

## CHAPTER - 2

# AN OVERVIEW OF THE WEST BENGAL AGRO-BASED ECONOMY

### 2.1. Introduction

The main focus of this study is the 'agro-based economy in West Bengal'. Naturally, it would be necessary to understand the agro-climatic related issues and its changes, transformations taking place in the state before undertaking an in-depth analysis of the situation and development over the years. This study deals with the geographical area, topography, composition of the land, fertility of the soil, Industrial opportunities and products along with their markets.

West Bengal is an agriculture-dependent state, which occupies only 2.7 per cent of India's total geographical area, located in the eastern region of India, over an area of 88,752 Kilometres, ranks 14<sup>th</sup> among Indian states although it supports over 7.55 per cent of the Indian population and has a much higher population density than the national average (Census of India 2011). The boundaries of the state are Nepal, Bhutan and the state of Sikkim on the North, Goalpara district of Assam and Bangladesh on the East, Orissa and Bay of Bengal on the South and Bihar, Jharkhand on the West. West Bengal had been ruled by the Communist Party of India (Marxist)-led Left Front Government (LFG) for more than three decades (thirty-four years) since 1977, which raised it to the position of the world's longest-running democratically elected communist government. The Left Front Government in West Bengal claimed its uniqueness among the Indian states not only by staying in power for such a long period through parliamentary democracy but also for the implementation of a pro-poor land reform programme and decentralized local self-government with a fair amount of success (Mukherji & Bandyopadhyay, 1993). West Bengal State Development Report, 2010 published by Planning

Commission of the Government of India went on to say, “West Bengal is one of the state’s worst-hit by chronically growing imbalances between its revenues and expenditures” (Planning Commission, Government of India, 2010, p. 172). There has been a huge concentration of population over the centuries in the alluvial lands of the Gangetic plains of West Bengal. Historical and socio-economic factors have determined very high-density population present in the state. There are great differences in the density of population between the different districts, the districts of south-central West Bengal being generally more densely populated than those in the other regions. Apart from the internal migration from the neighbouring states, Partition led to an almost continuous stream of migrants into the State from across the Indo-Bangladesh borders. Majority of the people lived in rural areas; these people earn their livelihood through direct agricultural activities or indirectly from it. Consequently, in any policy of economic development of the state, agriculture holds an important position.

## 2.2. The Agro-Climatic Regions of The State

The country is divided into 15 large agro-climate zones in order to achieve scientific management of local resources and sustainable agricultural development, and the state’s physiographical setting falls within three agro-climate regions. Eastern Himalayan Region (Zone II), Lower Gangetic Plain Region (Zone III) and Eastern Plateau & Hilly Region (Zone VIII) are the three broad agricultural regions. Three wide regions are stratified further into six sub-regions of agro-climatic.

This land is almost filled with trees, plantation and orchard crops due to the high slopes of the northern part of the state with high rainfall and cooler temperature throughout the year. Only one-third of this region’s crops are being grown. Due to high slopes, heavy rainfall and erosion, shallow and acidic soil character, plant productivity is small. The region offers good scope for ginger, summer vegetables, peach, plum, etc. cultivation to be extended by adopting a

sustainable approach. The Terai and Teesta region's soils are light-textured, highly acidic due to high rainfall. Rice, jute and tobacco are the region's major *Kharif* crops, while low productivity growth of a number of winter vegetable crops, potatoes and a few pulses and oilseed crops. Also suitable for the extension of wheat, potato, groundnut, superfine & scented rice cultivation, high-value spices such as black pepper, cinnamon, ginger, turmeric, garlic, etc. Other potential areas for further development are the cultivation of medicinal and aromatic plants and related sectors such as animal husbandry and fisheries. Agricultural production is focused on the timely supply of good-quality seeds and good-variety propagation materials with an advanced marketing channel. North Bengal's small and marginal farmers also have a tradition of growing winter vegetables on a large scale. However, for want of easy and cheap transportation system, strong marketing system, cold storage and agro-processing units, they do not get adequate remunerative cost. This region is situated in the middle of India's eastern region and geographically placed with three global frontiers—Bangladesh, Nepal and Bhutan, as well as bordering Jharkhand, Bihar, Orissa, Sikkim and Assam. In addition, there are good prospects for agro-processing units for the primary processing of vegetables, fruits and spices, while at the same time bringing them into a semi-processed condition or secondary processed material with backward connections to small rural centres. West Bengal has by far the largest alluvial land, being 35 lakh ha in the country under Vindhya and Gangetic alluvial soil regions, of which 22 lakh ha. They are equipped with neutral to near-neutral, deep and fertile soils with high capacity to hold water. The areas benefit from the drainage of the river valley as well as the potential for groundwater. With approximately 200 per cent crop intensity, a wide range of wet and dry seasonal field crops, vegetables, fruits and spices are being grown (Planning Commission, Government of India, 2010).

Nevertheless, most of the crop productivity levels are below potential levels, mainly due to low input and technology deployment affected by farmers, poor economic status and limited access

to institutional credit. This region has the potentiality for large-scale cultivation of a variety of winter and rainy season vegetables as well as flowers. Despite the fact that mango, litchi, guava and banana are prosperous fruit crops of Malda and Murshidabad districts, old mango orchards have survived their economic lives and need replacement and rejuvenation. Common facilities such as continuous power supply, good quality water supply, cold storage facilities, warehousing facilities, forward integration with the manufacturing industry are the necessary interventions for further growth. There is a relatively large arid area in West Bengal's western belt where the lands are lateritic and undulating. Such lands constitute about one-third of the Purulia, Bankura, Paschim Medinipur, Bardhaman and Birbhum district's cultivated area. In the depressions and on the hills, uplands of varying sizes, from a few acres to a few square kilometres, are interspersed with terraced rice fields. The lower terraces where modest rice yields are obtained are typically owned by some comparatively better-off peasants. Most of this region's inhabitants are predominantly tribal and other backward communities. They relied largely on these marginal uplands where they tried to grow some hardy varieties of low yielding rice, some small millets, a small pulse-horse gram, and a small oilseed-ginger; to eke out a living. The yields are very low even in the year of better rainfall, which hardly compensates for the labour and other inputs.

However, due to the pressure of rising population, more and more these uplands are being ploughed. Partially due to leaching losses due to high soil porosity, the nutritional status is low. The soil productivity in the area could be substantially improved by implementing strategies such as choice of suitable plant varieties, soil management, adoption of techniques for water harvesting and soil conservation, manuring, sowing time adjustment, etc.

Low lying and level part of the deltas of the Ganga river system on the northern coast of the Bay of Bengal is the southernmost areas of West Bengal in the districts of South 24 Parganas, Purba Medinipur and South Howrah. The rice fields are graded as small and high lands that are

filled with poor drainage by floods and rainwater. Throughout the monsoon season, water stagnates at a rate of 30 to 60 cm. On the fringes of Bay of Bengal, there are vast tracts of coastal saline soils. Underground water table with high salt content is found at a shallow depth. During the dry periods of the year, salts are brought to the ground, making it unfit for the cultivation of many crops that local people need. Such areas cross 8.4 lakh ha. Sweet water irrigates only 4 per cent of the cultivated area. Therefore, in the wet season, the region is a mono cropped area with 4.2 lakh ha being cultivated and the remaining six to seven months usually remain fallow throughout winter and summer. Of course, some enthusiastic farmers have adopted commercial chilli and watermelon cultivation adjacent to their homes in the less saline areas. Possibilities have been reported to extend the cultivation of sunflower, groundnut and cotton providing saltwater (Ec 5.2 dS/m) irrigation. This tract receives approximately 1600 mm of rain between June and October during the *Kharif* season. This amount of water is far beyond what *Kharif* crops need. Strongly suggested for large-scale adoption is the proven technique of storing the excess rainwater in 1/5th excavated land of a farmer's total cultivated land and raising the adjacent embankment and crop field (Bhattacharya & Chattopadhyay, 2013). This technique will surely bring prosperity among the small and marginal farming communities of this agro-climate area with the cultivation of fruit and vegetables on the pond embankment and diverse field crops both in the *Kharif* and *Rabi* seasons on the elevated fields and fish farming.

## 2.3. Agro-Economic Profile

### 2.3.1. Institutional Credit Banking Facilities in the State

Banking services are provided by Commercial Banks (CBs), Regional Rural Banks (RRBs) and Cooperative Banks to the citizens of West Bengal. Kolkata is the headquarters of three commercial banks, the United Bank of India, the Bank of Allahabad and UCO Bank. United

Bank of India is the national convener of the Committee of State Level Bankers (SLBC). The State's cooperative credit structure follows a mixed pattern. While the District Central Cooperative Banks (DCCBs) operate in 15 districts, West Bengal State Cooperative Bank (WBSCB) branches operate in three districts under the short-term framework. While the 24 Primary Cooperative Agriculture and Rural Development Banks (PCARDBs) operate in 16 districts, West Bengal State Cooperative Agriculture and Rural Development Bank (SCARDB) branches operate in two districts under the long-term structure. West Bengal State Finance Corporation (WBSFC) is another state-owned funding agency. United Bank of India is the lead bank in ten (10) districts, UCO Bank in four (04) districts, while Central Bank of India and Allahabad Bank are lead banks in three (03) districts and one (01), respectively. According to GOI instructions, in February 2007 in the state, the process of amalgamation of RRBs which started in 2005 in consultation with state government and sponsor banks was completed. The total number of RRBs after amalgamation in West Bengal was at three, including a separate RRB. Five UBI-sponsored RRBs were fused into Bangiya Gramin Vikash Bank, and three UCO Bank-sponsored RRBs were fused into Paschim Banga Gramin Bank. Uttarbanga Kshetriya Gramin Bank, operating in three districts of North Bengal and sponsored by CBI, continues to operate as a stand-alone RRB. The RRBs have a wider operational area with the amalgamation, a large branch network, improved workforce, increased single exposure cap and a pool of experienced staff.

Credit flow to the agricultural sector to ensure that the agricultural sector grows at an annual rate of 4 per cent as announced by the Government, strategies to be adopted are twofold: the method of credit deepening and the method of credit expansion. Adjustment of the financial scales and upward adjustment of the kisan credit card(KCC) limit were carried out under the former process. Similarly, for credit expansion, financing for new farmers, new projects, Agri clinics and agri-business, loans to tenant farmers and so on is essential. Over the last six years,

the role of agricultural credit in West Bengal has improved. In 2008-09, according to the latest available information, total credit disbursement was ₹ 6207 crores against the target of 6693 crores. Thus, the percentage of achievement is 93 per cent compared to only 68 per cent in 2003-04 and 80 per cent in 2004-05. The year-wise credit flow to agriculture vis-a-vis-the-target is shown below; Microfinance institutions (MFIs) have also become involved, particularly in the eastern part of the country, over the past few years, other than the banks. They have provided farmers with loans, particularly small loans. However, data on their exact numbers and the amount of loans they provide to the agricultural sector is not clear, but from the field, it is ascertained the business is growing significantly in rural areas.

### 2.3.2.Credit Flow to the Agricultural Sector

In order to ensure that the agriculture sector grows at an annual rate of 4 per cent as announced by the government, strategies to be adopted are twofold: credit deepening method and credit widening method. Under the former method, revision of scales of finance and upward revision of KCC limit is done. Similarly, financing of new farmers, new projects, agri-clinics & agri-business, lending to tenant farmers, etc., have been adopted for credit widening. The position of agricultural credit has improved in West Bengal over the period of last six years. As per the latest available data in 2008-09 total disbursement of credit was ₹ 6207 crores against the target of ₹ 6693 crores. Thus, the achievement percentage is 93 per cent against only 68 per cent in 2003-04 and 80 per cent in 2004-05. The year-wise credit flow to agriculture vis a vis the target is indicated below;

Other than the banks, Microfinance institutions (MFIs) have also become active during the last few years, especially in the eastern part of the country. They have been providing loans to farmers, especially small loans. However, data regarding their exact numbers and the amount

of loan they are providing into the agriculture sector is not clear, but the business is significantly increasing in the rural areas.

## 2.4.Scenario and Background of Indian Agriculture

Agriculture has a special status in India; This is evident in the literature on India's socio-economic and political development written over decades. Some political economists and sociologists, working on development issues, considered the Indian agricultural aspects worthy of praise. Studies in Agrarian Social System by Andre Bettle in 1974 gained academic respectability (Bettle, 1974) and 'peasant studies with village studies' arrived in India. Of agrarian studies, the influential essays on Village India, edited by McKim Marriot with its focus on 'small communities' and 'large communities' has attracted wide attention from all corners (Marriot, 1954).

A long time before anthropologists began to study agrarian villages in India and its agrarian systems in the early 1950s, colonial ethnographers did it vividly. For decades, colonial policies have caused hardship for the Indian farming community. Creating private ownership of land from collective ownership of the village community is one of the most critical aspects of the colonial rule. There had been no private land rights, and the Britisher's are of the opinion that no significant economic distinction would have resulted in the development of private land ownership in Indian villages. The land was in abundance and in almost every part of the Indian countryside, there was no selling or purchase of land. According to Irfan Habib, "The economic distinction between the peasantry had greatly improved during the Mughal era of Indian history. There were farmers who used hired labour and raised crops for the market, and there were small farmers who could hardly produce food grains for their own livelihood. There was still a sharper division between the caste peasantry and the 'menial' population beyond this differentiation among the peasantry" (Habib, 1982, p. 247). Dharma Kumar claimed that there



was a large population who worked primarily in pre-colonial India as agricultural labourers. The village was connected by a stable revenue bureaucracy system to the empire. Land revenue played an important role in the community's growth and development, and it was collected during the 'medieval' period or related to surplus in production. In setting income demands, Mughal authorities made a differentiation between different categories of landowners. Larger landholders are required to pay less per unit, such as headmen, *zamindars*, and some preferred class (Kumar, 1992).

In ancient India, land ownership belonged to the king or ruler of the country. The state or the emperor was the sole owner of the land in pre-colonial times. The peasants and the tillers were mainly concerned with paying rent in relation to the land they cultivated. The mediators, *Zamindars, Taluqdars and Nawabs*, collected tax on behalf of the emperor. The land rights system in medieval India was based on deep hierarchical feudalism that gradually deteriorated under the influence of the Mughal's market economy and central regulator (Sharma, 1980).

