

Mr. Speaker Sir,

With your permission, I rise to present the Annual Financial Statement for the financial year 2011-12, and a Vote-on-Account for the first four months of the year. Since dates of the ensuing election to the State Assembly have been announced, it is deemed necessary in accordance with the code of conduct for election to seek a Vote-on-Account.

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1.1 I am presenting this Annual Financial Statement and Vote-on-Account at a point of time which is a time of grave concern for the common people in the entire country. There are, before them, two burning problems relating to steep price-rise and widespread unemployment. However, no concrete steps seem to have been taken, as yet, from the national level towards redressal of these two problems. The approach which appears to have been adopted from the national level regarding these problems is to leave them primarily to the forces of market rather than through the upholding of social welfare role of the Government in this regard.

1.2 There has been, in general, a sharp increase, particularly of food prices. The wholesale price index

for foodgrains had increased sharply, by 19.8 per cent, in the month of December, 2009, and this price index has again risen by 18.3 per cent in December, 2010. The main reasons behind this price-rise have been sluggishness and uncertainty in agricultural production in the country as well as influence of monopolistic powers in the trading sphere of agricultural commodities. As a result of the sluggishness in agricultural production, the per capita daily availability of foodgrains has declined from 503 grams in 2009 to 444 grams in 2010 (Government of India, Economic Survey, 2010-11, Statistical Appendix, p.22). However, the all-out effort required from the national level to strengthen the welfare role of the Government in the expansion of irrigation facilities for overcoming this production sluggishness and ensuring certainty in agricultural production has, due to over-reliance on market forces, not yet been taken. This is seen in terms of limited nature of allocation to irrigation sector to only 1.8 per cent of the total Central Plan outlay in the present Union Budget. It is also noted that out of the total agricultural area of the country, the proportion of irrigated area, particularly for foodgrains, has still not exceeded 48 per cent (Government of India, Economic Survey, 2010-11, Appendix, p.21). Moreover, instead of

reviving the Central Public Sector Units in fertilisers, more dependence has been allowed on import of costly chemical fertilisers, hurting the common farmers as well as agricultural production. It is again due to over-reliance on market forces that effective steps, necessary to strengthen the public distribution system based on coordination between the Centre and the States and provision of appropriate subsidy for countering the influence of monopolistic trading practices, have not yet been undertaken. It is found that the Central allocation for the required subsidy in this regard has been somewhat reduced in the present Union Budget.

1.3 Moreover, as a result of reliance on market forces and one-sided policy of liberalisation, imports into our domestic markets have far exceeded exports from our country. In consequence, according to the latest available data (Government of India, Economic Survey, 2010-11, Appendix, p.80), the gap between imports and exports has widened dangerously, nearly 136 times, from ₹ 3,810 crore in 1991-92 to ₹ 5.18 lakh crore in 2009-10. Due to this resulting net loss of market, there has been adverse effect on different spheres of industry. This loss of domestic market, along with

use of labour-replacing and capital-intensive technology as well as sluggishness in agricultural production, have eventually created a situation of widespread unemployment. According to the latest large National Sample Survey data (2004-05), the incidence of unemployment in the country has already exceeded 3.5 crore.

1.4 This continuous inflation and widespread unemployment has created a situation of helplessness among common people in the country. For overcoming this helplessness, a fully united and democratic struggle of common people is necessary to change the direction of national level policy. It seems that to weaken this united struggle, certain forces, which divide the common people have recently been very active in terms of regional separatism and also unleashing of brutal violence. Moreover, the policy of leaving decisions to markets has also resulted in weakening of regulatory controls and has led to a rise in corruption in the country.

1.5 Confronted with this situation of grave concern, we have repeatedly pointed out, in the interest of common people, the need for an alternative policy at the national level within the

existing socio-economic structure. The main focus of this alternative policy should be on generation of employment. Instead of stating the objective only in terms of growth of Gross Domestic Product (GDP), the emphasis should be on the growth of production in different sectors in a manner so that highest possible employment generation can take place. Simultaneously, priority should be placed, on the basis of analysis made earlier, on the joint efforts of the Centre and the States to contain inflation. For implementation of this alternative policy, it will be necessary to strengthen the welfare role of the Government rather than depending only on market forces. To this end, it will be specially urgent to bring about necessary decentralisation in the Centre-State relations and also to ensure, overcoming all divisive forces, united participation of common people in all spheres of development process.

