP are shown in Table 3.8, and those created from the RLEGP are shown in Table 3.9.

3.19 Along with the performance of agriculture, it is simultaneously important to note the performance of the important allied sectors relating to animal husbandry, fisheries and forestry.

TABLE 3.8

Social Assets created under NREP in West Bengal

		1985-86	1986-87	1987-88 (Up to 30.9.87)
1. Area covered under afores- tation and social forestry.	a) Trees planted (Nos.)	13,96,765	54,44,484	10,08,019
	b) Seedling distributed		39,70,000	17,182
	c) Hectares benefited	1,882	6,471	1,627
2. Drinking water wells Group Housing and Land Development for S.C./S.T.	a) T.W. Sinking and resinking (No.)	484(Wells) 758(Tubewells)	354(Wells) 2,287(Tubewells)	
	b) Group Houses (No.)	2,334	476	
	c) School Building (No)	22	—	474
3. Construction of Village tanks	No. of tanks constructed	1,016	1,851	28
4. Minor Irrigation Works inclu- ding those relating to flood protection.	a) Hectares benefited	15,840	15,804 1 (Sluice gate)	(i) Irrigation Wells 474 Hect. benefited 49 (ii) Irrigation Tanks 133 Hect. benefited 252
	b) Field channels in KM.	991	593 690 Kms.drain	(iii) Field Channels 214 Kms Area benefited 1132 Hc (iv) Link drains 25 Kms (v) Flood protection/ Anti-water logging 173Hc
5. Soil and Water conservation and reclamation.	Hectares benefited	2,220	363	45
6. Rural Roads subject to standard specification	Km. improved	15,180	9,526	2,353
	Culverts (numbers)	2,163	561	178
	Wooden bridges „	13	44	1

TABLE 3.8—concl'd.

7. Number of School Building & Panchayat Ghar, Drinking Water etc.	School building repaired & construction	2,845	2,128	474
	Panchayat Ghar	533	369	65
	Tubewell sinking and Resinking	11,221	5,743	11,078
	Burning Ghat	—	3	—
	Wells	1,341	626	3
	Lavatories	56	82	11
	Grain golas	72	—	—
	Washing platform	278	20	—
	Waiting room	16	90	10
	Play ground	—	—	6
	Godown	1	4	—
	Com. Centre	15	—	—
	Bamboo pool	38	—	6
	Ground levelling	12	37	—
	Club room repaired	38	17	—
	Dev. of House sites	—	238	38
	Construction of house	—	906	133
	Mahila—Mandal	—	9	—
	Construction of buildings	—	27	10
	Hat repaired	—	5	—
	Bus stand	—	17	—
	Library	—	6	2
	Market/Hut	—	5	5
	Opera Theatre	—	1	—
	Bridge	—	2	—
	College	—	1	—
	Veri	—	15	—
	Dust Bin	—	1	—
	Post Office repairing	—	3	—

Source : Rural Development Department, Government of West Bengal.

TABLE 3.9

Social Assets created under RLEGP in West Bengal

		1985-86 (R)	1986-87	1987-88 (Till 30.9.87)
1.	Rural link road			
(a)	Construction/improvement (Length in Km.)	1,654.98	1,489.40	561.68
(b)	Construction of Culverts (No.)	30	43	57
2. (a)	Creation of additional irrigation potential area (in hectares)	3,139.38	10,211.81	2,302.50
(b)	Re-excavation of Canal (Length in Km.)	24.89	29.92	—
(c)	Tank excavation (No.)	—	10	—
3.	Construction of new primary school buildings (No.)	124	373	58
4.	Development of water area for fish farming (Area in hectares)	27.50	228.32	484.78
5. (a)	Soil conservation work (Area in hectares)	1,147.35	—	—
(b)	Advance soil work for social forestry (Area in hectares)	7,774.80	—	—
(c)	Area covered by plantation under social forestry (hectares)	—	29,945.81	2,550.63
6.	Land development (Area in hectares)	—	61.00	—
7.	Construction of houses for S.C./S.T. people (Indira Awaas Yojana) (No.)	—	6,711	5,531
8.	Construction of sanitary latrines (No.)			
(a)	At individual households	—	572	1,704
(b)	At primary schools	—	25	12
9.	Tubewells sunk for drinking water (No.) ..	—	420	150

R = Revised.

Source : Panchayat and Community Development
Department, Government of West Bengal.*Animal Husbandry*

3.20 In animal husbandry sector rising trend is observed in case of milk, egg and meat production. It may be observed in the Table 3.10 that the milk production increased from 24 lakh tonnes in 1985-86 to 25.97 lakh tonnes in 1986-87 and is expected to further increase to 27.00 lakh tonnes in 1987-88.

3.21 This increase in the rate of production of milk over the years is seen to be associated with the corresponding increase in the average yield rate of milk production per annum of cattle (both cows and she-buffaloes),

TABLE 3.10

Production in the Animal Husbandry Sector

Item of Production	Unit	1985-86	1986-87	1987-88 (Anticipated)
(1)	(2)	(3)	(4)	(5)
1. Milk production	Lakh M.T.	24.00	25.97	27.00
2. Egg production	Million	16.56	19.23	20.00
3. Meat production	Lakh M.T.	628.94	641.33	654.26
4. Estimated production of broiler chicken	Lakh	60	65	70
5. Estimated No. of improved poultry layer	Lakh	55	65	66.25

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

from 506 kg. in 1985-86 to 541 kg. in 1986-87. This yield rate is expected to rise further during 1987-88. One of the two important factors responsible for this positive performance is the scientific programme of artificial insemination (AI) of the indigeneous cattle with the Jersey and Holstein varieties. Since, 1985-86, 1343 A.I. centres and sub-centres have been operating which are expected to rise to a total of 1454 by 1987-88. Under this A.I. programme 5.65 lakhs and 5.92 lakhs of cows were respectively covered in 1985-86 and 1986-87 and 6.65 lakhs of cows are expected to be inseminated during 1987-88. Further, unemployed youths are given free training in A.I. techniques. They are provided with the relevant inputs and kits to practice A.I. in remote villages against nominal fees.

3.22 The second important factor responsible for increase in milk production is attributed to the progress in fodder cultivation. While 6.25 lakh hectares were covered in 1985-86, it was possible to cover 6.48 lakh hectares in 1986-87 under fodder crop. This is expected to rise to 6.72 lakh hectares during 1987-88. It has been decided that further emphasis will be given to cover wider areas effectively under fodder crop through demonstration programmes.

3.23 From Table 3.10 it may also be observed that an increase in egg production has taken place in 1986-87 from the previous year, and an increase is further expected during 1987-88. This increase has been possible because of the State Government's policy relating among others, to the provision of improved quality chicks and hatching eggs at a subsidised rate to the poor and marginal farmers, agricultural labourers, and unemployed youths. Consequently, the improved poultry layers of the State have increased from 55

lakhs in 1985-86 to 65 lakhs in 1986-87 and is further expected to rise to 66.25 lakhs during 1987-88. Similarly, the estimated production of broilers has increased from 60 lakhs in 1985-86 to 65 lakhs in 1986-87 and is anticipated to rise to a level of 70 lakhs in 1987-88. Similar efforts have been made to improve duckery to add to the total volume of egg production.

3.24 The estimated meat production of the State has also shown an increasing trend, as may be seen in the Table 3.10. The estimated meat production has shown an increase from 628.94 lakh M.T. in 1985-86, to 641.33 lakh M.T. in 1986-87 and is expected to further rise to 654.26 lakh M.T. in 1987-88. The State Government has been making special efforts to effect improvement of goatery and piggery by promoting demonstration centres and farms for goats and improved variety of pigs. In the implementation of these programmes, involvement of poor and marginal farmers, specially those belonging to scheduled castes and scheduled tribes, has been considered as most essential.

3.25 Along with these programmes, attention is also being given to the extension of veterinary services. Progress in this area is indicated in Table 3.11.

TABLE 3.11

Progress of Veterinary Services

Item		7th Plan Target	1985-86	1986-87	1987-88 (Anticipated)
(1)		(2)	(3)	(4)	(5)
State Veterinary Hospital	..	10	3	3	2
Additional Vet. Dispensaries	..	50	10	—	15
Additional Vet. Aid Centres	..	100	47	30	12
Ambulatory Clinic Van	..	2	—	—	—
Vet. Investigational Lab.	..	2	—	—	—
Clinical Laboratory	..	4	—	4	—
Frozen Semen Units	..	—	4	20	—

Source : Mid-term Appraisal—July, 1987,
Development and Planning Department
Government of West Bengal.

Fisheries

3.26 Production of fish in the State during 1985-86 was 4.24 lakh tonnes and in 1986-87 was 4.70 lakh tonnes of which production of inland sector was 3.84 lakh tonnes and 4.12 lakh tonnes respectively and the rest was obtained from marine sector.

TABLE 3.12

Production of Fish in West Bengal

				(In lakh tonnes)		
				1985-86	1986-87	1987-88 (Up to December '87)
Inland	..	..	..	3.84	4.12	3.04
Marine	..	..	..	0.40	0.58	0.43
Total	..	..	..	4.24	4.70	3.47

Source : Directorate of Fisheries,
Government of West Bengal.

Inland Fisheries Project

3.27 The Fish Farmers' Development Agencies (FFDAS) were set up for implementing Inland Fishery Project. The main objective of the project is to produce table fish through common fish farmers. Now FFDAS have been operating in all the districts. The Agencies are helping the fish farmers with subsidy, technical guidance, training facilities and procurement of fund from the financial institutions. During 1986-87, 13111 nos. of beneficiaries were brought under the project covering 6698.77 ha. of water areas as against 58522 nos. of beneficiaries covering 10347.69 ha. of water area in the previous year i.e. 1985-86.

Training

3.28 With a view to imparting training in different disciplines of pisciculture, grass root level training centres have been set up in different districts of the State. These training centres aim at imparting preliminary training to the fish farmers and fishermen. Since these training centres are situated almost at their door-steps, the trainees can avail the training facilities without disturbing their normal income generating activities.

3.29 At district level, training centres are functioning for imparting relatively higher form of training to the farmers after they have successfully completed their training at grass root level training centres. Such district level training centres have been set up in all the 17 fishery districts of the State. Still higher level of training is provided to the fish farmers through the State level training centre located at Kulia Research Station, Kalyani, District Nadia. In 1986-87 training was imparted at grass root level to 19,175 trainees, at District Level Training to 2,858 and Village Level Workers training to 615. Apart from this 400 fisherwomen were trained in net making during 1986-87.

Fish Seed

3.30 Fish Seed is an important input for fish production and ultimate production from a fish farm depends significantly on procurement of quality fish seed. Keeping this point in view, programme for production of quality fish seed has been taken up by the Fisheries Department. So long the main source of fish seed was dependent on nature i.e., from rivers. Gradually the Fisheries Department have taken up various steps to produce quality fish seed by adopting scientific measures i.e. introduction of portable hatcheries etc., and transfer this technologies up to remote corner of the State. As a result, it was possible to produce 6100 million nos. of fish seed during 1986-87 against the production of 5000 million nos. of fish seed during 1985-86. Up to the 3rd quarter 1987-88 production of fish seed has been recorded as 6755 millions. It is expected that fish seed production during 1987-88 may be 7200 millions.

Marine

3.31 In Marine Sector a programme for introduction of mechanised boats with financial assistance from National and Co-operative banks is in operation since 1982-83. Since most of the fishermen of the State belong to the Scheduled Castes and many of them are below the poverty line, subsidies from the Scheduled Castes and Tribes Welfare Department and District Rural Development Agency have been made available apart from the Fisheries Department. In this way, 50% of the cost of introduction of fishing boats could be subsidised and the remaining 50% amount made available in the form of loan. Since the introduction of the Scheme, 9266 persons were benefited and 705 mechanised boats and 661 country boats were distributed amongst the fishermen who were below the poverty line, up to 1986-87. Out of the above mentioned beneficiaries, 574 persons were provided with 8 mechanised boats and 85 country boats during 1986-87 alone.

3.32 With a view to improving the living condition of the fishermen of the State who belong to Scheduled Castes and are below the poverty line, various welfare measures providing drinking water, housing facilities through RLEGP and National Welfare Fund, constructing community halls etc., were also taken up during the year 1987-88.

Forestry

3.33 In the sphere of forestry, the approach of the State Government has been to increase forest cover by both increasing plantation raised in the Government forest and non-forest land and extending notional forest area through distribution of seedlings. As can be seen from Table 3.13, forest

TABLE 3.13

**Forest Plantation Raised in West Bengal by the
Forest Directorate and Forest Corporation**

(Area in hectares)

Year	Plantation raised in Govt. Forest Land and Non- Forest Land	Notional area due to Seedling distribution	Total
(1)	(2)	(3)	(4)
1985-86	19,506	36,250	55,756
1986-87	25,483	43,471	68,954

Source : Department of Forest,
Government of West Bengal.

area under both these categories increased substantially in 1986-87 in comparison with 1985-86. Increase in notional forest area is directly linked up with the increase in seedling distribution by the State Government, from 725 lakhs in 1985-86 to 837 lakhs in 1986-87. In the category of plantation on the Government forest and non-forest land, the policy of the State Government has been one of adopting a proper mix of commercial and social forestry. While in commercial forestry programme, economic plantation and plantation of quick growing species are raised, under social forestry schemes, firewood and other trees are raised through strip plantations, village wood-lots and rural fuelwood plantations. It may be seen from Table 3.14 that in 1986-87, more emphasis than in the previous year, has been placed on social forestry, and the success of social forestry programme in the State can be attributed mainly to the policy of the State Government to involve through the Panchayats, the local common people in the implementation of the programme.

TABLE 3.14

Physical Achievement of Forest Development Schemes (Plantation Schemes)

(Area in hectares)

Year	Plantation of Quick growing species, Economic plantation schemes includ- ing special schemes	Reforestation of degraded forests, Strip planta- tion, Village Woodlots and Fuel Wood Plantation	Soil Conser- vation measures (intensive work)	Total
(1)	(2)	(3)	(4)	(5)
1985-86 ..	6,708	8,621	4,177	19,506
1986-87 ..	4,033	18,447	3,003	25,483

Source : Department of Forest, Government
of West Bengal.

3.34 Another important step taken by the State Government in recent years relates to the departmentalisation of the entire operation of timber harvesting, from felling to sale and, in the process, elimination of private contractors from the picture. This has resulted in a significant increase in revenue per unit out-turn of timber or firewood. As can be seen from Table 3.15, that although quantum of outturn of timber and firewood has fallen between 1984-85 and 1986-87, the total revenue even from a smaller outturn, due to a more extensive coverage of departmental operation, has in fact increased in 1986-87. Even between the years 1985-86 and 1986-87, despite a fall in the outturn of timber/firewood, revenue per unit of outturn of timber/firewood has increased again due to an increased spread of the departmental operation.