#### 2.4.1. Agrarian Changes During the Colonial Period

After establishing political authority, the British colonial rule had a substantial effect on the agricultural rural economy; the colonial rule introduced the task of restructuring rural society into a structure that would make governance easy and controllable. The Colonial Government began enforcing land ownership rights and undertaking land acquisition operations across all provinces. Charles Cornwallis introduced permanent settlement of Bengal in 1793. Under this scheme, *Zamindars* (the tax collecting members of the earlier rule) were given land ownership rights instead of previously collection rights. The Zamindari system of exploitation increased landless farm labourers. This caused a large section of the rural population to suffer misery. This system has given rise to hierarchy in many ways, such as intermediaries-tenants, poor peasants, sharecroppers, etc. The *Zamindars*, who attained the status of a landlord, mercilessly

collected land revenue. This system was widely found in parts of Tamil Nadu, Uttar Pradesh, Bengal, Bihar and Rajasthan. Throughout rural culture, the permanent settlement also had political-strategic consequences. Revenue demands from the peasantry increased with the implementation of Zamindari system. Undermining of the bond between the *zamindars* and the tenants was the additional economic burden. Permanent Settlement of Bengal is often referred to as 'parasitic landlordism'. The agricultural and industrial revolutions of Europe are influential to some extent in West Bengal and other provinces during the colonial period. New agricultural techniques, technology, varieties in seeds and some new crops were introduced which changed the face of agriculture. Trade and trade grew with the growth of agriculture. Irrigation facilities, transport etc. were improved. In India, farmers were economically exploited and socially lowered despite agricultural development to some extent during the colonial period. Important changes were made in the early 19th and 20th century agricultural and land management system. The trading group became interested in selling agricultural products. The entire farming system was further revolutionized by industrialization and the railway network. With the growth of a wide variety of cash crops and food crops, there has been a huge increase in agricultural production. The whole face of agriculture has changed due to this transformation along with the commercialization of agriculture.

#### 2.4.2. Commercialization of Agriculture

The term 'commercialization of agriculture' is used to describe two related processes, firstly a shift in the agricultural economy from household consumption to market production, and secondly land began to acquire the features of a commodity to be sold and bought in the market. The above characteristics related to the expansion of production and also greatly improved the quality of production during the British colonial era. In the Indian agricultural sector, this is indeed a new phenomenon. Irfan Habib believes that large peasants produced cash crops like

cotton, tobacco and sugar cane during the Mughal period (Habib, 1982, pp. 235-248). The markets flooded with these products however were usually regional in nature and had a limited demand. Colonial rule system changed the entire scenario. The laying of railways and opening of the Suez Canal opening made the Indian village a part of the international market. Due to the Industrial Revolution in England during this time demands and new requirements were created for certain specific agricultural products as raw material. The peasantry was attracted to crops that had a better market value because of higher income. The peasantry moved from traditional cropping cultivation to cash and commercial oriented crop cultivation. As a result, food grain availability per head declined by 25 per cent in the inter-war period. At 38 per cent (Blyn, 1966). This decline was the highest in Bengal, Bihar, and Orissa.

Thanks to the change in crop patterns and forced agricultural marketing during the colonial era, it had some serious consequences for local populations. Bengal has been skewed to a state with regular famines from its stable condition. About 3.5 million people died in one of its worst famines in 1943-44. Although the accounts of the official and colonial rulers 'inquiries' attributed these famines were attributable not to food shortages but to crop failures in 1942. It was not the scarcity of food that caused the famine in Bengal in 1943, but the changes in the 'exchange entitlements'. The year 1942-43 was faced with unparalleled inflation, mainly as a result of expenditure on warfare, and the absolute price level moved toward the sky. But there was no correspondence among the prices of different commodities. While it caused helplessness among local populations due to the shifting of crop patterns and the rise in participation of peasantry in the market, the famines pushed the people to miserable conditions. In the pit of money lenders and wealthy landowners, the peasantry got involved. The peasants earned loans as protection at the altar of their estate. Both the lenders of money and the wealthy landlords often had the evil intention of taking the property of the poor helpless peasants. The

said system continued for a long interval of time until the nationalization of the bank by the Government of India after independence (Sen A. , 1981).

### 2.4.3. Agrarian Changes after Independence

The entire agricultural scenario deteriorated to the extreme at the time of independence due to the age-old colonial policy of looting the country. The crop yield had decreased and the irrigated area was also very limited. Vast areas of land remained uncultivated, degrading the quality of the soil. Seed performance was poor in nature; both qualitatively and quantitatively, livestock also declined. The Indian government began to change Indian agriculture in all respects to meet the growing demand for food. More and more land was taken for cultivation. A large number of land reforms measures were introduced as a way to improve the agricultural situation. Much focus was put on ownership of the farmer and measures for the implementation of the land ceiling were undertaken on the farm holding. In the field of farming, new methods were adopted. To resolve the repeated shortage of food grains in the country, this new agricultural strategy was implemented. The implementation of Borlaug seed fertilizer technology played a major role, both qualitatively and quantitatively in the yield of the agricultural product. Often known as HYV (High Yielding Varieties Programme), this transition was commonly referred to as Green Revolution. In the beginning, this program was introduced in some selected districts in different parts of the country like Aligarh in Uttar Pradesh west Godavari in Andhra Pradesh Ludhiana in Punjab and so on. The system was supported by improved irrigation services, improved seed performance, fertilizer use, pesticides and insecticides. The Green Revolution has solved the rural poverty crisis to some extent. It also gave rise to rural industrialization that gave grassroots level job opportunities. On the other hand, the fertility of the land decreased as a result of these changes, and the pest problem increased in the future. The farmer's financial condition began to deteriorate. They

had to borrow money from the brokers to buy modern farm tools. They were compelled to sell their agricultural land to repay the loans. Many agricultural scientists are of the view that the condition of farmers deteriorated by the introduction of modern farming changes. It was believed that high yield and environmental friendly conventional organic farming is much more advanced.

The green revolution took place in those regions where there was a prevalence of the *Raiyatwari* system such as Punjab, Hariyana, etc. On the other hand, whole of east India's agriculture, including West Bengal's had a very small impact because they didn't have the agricultural friendly circumstances like those places where the green revolution took place. There was no significant growth in agricultural development or production in West Bengal until the 1970s. West Bengal adopted the CADP project (Comprehensive Area Development Corporation) as a model similar to the projects undertaken as green revolution measures in northern states. The CADP project in West Bengal was partially successful, but the complete solution was not there. The state was thus suffering from acute food crisis which became extreme in the 1960s. When the left front government came to power in 1977, they put all-out emphasis on improving the state's agricultural condition. Because of the political responsibility and promises made to the general people in course of election-campaigning before coming to power, the wholeheartedly began to pursue the policies of Land reforms. Land reforms and decentralized local self-government thus emerged as the Left Front's main political agenda. The Left Front government initiated '*Operation Barga Project*' in 1978 with the active support of grassroots organizations—All India's political organization Kisan Sabha combined with the panchayat's administrative support. Land reforms played a major role in West Bengal's agricultural movements during the first decade of the left regime. But the programme of land reforms lost its vigour and importance in subsequent decades because the left government did not take the necessary measures to fulfil the aims of Land reforms.

## 2.5. Neo-Liberalism in India: Post Globalisation Era and Land Acquisition

Land acquisition has always been an issue of India for controversy and conflict for a long time. Previously, it was limited to projects that would improve the 'public good' such as the construction of large hydroelectric dams, lauded by Jawaharlal Nehru as India's 'new temples' (Tharoor, 2012, p. 250). Neo-liberalism has been promoted by restoring individual entrepreneurial freedoms and skills, described by David Harvey as an economic theory that advocated human well-being. According to the neoliberal philosophy, this individual freedom is accomplished through strong private property rights, free markets and free trade. The state must restrict itself to a minimal role, offering the repressive and legal mechanism to promote a free market, but this market should not be involved by the state as it will logically corrupt it. Importantly, if markets do not exist they 'must be created by state action if possible' (Harvey, 2005, p. 2). 'Neoliberalism, as opposed to economic liberalism, presents free markets, free trade, and entrepreneurial rationality as accomplished and universal, as promulgated by law and social and economic policy — not just as occurring by definition' (Brown, 2006, p. 694). Neoliberal ideas have become increasingly important in India as a platform for elites to end the old 'permit raj,' it is a protectionist measure to import substitution, and open India to the world (Mukherji R. , 2010).

There has been a significant change due to the phenomenon of economic liberalization introduced in the 1990s. The government's policies began to change with the implementation of liberalization. The government decided to purchase land for an industrial plant. So far as the acquisition of land is concerned, we may note that the Government acquired land from 1947 to 1991 for the establishment of public sector industries. The land was also acquired for public purposes for bridge construction, railway lines, project construction such as dams, infrastructure development, housing project, etc. We may note that private investors were

allowed to purchase agricultural land for development projects before liberalization, but it was very limited or negligible. We could also observe that the government acquired agricultural land in the name of public purpose, giving the landowners very little compensation. Because of the economic liberalization 1991, demand for land increased for infrastructure and industries development. A series of policies were introduced by the Indian government to attract private investment such as power, road, port, etc. The government has launched a Public-Private Partnership(PPP) framework for increased private sector investment. The agricultural land market has failed to meet the demand of private investors because most of the agricultural lands that are suitable for the project is owned by marginal farmers. There are also legal issues related to the title or ownership of land. It was also observed that for various reasons, most of the peasants were not willing to sell their agricultural land. Rural people are not specialized in non-agricultural work, so they opposed the acquisition of land.

The CPI(M) has been all a strong critic of neoliberal policies since long and opposed government policies whenever needed. Notwithstanding this, West Bengal's Left Front government generally adopted the mainstream view and supported key aspects of the neoliberal agenda. In 1994, the state government introduced its economic reforms aimed at 'having foreign investment and technology' and 'encouraging the private sector to increase growth' (India Brand Equity Foundation, 2010) and started disciplining labour by banning *gherao* (the encirclement of employers by labour to demand). Chief Minister Jyoti Basu, who travelled overseas to gain foreign investment, symbolized this shift (Basu A. , 2004). The response from West Bengal has been partly due to structural adjustment. Since 1991, income in all states had decreased as tariffs and taxes have been cut, and the Central government had more monopolized tax revenue (Ghosh, 1997). For example, food and fertilizer subsidies were removed in West Bengal and rural credit availability was restricted (Bhattacharyya & Bhattacharyya, 2007). Desperate for jobs, states were trapped in 'economic federalism', or a

'race to the bottom', where states sought to draw capital by providing a variety of rewards (Bhattacharyya D. , *Left in the Lurch: The Demise of the World's Longest Elected Regime?*, 2010). The central government passed the Special Economic Zone (SEZ) Act of 2005 (2003 in West Bengal) (Amitendu, Bhattacharjee, & Debroy, 2012) to facilitate foreign direct investment. This Act allowed Indian territory to be called 'independent territory' and provided several tax concessions along with less restriction on labour laws. IT companies used most SEZs to extend tax holidays and relatively fewer large-scale industrial SEZs have existed. By committing to acquire land on behalf of investors, however, states encouraged these large-scale industrial zones, and as states began to acquire large areas of land, resistance and protests broke out. In West Bengal, the state government purchased 1,000 acres of land for the Tata factory at Singur in mid-2006, triggering significant controversy and foreshadowing the debates to follow at Nandigram (Nielsen, 2010). In this context, the debate was centred on land acquisition in Singur and Nandigram.

The government of India implemented policies such as liberalization, privatization and globalization (LPG) in the 1990s. The government further promoted the idea of a Special Economic Zone in the year 2000 with the implementation of these policies with opportunities for Foreign Direct Investment (FDI) were extended. This policy was adopted to generate additional economic activity, increase the export rate of goods and services, and develop infrastructure in conjunction with the creation of opportunities for employment. In the post-globalization period, India's government promoted foreign investment in road construction, railways to change the entire infrastructure with a more advanced system of communication. The government also emphasized on developing power, energy, and infrastructure. Compared to other regions, the special economic zone created in different geographical regions has completely different rules. These regions benefit from tax breaks, simplified procedures, with fewer customs and duty-free regulations and restrictions. We understand the status of



performance of the Special Economic Zone from the report of the (Comptroller and Auditor General of India, 2014):

Total land under Special economic zones	56,066.69 Hectares
Land for notified special economic zones	43258.42 Hectares
Total land under formally approved SEZs	9981.16 Hectares
Total land for 7 central government+11 state or Pvt. SEZs before SEZ Act 2005	2827.11 Hectares

The Left Front Government came to power in 2006 with the inspirational slogan "*Agriculture is our base, industry is the future*" the Government gave more emphasis on the concept of Special Economic Zone after coming to power with an absolute majority. They considered the Special Economic Zone as the main vehicle for economic and social development. The Government at the Centre passed laws for the creation of Special Economic Zone. The central government has the SEZs Act of 2005 (Government of India, 2005), and the West Bengal State has the Special Economic Zone Act of 2003 (Government of West Bengal, 2003). The State Government wanted an amendment to certain central Act's objectionable point. Almost everything was mentioned in the State Act regarding these amendments. It is learned from the Annual Report, 2014-15 Department of Commerce, Ministry of Commerce and Industry, Government of India that the state of West Bengal has 12 formal approvals along with 2 SEZs approvals in principle. West Bengal State also had 5 notified Special Economic Zones and 7 exporting SEZs. The introduction of SEZs took place in West Bengal in the year 2003, before the Government of India implemented the central act. It is a fact that West Bengal is the first state which implemented the policy of Special Economic Zones and thus the foundation for transforming West Bengal from an agricultural economy to an industry-based economy begun with the introduction of SEZs.