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2.1 It is on the basis of those aspects of the alternative policy which are, to an extent, feasible within the limited powers of the State Government that the main objective of the State Budget in the past years has been to increase generation of employment and income of the common people. The

objective, therefore, is not only to enhance production, but to enhance this production in agriculture and industry and expand services in such a manner that employment and income of the common people can be increased to the maximum extent possible. In this effort of increasing employment and income of the people, a special emphasis has been placed for the minority communities, scheduled castes and scheduled tribes and women.

2.2 In the sphere of agriculture, the Farm Management Studies data in the State have always pointed out evidence of the highest employment generation and production per acre from the land of small and marginal farmers. Moreover, a recent international assessment of agricultural knowledge, science and technology for development (IAASTD, 2008) has also upheld the need for small-farmer-based agricultural planning for developing countries. It is thus, for several reasons, that in the alternative policy, redistributive land reform has remained the fundamental pillar of employment-oriented agricultural development in the State.

2.3 In land reforms, the position of West Bengal, on the strength of peasants' movements and the supportive role of the State Government, has been

over the years foremost in the country. The total land distributed in this State up to January 15, 2011 has been 11.324 lakh acres and the number of farmers benefited has reached 30.449 lakh, 66 per cent of whom belong to scheduled castes, scheduled tribes and minority communities. With an emphasis on empowerment of women, 6.2 lakh joint patta and 1.65 lakh female patta have been distributed. In addition, through recording of share croppers, which forms an important component of land reforms, 15.16 lakh share croppers have been benefited, of whom 53 per cent belong to scheduled castes, scheduled tribes and minority communities. Moreover, the number of beneficiaries from distribution of homestead land comprising of poor landless agricultural labourers and others, has now reached 3.24 lakh, of whom, once again, 71 per cent belong to scheduled castes, scheduled tribes and minority communities.

2.4 In addition, to assist further the land-poor farmers for cultivation and housing under the recent State Government scheme of purchase of land from the willing and well-to-do farmers (at price up to 25 per cent higher than the market price and distribution of the same free of cost), 739.37

acres of land have already been purchased and 5,476 poor farming families have been benefited from distribution upto January 15, 2011. In the sphere of land reforms, this is a new dimension and a first step of its kind in the country.

It may be noted that if the benefits of these land reforms measures are added, the total number of poorer households who have benefited in rural areas of West Bengal would be about 49 lakh. In accordance with this emphasis on land reforms, plan expenditure on this account will increase from ₹ 19.84 crore in the last year to an estimated ₹ 40.0 crore in the current year.

2.5 Along with these initiatives of land reforms, it has been considered specially important for generation of employment and income of farmers, with correlated increase in production and productivity, to extend facilities of irrigation, use of improved seeds, enhanced application of organic fertilisers and bio-fertilisers instead of over-dependence on chemical fertilisers, use of improved agricultural techniques, flow of institutional credit and improvement of marketing facilities.

2.6 With this overall priority in view, emphasis on irrigation has resulted in a steady increase in the

net irrigated area as proportion of net agricultural area in the State from 32 per cent in 1977-78 to 71.7 per cent in 2009-10 and is anticipated to increase further to 73.7 per cent in the current year, 2010-11. In the use of improved seeds, specially in the case of paddy, whereas in the year 1977-78, proportion of cultivated area under improved seeds was only 28 per cent, this coverage has increased to 98 per cent in 2009-10, and is estimated to increase to 99 per cent in the current year. In addition, in the use of fertilisers, with the onset of the process of diminishing returns from chemical fertilisers, the emphasis has been on the use of local resource-based organic fertilisers and bio-fertilisers for improving productivity at a lower cost rather than depending solely on costly imported chemical fertilisers. As a result, while the quantity of chemical fertilisers used over the last five year period (2006-11) has increased by 29 per cent from 13.65 lakh metric tonne in 2006-07 to an estimated 17.63 lakh metric tonne in the current year, 2010-11, the quantity of organic fertilisers has increased by 91 per cent from 110 lakh metric tonne to 210 lakh metric tonne and the quantity of bio-fertilisers has increased by 72 per cent from 610 metric tonne to 1,050 metric tonne. In order to