TABLE 3.15
**Out-turn of Timber and Firewood and
 Revenue Earnings from Forest in West Bengal**
 (Forest Directorate and Forest Corporation combined)

Year	Outturn of Timber* (Cum)	Outturn of Firewood** (Cum)	Revenue (Rs. lakh)
(1)	(2)	(3)	(4)
1984-85	2,33,720	4,91,782	2802.13
1985-86	2,10,748	4,54,096	3346.41
1986-87	1,40,101	3,05,456	2859.54 (P)

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

Source : Department of Forest,
Government of West Bengal.

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

P = Provisional

3.35 In implementation of all these programmes in agriculture and allied activities, the elected Panchayats have been closely involved. Recently, these programmes have been better co-ordinated among themselves as well as with programmes of all the different departments in the districts through the District and the Block Planning set-up where the representatives of the Panchayats as well as the officers of the concerned departments interact together. More on this District and Block Planning set-up will be mentioned in Chapter 13.

CHAPTER 4

INDUSTRY

4.1. Though large and medium scale industry is primarily the responsibility of the Central Government and the State Government is only expected to play the role of a catalyst, in practice the State Government has taken up major responsibility of promoting industrial growth in the State. In the last two decades, the Central Government has scarcely set up any new industrial units in the State. On the other hand, the State Government has, on its own, promoted a large number of industrial units in the State, specially in the joint sector. In fact, there are instances where the Central Government has been less than enthusiastic to proposals of industrial investment by the State Government, even where no Central Government funds were involved. What is pertinent is that the industrial sluggishness in the State is the result of the general macro-economic profile of the country as a whole and the industrial policies followed. In both these aspects the policies of the Central Government are the most relevant and the State Government has no role to play. In the case of industrial policy, the Central Government, as a rule, does not adequately consult the State Governments. What is required is that the State Governments must have a say in the formulation of industrial policies. This has become all the more necessary because the State Government has had to divert enormous financial resources to take-over or assist a large number of medium and large scale industrial units in the State which had turned sick as result of mainly economic factors, factors over which the State Government has little or no control. These issues must be kept in mind in any appreciation of the industrial situation in the State.

4.2. The index of industrial production in the State is presently being recomputed with the base shifted from 1970 to 1980. It was stated in previous Economic Reviews that the industrial index with the base in 1970, does not do full justice to the industrial production profile in the State. The index (1970 base) does not cover a very large section of the small scale industry which has come up in the last decade. Moreover, the index also does not give proper weightage to a number of new industries which have grown significantly in recent years. It is expected that index of industrial production (1980 base) will be available in a short time. In the absence of a proper index of industrial production, the actual production in the major industries of the State in 1985, 1986 and the first six months of 1986 and 1987 are shown below in Table 4.1.

In the following sections the major industries in the State are reviewed. Only a provisional statement on the movement of the project

index of the industrial production is given in the Statistical Appendix (vide Table 6.0 (a)).

TABLE 4.1
Production in Selected Industries in the State

Item	Unit	1985	1986	January—June	
				1986	1987
Jute	Lakh M.T.	10.77	12.05	6.08	5.58
Tea	Million Kg.	157.37 (P)	142.84 (P)	42.36 (P)	52.50 (E)
Coal	Million M.T.	19.29	19.93	10.65	11.53
Cotton Yarn	Lakh Kg.	661.40	802.51	316.52	436.27
Cotton Cloth	Lakh Mtr.	1333.18	1298.68	621.32	682.30
Steel Ingot	Th. M.T.	1520.00	1620.60	832.00	844.00
Pig Iron	Th. M.T.	1777.40	1951.10	1010.40	1012.20

P = Provisional
E = Estimated

Source : Bureau of Applied Economic & Statistics, Government of West Bengal.

Jute Industry

4.3. Though the production in the jute industry increased in 1986 (Table 4.1), the industry has been stagnating for the last three decades with production hovering around 10—11 lakh tonnes. Industry circles blame the declining export demand for the stagnation in the industry. However, while it is true that the jute industry has progressively lost the export market over the years, but on the whole, the industry has been more than compensated for the loss in the export market by the rising internal consumption of jute products (vide table 4.2). In this context industry circles point to increasing

TABLE 4.2
Exports & Internal Consumption of Jute Goods

					('000 MT)	
					Exports	Internal Consumption
1965-66	..	..	..	..	895.6	287.8
1966-67	..	..	..	..	734.1	440.3
1968-69	..	..	..	..	650.1	445.6
1970-71	..	..	..	..	559.0	519.7
1972-73	..	..	..	..	578.4	580.5
1974-75	..	..	..	..	583.2	466.5
1976-77	..	..	..	..	452.5	740.9
1980-81	..	..	..	..	436.7	918.4
1985-86	..	..	..	..	251.3	1093.8
1986-87	..	..	..	..	276.7	1091.0

Source : IJMA

competition from synthetics especially from 1984–85 when there was a steep rise in the price of jute products. It is in this period that the whole of fertiliser and a significant percentage of cement markets opted for synthetic bags. The policies of the Central Government have also not helped the jute industry in this regard. For instance, in 1986, a duty was imposed on synthetic bags which was withdrawn almost immediately with retrospective effect. Again in 1987, duty was imposed on synthetic fabric which was again withdrawn almost immediately. The jute industry provides direct employment to 2.5 lakh workers and about 4 million farmers rely on it, while the synthetic bag industry gives direct employment to 25 thousand workers ; it is only to be expected that the Central Govt. should keep these facts in proper perspective while formulating policies effecting the jute industry.

4.4. It is only recently that the Central Government has belatedly announced a series of measures to save the jute industry. The most important among them is a special fund for modernisation. The scheme has yet to become operational and it remains to be seen how the industry responds to these measures.

Cotton Textile.

4.5. In the cotton textile industry, while production of yarn in 1986 at 802.51 lakh kgs., was higher than the production of 661.40 lakh kgs. in 1985, the production of cotton cloth in 1986 at 1298.68 lakh metres was slightly lower than the production of 1333.18 lakh metres in 1985. However, in the first six months of 1987 both yarn and cloth production has been at a higher level than that in the corresponding period of 1986.

4.6. The cotton textile industry in the State is facing serious difficulties. Due to poor cotton crop in the country in 1986, raw cotton prices have gone up by 30% to 80% from September, 1986. This trend of rising cotton prices have continued in 1987. Thus mills in the eastern region, located at a distance of 1000 km—1400 km from cotton growing centres, have been specially hard hit, since these mills have to pay railway freight over and above the high cost of raw cotton. The railway freight on raw cotton, inspite of repeated protests, has been systematically raised every year, so that at present freight on raw cotton stands at about Rs. 549/- per ton against Rs. 344/- per ton in 1982 for the distance slab relevant for the mills in the eastern region.

4.7. The railway freight rates in different years is shown in table 4.3. The rise in cotton prices has led to the significant rise in the cost of fabrics. This has created much hardship to the poor people. The State Government, therefore, in order to prevent any rise in janata cloth prices has devised a

TABLE 4.3
Railway Freight Rates on Raw Cotton
(Full Pressed)

Distance (km)	Freight Rate (Rs. per ton)		
	1982	1986 Nov.	1987 Jan.
100	43.30	49.88	53.87
200	65.30	79.28	89.25
300	85.40	107.63	124.95
500	123.10	162.33	198.56
750	200.40	247.80	298.62
1000	251.00	316.89	385.04
1500	343.90	432.81	548.94
2000	423.40	525.84	673.16
2500	485.60	605.53	769.13

Source : Cotton Corporation of India

scheme to provide yarn at a much lower than the ruling market price to Tantuj and Tantusree. This has helped in controlling the price of janata cloth in the State to a large extent.

Tea

4.8. Production of tea in the State declined from 157.37 million kg. in 1984 to 142.84 million kg. in 1986. The production in the first six months of 1987 at 52.50 million kg. was slightly higher than the 42.36 million kg. in the corresponding period in 1986, but it is yet to be seen whether the production in the whole of 1987 will be greater than that in 1986.

4.9. The decline in production of tea in the State was influenced, among others by the decline in the exports of tea from India from 222.35 million kg. in 1985 to 203.70 million kg. in 1986. In the first six months of 1987, tea exports at 20.19 million Kg. was lower than the export of 24.87 million kg. of tea during the same period in 1986. However, the unit value realisation for exports in 1986 at Rs. 30.40 per kg. was slightly higher than that in 1985 and in the first six months of 1987. Unit value realisation at Rs. 34.52 per kg. was significantly higher than that in the corresponding period of 1986.

4.10. The higher unit value realisation from exports in 1986 and the first half of 1987 was reflected in the rising domestic prices in the Calcutta and Siliguri Auctions as shown in Table 4.4.

TABLE 4.4
Average Prices of Tea in Calcutta
and Siliguri Auctions

(Rs./Kg.)

Year	Prices in Calcutta	Prices in Siliguri
1985	26.60	19.92
1986	27.18	22.15
1986 (Jan.--June)	23.79	19.82
1987 (Jan.--June)	30.87	23.50

Source : Tea Board.

4.11. Though the private owners in the tea industry, due to the price increase, have reaped enormous profit over the years, they have not re-invested their earnings in the tea gardens, so that the replantation of tea bushes has been neglected. As a result, the percentage of area under tea bushes over 50 years old was 54.8 percent in end December, 1985 as shown in the Table 4.5. This cannot auger well for the tea industry in the State.

TABLE 4.5
Percentage of Area under Different Age Group of
Bushes in Tea Gardens in West Bengal as on 31.12.85

Year	Below 5 Yrs	5 to 10 Years	11 to 20 Years	21 to 30 Years	31 to 40 years Years
1985 ..	5.26	6.35	9.53	12.26	5.45
	41 to 50 Years	Over 50 Years	Total		
	6.38	54.77 ..	100		

Source : Tea Board.

4.12. This neglect of the tea gardens by the private owners have turned a number of tea gardens "sick". It is for this reason that NABARD has drawn up a plan to rehabilitate the tea gardens in the hill areas of the State. The scheme provides for interest subsidy to the extent of 5 per cent per annum. The scheme has been in operation from 1985-86. Fortysix gardens have submitted their proposals to NABARD. The sanctioned cases involved bank finance of Rs. 1145.63 lakhs. Actual disbursement upto December, 1986, has been Rs. 276.05 lakhs. Actual physical progress upto July, 1987 has been in the order of, new plantations 107.53 ha, replanting replacement 15.64 ha and rejuvenation 148.50 ha. Thus it remains to be seen whether the implementation of the programme picks up.

Coal and Steel

4.13. The production of coal increased from 19.29 million tonnes in 1985 to 19.93 million tonnes in 1986. For the first six months of 1987 production of coal at 11.53 million tonnes was higher than the production of 10.65 million tonnes in the corresponding period of 1986.

4.14. Production of coal could have been significantly higher if the supply of power to the coalfields in the State had been adequate. DVC is the main supplier of power to the coalfields in the State. As shown in Table 4.6 there was considerable loss in the production of coal due to erratic and inadequate power supply.

TABLE 4.6
Production Loss in Coal due to Power Shortage

(in Million M.T.)		
1985-86	1986-87	1987-88 (Nov '87)
2.4	2.3	1.2

N. B. Data are for financial years.

Source : Coal India.

4.15. An issue which has been exercising the mind of environment-conscious people of the State and the State Government is that vast areas in the State has been denuded as a result of coal-mining. It is essential that these areas are rehabilitated as quickly as possible. Coal India, being the sole owner of the coalfields in the State, should take the initiative in this regard.

4.16. Steel production both pig iron and steel ingots, in the State, as will be seen from table 4.1, increased in 1986 from the level of production in 1985. In the first six months of 1987, production of both pig iron and steel ingot has been at a higher level than in the corresponding period of 1986. It is urgent that the long awaited modernisation programme is implemented immediately if the productivity of the steel industry in the State is to increase.

Public Sector

4.17. A significant segment of the industrial sector in the State is under the public sector of which a dominant part is under the Central Government and the rest is under the State Government.

4.18. As stated in the earlier Economic Review, a major portion of the Central Government public undertakings are erstwhile sick units which have been taken over by the Central Government. The list of Central Government Undertakings boasts of such units as Jessop, Braithwaite, Burn Standard etc.,

which at one time were the pride of the nation. The reasons for the decline of these giant units were discussed in the previous Economic Review. However, these reasons are briefly stated again. First the locational advantage of these units (these are engineering units steel and coal based) were neutralised through freight equalisation, next Central Government orders on these units were drastically slashed from the mid-sixties and, as these units were totally dependent on Central Government orders, these units lost their viability and had to be taken over by the Central Government. A major effort of the Central Government in the State has been to salvage these and other sick units. However, having been robbed of the benefit of its natural endowments through freight equalisation, the least the State could have expected from the Central Government was compensatory investment in such thrust industries as chemicals and electronics. However, such investments are not forthcoming. Electronics is a case in point. The Government of India has drawn up an elaborate plan to develop the telecommunication sector with the help of the electronics industry. A large number of new Central Government undertakings are being set up to meet the telecommunication needs of the country. At present the share of West Bengal in the production of the Central Government Electronics Telecom Industrial Units is only 2.8 per cent. There is only one Central Government telecom industrial unit in West Bengal—the P & T Factory—an old departmental factory, as can be seen from Table 4.7, where the list of Central Government undertakings in

TABLE 4.7
Units in the Central Public Sector in the
Electronic Tele-communication Industry 1986

Name	Location	Value of production (Rs./lakhs)	Employment
1. Bharat Electrics. ..	Bangalore.	3806.93	13,713
2. Central Electronics Ltd. ..	Sahibad (U.P.)	60.71	780
3. Electronics Corporation of India	Hyderabad	1164.32	7,343
4. Hindustan Teleprinters ..	Madras	1703.87	1,916
5. I T I	Bangalore	12185.51	16,347
6. I T I	Mankapur	7372.75	883
7. I T I	Naini	5154.00	4,206
8. I T I	Phalghat	1083.46	261
9. I T I	Rai Bareli	5670.00	6,182
10. I T I	Srinagar	659.00	194
11. I T I (D and S unit) ..	Bangalore	161.11	—

12.	P & T Factory Telecom unit	Bhilai	163.54	} 20,000
13.	- do -	..	..	Bombay	564.68
14.	- do -	..	..	Calcutta	1411.98
15.	- do -	..	..	Jabalpur	1795.36
16.	Railway Board	..	..	New Delhi	63.98

Source : Department of Electronics,
Government of India.

the Electronics Telecom Industry with their location and production is given. Obviously if regional balance is to be restored in the electronics telecom industry, a major Central Government undertaking should be set up in the State or at least in the eastern region. Yet in the 7th plan period there is no proposal for setting up of such a factory in the State. The above was only a representative case and is indicative of the situation in most of the modern high growth industries.

4.19. The State Public sector units are mainly under the Department of Public Undertakings. There are 9 such units under the Department of P.U., these are shown below.

