
THE CANVAS OF AN AFFLICTED STATE OF WEST BENGAL

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ABSTRACT:

West Bengal, the forefront state of Eastern India had a glorious economic legacy in the period following independence, but all does not seem well in the economic front which over the years has been characterized by staggered industrial growth and unsatisfactory agricultural output. The obvious outcome as such has been the emergence of poverty conditions in the state, the causes of which can be attributed to a multiple number of factors. The undesirable political redrawing of the boundaries of the state along with a huge pressure of population has been the prime causes for potential economic instability. Unfavorable environmental conditions coupled with a slackening growth of the state administrative apparatus further compounded the problem. Infrastructural development has also not favored the state. This was bound to create hurdles for both industrial and agricultural growth. An alleged discriminatory attitude of the central government towards the state though cannot directly contribute to the rise of poverty but it obviously placed constraints in the already critical situation in which the people of the State has been placed with. Even in the agricultural sector the land reforms failed to come to the rescue of the rural poor. With the intermediaries having a key role to play the agricultural scenario put forth a grim picture. Besides other related agricultural issues, numerous problems and weaknesses also continue to plague the states' industrial sector thereby aggravating the problem of unemployment and stagnation. All said and done keeping the above limitations in mind it is but obvious that poverty ratio in the state of West Bengal is bound to witness an upward trend. The present article is an analytical account of the above situation.

KEY WORDS:

Poverty, West Bengal, partition, population, economic instability, left front, industrial stagnation, low per capita, decentralization, land reforms, regional disparities, discrimination, credit facilities, economy, industrial units, unsatisfactory growth.

INTRODUCTION:

Among the States of Eastern India, West Bengal stand as an unique case as it stands apart for having an economy that had a higher rate of per capita income and industrial output during the immediate post-independence period. But the post 1947 era had given rise to certain unfortunate factors which has undermined its superior position particularly in some crucial sectors. Nevertheless, the state is engaged in the process of recapturing its lost momentum of growth and improving the life of the common masses but with not much success. The process has been made difficult by certain adverse physical, social and economic processes which continue to plague the state till today. Some of these factors do not continue to exist in the same intensity as had been the situation in the past. This is because successive governments in the state have been making attempts to do away with these obstacles and bringing about a

marked improvement in the condition of the state's economy. Before tracing the causes of economic backwardness and hence poverty in West Bengal, it is significant to know the pockets of poverty in the state. Some of the districts where poverty conditions are acute are Birbhum, Bankura, Midnapore, 24-Parganas (N), Murshidabad, Malda, Purulia and Burdwan.

AIM OF STUDY:

With the attainment of our independence majority of the states made much headway in the economic sense of the term. But because of certain unfortunate factors and inherent deficiencies the state of West Bengal could not make a satisfactory progress. In spite of successive state governments making efforts half-hearted or otherwise to improve the state of affairs but the pangs of poverty continue to impair the rate of progress. The present article seeks to look into these various hurdles and place them in a broad context so as to arrive at a logical conclusion about the precise causes of poverty which continue to plague the state since decades.

REVIEW OF LITERATURE:

1. Bandyopadhyaya Jayantanuja, "The Poverty of Nations:- A Global Perspective of Mass Poverty in the Third World", (Allied publishers, 1988, Ahmedabad).

This book takes a comprehensive look at the causes, conditions and consequences of poverty as is found in the developing countries. How a low rate of economic growth impacts the global linkages and policies of the third world has also been probed. This book in fact takes a wider view of the poor economic conditions of these countries and places them in a global context.

2. Chaudhuri M R, "The Industrial Landscape of West Bengal – An "Economic geographical Appraisal", (Oxford and IBH Publishing Co. Calcutta, 1971).

In the above book the author discusses the industrial scenario of the state of West Bengal from the economic and geographical point of view. How the geographical constraints of the State had an adverse impact on its economy has been the main focus of discussion. How the partition of the country left the state a deprived one has also been analyzed. Infact the root causes of industrial sluggishness have been taken up in this book.