encourage the farmers to adopt bio-technology, assistance has been provided in terms of free supply of bio-inputs and organic inputs and training to set up bio-villages, and, as of now, 154 bio-villages have been set up in the State. Similarly, with emphasis on local production of improved seeds, 3,500 seed villages have been set up, with financial and input assistance, and lands of Government agricultural farms have also been used for such seed production. Moreover, 57 seed-testing laboratories have been set up, and improved SRI technique is being used in every block for enhancing productivity.

2.7 As a result of these steps taken on the basis of land reforms, the rate of growth of Gross State Domestic Product (GSDP) from agriculture in the State, according to the latest data, has increased noticeably to reach 5.9 per cent in 2009-10, and the position of West Bengal remained first in the country in production of rice (143.41 lakh metric tonne), again first in the production of vegetables (128.03 lakh metric tonne) and second in the production of potato (99 lakh metric tonne).

2.8 In the current year (2010-11), however, 11 districts of the State have been adversely affected by

a wide-spread drought, and deficit in rainfall from the normal level reached from 31 per cent to even 52 per cent. In consequence, production of rice and jute has been specially affected. Confronted with this situation, the State Government allotted ₹ 237.85 crore for proper utilisation from the State Disaster Response Fund (SDRF) to the concerned departments (specially, Agriculture, Water Resource Investigation and Development, Public Health Engineering etc.), and at the same time urged for allotment of at least ₹ 1,100 crore from the National Disaster Response Fund (NDRF) by presenting Memorandum on the basis of data. As against this demand of the State Government, the Government of India has released ₹ 680.95 crore. The State Government, in its turn, has already allotted this sum through the concerned departments for proper utilisation in the affected districts.

2.9 Hon'ble Members, it may be mentioned in this context that for tackling the situation of drought, the State Government has, as part of the programme of alternative crops, taken steps to encourage cultivation of less water-intensive crops in the rabi and summer season of 2010-11 by distributing nearly 11.75 lakh seed minikits as well as other input minikits for farmers in the districts. As a result, even in this year of drought, production

of oil seeds in the State has increased from 7.26 lakh metric tonne in the last year to 7.55 lakh metric tonne in the current year. Similarly, production of wheat has increased from 8.47 lakh metric tonne to 9.01 lakh metric tonne, that of pulses from 1.50 lakh metric tonne to 1.54 lakh metric tonne and that of maize from 3.85 lakh metric tonne to 4.0 lakh metric tonne.

2.10 In the sphere of horticulture, overcoming again the effect of drought, production of fruits and vegetables also increased in the State. In the case of pineapple, production has increased from 2.94 lakh metric tonne in the last year to 3.04 lakh metric tonne in the current year, and the State's position has once again remained first in the country. In the case of litchi, the production increased from 82.42 thousand metric tonne to 85.12 thousand metric tonne, with the State's position remaining second in the country. In addition, production of mango has increased from 5.78 lakh metric tonne to 6.20 lakh metric tonne with the State's ranking being seventh, and production of vegetables also increased from 130.26 lakh metric tonne to 133.35 lakh metric tonne and West Bengal's position has again remained foremost in the country.

In keeping with the priority given to agriculture and horticulture, plan expenditure in this sphere will increase from ₹ 287.89 crore in the last year to an estimated ₹ 300.45 crore in the current year.

2.11 The significance of extension of irrigation facilities for the purpose of increase in employment and production in agriculture has already been mentioned. More specifically, for speedy extension of benefits of irrigation, the role of minor irrigation, and particularly of surface-water-based irrigation, is of special importance. It may be noted here that the scheme of expansion of minor irrigation facilities through excavation of small ponds in the land of small and marginal farmers, and increasing employment and income through multiple cropping has now started spreading in the districts. In the Sundarban areas alone, 29,365 such schemes are already being implemented. Keeping the significance of minor irrigation in view, the plan expenditure in this sphere will increase from ₹ 129.38 crore in the last year to an estimated ₹ 156.25 crore in the current year.