The enactment of the Special Economic Zone (SEZ) Act 2005 goes a few steps forward by allowing the government to transfer the land acquired under the Land Acquisition Act for public purposes to private development companies. The application of the Land Acquisition

Act often goes hand in hand with various other types of corporate and state pressure tactics to obtain the landowner's consent because of the latter's low bargaining power. It has been observed that the process of land acquisition and conversion of agricultural land reflects state and market failure; in fact, both form a nexus to indulge in state 'primitive accumulation' (Patnaik, 2008). Agriculture in West Bengal State is the main occupation of the rural population. It is a small farmer-centric, with small and marginal farmers accounting for 90 per cent of the growers. Small and marginal farming communities owned 84 per cent of the agricultural land of the state. Also, about 30 lakh landless families have earned the right to grow and cultivate crops on their own land after the *Operation Barga* was implemented. West Bengal has alluvial areas such as the alluvium of Vindhya and Ganga. Coastal lands are alluvium with different degrees of salinity spread. Located primarily in the Ganga river delta, the land has many rivers and tributaries. The land on the banks of the river has been under human cultivation since ancient times. Because of the fertility of the land and abundance of rainfall in the area for its geographical location, the natural forest began to grow long before. In the early years of the post-independence period until the 1980s, West Bengal's agricultural production growth was poor and much lower than in the rest of the country. The situation changed dramatically in the 1980s, which accelerated agricultural growth, and West Bengal did better than other Indian states, and the rate of growth in food grain production in India was the highest among 17 major states (Mukhopadhyay, 1997).

It is also an accepted fact that the agricultural sector's success in West Bengal influences the economy's growth. Agricultural growth and productivity in West Bengal, based mainly on food grain production, has significantly contributed to the state's overall economic growth since the 1980s. Growth in agriculture had a significant impact on reducing poverty (Ravallion & Datt, 1996). Following a long period of sluggishness, agricultural growth in West Bengal began to move in an upward direction in the early 1980s with the introduction of High Yielding Variety

Seeds (HYV) in agriculture and the use of chemical-based technology along with a more egalitarian land distribution system through agrarian reforms. The land reforms in the form of *Operation Barga*, as applied after the late 1970s in West Bengal, approved the right to register tenancies as well as lawful entitlement to more crop shares in favour of tenants through legislation. Rice is the leading food crop in West Bengal covering more than 70 per cent of the crop area. Since the early 1990s, there has been a marked change in cropping away from food grains in West Bengal. The share of non-food grain cropped area has significantly increased. During the same time, the area under potato also increased considerably (Table 2.1).

Table 2.1. Area under Principal Crops in West Bengal( Percentage to Total Cropped Area)

Rice of which	72.13	75.21	70.26	70.23
1.Aus	8.57	7.9	5.06	3.51
2.Aman	58.73	55.72	47.04	49.42
3.Boro	4.83	11.59	18.12	17.3
Wheat	3.94	3.48	5.51	4.33
Pulses	7.31	4.06	3.55	2.71
Total Food Grains	85	84.05	80.05	78.58
Oilseeds	4.42	6.64	7.74	8.69
Jute	8.51	6.47	7.92	7.35
Potato	1.61	2.52	3.87	5.04
Non-Food grains	15	15.95	19.95	21.42

Source: Government of West Bengal. *Economic Review 2007-08*

It Shows the acre wise shares for major crops in 2005-2006 between different districts of the state. Most of West Bengal's districts produce rice, and *Aman* was the leading variety. Hooghly, Medinipur (East), Howrah, Bardhaman, and 24 Parganas (North) are the state's largest districts producing Boro. Malda, Murshidabad and Nadia are leading the production of wheat and pulses. Oilseed production is concentrated primarily in Nadia, 24 Parganas (North), Murshidabad and Malda. In Nadia, Cooch Behar, Murshidabad, Dinajpur (North) and 24 Parganas (North), on the other hand, Jute is intensively developed. Hooghly district in West

Bengal's leading potato-producing district, which mostly comprises fertile land as we find in Singur,

The marginal holding classes like the small farmers, *bargadars* and *Khetmojur* performed well in farming in West Bengal. It has been observed that marginal farmers and *bargadars* got access to credit from institutional sources to make investments and purchases necessary. Compared to other states in India, agricultural development in West Bengal was considered to be one of India's major agricultural states. Table 2.2 displays West Bengal's contribution to the national economy over different periods in terms of its production shares for major crops. Total food grain production in West Bengal accounted for approximately 16 million tons, accounting for 7.4 per cent of the total food grain output of the country, and ranked fourth among India's major states in 2006-07. With rice output of 14.51 million tons in 2006-07, the state led all major rice production states and contributed almost 16 per cent of the total rice output of the country. Over the past 25 years, the state's share of food grain production has steadily increased. In rice production, in 2006, the share increased by 2 per cent relative to the 1980 estimate, although in the 1990s it remained roughly at the same rate. In the period 1990-2005, the growth rates of production for major food and non-food crops in West Bengal were compared to the respective rates in other countries of the region.

Table 2.2 Share of West Bengal to All-India (In Percentage): Output of Major Crops

Crops	1980-81	1990-91	2000-01	2006-07
Rice	13.9	14.1	14.6	15.9
Wheat	1.3	1	1.5	1.1
Pulses	2.3	1.4	2	1.1
Total Food Grains	6.4	6.4	7	7.4
Oilseeds	5.3	7.1	10.8	6.9
Jute & Mesta	57.6	60.1	71.2	74.7
Potato	20.4	29.5	34.7	-

Source: Government of West Bengal. Economic Review 2007-08

Table 2.3 present rice production growth rates for India's major rice-producing states. In rice production, West Bengal performed better than other rice-producing states in India. Mustard is the major oilseed produced in West Bengal, contributing approximately 5 per cent to its domestic production. West Bengal was India's leading producer of jute. This fiber crop's growth rate was the highest in West Bengal in 1990-2005.

Table 1.3. Trend Growth Rates of Production of Rice:1990-2005

States	Growth Rate
Andhra Pradesh	0.17
Orissa	-0.19
Punjab	2.79
Tamil Nadu	-2.56
Uttar Pradesh	1.46
West Bengal	2.03

Source: ICSSO(2006,2008). State-wise Estimates of Value of Output From Agriculture and Allied Activities.

Note: \* significant at less than 1 per cent level \*\* significant at less than 5 per cent level, the rest are insignificant

## 2.6. Agricultural Policy after Independence in West Bengal

Review of the agricultural policy in India needs to be situated in the context of broad economic development marked by a 'journey' from one conventional subsistence to one focused on a market economy that aims at a global reach. Through implementing marketing and capital investment and reforming the age-old social relationship frameworks in agriculture, the colonial rulers had brought about drastic changes in the agrarian sector. The post-colonial state has embarked on a spate of sector reforms since the 1950s that include issues of land-related structures, technological interventions, food security, and numerous other socio-economic infrastructure arrangements. West Bengal, representing one of Eastern India's most fertile areas, was badly hit by agricultural stagnation during the colonial period and endured a severe food crisis followed by hunger and starvation in the days before the war. Colonial policies and the perpetual effects of the partition(1947) have had a lasting impact even after independence on Bengal's predominantly agrarian economy (Bose, 2006). Against this historical context, the

scholars put serious attention from the policy initiatives and reforms of the successive state governments in the agricultural sector, rooted in specific ideological positions. In the post-independence period, the state's agricultural output under the Left Front rule's three-and-a-half decades deserves special notice as the state's agricultural emphasis during this regime was highly ambitious. The Front Government's agrarian reforms have not only drawn academic references in critical discursive accounts but also evoked numerous responses and negotiations in West Bengal's mass-mediated public domain. In its programmatic and rhetorical words, Left Front politics have relied heavily on agrarian achievements.

### 2.6.1.Pre-Left Front Government Era

The Left Front government came to power under the leadership of All India Kisan Sabha (AIKS) in rural Bengal with a powerful legacy of peasant mobilization. The Congress government at the centre, after independence, enacted the broad system of institutional reforms in the agrarian sector with the abolition of Zamindari and Intermediary Act, land ceiling rule, etc. Because agriculture was included in the Constitution under the State List, the introduction of reforms in the agricultural sector was left to provincial government's responses. Land reform along with various rural development programs has emerged as a cardinal issue to address the feudal agrarian relationship issues with its exploitative tenancy or income system. Bengal became one of the hotbeds of peasant mobilization during the British rule. During the 1930s and 1940s, various parts of the Bengal province such as the district of Midnapore, Jalpaiguri and Kakdwip were rocked by sharecropper's agitations against landlords over the supply of goods. This declaration of rights resulted in the popular movement of Tebhaga, which held a historic salience in the peasant movements of India demanding the proper share of the landlord's produce. The peasant front of India, Communist Party's Krishak Sabha, played an

instrumental role in the movement, extending the protest spirit to other parts of India as well (Chatterjee P., 1997).

The Congress government came to West Bengal's state power after independence and introduced a series of land reform laws. The West Bengal Bargadars Act, 1950 (West Bengal State, 1955), the first piece of land reform legislation addressed the issue of tenancy rights. The Act sought to specify the share of revenue between the *bargadar* (shareholder) and the landowner and also suggested the establishment of a 'conciliation committee' to interfere in land disputes. In 1953, by bringing them under state protection, the West Bengal Estates Acquisition Act was passed to implement the abolition of intermediaries and securing tenant's rights. Therefore, the relationship between ryot and intermediary was replaced by the relationship between the state and *ryot* (a tenant of a piece of agricultural land) and all rentals were leased property. However, it allowed intermediaries to maintain land with a limit of 25 acres per person in their *khas* (under direct ownership). The West Bengal Land Reforms Act was enacted in 1955, which modified the *bargadar's* and landowner's rights, responsibilities to some degree, and arranged land assessment to control land ownership concentration. Between 1955 and 1969, the legislation underwent several changes to protect the *bargadars*. Right and the rules on the walls. Despite the liberal tone of these land reform laws, the Acts were unable to diminish the position of the vested interests in rural Bengal and control the eviction of *bargadars* from the land because of the Congress government's lack of political will to bring about a radical change in the agrarian relations. The landowners were even able to maintain surplus ceiling land using various exemptions given under the law. The Congress Party primarily relied on the support of the rural landlords and the national bourgeoisie to consolidate their regime's indifferent states in years of post-independence. The establishment of the United Front governments in the late 1960s fuelled the *bargadar's* spirit of agitation against eviction or landowners. Taking advantage of it. Based on some common minimum

programs to be enforced by United front of several non-Congress parties, the two ministries of the United Front, which emerged from a strong anti-Congress wave and spirited popular struggle in the mid-1960s, were established. Both of these regimes were short-lived, followed by a year-long presidential rule in the country. The decade 1967-77 witnessed the rulers radical left movement and counter-reactions leading to political instability and a crisis in governability (Kohli, Democracy and India's Crisis of Governability, 1991, p. 277) in the government. The United Front Governments came to power in the middle of these tumultuous days with a pledge of pro-poor governance to regain the power of the people. One of the main agenda of the CPI(M), the United Front Government's major constituent, was to broaden the support base among the lower classes of rural and urban society using state power and to neutralize their authoritarian base. Land reform was conceived as the immediate goal of the Governments of the United Front along with the restoration of constitutional order, and it emphasized the recovery of *benami* (false names) and surplus land and its distribution to poor *bargadars*. Under the second United Front Ministry, the West Bengal Land Reforms (Second Amendment) Act, 1969 was implemented to secure the right *bargadar* share over the drug. The Land Reform portfolio belonged to the CPI(M) firebrand peasant leader Harekrishna Konar, who played an instrumental role in mobilizing *bargadars* to implement land reform programs. United Front government's politically inspired land reform programs sparked violent resistance from a section of landowners and caused the *bargadars* in various parts of Bengal to forcibly seize land from *jotedars* (landowners), leading to law and order trouble. Hare Krishna Konar's revolutionary speeches against the oppression of the *jotedars* induced the party cadres to launch a militant land grab movement. Hare Krishna Konar called on the peasants: "Landlords are receiving court injunctions, they are vulgarizing justice. I am useless as a minister, because I made an oath to abide by the Constitution. But you're not ministers, you're not pressured. Please get up. The injunction order was written by pen, with your plough you vacate it and



uphold justice!” (Konar, 2002, p. 5). The ministries of the United Front did not survive long after political unrest and internal differences. But at a later stage, particularly under the Left Front system, it could have a lasting impact on the state’s land reform movements. In 1971, the Party of Congress seized power in the state and reigned until 1977. During this time, another important piece of amendment to the Land Reform Act in 1972 was added to the earlier legislation, which made *bargadars* hereditary to cultivation and increased their share if they received all the inputs. The West Bengal Land Reforms (Amendment) Act, 1975, defined certain rights and obligations of the *ryots* with respect to the transferability of properties, mortgages or landholdings. Therefore, the protection of tenancy rights was discussed under these various land reform laws, landholding limits were resolved to eliminate land ownership concentration and the redistribution of inherited property to the weaker section was contemplated. Despite the revolutionary language of the enactments, law enforcement revealed the flaws of the laws and Congress government’s inability to radically restructure land tenure relations.

### 2.6.2.Changes During the Left Front Government

The Left Front government came to power with a massive electoral mandate on June 21, 1977. It marked a critical juncture in Indian democracy for different reasons including the rejection of emergency enforced by the Congress government at the centre. As against an anti-authoritarian surge, the leadership of the Left Front ‘sought to address the more fundamental issue of socio-economic change and to ensure equality and fairness for the deprived sections of society’ (Biswas, 1997, p. XXII) within the limits of ‘restrictive control of federal units in India’ (Biswas, 1997, p. XXII). On the issue of working in a state government under a ‘bourgeois’ constitutional system, Jyoti Basu stated that ‘Our program aims to alleviate the suffering of rural and urban people and to some degree improve their conditions’. We do not

claim anything more because we know that without structural changes in the socio-economic order it is hardly possible to bring about any fundamental change in people's conditions (Information and Cultural Affairs Department, 1985, pp. I) The Left Front projected a tactical shift by replacing militant class confrontation with a policy of redistributive justice and democratic deceit. The leadership of the Front focused on providing relief (Biswas, 1997, p. xxii) to different sections of society such as farmworkers, *bargadars*, small-scale peasants, industrial workers, middle class and backward communities.