3. Lieten, G K," Continuity and Change in Rural West Bengal", (Sage Publications, New Delhi, 1992)

This book on the rural sector of the state of West Bengal puts forth an indepth analysis of the land reform policies of the state. What is significant about this book is a detail study on the impact of these policies on the agricultural population on the rate of agricultural output and an overall societal progress as well. As such it is a comprehensive study of rural West Bengal and the agricultural sector in the process.

4. Panda Barid Baran,"Socio-Economic condition of South West Bengal in the 19th Century", (Punthi Pustak Publication, 2005).

To gain comprehensive knowledge about any state, it is indispensable to go to the historical details of the evolution and birth of the state. The author in the above book provides its readers with historical details about the society and economy of West Bengal by taking up the cases of the southern areas of the State. The condition of this area during the British rule, the case of undivided Bengal are the other highlights of this book.

5. Rai C.N., "West Bengal: Evolution and Character of Post 1977 Rural Development Programmes", (Giri Institute of Development Studies, Lucknow, 1982)

This book discusses the nature of rural development programmes in West Bengal and their impact on the rural sector. The ineffectiveness of land reforms and the conditions of the landless agricultural labourers have also been analyzed.

6. Ray Biswanath (ed.), "West Bengal Today – A Fresh Look" (Mittal Publishers, New Delhi 1993).

Biswanath Ray in this book begins with the economic, social and demographic aspects of the State. It discusses at length not only the problems of the population of the state but also discusses the issue of migration across West Bengal, the nature and problems of land reforms and also the rural development programmes. In fact this book takes up the socio-economic problems and conditions of the state mainly in the remote areas. The state of quasi-stagnation in the area of industrial growth has also been discussed.

MAIN TEXT:

West Bengal which was created as a consequence of the partition of Bengal in 1947 has ever since been an economically handicapped state. The political redrawing of the boundaries abruptly ended the century old complementary ties between the two parts, the West and East of Bengal. The latter was the main supplier of agricultural raw materials and food to the former which was the sole producer of industrial goods. West Bengal inherited the industrialized segment of undivided Bengal which, already overpopulated suffered from acute economic degeneration. As the state was deprived of most of its productive agricultural land the scarcity of food increased. The Bangladesh war in 1971 strained the economy of the state further. Cessation of income from landholdings which had been passed off to East Pakistan not only led to the impoverishment of the landowners, but it also deprived the state of substantial source of income in the form of agricultural revenue. The denial of access of industrial goods to the erstwhile East Pakistan adversely affected trade, and many industries in the state actually became sick. Thus "while the rest of India gained in terms of development in the post-1947 period, West Bengal consistently suffered from economic decline"¹ The jute industry, a major earner of foreign exchange resources was the most badly hit. Unfortunately enough majority of the Jute mills remained in the Indian Union while a huge chunk of the areas producing jute went to East Pakistan. As such the jute industry of the state was left without any raw material. Partition also deprived the State of the richest and the most extensive fisheries belonging to undivided Bengal. The transport and communication linkages were also disrupted. The absence of appropriate linkages between the various districts of the state even today is thus a legacy of partition. Business interests who had close market links with East Bengal also suffered huge losses. The new situation posed unprecedented problems for the state administration as it amounted to a heavy strain on its already scarce resources. Except for undertaking rehabilitation measures for the evacuees, the Central as well as the state government had no elaborate agenda to help recuperate the shattered economy. These adverse factors had the cumulative impact of low agricultural production, an overall industrial recession leading to scarce products and resultant inflation, thereby creating additional burden for the common masses. The partition also witnessed a large influx of refugees in the state resulting in a disequilibrium in its socio-economic front and an increasing pressure on the state's already limited financial resources.

In West Bengal there has been tremendous pressure of population which has been relentlessly increasing over the years. A considerable part of this increasing growth of population can be