1. Durgapur Chemicals Ltd.
2. Kalyani Spinning Mills Ltd.
3. Westing—House Saxby Farmer Ltd.
4. Electro-Medical and Allied Industries Ltd.
5. W. B. State Warehousing Corporation.
6. W. B. Agro Industries Corporation Ltd.
7. West Dinajpur Spinning Mills Ltd.
8. Teesta Fruit and Vegetable Processing Ltd.
9. Sundarban Sugarbeet Processing Co. Ltd.

4.20. The first six undertakings have been engaged in a wide range of manufacturing and trading activities for years. West Dinajpur Spinning Mills Ltd. has started commercial production since December, 1985. Teesta Fruit and Vegetable Processing Ltd. and Sundarban Sugarbeet Processing Co. Ltd. incorporated in 1986 have been entrusted with the implementation of the following two projects respectively :-

- (a) Processing and Packaging of Fruit and Vegetable in North Bengal.
- (b) Production of Industrial Alcohol and other chemical derivatives from Sugarbeet.

4.21. In Table 4.8 the turnover of the first seven undertakings for 1985-86 to 1987-88 is shown.

TABLE 4.8
Turnover of State Public Sector Units

(Rs. in lakhs—)

Name of undertakings	Annual Turnover (Estimate/Unaudited)		
	1985-86	1986-87	1987-88
1. Durgapur Chemicals Ltd. . .	448.00	444.00	1307.55
2. Westinghouse Saxby Farmer Ltd.	350.62	310.57	600.41
3. Kalyani Spinning Mills Ltd. . .	310.80	335.16	529.16
4. West Dinajpur Spinning Mills Ltd.	34.57 (Dec '85 to March '86)	153.61	319.20
5. Electro-Medical & Allied Industries Ltd.	30.80	84.40	100.00
6. West Bengal State Warehousing Corporation.	198.95	225.40	266.60
7. West Bengal Agro-Industries Corporation Ltd.	2569.21	1958.12	Not available

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

4.22. The West Bengal State Warehousing Corporation has undertaken a programme for construction of 38200 M.T. storage capacity in the different districts of West Bengal during the 7th Plan period. It completed construction of 9450 M.T. and 5800 M.T. in 1985-86 and 1986-87 respectively. The Corporation has undertaken a programme for construction of 11550 M.T. of storage capacity in 1987-88. West Bengal Agro-Industries Corporation Ltd. has undertaken a programme for setting-up of a number of agro-based industries including inter-alia, a fruit processing plant at Malda, a factory for assembling pumpsets and other agricultural implements at Taratala, Calcutta and rural repair work-shops in the districts in phases, during the 7th plan period. The Durgapur Chemicals Ltd. has undertaken a programme for Expansion/Modification/Rectification of its existing plants. The programme has been continuing from the 6th plan period. Substantial progress has already been achieved in its implementation.

West Dinajpur Spinning Mills Ltd. has been entrusted with the project for construction of a Spinning Mill with 25000 spindles at Raigunge, West Dinajpur. The Mill has almost been completed and is scheduled to be fully commissioned by Jan. '88. About 71.43% of the spindles have already been commissioned and the Mill has already started commercial production since Dec. '85. The Kalyani Spinning Mills Ltd. is undertaking a programme for renovation and modernisation of both the units of the company.

4.23. Continuous shortage of Industrial alcohol in West Bengal had led the State Government to explore ways and means for manufacturing industrial alcohol from Sugarbeet. The project is being implemented by the Sundarban Sugarbeet Processing Co. Ltd. and a small unit has already been set up at Nimpith in Sundarbans for production of 'Khandsari' and 'Best Molasses' on experimental basis. The project for setting up of a factory for processing and packaging Fruits and Vegetable in North Bengal is being implemented through Teesta Fruit and Vegetable Processing Ltd. About 10 acres of land has been acquired in Jalpaiguri for the project. Boundary wall, facing work, approach road and culvert have been completed. The project is expected to be commissioned in 1989-90. The project for manufacture of fibres and textiles from agro-waste has been entrusted to West Bengal Agro Textile Corporation Ltd. which is under the Industrial Reconstruction Department. The project is scheduled to be located in North Bengal and is still at an experimental stage. A number of new public sector units and joint sector units have been set up by the state Government in recent years.

Revival of closed and sick industrial units

4.24. Over the last decade or so, the State Government has acquired managerial and ownership control over 13 units under Industries (Development and Regulation) Act, 1951, 5 Government Companies and one Departmental Undertaking at Darjeeling involving about 13,000 persons in total. Because of the reluctance of banks to deal with the taken over units, as their ownership is still private while the management vests with the Government, the State Government has systematically nationalised the taken over units. Out of 13 IDR Act taken over units, nine have already been nationalised and the Bill for nationalisation of another one unit is awaiting the assent of the President of India.

4.25. Some of these nationalised units have approached banks with project reports. They are expected to reach break-even in course of the next financial year provided bank finance is made available to them.

4.26. Because of financial limitations, it is not possible for the State Government to take up directly all closed and sick units for revival. In some cases, the Government tries to render assistance to the reconstruction of closed and sick units by way of formation of Co-operative Society of the employees and workers where feasible and rendering financial assistance. In the last few years, the Government has reconstructed a few units by this process. In 1987-88, the State Government has also acquired the assets of a closed textile processing unit viz. Sri Sri Lokenath Cotton Mills Ltd., at Baruipur involving about 138 persons by Ordinance which has since been converted into an Act. for the purpose of running the unit through the cooperative society formed by the workers. The State Government has also participated in the reconstruction of about 51 sick units involving employment of about 52,000 persons by declaring them as Relief Undertakings under the provisions of the West Bengal Relief Undertaking (Special Provision) Act. 1972.

Investment

4.27. The investment climate in the State in last few years has been quite encouraging. This improvement in the investment situation in the State since the early eighties is brought out by comparison of industrial approvals received for West Bengal during 1977-1981 and 1982-1986. This is shown in Table 4.9.

TABLE 4.9
Industrial Approvals received for West Bengal
(Periods 1977-1981 and 1982-1986)

Period	No.	Investment (Rs. Crores)
1977-1981	517	952.19
1982-1986	868	1249.85

Source : Commerce & Industries Deptt.
Government of West Bengal.

4.28. It is seen from Table 4.9, that the number of industrial approvals received in the period 1982-1986 has been significantly higher than the period 1977-1981. This increasing trend in investment is expected to continue in the coming years. In Table 4.10 a list of some important projects already implemented or likely to be implemented during 1987 and 1988 is given. It is seen from Table 4.10, that a number of these projects to be implemented is in the modern industries like electronics and chemical.

TABLE 4.10

List of some Important projects likely to be Implemented during 1987 and 1988

Sl. No.	Name of the Unit and Location	Location	Items of Manufactures	Investment (Rs. in lakhs)
(1)	(2)	(3)	(4)	(5)
1.	Tele-Line NICCO Ltd. (WBIDC Proejct)	Kalyani, Nadia	Jelly Filled Cables	18,30.00
2.	WBPPDC Ltd.	Kalyani, Nadia	8-Hydroxyquinoline Project	81.50
3.	WBEIDC Ltd.	Salt Lake, North 24-Parganas	Teleprinter Project	7,00.00
4.	West Bengal Electronics Industry Development Corporation Ltd.	Salt Lake, North 24-Parganas	Stored Programme Control Pvt. Branch Exchange .	6,60.00
5.	Eastern Organic Ltd. (WBIDC)	Haldia, Midnapore	Para-Nitro-Chlorobezines, etc.	14,00.00
6.	Burn Standard Co. Ltd.	Nandigram, Midnapore	Off-shore wellhead water injection process platform and Allied Components	22,16.00
7.	Bhartia Electric Steel Co. Ltd.	Baruipur, South 24-Parganas	Steel Ingots Billeta	4,90.00
8.	West Bengal Electronics Industry Development Corporation.	Salt Lake, North 24-Parganas	Precision Tools, Dies, Moulds, etc.	4,58.00
9.	K. R. Steel Union Pvt. Ltd.	Kalyani, Nadia	M. S. Ingots	4,00.00
10.	Damadhar Cement & Slag Ltd. (WBIDC Project)	Madhukunda, Purulia.	Blast Furnace Portland Cement	35,00.00
11.	Khetawat Chemicals and Fertilisers Ltd.	Haldia, Midnapur	(i) Sulphuric acid (ii) Oleum (iii) Aluminium Ferric	5,00.00
12.	Bhubanaesri Plastic Industries Ltd.	Kharagpur, Midnapore	PVC Films Sheets Products	6,31.00
13.	Sarat Tubes	Malda	Steel Pipes and Tubes	3,00.00
14.	Andrew Yule & Co. Ltd. (Belting Division, Kalyani)	Kalyani, Nadia	Conveyer Belting	27,97.00

TABLE 4.10—concl'd.

Sl. No.	Name of the Unit and Location	Location	Items of Manufactures	Investment (Rs. in lakhs)
(1)	(2)	(3)	(4)	(5)
15.	Kullik Paper Industries (P) Ltd.	Raiganj, West Dinajpur	Kraft Paper	1,39.78
16.	Shankar Jute Industries (P) Ltd.	Gajol, Malda.	Oxygen	1,05.90
17.	Carbon Composites (I) Ltd.	Falta, South 24-Parganas	Tennis Racquet.	1,61.00
18.	Hi-Tech Export Pvt. Ltd.	-do-	Ballpen, Refill, etc.	1,46.00
19.	S. K. Automobile (Mihir Sarkar)	-do-	Motor Car	11,26.00
20.	Bose Data Systems	-do-	Computer Software	13.58
21.	SRJ Industries (Rajdeep Sen)	-do-	-do-	11.28
22.	N. K. Guha (Baroda Tools)	-do-	Hacksaw & Bandsaw Blades	1,85.00
23.	M. N. Basu	-do-	Gems & Jeweliery	1,35.61
24.	SJB Export Pvt. Ltd.	-do-	-do-	1,32.92
25.	Indian Linoleum Ltd.	-do-	HDPE Packs	4,59.25
26.	Searock Commerce Ltd.	-do-	Stainless Steel Hollowares, etc.	1,18.00

Source : Directorate of Industries, Government of West Bengal.

4.29. In the chemical industry, special mention must be made of the Haldia Petro-Chemical Complex. All the preliminary work on the project is completed and only the formal clearance from the Central Government is awaited. But due to some inexplicable reason the Central Government is delaying its formal sanction. This is somewhat of an unhappy situation, for with the completion of the Haldia Project a large number of downstream industries could be set up, which would have revolutionised the chemical industry in the State.

4.30. The West Bengal Industrial Infrastructural Development Corporation acquires and develops industrial estates in different areas of the State. WBIIDC till date has acquired 1952 acres of land in the different districts of the State for development of growth centres, i.e. industrial estates. In addition to the existing growth centres at Kalyani (Nadia District), Kharagpur, Haldia (Midnapur District), Dabgram (Jalpaiguri District), Uluberia (Howrah District), growth centres are being set up by WBIIDC in each of the five 'No Industry District' (Bankura, Coochbehar, Malda, Jalpaiguri and Darjeeling) in the State. Development work is also going on for setting up of new growth centres at Falta. WBIIDC has also acquired land at Budge Budge (24-Parganas), Kalyani (Phase-II) and Haldia (Phase-II) for setting up of growth centres.

4.31. Apart from setting up of joint sector projects and constructing industrial estates, the State Government has designed a generous incentive scheme for large and medium industries in the State. Further, a 'one window' facility has been set up to assist prospective entrepreneurs in the State. These measures supplement the efforts of the West Bengal Industrial Development Corporation (WBIDC) in promoting new industrial units in the State. WBIDC provides 'a wide spectrum of assistance to industries in the State. These include the provision of loans, direct participation in share capital and incentives ranging from 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**
1985-86	1964.32	2308.46
1986-87	2156.78	2478.40
1987-88 (Upto Sept. '87)	1008.58	1126.23

* Excluding Incentives & Guarantees.

Source : WBIDC

** Including Incentives but excluding Guarantees.

Investments made by industrial units each year assisted by WBIDC is shown in Table 4.12.

TABLE 4.12
New Investments Made by Industrial Units Assisted by WBIDC

	1985-86	1986-87
Number of Units	27	28(P)
Capital Investments (Rs. lakhs)	5158.79	6541.87

P = Provisional.

Source : WBIDC.

4.32. Apart from WBIDC, the West Bengal Financial Corporation also assist industrial units, both small scale and large scale, by provision of finance. The financial assistance disbursed by WBFC is shown in Table 4.13.

TABLE 4.13
Financial Assistance Disbursed by WBFC

Year	No. of Units	Assistance Disbursed (Rs. lakhs)
1985-86	1030	2087.10
1986-87	1355	2636.68
1987-88 (Upto June '87)	287	887.88

Source : WBFC.

4.33. It is these sustained and wide ranging efforts by the State Government that has in recent years led to the significant improvement in the industrial climate in the State.

CHAPTER 5

SMALL SCALE INDUSTRY

5.1 The State Government lays great importance on the growth of the small scale industry sector and has taken several policy measures to promote the growth of the sector.

As a result of these policy measures, the more important components of which are mentioned below, the number of new small scale units set up in recent years has shown an encouraging trend. In 1985-86, 13,500 new small scale units were actually set up, providing employment to 84,417 persons. In 1986-87, the number of new small scale units actually set up increased to 14,794 providing employment to 75,206 persons. In 1987-88, it is expected that about 15,000 more new small scale units will be set up. The number of new small scale units set up in the last three years is shown in Table 5.1.

TABLE 5.1

New Small Scale Units set up and Employment Generated

(Figures in numbers)

	1985-86	1986-87	1987-88 (anticipated)
1. New Units set up	13,500	14,794	15,000
2. Additional employment generated*	84,417	75,206	80,000

*Including IRDP (ISB)

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

5.2 The positive performance of the State Government's policy of promoting new small scale units in the rural and semi-urban areas of the State, can be gauged from the district-wise distribution of new registration of C and SSI units. As will be seen from Table 5.2, though some of the industrialised districts have the highest number of C and SSI Units, the number of such units in the relatively rural districts has not been insignificant.

5.3 The State Government provides a number of incentives to promote small scale industries in the State. These include incentives for fixed capital for backward areas as well as, incentives for power, bank interest, octroi duty etc. In 1986-87, the State Government disbursed Rs. 234.46 lakhs as incentives for small scale units, which was higher than Rs. 200.32 lakhs disbursed in 1985-86. In 1987-88, the total incentives to be disbursed by the the State Government is expected to increase to Rs. 250.00 lakhs.