Land reforms and democratic local self-government was given top priority in Left Front's fundamental political agenda. The Government visualized the implementation of these programme with the active support of the grass-root organizations— like the Krishak Sabha's through its political mobilization and the panchayats with administrative support. This combination of political agenda and the administrative programme became a hot subject of political debate in West Bengal. The electoral slogan coined by the CPI(M) in 1978's first panchayat election, directed to wipe out the vested interests dominating the socio-political scene and aimed at radical reform in rural Bengal 'for the benefit of poor and marginalised people people' (Datta, 1988). The newly elected leadership in panchayats comprised a varied section of the population, from *bargadars*, middle peasants to school teachers. The revamped three-tier panchayats were encouraged to bring grassroots development in agriculture, irrigation, cottage industries and other anti-poverty programs. Rural development projects, introduced under the revitalized panchayat institutions and supported by land reform programs, are expected to bring about a drastic change in West Bengal's rural profile (Mathew, 1995). The Front Government's ruling strategy was based primarily on the ideological scaffolding and organizational vibration of the leading partner, the CPI(M), which had already established a strong base of support among the rural middle and lower strata since the late 1960s (Kohli, Democracy and Discontent: India's Growing Crisis of Governability, 1991). Accordingly,

during these three decades, the ideological and tactical changes in the party programs of the CPI(M) had attested to the growth agenda of the Front Government, often creating subtle crevasse in the coalition relationship. With this claim in mind, it can be said that the political responses of the Left Front government to the agrarian questions unfolded for intriguing twists and turns over the three decades, supporting an overtly political-strategic change since the late 1990s. Therefore, West Bengal's first decade of the Left Front rule can be narrowly described as the 'peak stage' of agricultural reforms in terms of policy prioritization and the era since the late 1990s as the 'great leap forward' towards industrialisation. While the first phase marked by the agenda of land reform, the second phase represented the characteristics of a journey from agriculture to industry. Both of these phases, despite the underlying continuities, witnessed distinctive framing of reform policies and rhetorical mobilization with identifiable thrust in the agrarian sector.

#### ▪ Operation Barga

The key to the much-mentioned success of the Left Front lies, to a considerable extent, in its pledge to ensure redistributive justice for rural poor and to wipe out the vested interest dominating in rural Bengal. 'dismantle vested interests' (Basu J., 1997, p. 65) with the implementation of *Operation Barga*, launched in 1978. The programme was built on a broader understanding of agrarian reform as part of a people's democratic revolution formulated primarily in various Platforms of the Communist Party of India(Marxist). It regarded land reform as part of the agrarian struggle to liquidate the semi-feudal and feudal remnants and establish a broader peasants unity with a core focus on poor and marginal peasants. The programme was intended to serve two purposes: first, to extend and consolidate the Front's political-electoral support base among the majority of the rural population; second, to establish a more democratic relationship between government and people. All of these have been presented on a long-term basis. The programme of *Operation Barga* marked a major shift in

policy from ‘growth with distribution’ to ‘redistribution before production’ (Chatterjee R. , 1985, p. 19). Through its land reform programme, the Left Front government addressed the lower rung of the peasantry, which was its main support base. Yet, by announcing such opportunities for them, it also tried to build friendly relationships with rural property pieces. The main components of the land reform plan, however, are related to the unfinished tenancy reform agenda of the United Front governments—retaining the right to *bargadars*, recovering benami and ceiling-surplus land, and redistributing property to landless citizens. According to the leadership, the state’s land reform program would address the ‘deficiencies of the traditional administrative approach’ (Basu J. , 1997, p. 44), which stopped merely legislating on land distribution and failed to control the dominance of vested interests in rural society with the ‘active support of rural workers’. Debabrata Bandyopadhyay, the land reform commissioner of the first Left Front government, argued that Operation Barga's new methodology ‘was qualitatively different from the traditional approach of the revenue court’ (Bandyopadhyay, Land Reform in West Bengal: Remembering Hare Krishna Konar and Benoy Chaudhury, 2000, p. 1797). Learning from the experiences of the United Front regimes, the government of the Left Front embarked on a strategic change in promoting a “strong support system by developing operational relations with the bureaucracy, elected rural self-governing institutions and organizations of rural workers” (Basu J. , 1997, p. 44). The leadership believed that strict enforcement of existing laws with pressure from below could achieve significant breakthrough in land reform programs (Bandyopadhyay, Land Reform in West Bengal: Remembering Hare Krishna Konar and Benoy Chaudhury, 2000). A change in the department’s title from Land and Land Revenue to Land and Land Reforms Department substantiated the revived promise for land reforms. The Land Record and Surveys Directorate was reorganized to provide the neglected peasants with the benefits of land reform schemes. The creation of up-to-date documents of entitlement was one of the important preconditions

for the implementation of the land reforms programs. In order to secure the sharecroppers, software maintenance was needed. The *Operation Barga* program attempted to rectify the deficiencies of earlier land reform laws along with its implementation and sought to address the reform more as a political rather than a bureaucratic program. For example, the landlords and intermediaries using the loopholes of land law had maintained a large quantity of land, given the limit on land. The governments of Congress have done no exercise to reclaim surplus land and turn it into state-owned *khas* land. Thanks to empathic governance, the system of distributing land to the landless had also failed to gain attraction. The administrative method of documenting sharecropper's names in the official entitlement records was unsuccessful as the weak *bargadars* could not stand face to face in fear of landowners retaliation. On the other hand, the *Operation Barga* program developed a new method that, with the aid of the peasant organizations, emphasized the group action of the sharecroppers to resolve this fear and marked a new genre in the program of land reform.

The two important steps investing ceiling-surplus land were to recognize families with excess land and *benami* land and to check claims and counter-claims. Harekrishna Konar had mobilized the mass organization during the period of the United Front to collect information and evidence about the village's clandestinely held plots it is recorded that what started off as a trickle induced from outside soon turned into a voluntary deluge of evidence coming from organized and often not-so-organised peasants and peasant groups. It broke the economic power and social dominance of the landed aristocracy of West Bengal (Bandyopadhyay, Land Reform in West Bengal: Remembering Hare Krishna Konar and Benoy Chaudhury, 2000, p. 1796). The then Land Reform Minister of the Left Front government, Binoy Chaudhury, who has been largely credited with the success of the *Operation Barga* programme, took personal initiative in organising sharecroppers. Camps in the presence of the revenue officials to make them aware of the *Operation Barga* programme. A senior government official who afterwards

became the Land Reform Commissioner recollected that in one such camp at Halushai in the Hooghly district, one local peasant leader Sambhu Tudu enriched the programme with the critical observation that the method of recording was biased against sharecroppers since sharecropping was a verifiable fact and not a question of law. Thus, it required active verification of the claim by the revenue officials in the presence of the contesting parties (Bandyopadhyay, Land Reform in West Bengal: Remembering Hare Krishna Konar and Benoy Chaudhury, 2000). The group meetings and the camps organised at the localities with the sharecroppers, especially in the evening, enabled poor sharecroppers to articulate their grievances against landowners to the officials. The revenue officials of the Land Reforms department attended those gatherings to prepare tentative lists of the beneficiaries. This was followed by public verification of such claims in the field in presence of the landowners and the sharecroppers and preparation of a provisional list, which was put up in all important public places in the village. After hearing both the parties in case of any dispute, the final registration of names was done. This new method replaced the traditional revenue court approach with a qualitatively different and decentralised approach that helped the administration to reach the grassroots and provided a support mechanism to the poor *bargadars* lacking resources to approach courts to settle disputes or claim rights. In the absence of such supportive mechanism in the earlier regimes, the sharecroppers were exploited by some oral contracts with the landowners that did not have any validity in terms of legal protection. The *Operation Barga* programme granted the sharecroppers the legal right with documentary evidence and secured the position of the landless peasantry with the help of administrative machinery and a motivated political organisation of the peasants. Even the departments like Board of Revenue were mobilised to convene annual workshops on group action approach. According to an estimate (Basu J. , 1997) ,

in the first decade of the land reform programme, i.e. till 1988-89, the number of recorded

*bargadars* was about 14 lakhs. According to the government data, more than 30 lakh peasants received 11.27 lakh acres of land free of cost and the social composition of the *patta* (document of leasehold/purchase of land) holders reflected more than half of representation of the scheduled castes, tribes and Muslim population (Government of West Bengal, 2006). The Left Front government claimed to have achieved significant success in empowering more than 1.61 lakh women with *patta* (record of right) in rural Bengal along with 14 lakh joint *pattas* till 2006 (Government of West Bengal, 2006, p. 19). However, the Left-wing critics of the *Operation Barga* programme raised questions about the political will of the CPI(M) to desired realisation of redistributive reforms as it vowed to work within the institutional structure conditioned and constrained by the impediments of a class society. Ratan Khasnobis apprehended that the land reform programme with revolutionary potential could be reduced to an ordinary reformist one (Rudra, 1981). Asok Rudra, substantiating the argument, assessed the programme as a 'party-based struggle', rather than a class struggle (Rudra, 1981). Atul Kohli argued that the redistributive programmes were more attuned with the reformist orientation as it diverted attention from the focus on class confrontation (Kohli, 1987). Though the overall assessment of the *Operation Barga* programme raised mixed responses of the scholars, the consolidation of tenancy reforms had been widely acknowledged as a landmark of the Front Government. Another critical dimension of the *Operation Barga* programme was the identification of *bargadars* in the land. The Left Front government amended the existing land reform Act (that is, West Bengal Land Reform Act, 1972) to include the name of the bargadar cultivating the land hereditarily and provide protection against eviction (West Bengal Land Reform Act, 1977, 1977). This amendment relieved the poor *bargadars* from the whims of the landowners in proving their status as *bargadars* in the land. Under the new amendment, the landowner was required to justify any refutation to this claim. This important piece of amendment conferred the *bargadars* with legal protection against eviction (Bardhan &

Mookherjee, 2006). Yet another important dimension of the *Operation Barga* was that the State Government brought all categories of land under the same ceiling limit by an amendment to the West Bengal Land Reform (Second Amendment) Act, 1981. The amendment also sought stricter processes to identify *benami* holdings. The Revenue officials were empowered with greater power to locate ceiling-surplus land. Thus, in the first few years, the government could make a large quantity of land available for redistribution with the help of this legislation and the proactive support of the peasants in detecting illegal holdings. This amendment was followed by another important piece of legislation, the West Bengal Land Reform (Third Amendment), Act, 1986. The implementation of both of these amendments, however, were kept waiting for long due to the delay in the Presidential assent to the bills. The ‘dilly-daily’ attitude of the Centre, as alleged by the Front, in securing assent to the bill rocked the state politics in the decade of 1980s and the Front heightened its political campaign against the unequal Centre-state relations or biased attitude of the Centre as serious obstacles to federal governance. The land reform programme of the Front government was built on a comprehensive approach of rural development that marked it different from the earlier attempts. The legislations not only sought to address the issue of security of cultivation to the tillers but also stressed on the creation of alternative employment facilities for the poor and marginal farmers. The Front leadership argued that land reform would work as the basis of employment-generating agricultural production. The Left leadership proclaimed that the efforts of the Front government in land reform were not sufficient to strike the ‘final blow’ to the feudal social relationships in rural society (Datta, 1988, p. 34). Thus, they propagated for a ‘consistent struggle’ to change the socio-political equilibrium in favour of the marginalised by utilising the institutional support of the local self-governing institutions like panchayats. The Front government proposed to revamp the cooperative institutions and rural credit organisations to ‘extend institutional credit cover to the land reform beneficiaries’ (Basu J. ,



1997, p. 69). However, critics argued that these institutional reforms failed to mature with desired results. Pranab Bardhan and Dilip Mukherjee found ‘some evidence of local elite capture’ of the rural credit and agricultural kits distributed by the government (Bardhan & Mookherjee, 2006, p. 1). The issue has been dealt with in subsequent sections. The Front leadership argued that the implementation of these programmes was not easy for the state government. Resistance from the landowners, embedded bureaucratic control in rural development, innumerable litigation on claims over land rights and political compulsions to stay in power were some of the important constraints or obstacles to fulfil the ‘aims’ of the Front government.

#### ▪ Other Focal Areas in Agricultural Policy

Land reform programs were the very cornerstone of the agrarian reforms and political mobilization of the Left Front from the outset and therefore attracted wide-ranging media attention. There were, however, some other aspects of agricultural policy strategies that, although with a comparatively low key coverage, initiated a public debate on occasions.

#### ▪ Agricultural Productivity

The *Operation Barga* program’s amazing success can be as such located in the state’s moribund agricultural economy’s economic breakthrough. The Front Government’s agricultural policy in the first decade included some other components that contributed to rural Bengal’s changing profile, which received less public attention, even in the discourse and rhetoric of the Left. However, in the second phase of agrarian reforms, these zones of silence in policy and propaganda-coverage were recovered with greater attention. In the post-independence period, agriculture in West Bengal experienced severe pressure due to massive population influx from East Pakistan as a result of partitioning and immigration and arable land

shortages compared to high population density. Over the years, the overall demographic pattern in West Bengal has shown the population density per square. Km showed a steady rise of 296 in 1951, 394 in 1961 to 615 in 1981 and 904 in 2001. In the first two decades of the post-independence period, the state was recognized as a food-deficit state (Maharatna, 2007). Despite this steady increase in population, in the first ten years of the Left Front rule, West Bengal experienced one of the highest growth rates of agricultural production. The first two Front government's agricultural policy emphasized intensive farming and rotational cropping systems to increase productivity to a significant level. The State Plan played a major role in 1979-80 in incorporating several important policy inputs to address the productivity issue. It worked on a comprehensive survey that helped the government prepare an integrated policy package to bring about long-term improvements in agricultural production (Government of West Bengal, 2002). Therefore, while the project set a production target based on the available resources, it highlighted other areas of immediate attention, such as local application of technology, improved irrigation, high yielding seed supply, hybrid crops and mixed farming, to bring about a revolution in production by achieving self-sufficiency. These policy principles have been complemented by changes in agricultural and rural credit policies, agricultural marketing, farmer's training, farm research facilities, biotechnology use and crop preservation through improved storage facilities to meet food production deficits (Government of West Bengal, 2006). The Left Front government's agricultural policies in the early eighties, coupled with substantial transfer of Plan funds to consolidate rural investment, projected technological intervention.