attributed to the continuous influx of migrants from across the border as well as from the neighbouring states. The impact of this extraneous factor constantly interferes with the natural process of demographic transformation in the State. However, the growth rate for all the districts of the state has not been uniform. The border districts of Malda, Darjeeling, Murshidabad and the like have had a relatively higher growth rate than the centrally located ones. As compared to the other areas people in these areas suffer more acute poverty conditions. Moreover, while the birth rate in the state has been lower than that of India as a whole, a lower death rate combined with a low rate of infant mortality has contributed to an increase in the growth of population. However, it is the migrants (both from Bangladesh as well as the non-Bengalese from other states of India) who while constituting the majority of the population, have been a prime cause for potential economic instability. These migrants who are overwhelming adult males have succeeded in depriving the locals of profitable economic opportunities by manipulating the trade, business, and the employment sectors. The problem is all the more compounded by the fact that as these people identified themselves with the culture of the Bengalis, they preferred to settle in the Bengali dominated areas of the state. Moreover as majority of them hailed from middle class background they sought jobs and opportunities to match with their status. They thus settled in the urban areas complicating and intensifying its problems of unemployment and urban amenities. However, it is to be noted that high rate of population by itself does not result directly in poverty, but it does so when the economy is not able to match its growth with that of the population growth rate. This is the case with West Bengal. Because of industrial stagnation and the resultant pressure on land, a rapid growth of population has caused distress to its economy resulting in large-scale poverty. Weak community structures

Environmental conditions particularly in the rural areas have made the producers vulnerable to the whims of the surplus seekers. A high degree of heterogeneous ethnic communities inhabits significant parts of the West Bengal resulting in a climate for mutual non-cooperation among the various segments of the society. "The poor has enormous productive assets provided they could be organized into a coherent force.² But economic differentiation compounded by social stratification undermined feelings of solidarity among the poor. They could no longer defend their labour which is their main possession against the forces of capital. Further with commercialization of agriculture resulting in greater geographical mobility among agrarian producers, village communities became open. This facilitated a great exchange of labour and capital, but it weakened the position of the actual producers as they now had no common cause which could unite them to resist the exploitative tendencies of the masters of capital. Another factor that had contributed to the slackening of the growth of in the state was the very nature of its administrative apparatus particularly before the Left Front Government had taken over (i.e., before 1977). This was manifested in the state's failure to propel adequate growth by strengthening its administrative and technological base. The cause of poor economic performance of the state could not only be attributed to the lack of an efficient administrative machinery but also to the simple logic that economic policies should not be politically motivated which the state government failed to recognize besides inadequate mobilization of resources. Even the early years of the Left Front rule saw its leaders overlooking matters relating to production even though they had claimed to be the adherents of Marx Diversification of funds to non-plan expenditure had resulted in the lack of finance for essential projects which would cater to the requirements of the poor masses. This meant that the state did not have any rational economic policy since its inception. Administration in West Bengal was being manned by personnel with a middle-class

background who did not identify very closely with the work they were entitled to do on behalf of the government. Thus, the administration was indifferent to the woes of the people. The situation was such that decisions made by elites reflected the values of elites, and the demands of the people was left unattended. Autocratic patterns in the administration were evident in the working of every state government agency. Those at the top viewed new ideas emerging from their inferior as threats to their position and as such prevented them from doing so. During those years, decentralization remained a far cry as could be seen from the limited jurisdiction entrusted to the local bodies (particularly during the Congress regime). For instance, Calcutta Corporation conducted diverse activities like regulating and controlling public works and markets etc. but the officials of the body was deprived of any authority to raise adequate funds required to undertake a massive attack on the city's problems. State officials had the ultimate authority to frame and implement developmental policies but were subjected to limitations imposed by the very nature of administration. Moreover, those aspects of a policy which were undesirable to people in authority used to be cancelled. It meant that administrative bodies be it local or otherwise used to attract only such people who were interested more in personal gains. Men in authority viewed innovative ideas from their subordinates as threats to their authority. This situation had detracted the ability of the administration to encourage and implement developmental measures which are innovative and indispensable for a state like West Bengal which had remained steeped in poverty and underdevelopment for so long. In fact, such unrestricted authority enjoyed by the State Government authorities had weakened the State structure and had undermined its capacity to extract trust and support for its policy from the people to such an extent that a strong stress on decentralization by the present government was indispensable.