TABLE 5.2

New Registration of C&SSI units

(Figures in numbers)

Districts	1985-86	1986-87	Upto 31.3.87
1. Burdwan	2,229	2,177	20,777
2. Birbhum	820	865	9,728
3. Bankura	464	683	8,162
4. Midnapore	2,859	1,983	20,403
5. Howrah	2,665	2,850	29,212
6. Hooghly	1,504	1,647	13,898
7. 24-Parganas (North + South)	4,570	4,365	40,143
8. Calcutta	1,566	1,788	40,128
9. Nadia	954	1,264	12,078
10. Murshidabad	962	1,112	12,894
11. West Dinajpur	575	419	5,414
12. Malda	672	640	6,915
13. Jalpaiguri	1,181	1,711	9,758
14. Darjeeling	551	700	6,809
15. Cooch Behar	349	273	4,326
16. Purulia	1,034	751	8,475
Total	22,955	23,228	2,49,120

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

5.4 Apart from providing incentives, the State Government arranges and assists small scale units in obtaining institutional finance. In 1986-87, institutional finance was provided to 78,244 units under IRDP amounting to Rs. 1872.69 lakhs, in 1987-88, it is expected that 79,000 IRDP units will be provided institutional finance, amounting to Rs. 1900.00 lakhs. In the case of non-IRDP units in 1986-87, 3844 units were provided with institutional finance amounting to Rs. 4085.20 lakhs ; in 1987-88, it is expected that 4,000 units will be provided with institutional finance amounting to Rs. 5,500.00 lakhs. In Table 5.3 the flow of institutional finance to SSI units is shown.

5.5 The State Government in recent years has started a programme to train new entrepreneurs in order to improve their technical and managerial ability. Under this Entrepreneurship Development Programme between 1985-86 and 1986-87, 2004 entrepreneurs have been trained in the districts in collaboration with technical and financial institutions.

TABLE 5.3

Flow of Institutional Finance to SSI units in West Bengal

		1986-87	1987-88 (Expected)
Flow of Institutional Finance to			
1. IRDP Units			
(i)	Sanctioned cases (Number)	78,288	79,000
(ii)	Amount of project cost sanctioned (Rs. in lakhs)	1,872.69	1,900.00
2. Non-IRDP Units			
(i)	Sanctioned cases (Number)	3,844	4,000
(ii)	Amount of project cost sanctioned (Rs. in lakhs)	4,085.20	5,500.00

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

5.6 Under a special modernisation scheme, the State Government attempts to modernise a number of typically small scale industries so as to increase their efficiency and the marketability of their products. Under this scheme, a package of assistance is provided, which includes assistance of 25 percent margin money for fixed capital and 3 percent incentive for term loan interest. In 1986-87, in order to familiarise the entrepreneurs on the latest development in different industries and trades, seminars were held in the following trades (the location of the seminars are given in the brackets); Light Engineering Fabrication (Howrah), Brass and Bell Metal (Bankura) Bakery and Confectionary (Jalpaiguri), Food Processing (Siliguri and Calcutta). Twelve proposals for modernisation have been forwarded to financial institutions.

5.7 The State Government had set up in 1983-84 a Small Industries Development Agency (SIDA) to provide one-window facilities to entrepreneurs in Calcutta and its surrounding districts. Upto 31.3.87, SIDA has sponsored 462 cases of SSI units, of which 210 cases were cleared by Banks and 120 units have already been set up.

5.8 Under a programme to provide bio-gas plants in the districts, the C and SSI Department of the Government, during 1985-86 and 1986-87 set up 9031 bio-gas plants in the districts.

5.9 Under Khadi and Village Industries assistance programme, assistance has been provided to 7,615 units amounting to Rs. 213 lakhs in 1985-86 and in 1986-87, 10,435 units were provided assistance amounting to Rs. 296 lakhs.

Handloom Industry.

5.10 The handloom Industry has been making steady headway over the years. The production in the handloom industry increased from 372.4 million metres in 1985-86 to 383 million metres in 1986-87, and it is expected to increase to 391 million metres in 1987-88 (See table 5.4).

TABLE 5.4

Progress of the Handloom Industry in West Bengal

	1985-86	1986-87	1987-88 (anticipated)	
1. (a) Production in the handloom industry : (in million mtrs.)	372.4	383.0	391.0	
(b) No. of Cooperatives in handloom industry ..	1356	1429	1489	
(c) Production under Cooperative fold : (in million mtrs.)	154.8	162.2	175.0	
(d) No. of viable weavers societies	275	280	290	
(e) No. of potentially viable societies	550	618	668	
2. No. of societies of loomless weavers : ..	36	40	50	
	(revised)			
3. Supply of yarn to the handloom industry through :				
(a) W. B. State Handloom Weavers Cooperative Society Ltd.				
upto 40 counts (in bales) ..	10,625	12,395	8,400	
above 40 counts (in bales) ..	3,413	4,870	4,470	
polyester (in kgs.)	32,020	67,500	67,300	
(b) W. B. Handloom & Powerloom Development Corporation Ltd.				
upto 40 counts (in bales) ..	1,843	4,100	5,000	
above 40 counts (in bales) ..	206	440	650	
			(Rs. in crores)	
	1985-86	1986-87	1987-88	
	No. of Showrooms	No. of Showrooms	No. of Showrooms	Sales
4. Marketing through West Bengal :				
(a) Handloom & Powerloom Development Corporation	69	71	81	15.00
(b) State Handloom Weavers' Cooperative Society Ltd.	126	130	150	45.00

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

5.11 As cooperativisation has been held to be one of the most effective means of providing economic relief to the weavers, so long exploited by the mahajans and money lenders, the State Government has made special efforts in organising the weavers under the umbrella of cooperatives. Individual weavers who are still left out of the purview of cooperatives are being organised under Handloom and Powerloom Development Corporation. The number of cooperatives in the State increased from 1,356 in 1985-86 to 1,429 in 1986-87 and it is expected to increase to 1,489 in 1987-88 (see table 5.4). Upto 1986-87, 1,03,000 handlooms were brought under effective cooperative coverage. About 7,400 more looms are anticipated to be covered by the end of 1987-88 by

organising 60 new cooperatives and by revitalising 8 dormant ones. Under the programme for organising cooperatives exclusively with loomless weavers, 40 societies were organised upto 1986-87. Apart from constructing common workshed, modern and improved types of looms had been arranged for weaver members of these societies. Another 10 such industrial type cooperatives are expected to be organised by the end of 1987-88. During the year 1987-88, upto November, 12 cooperative societies have been organised with 1,027 weavers including 2 societies formed exclusively with 200 loomless weavers.

5.12 Modernisation of looms is considered as the ideal procedure to achieve qualitative as well as quantitative improvement of production. About 17,328 looms were modernised upto 1986-87. During 1986-87, 845 Chittaranjan Semi-automatic looms, 418 Fly Shuttle looms and 21 Malabar type looms were introduced. Further, 787 looms were modernised by fitting modern accessories like dobby, jacquard, steel reeds etc. In 1987-88, 2,700 looms have been targetted to be modernised.

5.13 Insufficiency of raw material supply is a chronic problem which the Handloom Industry in West Bengal has to encounter. In 1986-87, 40 lakh kgs. of cotton yarn and 125 lakh kgs. of polyester yarn were distributed through the Apex Weavers' Cooperative Society and the Handloom and Powerloom Development Corporation. In order to increase the supply of yarns two spinning mills in the Districts of Bankura and Midnapur are being set up. Considerable progress has been made in this regard. Further, as mentioned in Chapter 4, the State Government has taken a decision to provide subsidy of Rs. 75 lakhs this year to Tantuja and Tantusree to stabilise the price of yarn.

5.14 The sales turnover of the Apex Society and Handloom and Powerloom Development Corporation have increased to Rs. 41 crores and Rs. 12.50 crores respectively in 1986-87 against Rs. 35.12 crores and Rs. 10.59 crores in 1985-86. The number of their retail outlets have also increased from 126 and 69 in 1985-86 to 130 and 71 respectively in 1986-87. Till November, 1987, 13 and 5 new outlets of the Apex and the Corporation respectively were opened. During 1987-88, sales turnover of Apex Society and Corporation are expected to touch Rs. 45 crores and Rs. 15 crores mark respectively.

5.15 Steps have also been taken to develop new designs through competitions, exhibitions etc. Work under the programme of National Collection of design is going on. Old and vintage designs are reviewed through this scheme. Various designs collected from Weavers' Service Centre, Calcutta, are being displayed through exhibitions by the Handloom Apex Cooperative and the Corporation.

5.16 A big thrust is being given to augment the availability of cash credit from State and District Central Cooperative Banks under NABARD

scheme of financing handloom cooperatives. Total cash credit limit sanctioned for the Apex and primary cooperatives increased from Rs. 5.50 crores in 1982-83 to Rs. 20.00 crores in 1986-87. It is expected that the cash credit limit would further increase to Rs. 30.00 crores in 1987-88. The State Government provides interest subsidy @3% per annum on such working capital loan. Working Capital loan from State Government fund is also provided to the newly organised and revitalised primary cooperatives.

5.17 Under the scheme for construction of house-cum-workshed for the weavers, construction of 866 houses have already been taken up. 1,000 house-cum-worksheds are targetted to be sanctioned in 1987-88. 11,000 weavers are expected to be covered under Contributory Provident Fund scheme for the weavers upto the end of 1987-88. In 1986-87, 3,500 weavers were covered. 1,640 weavers were provided with spectacles under the scheme for extension of medical facilities to the weavers. During 1987-88, 2,600 more weavers are expected to be provided with spectacles.

5.18 Besides the Research and Training centre at Tamluk, a new Research Centre is in the process of being set up at Santipur in Nadia District with the purpose of upgrading the skill of the weavers. In view of diversification and also quantitative improvement in production, training in improved technique of weaving will be imparted in this centre. This centre will start its operation very soon.

Sericulture

5.19 In sericulture the State Government has concentrated in providing not only cuttings free of cost, coupled with access to improved rearing facilities at the collective rearing centres and credit but also tried to train the farmers in improved and scientific practices. The Government has also taken up a programme of spreading the practice of sericulture to non-traditional districts. At least 55 demonstration farms have been set up in the districts where sericulture is not significant. Similarly, for popularising sericulture among SC and ST population, a number of demonstration farms has been set up in areas with high concentration of SC and ST population in the different districts.

These efforts have resulted in significant growth in the sericulture industry in the State. Total acreage under sericulture increased cumulatively from 31,845 acres in 1985-86 to 34,140 acres in 1986-87 and is expected to increase to 38,825 acres in 1987-88. Simultaneously, the production of raw silk increased from 7.48 lakh kg in 1985-86 to 7.92 lakh kg. in 1986-87 and is expected to increase to 8.72 lakh kg. in 1987-88. Employment in sericulture has also increased from 255 thousand in 1985-86 to 273 thousand in 1986-87 and is anticipated to increase to 311 thousand in 1987-88. This is shown in **Table 5.5.**

TABLE 5.5

Progress of Sericulture in West Bengal

	1985-86	1986-87	1987-88 (Expected)
Total acreage (cumulative in acres)	31,845	34,140	38,825
Production of raw (Mulberry) silk (lakh kg.)	7.48	7.92	8.72
Employment (thousand)	255	273	311

Source : Sericulture Directorate,
Government of West Bengal.

Leather

5.20 The State Government has, through West Bengal Leather Industries Development Corporation (WEBLID), set up a common facility centre for servicing and training in leather industries. WEBLID has also set up centres in the districts and sub-divisions with modern machines for training poor people in leather craftsmanship. Further, the State Government encourages these trained artisans to form co-operatives and WEBLID assists these co-operatives by providing them with the machines with which the artisans were trained. In order to assist small scale leather units, the State Government purchases all its leather requirements from WEBLID, which in effect acts as the marketing agency for the small scale units in the State.

As a result of these steps the number of small scale leather units have increased significantly in the State in recent years. While in 1985-86 there were 13,200 units with total investment of Rs. 152 crores and providing employment to 1.44 lakh persons, in 1986-87, the number of units increased to 14,500 units with total investment of Rs. 166.5 crore and providing employment to 1.50 lakh persons. In 1987-88 it is anticipated that the number of units in the leather industry would further increase to 15,224 units with total investment of Rs. 175.5 crore and providing employment to 1.66 lakh persons.

TABLE 5.6

Production of Small Scale Leather Units

	1985-86	1986-87	1987-88 (Expected)
1. Finished Leather ..	77 lakh pcs.	86.9 lakh pcs.	91.8 lakh pcs.
(a) Cow and Buffalo	(15.4 crore sq. ft)	(16.5 crore sq. ft)	
(b) Goat and sheep	97.4 lakh pcs.	106.5 lakh pcs.	117.7 lakh pcs.
	(2.92 crore sq. ft)	(3.1 crore sq. ft)	
2. Footwear ..	75.9 lakh pcs.	83.5 lakh pcs.	88.5 lakh pcs.

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

Moreover as can be seen from Table 5.6, production in the small scale leather industry in the State has increased significantly in the last two years.

CHAPTER 6

POWER

6.1 The condition of power supply in the State continued to remain favourable during the year. With the increase in generation by the State Power Agencies and supply from NTPC and NHPC Units it has been possible to relax further restrictions on the industrial consumers by further one hour during peak demand at the evening.

6.2 Generation by the State Power agencies increased from 7883 MU in 1985-86 to 8637 MU during 1986-87 marking an increase by 9.56 percent. Load-shedding in the State has declined significantly, although there have been interruptions in a number of places because of constraints in distribution system. Generation of electricity over the last 4 years is shown in Table 6.1.

TABLE 6.1

**Generation of Electricity from different sources in West Bengal
(Excluding D.V.C., N.T.P.C. & N.H.P.C.)**

(In MU)

Agencies	1984-85	1985-86	1986-87	1987-88 (Upto Dec'87)
W.B.S.E.B.	3173	4741	3900	2803
W.B.P.D.C.	—	—	1156	1340
C.E.S.C.	2314	2465	2552	1752
D.P.L.	705	677	1029	766
Total	6750	7883	8637	6661

Source : Department of Power,
Government of West Bengal.

Generation figures for the months of the year are shown in Table 6.2. Excepting for the month of April generation figures were always higher compared to that of the previous years.

TABLE 6.2

**Monthwise Generation of energy (thermal) in West Bengal
(excluding DVC, NTPC & NHPC)**

(In MU)

Month	1985	1986	1987
January	560	673	712
February	511	614	704
March	611	751	791
April	613	796	780
May	609	768	777

June	..	..	..	..	634	731	775
July	..	..	..	..	628	756	785
August	..	..	..	..	682	753	754
September	..	..	..	..	624	701	738
October	..	..	..	..	673	664	710
November	..	..	..	..	637	621	690
December	..	..	..	..	640	699	N.A.
Total					7422	8527	

N.A.=Not Available

Source : Department of Power, Govt -of West Bengal.

6.3 The progress of work on Power Projects of the State has suffered because of the lock-out declared by M/S ABL who are to supply 2 out of 4 remaining boilers of Kolaghat Thermal Power Project at Kolaghat. Uncertainty still remains about the future of M/S ABL which is going to affect not only all the power projects in the state but also in DVC and other States as well. Central Government has been moved to take over ABL so that their installed capacity for manufacture of boilers can be utilised. A decision on the matter has still not been obtained from the Central Government. The figures for installed capacity are shown in Table 6.3.