Several empirical surveys indicated that during the first two decades of the Front regime, *Operation Barga* has stimulated the productivity of the land under cultivation. Over these decades, the state achieved a leading position in food grains such as rice, pulses, and cash crops such as potato and jute production and continued to enjoy it even during peak industrialization

drives. In the first decade of the Front government (1980-90), the growth rate of food production in West Bengal showed a sharp increase of 5.81 per cent from the 0.96 per cent of the previous one (1970-80). During 1990-95 it declined to 2.13 per cent (Rawal & Swaminathan, 1998). With intensive cropping and expansion of small and medium irrigation, the state could also break the stagnation in rice production. In the period 1980-90 and 1990-95, rice production in West Bengal increased by 6.41 per cent and 5.03 per cent respectively from the growth rate (compound) of 1.22 per cent in the 1970-80 decade (Rawal & Swaminathan, 1998). Although there is debate about the methodology of data from the government (Datta Roy, 1994), empirical surveys, however, have identified the optimal use of land tenure reforms to increase the state's agricultural productivity. During their surveys in the mid-1990s, Abhijit Vinayak Banerjee, P. J. Gertler and Maitreesh Ghatak identified 17-18 per cent increase in productivity in sharecropper fields. For a long time, the state commanded a leading position along with Punjab in terms of intensive farming, i.e. growing more than one crop in a land (Banerjee, Gertler, & Ghatak, 2002). Experts reiterate that one of the key factors behind the Front Government's success story in accelerating agricultural production growth lies in the state's type of tenure reform. D. Bandyopadhyay wrote: "Redistributive land reform, which enables poor and landless households to access land, results in small-scale family-owned farming, which is generally more competitive than large-scale farming through hired labour... The rising middle peasantry, always eager to increase production, has led to large-scale modern farming, which has been hesitantly initiated by rural rum. Shift in the social order coupled with the new technology brought about this incredible surge in the formerly moribund agriculture sector" (Bandyopadhyay, 2003, p. 880). The party leadership argued that this incremental potential of the peasantry opened up a greater room for improved earnings and disposable income in the hands of the state's rural communities, which required a leap forward. Therefore, a leading scholar addresses the 'impressive' level of agricultural growth during the Left Front

regime on the crucial observation that ‘this development took place during a time of modest but substantial agrarian reform’ and suggests that ‘greater equity is consistent with productivity and growth’ (Rogaly, Harriss-White, & Bose, 1999, p. 98).

Agricultural marketing Increased agricultural production and productivity has opened up greater opportunities for state agricultural marketing to help farmers with their product's remunerative prices. This required more investment in infrastructure facilities such as retail centres, cold storage, stores, cattle sheds, and transport. Agricultural marketing provided the much-needed link between the rural economy and the markets and thus emerged as an important policy ‘product’ for the ‘Agriculture to Industry’ economic transition. The main infrastructural element of agricultural marketing was the establishment of regulated market committees in compliance with the 1972 West Bengal Agricultural Produce Act (Marketing and Regulation). The funds collected as market fees were maintained by these committees. They have taken on numerous construction projects such as market complexes, rural huts, warehouses and godowns. Another important link, stressed by the Left Government, was the creation of improved storage facilities in the continuum of agriculture-industry, especially cold storage for perishable goods. In this regard, due to the increased productivity of rice and potatoes and the shortage of modern storage facilities, the Left Front government faced occasional crises, resulting in huge losses in rice and potato cultivation. The Government promoted the establishment of state-owned storage and storage facilities operated by cooperative societies in the first decade of their rule. But the existing storage infrastructure did not meet the growing demand of farmers, and private investors started investing in the sector. The governments of the sixth and seventh Left Front agreed to encourage private business men to develop multi-purpose and multi-chamber cold storage and involve the marketing department in the storage technology practice, agricultural product quality control, packaging and processing. The Left Front government's new agricultural policy called for more private

investment in rural infrastructure facilities to promote the transition from agriculture to industry. This became a controversial venture, as we will see in the subsequent discussion in this chapter and later chapters.

### ▪ The Entry of the Market Economy in the 1990s

In 1991, the then Congress government at the Centre officially adopted the liberalization agenda under Narashima Rao's prime minister, signalling a critical change in India's economic governance. This also resulted in significant changes in the relationship between the centre and the state. In line with the changing conditions, the 1990s saw a slow but steady change in the governance and growth agenda of the Left Front. The first two Front Government's focus on land reform and agricultural growth has gradually given way to increase support for the 'need for industrialization'. The shift wasn't just strategic; it indicated some fundamental policy turns that prompted dissent and schism within and outside the Front. The purpose of the shift was captured in 2000 in the CPI (M) updated party program and 2002 in the CPI (M) 20th State Party Conference document. Instead of the modest programmatic promise of 'giving people immediate relief', the updated program proclaimed 'projecting and implementing alternative policies within existing constraints' to achieve 'something more substantial' (Communist Party India (Marxist), 2008). In this urge to project 'alternative policies' in the post-liberalization phase, the new leadership of the Front, led by its dominant partner—the CPI(M), embarked on a redesign of agricultural policy in the light of two critical factors—the success achieved and the requirements of India's neo-liberal economic reform. The CPI (M) outlined a new state development agenda with a 'thrust on industrialization and the need to increase industry investment to generate jobs' (Communist Party of India (Marxist), March 29 - April 3, 2008, p. 33).

The Seventh Left Front government's often-quoted slogan aptly exemplified this rhetorical shift—farming is our foundation, the industry is the future. The Party document explained this

position as follows: "Since there are a constant fragmentation and division of land holdings and a high proportion of rural people dependent on agriculture, together with a high proportion of landlessness, it is essential that this agricultural-dependent population finds employment opportunities that will be mainly provided by industrial development" (Communist Party of India (Marxist), March 29 - April 3, 2008, p. 33).

The shift in policy considered some pragmatic review of the state's performance in the agricultural sector, especially since the 1990s. This examined the massive impact of liberalization and privatization in the domestic economy, leading to the opening of the domestic market to the free play of global actors, especially the rural agricultural economy. A technologically advanced 'evergreen revolution' in the new millennium was predicted by the national agricultural policy with accelerated growth and capital investment (Swaminathan, 2011). Declining public spending and marketing of public services in agriculture have progressively marked Indian agricultural economy's reform process. In the agrarian field, the state slowly retreated from the position of 'protector'. At the same time, it engaged actively in the form of contract farming and export-oriented production to encourage agri-business and capital accumulation. Since the late 1990s, an intense political-ideological debate on the role of the Left Front government has engaged the Left Front parties, the peasant organizations and the wider public sphere in Bengal.

The ideologue of the CPI(M) party and then Minister of Health and Family Welfare, formerly in charge of the Department of Panchayat and Rural Development Suryakanta Misra, summed up the party stance in the debate on the relative importance of industry vis-à-vis agriculture as follows: "The problem is not about industry versus agriculture, as the Opposition, who are the established enemies of the peasantry. The problem now, for the sake of the peasantry and agriculture itself, is industrialization. All that the State and the people have accomplished on the agrarian front will be at risk if the balanced growth of the secondary and tertiary sectors

does not take off' (Misra, *On Agrarian Transition in West Bengal*, 2007, p. 14). In a speech, the then Minister of Industry, Nirupam Sen, substantiated the above-mentioned statement, arguing that the changing conditions forced a large number of farmers to work in n. Due to the advent of technology, the number of people dependent on agriculture also decreased. 'We must, therefore, rely on industrialization' (Sen N. , *Mukulesh Biswas Memorial Lecture*, 2007).

In an exclusive interview, the then chief minister, Buddhadev Bhattacharjee, stressed on his government's shifting aspirations on the occasion of the one-year completion of the sixth Left Front government in 2002, which suggested some areas of speculation of policy framing in terms of agricultural and industrial reforms in formulating the path to growth. He identified one of the sixth Left Front government's primary tasks as consolidating agricultural success and achieving added value in the agricultural sector. According to him, to rejuvenate the rural economy, the second step forward required the growth of agricultural industries (Chattopadhyay, *Do they have the True Courage to implement McKinsey Report?*, 2002, p. 4). In the following years, the proposed agricultural reforms were charted on some radical transformation of the conventional agrarian strategy of the Front by promoting agricultural commercialization and rapid agro-industrialization.

## 2.7.The Critical Debate

The proposals for agrarian reform, primarily presented by the main partner of the Left Front, the CPI(M), stimulated much public political-ideological debate with the Front partners expressing their opposition against the apostasy of the Left government in favour of big business. The Department of Agriculture belonged to the Forward Bloc, which, along with other minor allies such as the CPI, the RSP, were strongly opposed to some core areas of change. The criticism also came from the CPI(M) chapter itself. West Bengal's civil society has also been divided into 'champions' and 'marauders' of reforms in this discursive exercise.

Print and digital vernacular media emerged as an influential force in the process by framing news, fostering and mediating dialogue, and annotating their creation schemes. It is interesting to note that some of the components of the new agricultural policy emerged in the early years of the Agricultural Packages of the Front Government, often emphasized by the Front leadership on the ‘integral development of agriculture and industry’ in the first few years of its rule (Ganashakti, 13 March;1979, p. 1). In his speech to the Assembly on the budget, the then Minister of Agriculture, Kamal Guha, outlined the relationship between rural industry and agriculture, especially the food processing industry. Some of the agricultural policy's focal areas were: advanced technology, extensive use of chemical fertilizer, and innovation for improving quality in agriculture (Ganashakti, 9 July;1981), but in policy pronouncements and rhetoric they did not gain prominence or prominence. The land reform agenda overshadowed technological investments and the opening up of the agricultural market to private entrepreneurs in various forms from the early 1980s. Those dimensions, therefore, did not come to the surface in the ruler’s political projections or opposition criticism. Nor have they found a space in the news framing of Bengali media.

The sixth Left Front government, after assuming power, appointed McKinsey, the US-based consultancy firm, to review West Bengal’s economic status and propose comprehensive policy measures. A strong public debate in the state was created by the decision to hire an international, which was also an American, consultancy firm by a left-wing government negotiating with the market economy. Based on McKinsey's recommendations, the government prepared an Agriculture Policy Paper that was tabled in August 2002, only after much front debate. In the Policy Paper, the two most hyped and debated components were crop diversification for value-adding and contract farming purposes. Both of these policy contributions represented a marked divergence from the conventional tirade of the Left Front against market reforms and promotion of a ‘pro-poor policy’ that isolates small and marginal



farmers from the whims of large farmers and corporate entities. This catchment of the marginal peasantry had been resolved by the land reform program and the Left Front's agricultural reforms have so far served the interests of this segment. But the new policy paper embarked on a policy prescription based on innovation in line with the concept of a green revolution and accelerated growth (Sarkar, 2014).

The Front's peasant organizations, in particular the All India Krishan Sabha, the CPI(M) mass front, discussed extensively the policy shift in their numerous council meetings, apprehending the dilution of the Front's commitments to the lower section of the peasantry. During the intense debate on agricultural reforms, the veteran peasant leader, Binoy Konar, reflected on this critical position: "The growth rate of agricultural production in West Bengal has surpassed the national average based on smallholdings under the Left Front regime, thus defeating the so-called wise argument-small holdings are not suitable for increasing production. Keeping this tradition intact, it is necessary to enable agriculture to compete by increasing productivity... avoiding the opportunistic path of lowering wages, mobilizing the peasants to face the situation by increasing productivity, applying modern scientific ideas and improved technology" (Konar, 2002, p. 4). Reiterating the position in 2007, Suryakanta Misra participated in the Department of Economic Cooperation. He criticized the example of state governments allowing the corporations operating in agribusiness to release large amounts of agricultural land for captive cultivation and clarified the alternative stance of the Front on reforms. Misra wrote: "In relation to agriculture, as some other states have, we certainly cannot embark on a corporate farming policy. Such states have donated vast stretches of agricultural land (on the pretext that they are wastelands) to captive farming agribusiness firms... we can technically upgrade small farms. We can do this by mobilizing public and private investment and using contract farming arrangements in a way that is applicable and acceptable to our situation" (Misra, On Agrarian Transition in West Bengal, 2007, p. 13). Therefore, the Left Front,

acknowledging the compulsions of neo-liberal reforms, placed itself on an 'alternative point' of policy framing in a federated country.

McKinsey proposed opening the agricultural sector to MNCs and large corporations at the national level for commercial production of select agricultural products based on contract farming in order to reorient the agricultural activities. The study highlighted the market potential of agricultural trade in rural economic growth. It also pushed for a transition from 'agriculture to agro-business' by exploring the prospect of food processing and other industries related to agriculture and popularizing the term agri-business in the lexicon of (rural) state development. Following these suggestions, the government proposed releasing significant quantities of rice-cropped land for a variety of crops, especially non-food crops and cash crops such as oilseeds, pulses, vegetables and horticulture. It also propagated multiple crops or intensive farming, depending on the nature of the land and giving more area to plant varieties under HYV, hybrid and enhanced. Better seed generated in particular through state-owned biotechnology research was supposed to boost productivity. Advocates of this shift in policy have cited the performance of China in rice production by implementing improved seed varieties produced in partnership with the Chinese government by private multinationals. The following excerpt is worth nothing. A more cautious strategy, based on the Chinese model, would be for the state government to reach an agreement with some multinationals in the area to develop crops adapted to the particular local environment of West Bengal. (Banerjee, Gertler, & Ghatak, 2002, p. 243). The issue of genetically modified (GM) seeds has been seriously criticized by a large section of the agricultural sector. The Left-led peasant organizations have expressed deep concern about GM seeds and strong reluctance to allow entry into the local seed market to private capital and MNCs like Cargill, Monsanto or Delta Payne. Instead, they urged the Front government to activate state farms, agricultural

universities, and now-moribund CADC (Comprehensive Area Development Corporation) institutions to generate new seeds that apply farmer's wisdom and farm research.