High economic growth rate calls for improved infrastructural facilities, but infrastructural development has not been too satisfactory in the state. Firstly, the power situation in the State has remarkably improved in the present decade but this is only a new phenomenon. Had it been the case otherwise West Bengal would not have been labelled as an economically backward state. The power crisis in the state for years had undermined the productive activities mainly in the industrial sphere. New enterprises were forced to close as they were unable to bear the production loss owing to inadequate supply of power. Low per capita power consumption had also increased the production cost with little remuneration in the form of higher prices for outputs. Perennial power crisis had also hit hard the growth of agriculture. High cost of rural electrification schemes had severely restricted the rate of return for the farmers and the swift growth of tube wells. Erratic power supply had also discouraged the farmers to transform their diesel pumps into electric ones even though the latter had proved to be more economical and efficient. Another essential component of infrastructural growth is the availability of adequate marketing facilities among different areas of the state. This is a pre-requisite for the achievement of a fully integrated economy where producers would be able to fetch adequate remuneration for their products. But the state has been the target of a weak market structure. The government endeavors to promote organized marketing of agricultural commodities in particular have not been successful. This is related to the existence of an inadequate and neglected road system. Farmers are unable to wait and move to places where their output would fetch higher prices; Hence they are compelled to sustain themselves by selling their goods at the available lower price. These farmers are always the target of exploitation. A host of middlemen operate between the producers and the consumers to manipulate the large price difference. In the absence of fair prices, the producers are discouraged to make additional efforts to raise the level of their output and hence they are compelled to remain satisfied with low income and hence a low standard of

living. This is a saddening aspect of farm economics. Attempts are being made to make the price support policy more effective but in the absence of a regulated market structure higher support prices for agricultural commodities have provided little or no benefits to the poor farmers. It is important to note that essential measure of success of the economy is the extent, quantity, quality, and complexity of the total capital stock. Availability of adequate financial resources in the state has frustrated the overall development plans. Programmes which looked appealing on paper, when transformed into units of implementation were faced with too many financial hurdles.

In the recent past financial institutions in the state were also imposing too many conditions to acquire credit from them. Interest rates for credit was also very high. This discouraged people from taking loans, leading to a setback in the implementation of crucial projects. To meet the shortage of resources the state has been compelled to augment taxes on essential goods and commodities thus posing an additional burden on the common man. Under such circumstances the government has often been compelled to limit its non-plan expenditure even in the context of natural calamities like floods etc. in the state. Regional disparities in the disbursement of loans by financial institutions have also created hurdles for the speedy implementation of developmental projects. Non-institutional money lenders thus emerged as an alternative source of credit. This was particularly true in case of the rural areas where local sources of credit dominate. In the absence of organized credit facilities, the landed class in the rural areas extend loans to the poor and exploit them via low wages and low product prices. This adversely affects the productivity and innovative performance of the debtors. Despite the efforts of the state to change the rural credit system via an extension of institutional credit through co-operative societies, commercial banks and the like, local money lenders continue to dominate the rural economy. Distress borrowing and selling of food grains becomes common. This not only saps the labour of the farmer but also prevents him from purchasing technical inputs. Hence the rate of productivity remains far from satisfactory. Low productivity results in low income, low savings and hence poverty. Nationalization of Banks have also benefitted only the big landholders who by showing their land are able to get loan at a moderate rate of interest. But it is the rural poor who require such loans. They are doubly deprived because of their non-possession of any landed property as well. Thus, making available providing adequate and timely institutional credit to small farmers consists of one of the most crucial problems especially in terms of technological change.

Another essential requirement for any development is the presence of an adequate transport system. The weak transport system in West Bengal is a legacy of the British rulers who had developed it to suit their economic as well as political interests. In the context of the state's economy the transport system as prevalent at the time of independence was hardly conducive and adequate for the state's economic development. Independence also created serious transport problems for the state by partitioning it in such a way that the rail links between the northern and southern districts were disrupted, with the result the integrated growth of the state's economy has become difficult. In case of such a situation smooth movement of goods to and from the industrial centers has been hampered and the process of industrialization has suffered. Even the surface transport in the state does not have any planned development. Roads and rail cannot be linked up with the navigation points of the rivers which could otherwise make the transport system more workable and economically viable. All improvements in sophisticated transport are confined to the urban sector and the rural economy of the state continue to thrive on a primitive transport system unconnected with the arterial routes. The peripheral districts remain isolated from the economic mainstream

creating marketing problem for the poor farmers who are left with no other option but to reconcile with the lopsided growth of the state transport system.