TABLE 6.3

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

At the end of the year					Installed (derated) capacity (MW)
1977-78	..	..	..	..	1631
1978-79	..	..	..	..	1753
1979-80	..	..	..	..	1825
1980-81	..	..	..	..	1945
1981-82	..	..	..	..	2155
1982-83	..	..	..	..	2425
1983-84	..	..	..	..	2553
1984-85	..	..	..	..	2823
1985-86	..	..	..	..	3278
1986-87	..	..	..	..	3413*(Provisional)
1987-88	..	..	..	..	3616 ^a "

Source : CEA Publications and Department of Power,
Government of West Bengal.

* = Excluding 75 MW burnt out Unit of DVC at Durgapur.

^a = Excluding 41 MW of CESC Southern Generating Station.

6.4 Greater attention is now being paid to transmission and distribution system in the State. The WBSEB completed installations of 400 KV Substation at Jeerat. Arrangement for evacuation of KTPP power from Kolaghat to Jerrat has also been completed. 132 KV line connecting Bishnupur to Hizli has been completed. This provides second source of supply to Midnapore in addition to that from DVC. This will ensure stability and quality of power supply in wide areas of Midnapore.

6.5 Transformation capacities of different EHT (Extra High Tension) Substations have been augmented during the year 1987-88 to meet the growing load demand of the distribution system. 31 MVA of additional transformation capacity at 66 KV, 94 MVA of additional transformation capacity at 33 KV and 30 MVA of additional transformation capacity at 25 KV have been built up during the year. Attention is now being paid to augment transformation capacities of few other selected EHT Substations to cope up with the increasing load demand of distribution network.

Steps have been taken to augment H.T. Substations at 33 KV and below which are essential for supply of power to industries. Eleven Substations with 30 MVA capacity have been installed during the year.

The State Government approved release of new H.T. industrial connections to 98 Units and additional power to 20 existing units in the CESC and WBSEB systems during the period April to December 1987. The figures are given below :

TABLE 6.4
New Connections and Power Capacity Additions to H.T. Industries
During 1987-88 (Upto December, 87)

Area	New connections		Additional Power Capacity	
	No.	Load (MW)	No.	Load (MW)
CESC	14	2.610	15	9.820
WBSEB	84	25.270	5	2.020
Total	98	27.880	20	11.840

Source : Department of Power, Government of West Bengal.

6.6 The pace of extension of electricity in the rural areas increased during the 7th Plan period. Total number of villages electrified increased from 20,531 in 1985-86 to 21,881 in 1986-87, an increase of 6.58 percent compared to 3.49 percent in the preceding year. The percentage of villages

electrified has now risen to 57.47. Number of pump sets energised increased from 47,556 in 1985-86 to 52,398 in 1986-87, an increase of 10.18 percent. The figures are presented in table 6.5.

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(P)	52,398

P = Provisional

Source : Department of Power, Govt. of West Bengal.

6.7 The following table indicates the position of rural electrification in each district of the State and the programme for 1987-88.

TABLE 6.6
Present status and programme of Rural Electrification with District-wise Break-up

Name of Districts.	Total No. of Mouzas	No. of mouzas electrified as on 30.6.87	No. of mouzas proposed to be electrified during 1987-88.
1. Bankura	3,548	1,278	169
2. Birbhum	2,235	1,926	168
3. Burdwan	2,609	1,988	170
4. Cooch Behar	1,144	875	155
5. Darjeeling	507	396	65
6. Jalpaiguri	774	641	52
7. Hooghly	1,903	1,563	110
8. Howrah	771	613	54
9. Malda	1,611	1,493	83

10. Midnapore	10,380	3,349	468
11. Murshidabad	1,923	1,446	144
12. Nadia	1,275	1,275	20
13. 24-Parganas	3,790	2,511	362
14. Purulia	2,459	850	258
15. West Dinajpur	3,173	1,832	132

Source : Department of Power, Government of West Bengal

6.8 Number of consumers in the State increased to 17,94,676. Number of new consumers connected per year has been increasing by about 90,000 in recent years. The largest rise in number of consumers was observed in domestic and commercial group increasing at the rate of more than 9 percent per year. Number of consumers under Industrial Group belonging mostly to small industries increased nearly 6 percent per year. The rate of growth in service connection in agricultural sectors has been merely 3.5 percent per annum. Table 6.7 shows the growth of consumers in the State.

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

Source : Department of Power, Government of West Bengal

6.9 West Bengal State Electricity Board has initiated a move for installation of Solar Photovoltaic Cells in the villages remote from electricity Grid system. Upto September 1987, 248 SPV units have been installed in different districts of West Bengal. Measures are being taken to install SPV units in Health Centres, Ferry Ghats and Community Centres in remote areas inaccessible to electricity grid.

6.10 The Lok Deep Scheme for households of people belonging to Scheduled Castes, Tribes and other weaker sections of society has covered 10,009 households in the districts of West Bengal upto November 1987.

CHAPTER 7

TRANSPORT

7.1 In the transport sector, the State Government has been endeavouring to provide road network and transport services both in the urban and rural areas within its limited financial resources. In the context of the ever increasing cost of petroleum, diesel etc., stress is also being laid on the Inland Water Transport Sector by introduction of ferry services in the riverine areas of the State.

7.2 The length of National Highways running through this State is 1631 Km. Other types of surfaced roads along with bridges, namely State Highways, District roads and Village roads are under P.W.D. (Roads) and P.W. departments. The State Government is keen to open up remote areas. Programmes of widening and strengthening village link roads even upto the brick work level are being undertaken under NREP, RLEGP and District Plan Schemes (vide Chapter 3, Tables 3.8 and 3.9). The P.W. (Roads) Deptt. has prepared a detailed 20-year programme for 1980-2000, projecting the basic needs of the State in the road sector. It is also trying to formulate a districtwise network plan of rural roads in collaboration with Zilla Parishads.

7.3 The State Government has been organising metropolitan transport, city transport and long distance transport. At the level of operation of the transport modes, the Government shares the responsibility with private sector. Some of the principal performance parameters of major State Transport undertakings for the last three years up to 1987, are given in the table below.

TABLE 7.1

Performance Parameters of State Transport Undertakings in West Bengal
PHYSICAL PERFORMANCE

Sl. No.	Item	1985-86	1986-87	1987-88 (P)
NORTH BENGAL STATE TRANSPORT CORPORATION				
1.	No. of Buses purchased during the year (fit for operation after body building).	62	92	147
2.	Serviceable buses at the end of the year.	353	408	501
3.	<i>Utilisation</i>			
	(a) Total earning Kms for the fleet (in lakhs)	182.6	183.55	356.00
	(b) Buses on road to the average fleet held (per cent).	61	75	94
	(c) Vehicle productivity (Kms) per bus per day	149	179	221
4.	Load factor (per cent)	65	61	80
5.	Staff Bus Ratio	17.18	11.80	9.8
6.	Staff productivity (Kms per worker/day)	11.05	11.40	23.00
7.	No. of depots	17	17	18

CALCUTTA STATE TRANSPORT CORPORATION

1. No. of buses purchased during the year (fit for operation after body building).	111	136	275
2. No. of buses at the end of the year	1214	1193	1320
3. <i>Utilisation</i>			
(a) Total earning KMs for the fleet (in lakhs)	383.81	402.00	435.00
(b) Buses on road to the average fleet held (per cent).	56	55	60
(c) Vehicle productivity (KMs) per bus per day	91	91	95
4. Load factor (per cent)	100	100	100
5. Staff Bus Ratio	21.28	21.50	17.89
6. Staff Productivity (KMs per worker/day)	7.27	7.80	8.55
7. No. of depots.	9	9	10

DURGAPUR STATE TRANSPORT CORPORATION

1. No. of buses purchased during the year (fit for operation after body building).	33	23	29
2. No. of buses at the end of the year	218	240	244
3. <i>Utilisation</i>			
(a) Total earning KMs for the fleet (In lakhs)	75.36	76.62	81.00
(b) Buses on road to the average fleet held (per cent).	52	46	60
(c) Vehicle productivity (KMs) per bus per day	102	94	96
4. Load factor (per cent)	65	57	68
5. Staff Bus Ratio	11.16	11.37	10.53
6. Staff productivity (KMs per worker/day)	16.37	16.34	17.28
7. No. of depots.	1	1	2

CALCUTTA TRAMWAYS CO. (1978) LIMITED

1. No. of Tram cars purchased during the year.	—	—	3
2. No. of Tram cars at the end of the year.	380	380	383
3. <i>Utilisation</i>			
(a) Total KMs for the fleet (in lakhs)	101.60	92.14	104.30
(b) Tram cars on road to the average fleet held (per cent).	73%	66%	77%
(c) Vehicle productivity (KMs) per Tram car per day	101	100	105
4. Load Factor (per cent)	70	70	75
5. No. of Depots	7	7	7

P = Provisional

Source : Department of Transport,
Government of West Bengal.

7.4 It will be observed from Table 7.1 that out of the three Road Transport Corporations, the North Bengal State Transport Corporation (N.B.S.T.C) has been able to raise vehicle productivity and fleet utilisation. It has also been successful in reducing staff-bus ratio and to show an encouraging trend in traffic earnings. The Government expects that in near future the Durgapur State Transport Corporation (D.S.T.C.) will also be able to give a better account of itself. With a view to improving its performance, the Durgapur State Transport Corporation is being re-named as the South Bengal State Transport Corporation so that it can more effectively serve the rural areas of South Bengal districts. Financial and managerial support to the extent possible with the limited resources of the Government is being extended to this Corporation for extension of its services in the hitherto uncovered remote areas as also for establishment of depots and creation of other infrastructural facilities at the district headquarters. The Calcutta State Transport Corporation has also taken steps to reduce its operational expenditure and to intensify the internal checking system to prevent pilferage of revenue. Both the C.S.T.C. and the C.T.C. managements have taken steps for surprise checks on ticketless travelling which is yielding good results. With the intensification of the route checking system, C.S.T.C. has already been able to augment daily earnings by Rs. 0.50 lakhs. Similarly the C.T.C. Ltd. has been able through adoption of several corrective measures to effect a net increase of its revenue by Rs. 23.95 lakhs during the period from November 1987 to February 1988. All the State Transport Corporations as also the Calcutta Tramways Co. (1978) Ltd. have adopted measures to sustain the progress through consolidation and expansion of their activities.

7.5 One of the major problems is to provide transport facilities in Calcutta area which carries nearly 70 lakhs of passengers per day. With limited resources, the State Government is trying its best to improve surface transport facilities. The Calcutta Urban Transport Project is almost complete. The progress of work in respect of a few schemes in operation in 1987 is given in Table 7.2.

7.6 A major breakthrough has been achieved in the inland water transport sector by the Directorate of Inland Water Transport. The Howrah-Calcutta Ferry service has come much to the relief of commuters from other side of the river Ganges. The Inland Water Transport Directorate has a programme for creating additional terminal facilities at selected sites, namely, Ballyghat, Belur and a third jetty at Howrah. It has a programme for construction of four vessels at an estimated cost of Rs. 25.00 lakhs each. In order to speed up the development of the hinterland off Haldia port and to

TABLE 7.2

Physical Progress in Regard to Different Segments of the CUTP

Name of the Scheme :	Achievement (December '87)
<i>C.S.T.C. Scheme :</i>	
(i) Kasba Depot	100% (Already operational)
(ii) Upgrading of Lake Depot.	90%
<i>T.E.A.W. Schemes :</i>	
(i) Corridor improvement scheme	80%
Improvement of B.T. Road (converting double 4 lane to 6 lane)	(Rs. 70 lakhs released in '87-'88).
(ii) Passenger shelter	515 (work in respect of + 21 6 is in progress).
(iii) Special Passenger shelter	Passenger shelter completed.
(a) Band stand	Bus Bays and improvement of drainage has been taken in hand.
(b) B.B.D. Bag Mini Bus stand.	Completed.
(c) Howrah Station bus terminus (Howrah side)	70%
(iv) Bus terminating points	
Milk Colony	100%
(v) Bus terminus :	
Dunlop Bridge	10%

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

Source : Department of Transport, Government of West Bengal.

provide a cheaper mode of transport between Haldia and 24-Parganas introduction of a modernised vehicle-cum-passenger ferry service is under contemplation of the Government.

7.7 In the transport sector, traffic management is often as important as the provision of transport modes. This traffic management is considered particularly important in metropolitan areas. It is with the intention of scientific traffic management that the Transport Operation Improvement Programme has been launched, with four major thrust areas relating to road improvement, bus terminal facility, truck holding facility and traffic management at intersections and bus stops.

7.8 Under the road improvement programme, B. T. Road, DumDum-Jessore Road Crossing, Diamond Harbour Road (from Majerhat Bridge to Joka), Intersection of Eastern Metropolitan Bye-pass and the Salt Lake City Connector (near HUDCO Housing Complex) and Canal West Road are being

improved. Under the bus terminal component, besides construction of modern termini at Baguihati and Dunolp Bridge, existing facilities at Band Stand near Eden Gardens are being extended. This apart, steps have also been taken for setting up of ordinary passenger shelters and special passenger shelter, at or near important Bus Stops like at B.B.D. Bag and erection of guard rails at important road intersections. As such efforts can not be successful without public cooperation and the adherence of transport operators to traffic rules, "Road Safety Weeks" were observed at important road-crossings of the city with public participation. In order to remove the traffic congestion in the Central Metropolitan district, construction of truck terminals at suitable locations in the fringe areas of the city is also under serious consideration of the State Government.

CHAPTER 8

EMPLOYMENT AND LABOUR

8.1 During the period under review, employment in the organised sector has remained stable. Substantial supplemental employment has been provided under NREP and RLEGP schemes in the rural areas and in the industrial field workers affected by strikes have substantially declined from 1980 compared with number of workers affected by lock outs.

Sector wise employment in the organised sector has been shown in the following Table 8.1.

TABLE 8.1
Sector-wise Estimated Employment in West Bengal
in the Organised Sector

Year (ending March)	Employment (in lakhs)		
	Public Sector	Private Sector	Total
1985	17.08	8.88	25.96
1986	17.27	8.98	26.25

Source: Mid—Term Appraisal
7th 5 year Plan (1985–90)
Development & Planning Department,
Government of West Bengal.

The table above shows slight increase in employment both in the Public and the Private Sector.