Focusing on crop diversification thus gained a crucial edge in the new package, signalling a significant shift in the production pattern from traditional food grain cultivation to export-oriented commercial crops which connected small farmers to the global market. The government of the Front reiterated its policy objective to achieve food self-sufficiency as well as to divert crop production to generate rural income. It is highly interesting that while civil activists pointed out the vulnerability and powerlessness of small farmers to large corporations on the global market, advocates of economic reforms commended the propensity to 'think big' beyond the 'traditionally myopic view' of the left. Maintenance of soil health, increased use of bio-fertilizers, efficient use of fertilizers, exploitation of the potential of surface water and encouragement of farmers for mechanization were some of the key components of the new policy package (Chattopadhyay, Do they have the True Courage to implement McKinsey Report?, 2002, p. 4). The Front Government proposed extensive use of technology in agriculture, but a section of academics, activists and peasant leaders expressed concern about mechanization viability in smallholdings. In the early years of land reform, the Left Front rejected the idea of consolidating holdings as it apprehended its control by big farmers and *jotedars*. Therefore, in the socialist economy section, peasants were not allowed to pursue cooperative farming or collective farming. Some examples of cooperative business were found in some parts of the state, which had developed spontaneously on the basis of sharing mechanized equipment such as tractors, deep tube wells. Against the backdrop of rising helplessness of small and marginal farmers to meet production costs, the peasant leadership took note of this unexplored strategy and urged state intervention to promote the credit availability of peasant-service cooperatives. The small and marginal farmers struggled to produce at a remunerative price in the absence of adequate rural credit aid. Many scholars

located the crisis in the Left Front government's failure over these years to consolidate a strong cooperative credit supply system, undermining their early commitment. Therefore, the rural market was gradually infiltrated by private vendors of agricultural equipment and inputs or newly emerging unlicensed moneylenders who commanded an exorbitant interest rate on the rural credit system. In this context, the government of the sixth Left Front proposed to reframe its agricultural credit policy to generate credit to marginal farmers and agricultural industries such as horticulture, food processing with the active role of state cooperatives, cooperative credit societies and cooperative banks on easier terms. One of the Front Government's main schemes was the *Bhabisyanidhi* system for landless farmers to provide financial assistance to old and disabled farm workers (up to 6 *bighas* of land), small and marginal farmers of at least 60 years of age and poor farmers who were unable to work due to accident or disease. The state cabinet was enlarged in the mid-1990s to create a new portfolio including Food Processing and Horticulture to leverage the state's agri-business potential. Following the industrial policy announced in 1994, the fifth Left Front government appointed a task force to consider six potential areas of industrialization in the country. In its policy papers, the sixth Left Front government stressed agro-industrialization as a potential source of rural income and competitive export-based economy and approached private businessmen to set up state-owned food processing businesses and commercial horticulture, e.g. in vegetables such as potatoes. Thus, in the last decade of the Front regime, the agro-processing industry emerged as the important link in the relationship between the agricultural industry and served as an example of the well-known slogan—Agriculture is our base, Industry is the future. In the line of the sugar cooperatives through Maharashtra, the strengthening of the agricultural-industry linkage found support in supporting regional agro-processing industries (Banerjee, Gertler, & Ghatak, 2002). Critics, however, anticipated a possible negative impact of this policy stance on the state's food security due to the transformation of the cultivation mode into profitable export-oriented goods

that would feed the industry at the expense of agriculture. They looked at the revised reasons in the agricultural draft with their jargons such as 'World Trade Policy Effect' only as a leeway to allow the big private companies to manipulate the agricultural capital.

## 2.8. Industrial Policy after Independence in West Bengal

The Partition of India in 1947 created tremendous stress on the Eastern regional economy as a result of the ever-increasing influx of population leading to food and job crises and refugee settlement problems. In the situation of growing grievances against acute hunger in rural Bengal, the Government was affected by food protests during 1957-1959 under the leadership of the CPI. On August 31, 1959, the protest culminated in a mass demonstration of approximately three lakh people in Kolkata. The actions of the government against the demonstrators resulted in the death of 80 people during the uprising which led the government to unleash widespread fury against the Congress. The Left parties even initiated a second Food Revolution in 1966. Food revolutions are marked as one of the seminal turns in Bengal's Left-led movements (Das & Bandyopadhyay, 2000). The plentiful natural resources and labour force marked the prospect of agriculture and industry in colonial days in the undivided Bengal, which started to stagnate from the first decade of independence. The economic downturn inherited by the West Bengal government in the late 1970s was the result of a gradual decline in the state industry's competitive edge in the decades following independence.

In this historical background and post-independence political dilemmas, an investigation into the course of industrialization in West Bengal needs to be located. For example, one of the Bengal's economy's historically rich industries, the jute industry, suffered a lot from the partition and faced a severe political crisis in the time of liberalization. The Industrial Policy Resolution of 1956 and the Second Five-Year Plan (1956-61) envisaged the intrinsic aim of industrialization in India with massive investments in basic and heavy industries and science

and technology as the important feeder, as well as classifying the spheres of the state and private sector. Industrial development has gradually emerged as a crucial space for federal polemic in India in the post-independence period. One of the important factors behind this growth is the federal power supply designating the establishment under the Union List of large and medium-sized enterprises and major financial institutions under the prerogative of the Centre. Provincial governments are required to operate for major capital expenditure in the states within the broad context of national industrial policy. The hidden agenda of politics in the process often replaced economic considerations in industrial investments that produce a long-standing legacy of tensions in the Indian federal government.

In this sense, for two reasons, the output of the industrial sector under the regime of the Left Front in West Bengal has gained prominence. First, in terms of policy forecasts and rhetorical flourishes in the early years of its rule, the Front had provided primacy to rural agrarian growth vis-à-vis industrialization, marking greater attention in building rural support base. In addition, the Left Front's industrial policy in West Bengal had accommodated some fascinating changes in its political and strategic positions to match the conditions of operating a state government under a 'bourgeois' constitutional framework, following their early conviction in radical politics. The interlacing of agrarian and industrial policies with the central left agenda in state politics over the Left Front rule's three-and-a-half decades had prompted a number of critical messages in understanding the experiments of the parliamentary bourgeoisie with governance in India. To give an example, the relationship between the centre and the state developed as a vital political space, intercepted by the occasional pungency of left politics, especially in terms of the state's industrial development.

### 2.8.1. Economic Situation before the Left Front Regime

In the colonial period, West Bengal held a leading position in economic prospects in terms of employment opportunities and industrial diversification, relative to many large states in India. In the first decade of independence, despite the negative effects of population pressures due to refugee influx and internal political instability, the country prospered during labour-intensive industries. During the 1950s Congress regime, a number of public sector enterprises were set up in the state. Under the leadership of the then chief minister, Dr Bidhan Chandra Roy, the Congress government envisaged an ambitious program of industrialization based on industrial township projects such as Durgapur and Kalyani. Political observers have argued that Dr Roy's towering personality in Congress politics has significantly helped to negotiate on the state's industrial economy in this period with the central government (Sinha, 2005). The promise of industrialization, however, began to decline slowly due to the economic crisis resulting from some political considerations at the national and state level. It also resulted from the persistent colonial legacy that continued in the uneven pattern of industrialization, focusing mainly on the state's traditional industries, resulting in increasing unit closure and industrial sickness in the years to come. The low growth level of industrial production, combined with deflation in the agricultural sector, has led to a stagnant state economy since the late 1950s. One of the key factors behind the increasing industrial stagnation has been the local influence of national industrial policies such as licensing and equalization of freight. The state's Left leadership alleged that the freight equalization policy mostly affected East states such as Bihar and West Bengal as it deprived these states of their comparative locational advantages in terms of vital industrial raw materials such as steel and coal. Licensing for new industries in the state was also thwarted by increasingly strained Centre-State relationships, which later became a major part of the Left Front's political agenda and rhetorical articulation in the state. It is found that 916 licenses for engineering and metal goods were given in India between 1956 and 1966, most of which were for other states that could split West Bengal's dominant position in the steel and

technology industries (Dasgupta S. , 1998, p. 3050). The 1960s witnessed turbulent state politics, major protests against the Congress regime, and upsurges. The food crisis, price rise, and faction-ridden Congress regime corruption emerged as an important agenda in state politics and helped the leftist-led anti-Congress forces come to power in 1967. The decade also witnessed an industrial recession throughout India that had a long-lasting effect leading to closure, industrial sickness, downsizing, lay-offs, and a severe labour crisis in the state's industrial sector. Major state-owned engineering and railway industrial units such as Burn and Co., Braithwaite and Co., Bridge and Roof, Jessop, Indian Standard Wagon, Guest Keen Williams, Texmaco suffered huge recession-related losses and gradually became sick industries. There was also a loss from the jute industries. The Governments of the United Front They were short-lived (1967 and 1969) but had a lasting impact on state politics. The parliamentary left parties already had a significant presence among a section of the urban population, competing with the Congress party and strengthening its rural base (Kohli, 1991). Thanks to retrenchment, lay-offs and wage-cut, the acute job crisis paved the way for the radicalization of the state's labour movement. The pro-worker United Front regimes led to a strong bid to radicalize trade union agitation which, as many analysts claimed, could have contributed to the flight of state private capital. Kohli observed "While *gheraoes* averaged less than 100 per year before 1967 and after 1967 there were 811 and 517 *gheraoes* respectively in 1967 and 1969" (Kohli, 1991, p. 145). The industrial unrest was compounded by a general decline in law and order and political instability which persisted under the Congress regime in the 1970s and had an effect on the industrial situation with the reopening of some of the closed units, however, employment prospects showed a slow improvement in this period. West Bengal received eighty-one licenses in 1971-1976 for new industries, although it was a low figure compared to states such as Maharashtra, Gujarat (Dasgupta S. , 1998, p. 3055). The country continued to suffer from lack of investment and a steady decline in the manufacturing outlook.



## 2.8.2. The Post-Left Front Developments

The Left Front fought the 1977 parliamentary election with a 36-point demand charter embodied in the Common Minimum Program (CMP), reflecting its vision of governance reforms. The Charter demanded nationalization of basic sectors and limits on corporate capital and multinational corporations, reflecting the Left Party's prevailing political conviction. It propagated the strengthening of the public sector in the Common Minimum Program and promoted the cottage industries and small and medium-sized enterprises through the provision of capital, raw materials and extended market reach. In a speech broadcast on the eve of the election in Akashbani on June 6, Jyoti Basu outlined the Left Front's electoral agenda where he spoke to restructure the state economy, suffering from declining growth rates, by setting up new industries and increasing the role of public enterprise (Basu J. , People's Cooperation Urged, West Bengal, 1 August;1977). It should be noted that the Front also agreed, under the subtitle Labour, a reform of the Sand Regulations of the Trade Union and Industrial Relations Act in point 11 of the Common Minimum Program to 'protect the working class democratic rights' and the protection of trade union activities (Dutta, 2011).

The Front Government in early 1978, after coming to power, prepared its first draft of a detailed industrial policy. As noted in the previous chapter, the defence of citizens democratic and civil rights, redistributive justice and land reform programs formed the fundamental framework of the Front's socio-economic development vision. Therefore, the primacy was granted in the Front's electoral manifesto to restore the democratic rights of the workers in the industrial sector. The first Left Front government's industrial policy formulation pondered on evaluating the state's worsening economic condition and planning for higher employment fighting the unemployment rate. In his first public speech at All India Radio Kolkata 22<sup>nd</sup> June the chief minister of the first Left Front government Jyoti Basu expressed his concern about the deteriorating condition of jobs, investment and energy in the state and assured of providing

relief to the people (Basu J. , People's Cooperation Urged, West Bengal, 1 August;1977). Under the chairmanship of the then CPI (M) Secretary of State, Promode Dasgupta, the Left Front proposed a clear structure of the state's industrialization policy to resolve basic jobs and investment problems. It can be remembered that from the very first draft of industrialization plan of the Government, the Front leadership took serious account on the critical issue of worker's rights and organized activities vis-à-vis the capitalist's economic prerogatives. In a speech delivered on July 18, 1977, to celebrate the rise of the Front government in power, Promode Dasgupta clarified the position of the Front government in power, "The foundation of left-democratic solidarity is the fight against colonialism, feudalism, and exploitation of monopoly. And the government of the Left Front will be the organizing agent of this movement... the bourgeois parties would seek to separate themselves from the citizens. And our aim is to isolate the capitalists... we have to decide our strategy of battling with the strategies of isolating the large landlords and monopoly capitalists." (Dasgupta P. , 2011, p. 65). Therefore, the visions of growth of the Left Front were cogitated on the strong criticism of feudalism and monopoly capitalism. In the sense of a state government's economic compulsions, operating under the federal structure, this political trumpeting took an interesting turn. The Front Government has frequently rationalized its industrial policies in realistic terms, reflecting the nuances of negotiations at different levels of governance and opening up more political debate. The situation was well addressed in one of his interviews by the chief minister, Jyoti Basu, just after the Left Front Government came to power. He said: "We believe in socialism, but we know well that we must collaborate with the capitalists... Let the capitalists understand us—our policies and our interests; let us also try to understand their point of view" (Business Standard, 29 June;1977, p. 1). Many political leaders and observers referred to Jyoti Basu as the leader of the 'pragmatic' section of the party Somnath Chatterjee as the 'pragmatic communist' in the context of the industrialization program (Chatterjee S. , 2014). At the same

time, in the event of any overt interference in trade disputes, the Front leadership professed the government's active role in support of labour. The Front Government revised the Trade Union Act of 1926 at the earliest to enhance labour's bargaining power in industrial relations with capital (Government of West Bengal, 1983). A section of the media widely expressed the industrialist's concern about their future trust and relationship with the left-led government. The balancing of moral values with the urgency of pragmatism marked a visible impact on the formulation of the Left Front regime's industrial policies, slowly evidencing apolitical-tactical changes in the years to come. As noted in the previous chapter, the Left Front government's path of policy predictions over the three-and-a-half decades marked some hype zones in policy prioritization, marginalizing some other goal in the growth rhetoric of the Left Front. Accordingly, the first decade of the Left Front regime (1977-1987) prioritized land reform programs and democratic decentralization, to which Front's documents and political mobilization largely participated. Public attention was drawn to the industrial sector when the joint venture plan was introduced in the early 1980s and the Centre's Left leadership raised the war cry around the state's 'perpetual discrimination' agenda. In the mid-1990s, the strong program of industrialization was rediscovered with the Front Government in 1994 planning the new industrial strategy. In the changing context of the country's liberalization programmes, it was conceptualized. But the rigorous hype surfaced during the sixth and seventh Left Front regimes around industrialization with a massive focus on private investment stirred the public sphere and led to some unprecedented political upheavals in the state. The implicit continuities and disjunctions in policy formulation and mediation of industrialization debates, both within and outside the Front, represented the complexities and structural dilemmas of a Left-led regime. After coming to power in 1977, the government of the Left Front declared in January 1978 a comprehensive industrial policy. This outlined the fundamental principles and initiatives of the state's industrial development. The first two governments of the Left Front

(1977-87) experienced serious challenges associated with inflation in industrial growth and work creation, causing some changes in the Left Front's conventional political-ideological stance to provoke great debates.

### ▪ Industrial Policy, 1978

The Left Front's first draft industrial policy, drafted in January 1978, acknowledged the deteriorating industrial situation in West Bengal and announced seven policy objectives to remedy the situation. These were: Changing the industrial situation's stagnation.