It has often been alleged that the unsatisfactory growth of West Bengal's economy hence its poverty is and partially due to the indifferent attitude of the central government and the latter's discriminatory attitude towards the state. This is being proved by citing numerous instances, particularly in the organized sector. Freight equalization policy of the centre on steel, iron and coal for more than 40 years (this policy has recently been done away with) had deprived the state of its locational advantages and forced it to give up its competitive position. But this policy was not applicable in case of those raw materials like raw cotton in which the state is deficient. This had created serious problems for the state's cotton textile industry as it had to pay higher railway freight to secure raw cotton and man-made fibers from the Western region. The capital utilization of the existing mills was rapidly declining because of a steady rise in their cost of production. These mills had incurred loss and were unable to compete with those mills which existed in other regions of India. Besides this the licensing of industries by the centre has been used against the industrial development of the State. Licenses for new industries are not issued readily. Some of the industrialists got the wrong message and have invested elsewhere. This lack of the center's co-operation in setting up new industrial units has also been reflected in the depreciation of central government's investments in the state through its undertakings. Sometimes projects were rejected on the excuse that the state is a border one. But similar projects have been approved for other border states like those of Haryana and Punjab. This is often held out as a proof that the states which are more advanced than West Bengal are being issued licenses more liberally while the latter is being discriminated against. Moreover, industrialists and businessmen in West Bengal who come from elsewhere had been adopting an indifferent attitude towards the state and lacked a sense of belongingness. Even in the case of the small-scale industries the state had no respite. Setting up of small-scale industries do not require licenses from Delhi but even then, the Centre from time to time has been placing hurdles before them. Further the Monopolies and Restrictive Trade Practices Act (MRTP) of 1969 also played havoc with the industrial progress of the state. Though this Act is universally applied but in the case of West Bengal its provisions are more fully applied so much so that the big industrial houses, keep away from making substantial investment. This has been the case particularly prior to 1990. The Centre's apathetic attitude can also be seen in the denial to the state of a free flow of institutional finance by scheduled commercial banks and other financial institutions. Calcutta is one of India's biggest cities, but the head offices of most financial institutions are located in Bombay alone. Thus, the artisans, traders and industrialists of the state are deprived of the type of credit facilities enjoyed by their brethren in Western India. Thus "while the state was struggling to get its economy going, its share in institutional funds kept declining with further deleterious effects on the already depleted infrastructure".³ This had made private entrepreneurs hesitant to invest in the state. In the absence of a smooth flow of credit facilities the development process in the state becomes a restricted one. The West Bengal governments (especially the Left Front) also has had strong grounds of criticism about the Centre's role in regard to other crucial matters affecting the state. Allocations of food grains to West Bengal has never been sufficient. In spite of repeated assurances that the reduced allocation would soon be compensated the shortfall continues resulting in a depletion of the overall stock. This has had an adverse impact on the state's Public Distribution System on which the poor of the society rely. Failure of the ration dealers to get an adequate supply of food grains have deprived the ration card holders their due share. This has added to the