8.2 The following table 8.2 shows sectorwise employment in the organised Sector in West Bengal.

TABLE 8.2
Employment in the organised Sector

Sector	Employment in thousand					
	March 1985			1986		
	Public	Private	Total	Public	Private	Total
<i>Primary Sector</i>						
0. Agriculture, Hunting & Fishing	22.0	199.1	221.1	22.2	218.9	241.1
1. Mining & Quarrying	218.1	0.3	218.4	196.2	0.7	196.9
<i>Secondary Sector</i>						
2.&3. Manufacturing	267.1	540.2	807.3	284.2	551.0	835.2
4. Electricity, Gas & Water	40.0	16.1	56.1	46.3	16.1	62.4
5. Construction	58.2	6.8	65.0	57.1	5.2	62.3

Tertiary Sector

6.	Wholesale & Retail Trade Restaurants & Hotels.	5.1	16.4	21.5	5.3	15.1	20.4
7.	Transport, Storage & Communication	339.8	5.9	345.7	343.3	5.1	348.4
8.	Financing, Insurance, Real Estate and Business services	83.6	18.9	102.5	86.9	19.0	105.9
9.	Community, Social & Personal Service	674.1	84.4	758.5	684.9	67.2	752.1
		1708.0	888.1	2596.1	1726.5	898.3	2624.7

Source : Mid—Term Appraisal,
7th 5 year Plan (1985-90)
Development and Planning Department,
Govt. of West Bengal.

8.3 Employment in whole sale or Retail Trade, Transport, Storage and Communication, Financing, Insurance, Real Estate and Business Services Divisions remained almost unchanged during the period under review. There is a slight decline in employment in the Mining, Quarrying and Construction Divisions. Employment has increased in Agriculture and allied and in Manufacturing Division increase in Employment in both public and private Sectors is a satisfactory trend. In this Division, in absolute number, employment has increased by 27.9 thousand within a period of one year. As the number of unemployed in the live register remains over four million, a number of measures have been taken by the Govt. to increase employment.

8.4 In the last few years the State Government has made special effort to initiate setting up of small and cottage industrial units to generate employment. In the years 1985-86 and 1986-87 more than 28,000 units have been set up providing employment to around 160 thousand persons. In 1987-88, it is anticipated that the number of new units set up will be around 15,000 with additional employment of about 80 thousand persons, including employment generation under the relevant sectors of IRDP.

8.5 The Self Employment Scheme of the Registered Unemployed was introduced in the Districts of Calcutta and 24-Parganas and Howrah in 1985-86 and later extended in the remaining parts of the State. Under this scheme the State provides 25 percent of the cost as outright grant and the remaining amount is advanced by the commercial banks as loan. Twenty two banks are participating in the programme. Till 31st January 1988, 55334 such schemes have been sponsored.

8.6 During the last few years with the extension of the area under perennial irrigation enabling expansion of area under multiple crops, employment for farmers and landless agricultural labourers is gradually increasing. Supplementary employment is also provided for them under NREP and RLGEF Schemes.

TABLE 8.3
Employment Generation under NREP and RLGEF (Lakh Mandays)

Year	NREP	RLGEF	Total
1985-86	130.95	107.77	238.72
1986-87	217.61	219.74	437.35
1987-88 (upto January 1988)	130.44	132.81	263.25

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

8.7 To ensure fairplay the State Government has enforced compulsion in the recruitment of certain category of posts through the Employment Exchange. The State Government is increasingly enforcing the norm of recruitment through the Employment Exchange. However the Central Government is making relatively less use of it (vide table 8.4).

TABLE 8.4
**Vacancies Filled up by the Employment Exchange
Nominees in West Bengal** (in thousands)

	1985	1986
Public Sector :		
Central Government	2.0	1.4
State Government	5.3	3.6
Central Government (Quasi)	2.1	1.5
State Government (Quasi) & local Bodies	2.2	1.5
Total	11.6	8.0
Private Sector	1.4	1.0
Total	13.0	9.0

Source : Labour In West Bengal,
1986. Deptt. of Labour.
Government of West Bengal.

8.8 Since 1980, excluding one particular year, there has been a steady decline in strike etc. However the incidence of lockouts remains very high and in 1986 more than 90 percent of mandays lost in the industrial field has

been caused by lock outs. Lockouts by the Jute Mills alone accounted for more than 50 percent of these lost mandays. The following table shows the number of persons involved in strikes, retrenchment and lockouts.

TABLE 8.5

Number of persons involved in Strike, Lockouts and Retrenchment

Year	Number of Persons involved		
	Strikes	Lock-outs	Retrenchment
1985	13,527	135,885	249
1986	23,130(P)	123,778(P)	226
1987 (upto November)	7,728(P)	164,851(P)	41(P)

P = Provisional

Source : Labour in West Bengal, 1986. Department of Labour, Government of West Bengal.

8.9 In 1986 a total of 65 cases of strikes and lockouts constituting 63.7 percent of such cases have been terminated through conciliation by the Labour Department of the State. In that year 2,73,864 mandays were lost due to strike and 14,561,155 mandays due to lockouts. Cases of retrenchment is very few in the State.

8.10 Around 27 thousand registered unemployed persons received Unemployment Assistance from the State Government in 1986-87. The number of persons receiving Unemployment Assistance has increased to 33,065 in 1987-88 (upto January 31, 1988).

CHAPTER 9

PRICES AND CIVIL SUPPLIES

9.1 The data on Index numbers of wholesale prices for All-India and Calcutta, presented in Table 9.1, indicate that the Calcutta wholesale price indices have been consistently at a level much lower than the All-India level for all the months under consideration. The periodic respite, in terms of a fall in price index in comparison with the previous month is also a little more frequent for Calcutta in comparison with the All-India situation.

TABLE 9.1

Index Number of Whole-Sale Price in Calcutta and All-India in 1986 and 1987

(Base 1970-71 = 100)

Month	All-India			Calcutta		
	1986	1987	Percentage increase in 1987 over 1986	1986	1987	Percentage increase in 1987 over 1986
(1)	(2)	(3)	(4)	(5)	(6)	(7)
January ..	357.5	377.7	5.7	321.1	336.7	4.9
February ..	358.9	376.6(R)	4.9	321.5	334.9	4.2
March ..	359.8	378.1	5.4	314.8	330.0	4.9
April ..	363.0	381.2	5.0	313.3	334.9	6.9
May ..	368.6	390.3	5.9	325.5	341.6	4.9
June ..	373.1	394.0	5.6	326.6	344.1	4.4
July ..	378.3	400.6	5.9	319.5	346.3	8.4
August ..	381.6	409.6	7.3	316.7	353.8	11.7
September ..	381.5	408.9(R)	7.2(R)	320.4	356.8(P)	11.5
October ..	384.8	409.5(R)	6.4(R)	326.7	360.2(P)	10.3(P)
November ..	380.6	411.1(P)	8.0(P)	332.7		
December ..	377.9	410.3(P)	8.6(P)	330.8		

(P): Provisional
(R): Revised

Source: Food and Supplies Department
Government of West Bengal.

9.2 The decisions of the Central Government since the late December to substantially increase the administered prices of sugar, edible oil, coal, steel and petroleum and also to increase railway freights etc. have introduced a disturbing upward push to the entire price structure of the country. Table 9.2. presents figures for consumer price index for Industrial workers for All-India and Calcutta. The inflationary trend measured by the consumer price index provides a more realistic picture of impact of change in prices on the

working population. High price of primary articles like pulses, onions, spices, oil-seeds, cotton and manufactured items like edible oil, vanaspati, soap etc., contributed much to the rise in the index numbers.

TABLE 9.2

Movement of Consumer Price Index Numbers for All India and Calcutta

Category	Month	Consumer Price Index (CPI) Numbers					
		All-India			Calcutta		
		1986	1987	Percentage rise in 1987 over 1986	1986	1987	Percentage rise in 1987 over 1986
Industrial Workers (Base : 1960 = 100)	April	643	691	7.5	628	674	7.3
	July	668	724	8.4	672	704	4.8
	October	685	750	9.5	698	730	4.6

Source : (1) Labour Bureau, Simla.
(2) Central Statistical Organisation, Govt. of India.

It may be noted that the trend of inflation as measured by the Consumer Price Index number for Calcutta has been significantly lower for All-India as per Table 9.2. In fact, as the figures in Table 10.1 in the Statistical Appendix show, the Consumer Price Index has been lowest in Calcutta in comparison with all other big metropolitan cities. The relatively lower rate of inflation in West Bengal is related to the spread of Public Distribution System in the State. After noting the price movements for some of the major commodities, a brief account of this Public Distribution System in the State will be given.

Rice

9.3 The retail price of rice in the open markets of the State, particularly in the Modified Ration areas, is influenced among other factors by the level of issue price of rice from the ration shops which in turn depends on the price charged by Food Corporation of India (F.C.I). Since F.C.I. has been continually raising prices of rice over the last few years, it was only expected that open market price of rice in the State would also register some sympathetic rise. The average increase in 1987 over 1986 was 15 paise per kg as against 27 paise between 1985 and 1986. Though the situation was unfavourable when compared to 1986 during the first quarter of 1987 on account of a smaller harvest of aman paddy (1986-87) caused by floods in September-October, 1986, the subsequent record output of summer rice in the State helped significantly in restoring parity of open market price with 1986. It may be noted that despite floods in 12 districts in 1987, due to certain prompt measures

taken by the State Government, as mentioned in Chapter 3, it was possible eventually to increase the production of aman paddy. This resulted in a downward trend in the price of rice from October onwards.

Wheat

9.4 Since in both 1986 and 1987 the F.C.I. raised price for wheat released for public distribution, the average price-level of the commodity in open market in 1987 was also somewhat higher. The month of December (1987) ended with the State average minimum retail price of wheat at Rs. 2.34 per kg in open market as against Rs. 2.27 a year ago (vide Table 9.3).

TABLE 9.3
State Average Open Market Minimum Retail Prices of
Rice, Wheat, Sugar and Mustard Oil in West Bengal

Month	(Rupees per Kilogram)							
	Rice		Wheat		Sugar		Mustard Oil	
	1986	1987	1986	1987	1986	1987	1986	1987
January	2.97	3.22	2.03	2.28	6.57	6.59	14.63	21.84
February	3.01	3.29	2.06	2.27	6.62	6.40	14.55	20.38
March	3.11	3.38	2.08	2.23	6.57	6.35	14.69	20.59
April	3.27	3.46	2.03	2.16	6.50	6.44	15.54	23.73
May	3.36	3.48	2.04	2.19	6.54	6.50	17.89	23.52
June	3.36	3.43	2.06	2.18	6.45	6.40	17.58	23.92
July	3.52	3.49	2.10	2.19	6.39	6.43	17.77	24.80
August	3.59	3.62	2.13	2.25	6.38	6.41	18.04	29.03**
September	3.56	3.67	2.15	2.30	6.44	6.60	19.96	25.00*
October	3.64	3.59	2.24	2.33	6.52	6.66	20.16	25.00*
November	3.37	3.45	2.25	2.35	6.54	6.63	20.74	25.00*
December	3.19	3.43	2.27	2.34	6.52	6.46	21.22	25.00*
Annual Average	3.33	3.46	2.12	2.26	6.50	6.50	17.73	—

* = Ceiling price fixed by State Government under Anti-profiteering Act.

Source : Food and Supplies Department
Government of West Bengal

** = Relating to week ending on 22.8.87.

Note : (1) Prices of Rice and Wheat represent the averages of the weekly prices in the sub-divisions of West Bengal.
(2) Prices of sugar and mustard oil represent the averages of the month-end prices in Calcutta and other district headquarters of West Bengal.

Sugar

9.5 Though the open market price of sugar was somewhat lower during the first half of the calendar year 1987 (vide Table 9.3) it started increasing somewhat from July, 1987. The annual average price was higher only by 4 paise a kg. in 1987 over 1986. A record production of sugar in the country at the level of 8.5 million tonnes helped towards achieving this stability. But the Central Government has already raised the the price of sugar levied for public distribution by 25 paise a kg. from the New Year's Day of 1988. This may again have inflationary repercussions.

Mustard Oil

9.6 The hike in price of mustard oil, the principal cooking medium used in West Bengal agitated the minds of people in 1987. Its average retail price in West Bengal was 20.50 a kg. in March '87 as against Rs. 14.69 a year ago (vide Table 9.3) even though the size of the rape and mustard crop in the country in the 1986-87 season was larger than in the previous year. Though the State also yielded a larger crop in 1986-87 it was mainly dependent on outside States for supply of mustard seeds and oil. From the very beginning of the season, the traders and millers were restricting imports of seeds and oil. The traders brought, for example, a meagre 11.8 thousand tonnes of mustard seeds in Calcutta area in April '87 as against 21.3 thousand tonnes. in the corresponding month of 1986. The arrival of mustard oil was also lower in the month. Though in May '87 the supply from outside on trade account was maintained at the level of 1986, the traders resorted to the restrictive practice again in June, 1987 and imported only 6.5 thousand tonnes of seeds in Calcutta area as against 15.4 thousand tonnes a year ago. The import of mustard oil was also less. As a result, the average July price at Rs. 24.80 was higher by more than one rupee compared to May price of Rs. 23.52. The industry and trade circles continued their restrictive practice inspite of repeated warnings to them issued by the State Government. The speculators by this time took the upper hand and the price of mustard oil shot to Rs. 30 per kg. to Rs. 38 per kg. in some markets in Calcutta, and even to higher levels at some other places of the State. The State Government invoked on August 24, 1987 the authority of the West Bengal Anti-Profiteering Act of 1958 and fixed the prices both at the retail and wholesale levels. The ceiling price at the ratalil level was fixed at Rs. 25/- a kg.

9.7 With the larger production of oilseeds within the country viz., 12.0 to 12.3 million tonnes in 1986-87 as against 11.2 million tonnes in 1985-86 (vide RBI Bulletin, August '87) and reportedly massive import of edible oils at higher than 15 lakh tonnes compared to some 12 lakh tonnes in the previous

year, the hike in price of edible oils is unfortunate. The Government of India has now raised the price of imported oils meant for the Public Distribution System by Rs. 2,000 per tonne with effect from the last week of December '87. Consequently, the retail price for public distribution has also to be increased.

Potato

9.8 Potato is the most widely consumed vegetable in West Bengal. Its price was very high in 1986. With boosted production of potato at over 35.4 lakh tonnes in 1986-87 in the State from 27.6 lakh tonnes in the previous year, the price came down to a fair level ; while the retail price as measured by the State average minimum was Rs. 3.70 per kg in November, 1986 it plummeted to Rs. 1.70 per kg. in February' 87 on arrival of the new harvests. Except for the seasonal rise in October-November, the price rules around Rs. 1.99 a kg. in the major part of the year 1987. The annual average price was Rs. 2.00 at the State-level in 1987 as against Rs. 2.77 per kg. in 1986. During the period, March to November in 1987, the prices were lower by 25% to 45% compared to the previous year (vide Table-9.4)

TABLE 9.4
Monthly average open market retail prices of
Potato in West Bengal in 1986 and 1987.