Resisting the growth of unemployment and providing employment in industrial and agricultural institutions[ Encouraging small-scale and cottage industries] Encouraging the power and influence of domestic monopoly capital and MNCs in the state economy (Encouraging indigenous technology) Expansion of the public sector (Encouraging collaboration between workers in the management of industry) (Dutta, 2011). The Front has been emphatic in its support of the public sector and small-scale and cottage industries, as well as its hostility to big capital and multinationals. In explaining the Front draft, Promode Dasgupta proposed that large capital could only be allowed to operate in the state economy on the condition that they did not compete with the small sector (Dutta, 2011). The idea was also recorded in the government's Industrial Policy, which declared “the weakening of the hegemony of (domestic) monopoly houses and foreign firms on the state's economy” (Dutta, 2011, p. 594). as one of the main objectives. It has ratified that ‘new multinational units can not be brought in’ (Dutta, 2011, p. 594).

In order to accommodate its reforms in favour of the public sector and small and medium-sized shareholders in investment in new industrial units, the Front Government envisaged some improvements in existing industrial laws. As admitted in the policy statement, one of the important factors behind the weak industrial growth rate in West Bengal was the increasing

number of sick and closed industries and declining public-sector results. The industrial policy provided a framework for addressing the sickness and fate of these industries, especially public sector enterprises, and considered evaluating the actual capacity of existing industrial units set up under Congress regimes. The policy emphasized the growing role of the public sector in the industrial growth of the state, particularly in those areas where private investors expressed their lack of interest such as infrastructure and raw material industries. It stated: “The key long-term objectives of the Left Front government should be... to lower the hegemony of the (domestic) monopoly houses and foreign firms on the state economy... There can be no question of new multinational units coming in... Until now the common sector has been a pure cover for extending the power of private firms with the aid of public funds. This condition should improve, but the prerequisite for this is an active and politically focused public industrial sector” (Dutta, 2011, p. 595). As expressed in the report on Industrial Policy, the government claims to structure the management system of the existing state-owned units to ensure professional expertise in production and administration. The first Left Front government proposed petrochemical, pharmaceutical, shipbuilding industries for state and industrial township growth. In order to promote employment-intensive industrial development, the government proposed the establishment of the State Science and Technology Board to advance research aimed at rejuvenating the small and cottage industries (Dutta, 2011). Consistent with the Left’s anti-monopoly capitalism rhetoric, the industrial policy structure reflected the strong positioning of the policy document against the role of the big population. It has allocated three spaces of state intervention to restrict the dominance of large and foreign institutions—marketing, product review and standardization, and direct contact with the export market by real producers (Dutta, 2011). The policy resolution stated that no new multinational company would be permitted to venture in the state and that existing companies would be required to meet the conditions of employment generation to obtain permission to reinvest. In this sense,

industrial policy accommodated a notable anecdote by endorsing international technology imports, if possible, only from the world's socialist countries, as 'these countries are effective within assisting the public sector' (Dutta, 2011, p. 598). Therefore, the Front government's first industrial policy was influenced by the Left Front's political-ideological commitment and presented in an anti-big capital context, strong pro-public sector. The first two Front governments, as outlined in the political manifestos, repeated their vision of an 'alternative' economic model toward vested interests. The second major priority of the 1978 industrial policy was the recovery of the government's declining employment rate. On several occasions, the first Left Front government's Minister of Industry and Commerce, Dr Kanailal Bhattacharyya, highlighted a labour-intensive, decentralized industrial development based on indigenous technology. Accordingly, the policy intended to restore the traditional cottage and small-scale industry units and emphasized the development of producer-cooperatives to manage small-scale industry institutions with initial government financial support (Dutta, 2011). The emphasis on small and cottage industries was also focused on the premise that this sector was on the State List and that the state government could exercise greater control and autonomy in the sector's growth. The government's industrial policy resolution was not only conceived as a revolutionary document of the Left democratic force in power but also influenced the future course of the state's political-economic debates. Thus, the very first charter requested is to structure the existing industrial development and restriction laws, to operate the financial institutions and, more importantly, to alter the distribution of financial powers between the Centre and the states. From the outset, the Front Government's Labour Policy supplemented some of the thrust areas of industrial strategies with the development of a strong state-wide trade union movement. As noted earlier, under the influence of the Left political parties, many analysts attributed radical trade unionism as the major cause of the state's steady industrial decline since the 1960s (Kohli, 1991). Some others, however, have regarded

poor infrastructure, excessive regulation, etc. as important causes of the deteriorating state performance in the industrial sector, particularly under the Front rule (Banerjee, Gertler, & Ghatak, 2002).

The Front Government and the associated trade unions strongly denied the accusation that the radical trade unionism culminated in a growing number of closures of the state's industrial units. Rather, the Left leadership kept as part of its public ideological strategies holders responsible for labour conflicts and illness. They observed: "An industrial unit's closure or illness is not due to the employees' negligence. In most cases, the owners did not get the profit back to modernize the units and in many cases, the units' financial resources were drained out with further motive" (Basu J. , 1997, p. 92). The Front leadership had shown on several occasions its concern over the declining trends in industrial output and employment during the 1970s and 1980s and stressed controlling industrial disputes at the two-party or three-party level. Scholars argued that after coming to power, the 'reform-oriented' front government attempted to restore order and discipline and shifted to 'de-radicalization' to 'facilitate growth in a largely private economy' (Kohli, 1991, p. 137) (Kohli, 1991, p. 137). Atul Kohli observed: 'The government of the CPM-dominated Left Front tried to attract business and investment by discouraging *gheraoes* and militant labour' (Kohli, 1991, p. 127).

#### ▪ Centre-State Debate First Phase

The Left Front has been raising the issue of discrimination by the Centre since its inception and has slowly embarked on a solid articulation of the agenda at national forums. Over the years, particularly in the 1980s, the Center-State debate emerged as a key agenda in state politics around the program of industrialization with its great polemical and rhetorical importance for the mobilization of the Front. Since the early 1980s, the fight has taken a serious turn with the Centre's rejection of plans from the state government to build the Haldia

Petrochemicals project and electronics complex in Salt Lake on the Centre's and the state's joint capital investment. After twelve years of discussion, the Centre granted permission to the petrochemical factory and dismissed the electronics complex plan for security reasons. With the Centre's refusal to grant permission to a thermal power plant in Bakreswar, the tussle reached its peak. The Front rallied public opinion throughout the 1980s with a huge war cry against the 'step-motherly' mentality of the Centre towards the state's industrialization programs. Rhetorical trumpeting through specific initiatives such as blood donation camps by the Left Party youth fronts to raise funds for the Bakreswar Thermal Plant has received widespread attention in mobilizing public opinion against the Centre. The 'Salt Lake to Haldia' march was also organized by the Youth Front in September 1985 to increase demand for state industrialization.

Since the late 1970s, the Left parties have been leading the movement for radical reform of India's central-state relations, especially the financial powers, which were marked as the constitutional structure by the Centre's dominance. Governments of the Left Front in West Bengal and Tripura have played leading roles in uniting non-Congress governments in seeking more power for states with a greater share of revenue and decision-making independence since the 1980s. It can be noted that the Front Government demanded increased investment for the Eastern economy as a whole in its first industrial policy statement and reform in the policies of the national financial institutions to ensure a fairer distribution of financial resources to the states. In the following years, the Front government launched its fight against the 'economic blockade' of the Centre against West Bengal as part of a 'political conspiracy'. During the 1980s, the confrontational relationship between the centre and the state occupied prime space as one of the main constituents in the agitation politics of the Left Front. The then state finance minister, Dr Ashok Mitra, made his conviction on several occasions that 'the strategy of depriving West Bengal of its proper economic capital was political' (Mitra, 1984, p. 101). The



Front stood by the argument that the central policy towards the state was largely motivated by the Congress government's political opposition to the Left Front. Several scholars partly corroborated the claim by the fact that "when Congress was defeated in the elections and a minority government was formed at the middle" in 1989, "the state received a large number of industrial investment proposals overnight, as the central government relied on the left for its survival" (Dasgupta S. , 1998, p. 3058).

The agenda's centrality was well represented in policy and party media, which gave the Centre's perceived 'discrimination' enormous exposure. Aseema Sinha noted that the sheer amount of official public press production on the issue of centre-state relations in West Bengal is considerable... no other government of the opposition party... makes such a daily subject of attention centre-state relations. One of the main tasks of the I&CA department was to disseminate information on the issue of central discrimination in industrial development (Sinha, 2005, p. 102). In the sense of the urgency of industrialization and the generation of jobs in the country, the leadership of the Front led to a study of industrial policy in the mid-1980s, which in turn led to intense ideological debate.

- **The policy of joint venture /Joint entrepreneurship**

The Front Government has tried to update policy measures to revive existing industries from sluggish growth and to call for new investment. It decided to hand over to private companies the 'management' of some of the sick industry owned by the government. In 1982, the state government suggested that the management of two engineering units be shifted to the Tata and Birla groups and accepted the plan as a rule in the Front Committee in 1983. In its meeting of 26 November 1983, the Left Front Committee proposed this move, noting that there would be no reduction and job security to be guaranteed by the owner (Ganashakti, 6 December;1983) because of the decreasing capital investment in the country, the increasing number of sick and closed factories and the central government's 'reluctance' to require industrial licenses. The

then chief minister, Jyoti Basu, called for increased state investment by the industrialists in several meetings with the industrialists and assured them of the state government's 'support' in this regard. He also appealed to the Indian industrialists who were not resident to invest in the city. In the changing context, several collaborative proposals were endorsed by the Front Government in the mid-1980s to enhance the scope of the joint sector in the state. The most hyped joint venture contract was signed between the Front leadership in the mid-1980s, in the sense of the urgency of industrialization and job creation in the country, leading to a review of industrial policy, which in turn led to intense ideological debate both within and outside the Front.

#### ▪ Second Left Front Government and Significant Debates

The Second Left Front Government (1982-87) embarked on a study of industrial policy policies in the light of the economic meltdown due to lack of investment in the country. The Joint Sector Policy and Automation Policy were the two most hyped policy reforms which evoked critical state debates during this time. The policies involved the leadership of the Front in intense deliberations about and according to the implications of the 'shift'.

Joint entrepreneurship a kind of Public-Private Partnership(P.P.P model): The Front Government has tried to update policy approaches to revive existing industries from closure and slow growth and to call for new investment. It decided to hand over to private companies the 'management' of some of the sick industry owned by the government. In 1982, the state government suggested that the management of two engineering units be transferred to the Tata and Birla groups and accepted the plan as a rule in the Front Committee in 1983. In its meeting of November 26, 1983, the Left Front Committee suggested this handover with the note that there would be no reduction and the holder would ensure job security (Ganashakti, 6 December;1983).

Because of the decreasing capital investment in the country, the increasing number of sick and closed industries and the central government's 'reluctance' to require industrial licenses, the front government has made a dramatic change in its earlier position on the dominant role of the 'public sector' in the state economy to accommodate joint venture industrialization proposals. The then chief minister, Jyoti Basu, called for increased state investment by the industrialists in several meetings with the industrialists and assured them of state government 'support' in this regard. He also called for investment in the state by the non-resident Indian industrialists. In the evolving background, several cooperative initiatives were supported by the Front Government in the mid-1980s to expand the reach of the joint sector in the country. On 22 May 1985, West Bengal Industrial Development Corporation and the RPG Group signed the most hyped joint venture contract to set up Haldia Petrochemicals. The Front Government's long battle with the Central Government for the petrochemical project's permission in 1980 and the need for capital investment resulted in the hunt for alternative funding to the project in the mid-1980s. Central government permission was given in 1990 after a lot of tussle and development began in February 2000 with the Haldia Petrochemicals. It was visualized as the 'project that symbolized West Bengal's industrial resurgence' with 'vast new possibilities for the downstream industries in the state's plastic processing and chemical sectors' (Government of West Bengal, 2002, p. 31).

The shifts in industrial policy evoked major responses in state politics to the 'deviation' of the Front's political-ideological positioning with regard to industrialization policy, particularly private capital. The constituent parties' trade union front and a section of the left expressed their strong disappointment with the decision and advocated the state acquisition of sick and closed industries and public investment in the establishment of new industries. The Front accepted the market by ensuring the state government acquired thirteen sick industries. However, the acquisition issue of sick and closed industries found a lot of deliberations within

the party. In the light of pressing demands for state acquisition, the leadership of the CPI(M) Party cautioned (CPI(M) State Committee, 1983) that the representatives of the 'delusions' resulted from the 'right assessment of the new context' where the Left Front was running the government in the state with its limited potential and stressed the workers' 'prioritization' of economic demands. In other instances, the state government has announced seeking prospects for private investment in the development of industries such as Durgapur Steel Plant.

The Front leadership consistently maintained that the central government's aversion to capital investment in state-owned industrial enterprises compelled them to think about working with private capital to seek a 'pragmatic' solution to the economic crisis. The Front Government's joint venture policy has been widely discussed in the Left Front, especially in the CPI(M). The central leadership of the CPI (M) vindicated the stance of the Front Government with the statement that the joint venture did not mean 'a desertion of the basic strategy' but a 'tactical move to combat immediate attacks' (Ranadive, 1986, p. 120) or 'economic blockade' against the Left Front government. B. T. Ranadive explained: "It is our party line that the public sector will always prevail over the private sector and that private capital will not be handed over to any public sector enterprise. We criticize the attempt by the Congress government to make the way for complete privatization in the name of the joint sector... our attempt to represent the public sector in a joint venture should not be equated with the attempt by the bourgeois parties. Such temporary steps are often required of all progressive governments" (Ranadive, 1986, p. 120).

Jyoti Basu reiterated the 'differences' in the congress-led central government and front government's joint sector strategy in response to the debate. He said: "The government of Congress represents the classes of the owners, any joint sector with the government of Congress must protect the interests of the owners and we represent the employees. The aim to set up a joint sector project is to protect workers interests. We need to be aware of this" (Ranadive,

1986, p. 132). In the political and academic circles, the 'tactical move' received much critical assessment with the assumptions of a tussle between the hardliners and the pragmatists within the party. Partha Chatterjee wrote in response to the debate: "The most controversial issue, and one on which the bourgeois press had a field day, was the West Bengal government's recent policy of entering into joint ventures with Indian monopoly capitalists and multinationals. The topic has been widely discussed in recent months, but the most impressive defence of the strategy has come from the study adopted by Congress... by announcing that the new industrial policy has nothing to do with those long-term goals, the document of the CPI (M) party has not only revealed its conceptual bankruptcy, it has also confessed its abject failure to locate its experiment in one stroke" (Chatterjee P. , 1997, p. 29).