misery of the middle and lower strata of the society besides rationing system in several part of the state reaching a point of total breakdown. Nevertheless, as far as the controversy with regard to the discrimination against West Bengal in matters of fund devolution from the centre to a state is concerned, it should be remembered that the Planning Commission and Finance Commission have put forth prescribed formulas on the basis of which resource allocation is done. A state's level of development in fact is mainly determined by the effectiveness of fund utilization by the state. West Bengal should hence avoid diversification of funds to non-plan expenditure and make attempts to finance its own projects instead of depending on the centre for resources. The state machinery should improve the allocation of expenditure and avoid any mis investment or wastage of funds. Only then will the state be granted more funds from the centre with which it can improve the life of the common people. West Bengal had a rich tradition in trade, commerce, and industry. Till the end of the fourth decade of this century the state occupied a dominant position in the organized sector. It was nearly a century ago that Bengal witnessed the beginning of the process of modern industrialization. The partition brought forth a series of problems, but the government of India had not paid adequate attention to tackle the situation and on the contrary had adopted various measures which went against the state's economic interests. The industrial growth of the state as a result suffered intensely, which led to lack of new investments, sickness and economic stagnation. This was the situation particularly till 1977 when the Left Front Government occupied the seats of power. Its policy on land-reforms, agricultural development, steps to bring about democratic decentralization have helped the state to make rapid advances in the agricultural sector and this has strengthened the base for an industrial resurgence. But more than three decades of neglect and discrimination cannot be done away with in a short period of time. The state hence continues to be an industrially backward one. Numerous problems and weaknesses still continue to plague the state's industrial sector, and these have kept the state's economy perpetually backward. It is significant to note that industrial stagnation by itself does not directly result in poverty, but its importance lies in the fact that it tends to aggravate the problem of unemployment and production besides creating a condition where future industrial growth becomes a remote possibility. Under condition of chronic unemployment and shortage the workers become the worst victims. Industrial stagnation proves more costly to the government than the common masses because when industries stagnate the state has to shoulder the immense burden of liabilities. In order to cope up, the state asks the workers to satisfy themselves with reduced wages which they are compelled to accept as they are fearful of loosing their only source of income in the face of widespread unemployment. In other words, they are forced to live a low standard of living. Moreover, when the state is faced with the burden of undoing the process of industrial stagnation, it does so at the cost of other developmental schemes. Either way it is the lowest strata of the society which stand to face the loss and remain in poverty. Moreover, ever since its tenure started the Left Front Government has hardly taken any steps to bring about improvements in the minimum wages structure. In the case of majority of the industries the provision of the law to review the minimum wages every five year has not been binding. In the absence of minimum wage fixations, wage differentials have posed a serious problem in the state. Thus, in the absence of adequate remuneration for their work, the economic conditions of the labourers are adversely affected. To keep unemployment within a tolerable limit a healthy industrial climate in the state is indispensable. But majority of the registered factories in the state is confined to greater Calcutta and the areas surrounding it. A more diffused non-agricultural investment for a balanced development of the state is thus called for. Thus, what is required is large industrial initiative with smaller investments having

higher employment potentials in backward regions. This will also ensure an overall growth of the economy as the problem of unemployment will be eased out and the pressure on agricultural land would be reduced.

Agriculture constitutes the most important sector of the economy of West Bengal. But its potential has not been fully exploited, thus resulting in low performance among majority of the state's working force who are engaged in agricultural activities. Infact, it has become the least gainful occupation. There are several constraints which have inhibited a satisfactory growth of this sector; in the process making it difficult to attain the twin objectives of efficient production and equitable growth and development. Some of these are rooted in the socio-economic matrix of the Eastern region while others are unique to the state. The environment of a substantial portion of the State is not stable and hospitable for carrying out successful land reforms, Uncertainty of rainfall and humid conditions makes intensive cropping difficult and irrigation indispensable. Thus, despite commendable progress in the agricultural sector, these constraints have kept the rate of agricultural productivity at a not too satisfactory level. Thus, farmers in the state of West Bengal are trapped in a vicious circle of low productivity, low income, and hence low investment. However, it is significant to note that allocation of funds for the agricultural sector in the state has never been neglected. This follows that the small farmer's inability to use modern inputs is more a problem of deficiency in demand rather than the non-availability of such inputs. In fact, "even the most basic of the technological pre-requisite for green revolution has as yet been virtually absent in West Bengal".⁴ Farmers feel secure in producing food grains during the monsoon season by sticking to traditional varieties and adopting the age old traditional cultural practices. Thus, small holdings have further contributed to low productivity hence low income and poverty, as it has been posing problems for the small farmers to use new and costly technology. Under such circumstances the state machinery should come to the rescuer of the farming class but unfortunately it has failed to do so. Still another constraint on production is the limited use of farm machinery and a near total reliance for energy on human labour and animal powered implements. This along with the use of wooden plough delays the preparatory tillage operations which in turn increases weed infestation, causing serious damage to the plant population as a whole. Consequently, failure to prepare and sow land on time adversely affect production - both in terms of quality and quantity of output. Still another shortcoming is the non-availability of adequate credit/finance to cater to the requirements of the poor farmers. In spite of an increase in overall agricultural credit, there has arisen a severe problem of overdues which has hindered credit expansion and reduced the economic viability of the lending institutions, the co-operatives and the regional rural banks in particular. Shortage of funds for cultivation of vested land and recorded land is the major impediment for the rural poor. Faced with inadequate service from the institutional credit and financing agents, Loans taken at such a high rate of interest further deteriorates their economic position. Nationalization of banks have failed to help the landless and poor farmers. The banks are hesitant to give them loans because of their poor economic background and because they have no legal rights over the land. Under such circumstances the poor peasants and rural labour are forced to approach the private lenders even for their survival expenditure. The situation is made worse by the governments inability to check severe variations throughout the state with regard to the mode of payment to the agricultural labourers. In spite of the Minimum Wage Act 1948, the Calcutta High Court had issued an injunction against the implementation of this notification, thus invalidating its provisions. In order to improve the situation, the institutional agencies should be encouraged to advance loans to all categories of