Month	1986	1987
January	1.55	1.64
February	1.69	1.55
March	2.23	1.66
April	2.83	2.11
May	2.90	2.12
June	2.95	1.61
July	3.13	2.16
August	3.05	2.23
September	3.30	3.16
October	3.56	2.39
November	3.70	2.36
December	2.39	1.89
Annual Average	2.77	1.99

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

Onion

9.9 On the other hand, onion which is also extensively used as a vegetable went out of reach of the commoners in 1987. West Bengal is mainly dependent on imports from Maharashtra, Uttar Pradesh and other places. Its

supply became scarce and price shot up to Rs. 6.00 a kg. by August '87 in Calcutta's retail markets where it had sold at Rs. 2.57 per kg a year ago. In some parts of the State the price ruled even higher. Only in late December '87 it came down to Rs. 4. One of the factors for the high prices is indiscriminate export of such commodities of daily use to the deprivation of the common people. According to a recent study by the Bombay Chamber of Commerce, India's exports of onions increased at the rate of 13 per cent a year during the period 1979-84. Since the production did not catch up, this order of increase in export of onions reduced the per capita availability of the commodity from 3.8 kg. in 1979 to 3 kg. in 1984 and was thus largely responsible for the rise in onion prices by 32 per cent during 1979-84.

Spices

9.10 Again, some kinds of spices registered abnormally high increase in prices in 1987. For instance, jeera (cleaned) had been selling at prices higher by 35 to 74 per cent during January-November, 1987 compared to the the corresponding levels a year ago. Dhania was not also lagging far behind. Its price displayed 31 to 56 per cent rise. Increase in retail price of black pepper over the last year's level was by 13 to 41 per cent at different times in 1987. Chillies and Turmeric (Halud) though recorded some fall in retail prices over the last year's levels during the early months of the year (1987), started registering large price increases during the later months. West Bengal being largely dependent on outside supplies of such spices, has to bear the brunt of such price-hikes almost undefended. The State in its own way has however, been arranging distribution of such commodities as turmeric powder through ration shops at less-than-market prices under the Production-cum-Distribution System of Food and Supplies Department.

Soap

9.11 Soap, a consumption good of great hygienic importance has registered high price. The all-India Wholesale Price Index number (base : 1970-71 = 100) for this item rose by 40.3 per cent during the week ended 17.10.87 over the corresponding WPI number a year ago. The State Government has been continuing its Production-cum-Distribution System in this respect also. It arranged for distribution of both toilet soap and laundry soap through ration shops at below-market prices.

9.12 A detailed description of the items covered under the Public Distribution in the State is given in Table 9.5. The number of Statutory Ration Shops and Modified Ration Shops in the State as on 30th September, 1987 was 2,733 and 17,106 respectively. These ration shops have been providing

TABLE 9.5

**Distribution of Rice, Wheat, Sugar, Edible Oils and some other
essential commodities under Public Distribution System in West Bengal**

Year	Offtake (thousand tonnes)			Rapeseed Oil and	Distribution of some other essential commodities under Production-cum-Distribution Scheme						
	Rice (a)	Wheat (a)	Sugar	RED Palm Oil	Exercise Book	Match Box	Toilet Soap	Laundry Soap	Candle (000)	Turmeric Powder	Biscuit
(1)	(2)	(3)	(4)	(5)	(000'pcs.) (6)	(000'pcs.) (7)	(000'pcs.) (8)	(000'pcs.) (9)	(000'pcs.) (10)	(11)	(12)
1985	755.0	1228.5	301.5	90.9	3515	369	5829	16928	319	5318.0	—
1986	810.0	1237.9	295.2	86.0	6037	48	9283	14198	200	4796.0	—
1987 (Upto Sept.) ..	624.5	888.4	215.1	91.2	2546	11	4573	8195	164	4099.2	4185.1

Note : (a) Offtake figures for rice and wheat include distribution through ration shops as well as distribution for Tea Gardens Flour Mills NREP, RLEGP, ITDP, GR/TR, Relief Camps, CRP etc.

Source : Food and Supplies Department,
Government of West Bengal

apart from rice, wheat and sugar, a number of other essential commodities ranging from rapeseed oil, biscuits, exercise books, matches and candles to turmeric powder. It is worth mentioning in this connection that offtake of cereals in 1986 and 1987 includes distribution of rice and wheat at subsidised rates to more than 2 million people (both tribal and non-tribal) in ITDP blocks of the State.

9.13 The State has to face difficulties in maintaining the distribution system because the sources of supply of many of the commodities remain outside the State. The State Government has therefore been insisting that at least 14 essential commodities be brought under the public distribution system at the national level with a uniform All-India price structure. This has not been agreed to so far.

CHAPTER 10

EDUCATION, HEALTH AND HOUSING

10.1 In the field of education, the State Government has given a special emphasis on universalisation of elementary education and developing facilities for non-formal education and adult education with the aim of wiping out illiteracy and enabling the common people to cope with their socio-economic environment. Along with this, expansion and qualitative improvement in higher education are also sought for.

10.2 In West Bengal 97 percent of the villages have Elementary Schools within two mile radius. By the end of the year 1986-87, there were 51,021 schools with 1,74,050 teachers. In 1987-88 the number of schools remained same. The following table shows enrolment of students in Elementary Schools.

TABLE 10.1
Students Enrolled in Elementary Schools

Age-Group	(In lakhs)		
	1985-86	1986-87 (Likely Achievement)	1987-88 (Target)
6-10	80.40	84.00	86.38
11-13	28.37	30.62	32.97
Total :	108.77	114.62	119.35

Source : Mid-Term Appraisal,
7th Plan, 1985-90
Development and Planning Deptt.
Government of West Bengal.

Among the 6-10 years age group the number of girls was 34.22 lakh and boys 46.18 lakh in 1985-86, 36.17 lakhs and 47.83 lakhs in 1986-87 respectively. In 1987-88 the likely enrolment figures for the girls will be 37.44 lakhs and that of the boys 48.94 lakhs. The percentage of students of 6 to 10 years age group enrolled for these three years are 96.02 percent, 97.87 percent and 99.00 percent (likely) respectively (Source : Education Deptt. Government of West Bengal.)

10.3 In the recent years the Government has increased the number of teachers to bring down the student/teacher ratio and has given attention for expansion and renovation of the existing schools to provide a healthy physical environment for the students. In this process the Panchayets have also

made significant contribution by renovating and expanding school buildings through the utilisation of NREP, RLEGP and District Plan funds.

10.4 Distribution of free text books and the programme to provide mid-day meals to the students of the Primary Schools covering 26.21 lakh students by the Government, has encouraged larger enrolments in these schools and has reduced the incidence of drop outs by the students belonging to the lower economic strata. It is estimated that more than 99.00 percent of children belonging to 6-10 years age group in West Bengal have enrolled for primary education in 1987-88.

Enrolment by students in the high and secondary schools have also significantly increased as shown in the following table.

TABLE 10.2
Enrolment in Different Level of Schools

	(in lakhs)		
	1985-86	1986-87	1987-88 (P)
Classes VI to VIII	28.37	30.62	32.97
Classes IX to X	9.77	10.62	11.55
Classes XI to XII	3.79	4.10	4.45

P = Provisional

Source : Education Department,
Government of West Bengal.

10.5 The State has also made significant progress in providing non-formal education for persons who are unable to avail of formal education because of economic reasons. In 1986-87 around 3000 new centres for non-formal education were opened and the total enrolment for non-formal education in that year was 6.26 lakhs and in 1987-88 the likely figure will be 7.15 lakhs.

10.6 Significant progress has also been made in the field of adult education for persons belonging to 15-35 year age-group. In 1986-87 more than 5.77 lakh persons attended adult education courses and in 1987-88 the figure is likely to be 5.80 lakhs.

10.7 In the last decade or so library facilities for the common people have been greatly expanded, particularly in the smaller towns and the villages of the State, as indicated in the following table.

10.8 To expand the scope for college education, the State Government has set up a number of new colleges in the last few years. In selecting the location of the colleges preference was given to backward areas with large

TABLE 10.3

Number of General and Government Sponsored Libraries

	1979-80	1987-88
1. Dist. Library (Nos.)	17	23
2. Sub-divisional/Town Library (Nos.)	35	234
3. Rural/Primary Unit/Area Library (Nos.)	301	2262

Source : Education Department,
Government of West Bengal.

scheduled tribe and caste population. To improve the quality of higher education new courses have been introduced in the universities. Courses for Computer Application have been introduced in the Jadavpur and Calcutta Universities, Marine Science in Calcutta University and Management Education in Burdwan University. In Vidyasagar University courses have been introduced for Applied Mathematics with Computer Science and Oceanography, Anthropology with Tribal Culture, Commerce with Firm Management, Political Science with Rural Administration and Economics with Rural Development. Though the State Government is fulfilling all its commitments under Sec. 12B of the U.G.C. Act, 1974, the University is yet to receive due recognition from the U.G.C. and is still unable to draw any Central assistance.

Health

10.9 In this sphere the Government has given emphasis on both the preventive and the curative sides of the health services. Special efforts have been organised to educate and motivate the people to participate in the control of communicable diseases, eradication of Malaria, control of Gastroenteritis, Encephelitis, Kalazar etc. At present more than 8500 male and 6500 female Multipurpose Health Workers are operating in the State. In the village level more than 41,000 trained Health Guides are working to supplement their work.

10.10 In the curative sector a three tier system has been introduced in the rural areas, consisting of a sub-centre at the bottom and Primary and Community Health centres above it. The following Table 10.4 presents the figure of number of such centres in West Bengal.

10.11 In the recent years expansion has also taken place in the Sub-divisional, District and State Hospitals. In 1985-86 two hundred beds have been established in different Sub-Divisional and District level Hospitals. In the same year three State General Hospitals have been opened in Bolpur

TABLE 10.4

	1985		1986		1987 (Till September)	
	No.	Beds	No.	Beds	No.	Beds
(i) Health Centre						
(a) P.H.C. (Including Rural Hospital & up-graded PHC)	335	6,683	337	6,723	337	6,723
(b) S.H.C.	834	4,628	837	4,638	837	4,638
Total Health Centres	1,169	11,311	1,174	11,361	1,174	11,361
(ii) Sub-Centres	6353		6533		7665	
			(as on 1.4.85)	(as on 1.4.86)	(as on 1.4.87)	

Source : Health Department, Government of West Bengal.

(125 bed), Birpara (100 bed) and South Howrah (10 bed) and establishment of 100 additional beds have been sanctioned for Sambhu Nath Pandit Hospital. In 1986-87 three new general hospitals have been sanctioned at Haldia (100 bed), Salt Lake City (100 bed) and Belur (10 bed). In that year 50 additional beds have been sanctioned for Panihati State General Hospital.

TABLE 10.5

Number of Hospitals & Polyclinics in the State

Institution	1985		1986		1987 (as on 1.9.78)	
	No.	Beds	No.	Beds	No.	Beds
Hospitals	411	53,230	412	53,837	412	53,847
Polyclinic	5	50	5	95	5	95

Source : Health Department, Government of West Bengal.

In the specialised hospitals sophisticated and diagnostic equipments have been introduced to improve the quality of treatment. Arrangements have also been made for prompt distribution of drugs to different hospitals.

10.12 In the early eighties the State faced a serious imbalance in the ratio between the doctors and the nurses. In 1980 as against 31670 doctors there were only 8604 general nurses. Special emphasis was given by the Government to reduce this disparity during recent years. A condensed course in B.Sc. (Hons.) for nursing was introduced at the College of Nursing, West Bengal in 1985-86. In 1985-86 and 1986-87 eight new promotees' training schools for nurses have been opened for training A.N.M. into Female Health Supervisors. One new G.N.M. Training School for nurses have been

opened in Behrampur and 60 new seats were opened at R. G. Kar and Nilratan Sircar Medical Colleges in the existing nurse training centres in 1986-87. In 1986 there was one institution for B.Sc. (Nursing) Course, 20 for G.N.M. and 25 for A.N.M. Seats for the different courses were 25 for B.Sc. (Nursing), 1932 for GNM and 1646 for A.N.M.

Housing

10.13 As there is a high level of demand for housing units, particularly in the urban areas and as the cost of construction of such units is relatively prohibitive for the economically weaker sections, the Government has taken up programme for constructing residential houses in Calcutta and other urban centres. Housing units are also constructed by the State Government for the higher income group persons. These are sold at normal prices and net income generated from the sale of those units are utilised for the construction of housing units for the weaker sections. The West Bengal State Housing Board undertakes implementation of most of the public housing projects. Till the first quarter of 1987 this organisation has completed and distributed 990 E.W.S., 2623 LIG, 6135 MIG and 3890 HIG dwelling units and has developed 681 plots around Calcutta and in the districts of West Bengal. The housing projects are mainly located in Salt Lake, Calcutta, Sarsuna (Behala), Akra, Durgapur, Siliguri and Asansol. The following table shows the housing projects and market units constructed by the Board in 1986 and the first quarter of 1987.

TABLE 10.6

**Housing Projects and Market Units completed in 1986
and the first quarter of 1987**

Name of Projects	HIG	MIG	LIG	EWS	Market Units (Shops/Stalls)
1. Golf Green, Phase—VIII ..	64	—	—	—	—
2. Sarsuna, Phase—II ..	—	—	—	98	—
3. Kalyanpur, Asansol ..	—	—	—	—	39
4. Sarsuna ..	—	—	—	—	38 (Plots)
5. Golf Green ..	—	—	—	—	6
6. Katwa, Phase—II ..	—	—	—	—	8 (Plots)

Source : West Bengal Housing Board, Government of West Bengal.

The following table shows the projects started in 1986 and the first quarter of 1987.

TABLE 10.7

Housing Projects started in 1986 and the first quarter of 1987

Name of the Project	HIG	MIG	LIG	EWS
1. Barasat, Phase—I	80	128	—	—
2. E. M. Bye Pass	224	—	—	—
3. Katwa Phase—II	8	24	80	—
4. Mangalpur (Balurghat)	—	50	22	14

Source : West Bengal Housing Board, Government of West Bengal.

*Board is also developing 95 Residential Plots for MIG and 85 for LIG under Katwa Phase-II Scheme and 13 for MIG under Mangalpur Scheme.

10.14 The Calcutta Metropolitan Development Authority, has undertaken construction of 248 E.W.S. core houses at Salt Lake and 3800 core houses at Baishnabghata Patuli Area. In 1986 and in the first quarter of 1987 this organisation has built 1347 units. Till the end of the first quarter of 1987 the total number of houses built by them is 3813.

10.15 The Community Development and Panchayet Department of the State also constructs houses under International Year of Shelter for Homeless Scheme (IYSH) and Rural Housing Scheme. In 1986-87 under IYSH 1141 houses were built, 2245 houses were under construction. Under the Rural Housing Scheme 4236 houses were built in 1985-86 and 4154 in 1986-87. In 1985-86 a total of 1403 house sites were provided under the same scheme and 4529 sites in 1986-87.

10.16 West Bengal State Co-operative Housing Federation Ltd., also assists in the construction of houses. Till June 1986, sever hundred seventy eight housing co-operative societies have affiliated with this organisation. Upto this period 10918 units have been completed by these co-operatives.