In the 1990s, the Front Government embarked on a major restructuring of its industrial policies in 1994 in the context of the industrial recession and the changing political and economic scenario in India since the late 1980s. The most important factor behind this restructuring was the introduction by the Congress government at the Centre in 1991 of the neo-liberal economic reforms. The late 1980s also witnessed the disintegration of the Congress Party's paramount position in the Indian political system and the rise of regional political forces that form strong characteristics of coalition politics and the resulting increase in the states' negotiating power in policymaking. The New Economic Policy (NEP), announced by the central government in 1991, introduced several long-term structural reforms to promote development in the competitive economy, such as deregulation and trade liberalization. The NEP is popularly known as the abolition of the 'license, quota and permit raj'. The New Economic Policy revealed a radical divergence from the Indian economy's earlier state security policies and economic management practices. With deregulation and de-licensing policies in the industrial sector, the strategic aspects of the reform package had a strong influence on the federal distribution of economic resources and power. The liberalization program in the 1990s led to

crucial policy debates and intense political opposition, especially from the Leftists. The Leftists led the movement against the ‘IMF-World Bank Dictated’ new economic policy, calling it a surrender to foreign capital of national sovereignty. Nevertheless, it triggered an expanding range of choices in industrial development for provincial governments, enhancing opportunities for massive private and foreign investment, technology transfer, etc. as part of a competitive economy, followed by some major regional policy initiatives.

### ▪ Industrial Policy 1994

In line with the reforms of liberalization and the shifting sense of the abolition of the ‘permit raj,’ the Front government declared its new industrial policy in September 1994, following the Front's sensitive stance towards liberalization-privatisation policies. The left-wing parties took a strong stand against the ‘IMF-dictated’ liberalization programs. The four left-wing parties joint election manifesto— CPI(M), CPI, RSP, AIFB, stated in the 1998 Loksabha election, “Liberalization has meant a bonanza for large businesses, landlords, financial speculators and major traders who make mega-profits and accumulate massive incomes. Under the model set by the IMF-World Bank, the goals for the economic growth of India are decided not in the interests of the Indian people, but in the interests of an arrow wealthy group at home and abroad” (Communist Party of India (Marxist), 1998, p. 35). The policy marked a noticeable shift in attitude towards the private sector and foreign investment by the Front Government. The new industrial policy envisaged a greater role for the private sector and foreign capital in industrial development and promoted private investment through infrastructural and other economic support. It identified industries such as petrochemicals and downstream industries, leather and leather products, food processing, power, tourism, electronics and IT, etc. as potential sources of large and medium-sized investment. In the mid-1990s, the state attracted substantial investment from large organizations such as Mitsubishi, Jindal groups, Jai Balaji,

Appejay, etc. While the state government considers the government and public sectors to be an essential mechanism for ensuring social justice and balanced development, it recognizes the importance and key role of the private sector in accelerating growth (Government of West Bengal, 1994, pp. 5-6). Marking an apparent deviation from the 1978 industrial policy declaration, the Front Government recognized the importance of 'private involvement for a rapid qualitative improvement' in the state's industrial and social infrastructure (Government of West Bengal, 1994, p. 5). The 'investor-friendly' approach has introduced several major changes to the administrative department's organizational working to facilitate reforms. The information technology (IT) and electronics industries have been listed as the focus sectors in line with the new thrust areas of industrial policy. During the early 1990s and 1999-2000, six units were registered in the Software Technology Park in Kolkata, reaching 138 IT farms (West Bengal State Development Report, 2010, p. 77). In 1999, the Task Force, formed on the advice of the international consultancy firm, the McKinsey, to study West Bengal's industrial prospects, prepared a status report on the IT sector and finally, in January 2000, the IT policy was announced, followed by the establishment of a separate IT department in that year. Therefore, in the post-1994 era, there was a radical shift in the previous stand on automation and computerisation. As part of basic infrastructure facilities for industrialization, the West Bengal government also introduced some reforms in its power policy by encouraging private enterprises and joint venture ventures to set up new power plants. The front was very outspoken against hundred per cent foreign ownership in the power sector as suggested in the central policy, such as the Maharashtra governing treaty. The then chief minister, Jyoti Basu, described the new situation as follows: "With the elimination of regulation and control, we have the opportunity to prepare for the state's industrial development... as a state government, we should work within its economic environment and therefore efforts must be stepped up to bring about the industrial revival of West Bengal to all concerned quarters" (Basu J. , 1997, p. 8).

At its meeting in December 1994, the Central Committee of the CPI(M) proposed a solution to the position of the governments of the Left Front in the light of new economic policies and condemned the “motivated agitation... to distract the working class from the economic policies adopted by the Front Government” (Communist Party of India (Marxist), 1995, p. 5). In its new industrial declaration, it described the Left Front's ‘independent perspective’ in propagating the public sector's position in basic industries, restricting the entry of foreign capital into critical sectors, and debating industrialization with the trade unions. The Front embarked on the contention that the regional state could not exercise its independence in a federated system on its own and that, in the new context of liberalization, the left-led governments had to ‘restructure’ their economic policies (Communist Party of India (Marxist), 1995). The new industrial policy stressed West Bengal's more ‘positive’ prediction of industrial development, leading to successive ministerial meetings with the chief minister and government official's prospective investors and international tours to attract investment. During 1991-1997, the hype around the policy shift resulted in an increasing flow of Foreign Direct Investment (FDI) proposals in West Bengal. West Bengal ranked third among the Indian states in attracting FDI proposals after Maharashtra and Gujarat with an all-India share of 5.2 per cent during 1991-97 (Centre for Monitoring Indian Economy, 1999, p. 33). In its attitudes towards industrial and labour relations, the discursive divergence in the industrial strategy of the Left Front can also be found. Jyoti Basu said: “Our government has urged employers to trust the workers, meet their legitimate demands, and ensure accountability. We also stressed the need to motivate workers to take an active interest in production and productivity while safeguarding their legitimate rights and privileges” (Basu J. , 1997, p. XV). In its resolution, the Central Committee of the CPI(M) emphasized the ‘consciousness’ of the new requirements of industrial modernization and higher productivity" in the interests of industrial development



While pursuing liberalization drives impregnated with the capitalist economic logic of growth, the periodic disjunctions while state-union relationships embodied the dilemmas of a left-led government. In the last decade of the Left Front system, the discomfiture became more evident. Therefore, the 1994 Industrial Policy not only reflected some profound policy shifts in the Front government's industrial thinking but also laid the foundation for the subsequent Front regime's ambitious push for privatization. Therefore, an inquiry into the industrial policies of the sixth and seventh regimes of the Left Front inevitably remained on the main assumptions of post-1994 industrial reforms.

### ▪ The Second Phase Towards Industrialisation

Another contentious element of the industrial programme of the Front was the SEZ plan, which attracted severe criticism, especially from a section of the left. In addition to the CPI(M), the Front partners were also vocal against the creation of autonomous zones of state industrial enclaves. The intense competition for capital in the post-liberalization period led the state governments to launch major incentive schemes to attract investors. In 2005, the central government announced the SEZ policy to establish industrial clusters with incentivized economic and infrastructural facilities to encourage industrial production and export. Following the SEZ Act, many state governments, such as Maharashtra, Tamil Nadu, and Karnataka, embarked on their aggressive SEZ policies allocating vast amounts of land for the property, township, or industrial purposes with central government approval. The West Bengal Special Economic Zones Act, which described SEZ as 'a strictly duty-free zone, as if it were a foreign territory', was enacted in 2003 before the central policy (The West Bengal Special Economic Zones Act (2003), 2003). In 1984, the government of the Left Front established an export processing zone in Falta in the district of South<sup>24</sup> Parganars with tax concessions, export promotion, etc. incentive schemes. Under the SEZ Act and Rules, the Government of India, it

was later converted into an SEZ in 2006. As an integrated port-cum-industrial centre and as the gems and jewellery park (Mani Kanchan) in Salt Lake, another SEZ was set up in Kulpi in South 24 Parganas. Since 2005, the Centre's SEZ policy has sparked a major debate in the country with the Leftists and a group of civil activists, economists and academics raising objections to it. In 2006, the left parties submitted a Note on the SEZ Act or Rules to the UPA government calling for changes to authorization clauses, tax concessions, land use within the SEZ region, rights of workers, etc. The leadership of the CPI (M) opposed the 'unbridled expansion of the SEZ resulting from the Central Government's mass approvals' (CPI(M) West Bengal State Committee, 2008) and the enormous tax concessions given to the SEZ industries. At the same time, however, they accepted the state governments 'compulsions' to take a stand on the strategy to survive in the 'cut-throat rivalry to attract investment in export-oriented industries' and 'resolve the industrial problems' in terms of the potential illness and closure of the current export-oriented industries in the region (Communist Party of India (Marxist), March 29 - April 3, 2008). Accordingly, the 22nd Conference of the CPI(M) West Bengal State Committee, held on 13-17 January 2008, endorsed the establishment of some sector-specific SEZs that will not need much ground, and some multi-product SEZs taking into account the need for balanced state growth (CPI(M) West Bengal State Committee, 2008). The CPI(M) Political-Organizational Report of the 19th Congress also substantiated this stance and asked the left-ruled states, as stated in point 31, to protect trade union rights in the SEZ (Communist Party India (Marxist), 2008). Inspired by this submission, the critics and Front partners expressed strong dissatisfaction with the CPI(M)'s position on the state's SEZ policy. Diana Costa noted: "The CPM comment on amendments to the SEZ Act is noteworthy because it seems to be aimed at separating CPM from' naked neo-liberalism, while people seem to be persuaded that 'expanded reproduction' by private capital today is genuinely dispossession today and capital flight tomorrow" (Costa, 2007, p. 310). Therefore, the SEZ policy further

broadened the discord on the industrialization program within the Front. Until moving land for SEZ or other industrial purposes, the Front partners ordered the preparation of a land map and land use database.

### ▪ The Dilemmas and Contradiction

The Governments of the Left Front's in three decades have seen some noticeable changes in the focus areas of Front Governance in general and in particular in industrial policy. The last decade of the Front rule changed from a pro-public sector and pro-labour industrialization agenda to an intensive 'quest for capital,' as reflected in the desire for rapid industrial development with the aid of private and foreign capital. While the first two governments of the Left Front concentrated as the central governing agenda on a radical transformation of land relations and redistributive changes, the sixth and seventh governments of the Left Front were caught in the polemic surrounding agricultural-industry ties. The Front Governments 'submission' to the imperatives of a friendly private-capital / development model raised significant objections from various sections of political and civil society. More importantly, the 'shifts' in policy strategies exposed hitherto unseen dilemmas in the regime's last decade within the Front. In the 1980s, the joint sector policy initiated the state debate, reaching its climax in the sixth and seventh regimes of the Left Front. The Front government's early proclamations of protecting worker's rights as its political-ideological commitment to the working class gradually changed to accept the essence of liberal economic reforms. The trade union's bargaining power and the government's acceptance of their democratic rights in the industrial sector was a major feature of early-day left-wing governance. However, in the early 1990s, the Front government made a major departure with the declaration of the new industrial policy, emphasizing a revival of the state's industrial health. The 'new industrial vision' recognized the role of private capital as a major constituent and the working class's shifting

position in restoring work culture, stable state industrial relations. During the sixth and seventh Left Front governments, the comprehensive reform initiatives moved the discussion to an unprecedented level. On several occasions, a portion of the CPI(M) trade union front (CITU) together with the other Front allies (often referred to as the media hardliners) expressed strong dissatisfaction with the labour policies. The friction was known in the documents of the party or front and was expressed in public arguments and counter-arguments. Jyoti Basu has repeatedly harped on a new 'responsible' position of the labour front in the shifting environment since the days of the announcement of the new industrial policy in 1994. The opinion was later reiterated by Buddhadev Bhattacharjee during his tenure as chief minister, resulting in critical responses from the Left trade unions, particularly on several occasions with regard to his negative evaluation of the 'bandh culture'. He had consistently told the industrialists that the government would not tolerate 'militant trade unionism'. A veteran trade unionist and member of the CITU State Secretariat, Shyamal Chakraborty, reacted to the debate by claiming that there was no bond from the Front that there was no labour movement (Aajkal, 1 December;2003, p. 4).

Following the landmark verdict of the Supreme Court on Right to Strike since 2003, the Left trade unions have been engaged in a nationwide public debate against 'the state apparatus' anti-worker measures' (CITU Secretariat Statement, 2003). On September 29, 2005, the Left Trade Unions called an all-India strike and raised issues of workers' rights, including the right to strike, particularly in emerging economies such as information technology. In the city, the then President of All India CITU, M.K. Pandhe and General Secretary, Chittabrata Mazumdar, together with the leadership of AITUC, are involved in a bitter debate with Chief Minister Buddhadeb Bhattacharjee on 'concessions' granted to the IT sector in the form of denial of the right to strike. At its conference in November 2005, the CITU passed a resolution recognizing the right to form unions in the IT sector.

## 2.9. Conclusion

The above discussions present an overview of agricultural and industrial ecology prevailing in the state of West Bengal since independence. We have noticed the terms and changes in agricultural policies, land reforms. We have also examined the industrial policies and programmes pursued in the state of West Bengal. We have seen the areas of shifts and changes and also the issues of conflicts and contradictions within and outside the Government of the State especially the Left Front Government. The industrial programmes revolved around heated political disputes intra-party and intra-Front, revealed the continuous disputes on the strategy of economic development within the Front. The Government's failure to convince the public and also the failure of the Left Front to stand united in the face of resistance complicated the programme of industrialisation based on agricultural achievements. As a result, the base of the Left Front Government became so weak that the Left Front became politically isolated from the people of the state which ultimately culminated in the overthrow of Left Front rule in the state. In this Connection, it becomes necessary to have a relook into the land reforms policies and programmes undertaken by the Left Front Government. Hence we shall examine this aspect in subsequent chapters.