the poor in adequate quantity and at the right time. However, it is to be noted that though inputs are an important factor it alone cannot ensure better and improved agricultural production. The crucial factor is of a change in the whole socio - economic structure of the rural areas so that the peasantry feels that they have an abiding interest in increased production because it would help them to earn more profit and raise their standard of living in the process. Finally, the ineffectiveness of the land reforms to actually improve the conditions of the rural poor also has contributed to the existence of rural poverty in the state.

Land reform constitutes the cornerstone of the entire rural development strategy in West Bengal. Though the institutional measures instituted so far have helped to promote agricultural growth in the state, in terms of promoting the twin objectives of growth and justice the effectiveness of these measures stands questionable. The general objective of the land reform measures was not to smash the inegalitarian social structure but to restructure the traditional power configuration in the village and to shift the balance in favour of the deprived sections of the community. But the relationships between different agricultural categories were not noticeably changed and the intermediaries were allowed to operate in the hierarchical structure of land interests. The middle and poor peasants are gradually becoming landless and hence more poor. The rural poor, having no other alternative remains bound to the agricultural land and sell their labour power to the landowners at wages which are never adequate. Similarly, the land reform measures had abolished the category of landless labourers but the actual reality presents a complex picture. The average size of the distributed plots being less than half an acre is far from being adequate for a family to enter the category of peasant households. Land ceilings resulting in parcelization of resources and underutilization of technological innovations, neither increase production nor result in equitable development. The Left Front has been oblivious to the problems of a stagnant agriculture and hence have overlooked the importance of technological change. Under such conditions poverty particularly in the rural areas is growing.

CONCLUSION:

All the above shortcomings in the agricultural sector have contributed to its unsatisfactory growth resulting in a poor rural sector. But with the present state government's serious emphasis on land reforms thing can look up. Agriculture remains the most important sector of the state's economy. However, it is not sufficient to raise agricultural productivity all alone to change the face of the rural poor. The man behind the plough must be given the necessary incentive to invest and improve his farm conditions. Their requirements must be attended on a 'priority basis'. Only then can structural changes prove to be fruitful. Moreover, to the extent the growth process bypasses some strat of the population specific poverty alleviation programmes must be formulated for generating a certain minimum level of income for the rural poor and the earlier programmes must be continued with full earnest and vigour. This is because rural poverty is inextricably linked with low rural productivity and unemployment and underemployment. With an ever-increasing population and a heavy pressure on land, the task of removing poverty in West Bengal will also considerably depend upon industrialization because it will not only generate employment opportunities but would also reduce the pressure on land. It is also fortunate in having proximity to sources of ready raw materials and an easy access to adequate supply of skilled labour and cheap unskilled labourers. As such it would not be very difficult to revitalize the state's economy if the hurdles obstructing the path of rapid industrial development are removed. If this is done not only will the problem of unemployment be solved to a large extent, but the rate of poverty will also decline in the process. This becomes all the more necessary in view of the heavy

pressure of population on arable land which has necessitated the diversion of manpower to tertiary sectors. For this, adequate enterprise is to be encouraged in the non-agricultural sector. Hence if the state government makes serious attempts to undo the ills of its economy by paying special attention on the poorest of the poor, reduction of poverty would not be a difficult task.

FOOTNOTES:

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