CHAPTER 11

OTHER SOCIAL SERVICES

11.1 The State Government has been continuously striving for general improvement in living standard and physical quality of life of Scheduled Caste and Scheduled Tribe people of the State. Chapter I reveals that a very large percentage of the beneficiaries of vested (ceiling surplus) land belong to this disadvantaged group of people. There is also a preference in the choice of beneficiaries for IRDP and similar programmes so that a significant number of Scheduled Caste and Scheduled Tribe people are covered. The following table shows the amount of money spent in various sectors for implementing the development programme oriented to provide economic assistance to the Scheduled Caste and Scheduled Tribe people.

TABLE 11.1
Economic Development Programme

		(Rs. in lakhs)	
Sector/Item		1986-87	1987-88 upto 31.12.87
1. Spl. Central Assistance Programmes Tribal Sub-Plan.			
(a)	Agriculture	111.50	62.00
(b)	Irrigation	90.38	48.50
(c)	Animal Resources Development	89.30	65.50
(d)	Village Industries	83.70	64.08
(e)	Fisheries	43.00	23.92
(f)	Cooperation	95.80	25.67
(g)	Land Reforms	58.53	60.00
(h)	Primitive Tribes	33.29	—
(i)	Margin money Assistance W.B.S.C. & S.T. Dev. & F. Corpn.	50.00	—
2. S.C.A. Programmes under SCP for SCS.			
(a)	Agriculture	286.00	
(b)	Irrigation	308.50	
(c)	Animal Resources Development	331.18	600.00
(d)	Village Industries	356.31	
(e)	Fisheries	217.50	
(f)	Trades & Business	121.45	—
(g)	Land Reforms	218.00	218.00
(h)	Scavengers Rehabilitation	3.00	—
3. Backward Classes Sector			
(a)	T.C.P.C.	1.19	1.17
(b)	Financial Assistance to	4.52	3.91
(c)	Family oriented Sector for S.Ts. living outside IIDP	100.00	Nil
(d)	Margin money assistance to W.B.S.C. & S.T. Dev. & F. Corpn.	276.30	298.68

Source : Scheduled Caste & Tribes Welfare Dept.
Government of West Bengal.

11.2 The physical achievement against the expenditure above has been significant. Total families economically assisted are shown in the table below.

TABLE 11.2
Total Families Economically Assisted

Programme	1986-87		1987-88 (upto 30.11.87)	
	Sch. Castes	Sch. Tribes	Sch. Castes	Sch. Tribes
(a) Short term ..	88,185	38,014	54,784	26,845
(b) Linked with Margin money of W.B.S.C. & S.T. Dev. & Fin. Corpn.	1,38,640	34,211	59,759	11,544
(c) Others ..	14,887	4,959	4,859	3,268
	2,41,712	77,184	1,19,402	41,657
(d) Trainees ..	522	370	585	390

Source : Scheduled Caste & Tribes Welfare Dept.
Government of West Bengal.

11.3 The total amount of money spent on different types of programmes over the past two years and number of families assisted herewith are indicated below ;

TABLE 11.3
Financial Arrangement in Family Oriented Schemes

Year	Sector	No. of families	Margin money	Bank Loan	Subsidy
			Rs.(lakhs)	Rs.(lakhs)	Rs.(lakhs)
Scheduled Castes					
1986-87	(a) Agriculture	9,161	86.26	130.87	213.71
	(b) Animal Husbandary ..	17,712	125.90	194.00	316.10
	(c) Village Industries ..	32,954	191.18	293.62	456.53
	(d) Fisheries	8,971	87.95	140.24	194.75
	(e) Trades & Business ..	16,196	106.74	190.78	204.23
	(f) Rural Transport & Others ..	2,976	13.99	23.08	33.03
	(g) Land Reforms	88,185	—	314.05	127.73
		1,76,155	612.02	1,286.64	1,546.08
1987-88 (upto 30.11.87)					
	(a) Agriculture	2,543	24.68	37.62	60.83
	(b) Animal Husbandary ..	7,324	48.35	73.50	124.25
	(c) Village Industries ..	10,863	70.81	107.00	176.27
	(d) Fisheries	2,541	25.30	44.04	52.64
	(e) Trades & Business ..	4,583	32.49	65.38	61.81
	(f) Rural Transport & Others ..	1,600	7.95	12.40	19.42
	(g) Land Reforms	54,784	—	171.17	83.17
		84,228	209.58	511.11	578.39

Year	Sector	No. of families	Margin money	Bank loan (Rupees in lakhs)	Subsidy
Scheduled Tribes					
1986-87	(a) Agriculture	5,573	44.72	68.40	110.00
	(b) Animal Husbandry ..	8,897	50.86	79.10	133.05
	(c) Village Industries ..	6,081	32.25	48.29	76.80
	(d) Fisheries	141	1.48	2.51	3.47
	(e) Trades & Business ..	1,623	10.62	20.67	22.09
	(f) Rural Transport & Others ..	1,106	5.17	5.53	9.24
	(g) Land Reforms	38,014	—	139.68	57.14
		61,435	145.10	364.18	412.79
1987-88					
(upto 30.11.87)					
	(a) Agriculture	1,378	12.26	18.66	30.20
	(b) Animal Husbandry ..	3,556	20.50	32.05	51.41
	(c) Village Industries ..	1,659	9.33	14.73	22.67
	(d) Fisheries	77	0.92	1.55	2.32
	(e) Trades & Business ..	449	3.69	7.44	7.33
	(f) Rural Transport & Others	236	1.40	2.14	3.48
	(g) Land Reforms	26,845	—	96.17	41.11
		34,200	48.10	172.74	158.52

Source : Department of Scheduled Caste & Tribes Welfare, Government of West Bengal.

11.4 In addition to the above, tribal people obtain economic assistance from other agencies like WBTDC and LAMPS. Such assistance is calculated to suit their environment and their specific needs. The following table gives the required details.

11.5 Tables above suggest that significant efforts have been made to assist Scheduled Caste and tribe population in the State. In fact, these efforts have gone a long way in bringing these backward groups into the mainstream of economic life. Their active association with Panchyats has brought about a noticeable improvement in their social and economic life.

TABLE 11.4

Economic programme through the WBTDC Ltd. and LAMPS

Programmes	1986-87	1987-88
	(Rs. in lakhs)	(Rs. in lakhs)
(i) <i>Minor Forest Produce Operation</i>		
(a) Sale value (Rs. in lakhs)	72.83	84.27
(b) Employment generated (lakh man-days)	7.60	9.20
(ii) Volume of Consumer's Business (Rs. in lakhs)	325.00	133.00
(iii) Credit operation (Rs. in lakhs)		
(a) Short/Medium term ,,	34.17	11.05
(b) Consumption loan ,,	0.34	0.21
(iv) <i>Labour Oriented works</i>		
(i) Amount involved (Rs. in lakhs)	27.65	13.35
(ii) Employment (lakh Man-days)	0.83	0.37
(v) <i>Processing Units</i>		
Bakery unit—No. stone quarry & crushing unit No. etc. (No.)	3	4
Amount involved (Rs. in lakhs)	8.19	7.56
(vi) <i>Other Economic Schemes</i>		
Shops etc Beneficiaries (No.)	124	114
Amount involved (Rs. in lakhs)	3.44	4.30

Source : Department of Sch. Caste & Tribes Welfare, Government of West Bengal.

CHAPTER 12

STATE FINANCE

12.1 The problem of resource allocation between the Centre and the States arises because of the very pattern of distribution of fiscal powers between the Centre and the States. While the primary responsibility for development and welfare of the people is vested with the State Governments, the power to raise financial resources required to meet these needs rests mainly with the Central Government. So far as the devolution of taxes and duties is concerned, there has been a tendency by the Central Government to restrict the size of the divisible pool. This has been done over the years by changing the definition of income tax, by making provision of various tax allowances, by exclusion of corporation tax from the divisible pool, by taking resort to the non-shareable surcharge of income tax, by substantial curbs on the resource-raising capabilities of States through additional excise duties etc. Particularly important is the exclusion of corporation tax from the divisible pool. Corporation tax has shown higher elasticity and the rationale for its inclusion had been accepted even by the Eighth Finance Commission. Yet the Central Government has denied the State of the share of corporation tax. On the other hand, income tax proceeds, which the Central Government is constitutionally obliged to share, have, over the years, been made less buoyant and relatively insignificant. The ratio of income tax and the national domestic product at factor cost has fallen from 1.97 per cent in 1975-76 to 1.10 per cent in 1984-85. The amount received by the Government of India from West Bengal as various taxes and the share of taxes received by the Government of West Bengal during the Sixth Plan period (1980-85) will make this quite clear. From the above, it becomes quite evident that the State Government is deprived of huge amount of taxable shares.

12.2 Not only does the Central Government has almost all the productive and elastic resources of tax revenue, it has also unrestricted borrowing facility both domestic and foreign, besides the easy source of deficit financing and the indirect control over the major financial institutions of the country. Further, the Central Government can raise resources through measure of administered price without apparently bothering about the fact that increase in administered prices of essential items such as petrol, diesel, coal, steel, cement etc. leads to overall price increase in the economy. Faced with this situation of shortage of resource, the State Government has to take recourse to the increase in taxes on goods, commodities and services which are by nature less buoyant. In spite of their best efforts, however, the States are placed in an extremely

TABLE 12.1

**Amount received by the Government of India from
West Bengal and share of taxes received by the
Government of West Bengal during 1980-85**

<i>A. Amount received from West Bengal by the Union Government.</i>					
I. DIRECT TAXES					(Rs. in crores)
(i)	Income Tax	..	..	..	553.24
(ii)	Corporation Tax	..	..	..	1917.99
(iii)	Interest Tax	..	..	..	244.84
(iv)	Wealth Tax	..	..	..	39.82
(v)	Gift Tax	..	..	..	3.73
(vi)	Exsate Duty	..	..	..	8.14
II. INDIRECT TAXES					
(i)	Customs Duty	..	..	..	3860.21
(ii)	Excise Duty	..	..	..	3523.53
Total					10151.50
<i>B. Amount released to West Bengal by the Union Government.</i>					
(i)	Income Tax	..	..	..	468.47
(ii)	Estate Duty	..	..	..	12.34
(iii)	Grant on account of Wealth Tax on Agricultural Property	..	..	..	0.09
(iv)	Basic Excise Duty	}	..	..	1462.66
(v)	Additional Excise Duty		..	..
Total					1943.56

Note : Collection on account of corporation tax and customs duties are not shareable with the States.

Source : Department of Finance,
Government of West Bengal.

difficult position to meet the financial requirements by raising resource from all the sources of tax and non-tax revenue at its disposal.

12.3 This tendency of centralisation of economic powers has now led to a special situation where the Central loan repayment liability of the States is greater than the Central assistance received by the States, and the situation for West Bengal is no exception. It is known that about 70% of the Central Plan assistance to the State is in the form of loans, and the rate of interest on these loans is being unilaterally increased by the Central Government. As a result, the liability of the State Government on account of debt servicing with respect to the Central loans is also continuously increasing. Given

below is the position of the liability of debt servicing, in respect of central loans only, by the Government of West Bengal during the Sixth Plan period onwards.

TABLE 12.2
Amount of Central Loan Repayment

		(Rs. in crores)			
		6th Plan	85-86	86-87	87-88
Central loan repayment	..	526.95	226.75	248.88	283.13
Interest payment	.. ..	575.94	204.20	261.35	295.88
Total		1102.89	430.95	510.23	579.01

*Source : Department of Finance,
Government of West Bengal.*

Quite relevant, in this connection, is the amount of Central assistance received by the State for State Plan schemes during the period. The figures are :

		(Rs. in crores)			
		6th Plan	85-86	86-87	87-88
		844.64	187.63	232.36	266.30

It is evident from the above data that our loan repayment liability to the Centre is much more than what we get as Central assistance in any financial year.

12.4 Even in this situation the Central Government sometimes takes unilateral decision causing further financial problem to the State Government. One such recent decision was to deduct outstanding dues of the WBSEB to NTPC and Coal India from the central assistance to be released to the State, inspite of serious protest lodged by the State Government in this respect. Similarly, in the field of small savings, the total collection of small savings, 3/4th of which is available to the States as loan, has come down because of certain unilateral decision of the Centre to make certain other instruments like Unit Trust, Public Sector bonds etc. more attractive than the small savings. This has also very adversely affected the financial resources of the State.

12.5 Under the circumstances, the State Government has been compelled this year to impose restrictions on non-plan expenditure particularly in view of the immediate resource needs related to relief and restoration programme on account of the floods in the State.

CHAPTER 13

PROSPECT FOR THE STATE ECONOMY

13.1 Despite severe floods this year, it has been possible, on the basis of expeditious provision of irrigation facilities and inputs and involvement of the local common people through the Panchayats in the entire planning process, to have the production of aman rice exceed the last year's production level. In the rabi session, oilseds production has also showed a remarkably rising trend. The prospect of summer rice is also good. If this trend persists, it is possible that the total foodgrains production in 1987-88 may reach the vicinity of last year's record production and may also cross that level. This prospect of rising production trend in the State is very different from the national situation where a 7 to 10 per cent fall in agricultural production is apprehended in 1987-88.

13.2 This rising trend in agricultural production at the State level is likely to have its positive "multiplier effect" on other sectors of the State economy, particularly the allied rural sectors and the small scale industrial sector. The climate for investment in large industries is also good. There is likely to be a positive growth in construction activities and in the power generation as well. As a result of all these activities, the total State Domestic Product of West Bengal is likely to increase at a rate much faster than the anticipated 1 to 2 per cent rate of growth of the gross Domestic Product at the national level.

13.3 It is not simply a question of increasing the level of production. It is equally important to ensure that the benefits of the increased production reach the poorer sections in the society. In this State, because of the sustained emphasis on land reforms and the provision of inputs to the land poor farmers, the attention given to small scale industries and the self-employment programmes, economic relief substantially reaches the poorer sections and the common working people in rural and urban areas. To ensure this, the State Government lays special emphasis on the participation of the common people in the entire planning process.

13.4 In order to involve the common people in an organised manner in the formulation and implementation of plan schemes, a thoroughly decentralised planning set-up has already been instituted at the District and the Block level with membership of the representatives of the Panchayats and municipalities as well as officials of all concerned departments at the respective levels. Powers of decision-making in relation to these District

and Block-level schemes of various departments, financially amounting to nearly 40 per cent of the total plan budget of the State, have already been delegated to these District and Block Planning set up. The percentage of allocation of Plan Funds for such schemes may increase to 50 per cent in near future.

13.5 While formulating and implementing these plan schemes in decentralised manner, attempts are being made to provide technical and administrative support at the District and the Block level. At the same time, steps have already been taken to ensure that open mass meetings are conducted locally by the elected Panchayat representatives for discussing the choice of schemes, followed up by public presentation of accounts of expenditure. This may be a new beginning in participatory decentralised planning for the entire country.

Sub. National Systems Unit,
National Institute of Educational
Planning and Administration
17-B, Sri Aurobindo Marg, New Delhi-110016
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