2.12 In the sphere of major irrigation projects, the Government of India has accepted the demand of the State and accorded the status of a project of national importance to the Teesta Project. As per the prevailing norms of a project of national

importance, 90 per cent of the total expenditure of the project would be borne by the Central Government, and remaining 10 per cent by the State Government. However, of the total expenditure (₹ 1,492.55 crore), the State Government has incurred 75 per cent of the expenditure without any fund allotment by the Centre in the current year.

Similarly, regarding the Subarnarekha Project (with revised cost of ₹ 2,032.79 crore), since a large part of the command area of the project is inhabited primarily by people belonging to the scheduled tribes, the State had placed, in terms of existing norms of AIBP, a justified demand that 90 per cent of the expenditure be borne by the Centre. Despite placing this demand about two years back and the State Government already incurring expenditure of ₹ 66.17 crore, no Central assistance has yet been obtained for this important project.

In regard to prevention of erosion of rivers, two projects, namely, prevention of erosion of the Ganga-Padma river system and the Bhagirathi river have been included in the list of joint Centre-State projects, with the implication that 75 per cent of the project cost will be borne by the Central Government and 25 per cent by the State

Government. It is, however, necessary to mention that out of the total expenditure incurred in the prevention of Ganga-Padma river system (₹ 831.59 crore), 52 per cent has been borne by the State Government. In addition, the State Government has also undertaken 5 more schemes for prevention of erosion of the Ganga-Padma river with cost of ₹ 28.50 crore and 9 schemes for prevention of erosion of the Bhagirathi river with cost of ₹ 22.04 crore.

In the sphere of reclamation of rivers, the Keleghai-Kapaleswari-Baghai basin project has been accepted as a Centre-State joint flood control project, with an approved cost of ₹ 650.38 crore, and the reclamation works have also been recently started. But, regarding the projects of reclamation of river and drainage system in Kandi area and in Ghatal area, despite presentation of the projects with all the data, no concrete step has yet been taken by the Central Government.

In the case of Ichhamati river, after the State Government has completed reclamation works on an important stretch of the river with its own fund (₹ 24 crore), reclamation of the remaining stretch of the river, for proximity to the border, is being implemented by the State Government with Central funds under the joint supervision of India and

Bangladesh; and, as of now, a sum of ₹ 24 crore has been spent for this project.

Regarding the reconstruction of embankments of the Sundarban region affected by the cyclonic storm 'AILA', despite the submission of the project on the basis of recommendations of the Centre-State joint expert committee with cost estimate of ₹ 5,032 crore to the Centre and investment clearance by the Planning Commission, with 75 per cent of the expenditure to be borne by the Centre and 25 per cent by the State, the Central Government has included only a part of the project of ₹ 1,339.50 crore in the Centre-State joint scheme. As of now, a sum of ₹ 294.61 crore has been utilised for the project, of which the State's contribution has been ₹ 107.19 crore. The land acquisition process, with due compensation for common farmers, share croppers and BPL families is going on, and after its completion works would commence immediately.

On the basis of priority accorded to irrigation and waterways, the plan expenditure for the concerned department will increase from ₹ 375.59 crore in the last year to an estimated ₹ 397.0 crore in the current year.

2.13 In the sphere of fisheries, although there has been, due to effects of drought, reduction in inland fishery production, there has been, at the

same time, also increase in other areas of fish production, such as sea-fish production and brackish water-based fish production, and, as a result, the total fish production in the State is estimated to reach 14.44 lakh metric tonne which is higher than the State's requirement of 13.93 lakh metric tonne. A significant development in the State's fishery sector has been the emergence of self-help groups (now numbering 7,011) and their involvement in value-added section of fisheries (such as, ornamental fisheries) and marketing and related increase in employment and incomes. On assigning priority to production and employment generation in fisheries, the plan expenditure of the Fisheries Department will increase from ₹ 93.88 crore in the last year to an estimated ₹ 110.34 crore in the current year.

2.14 In the sphere of animal resource development, the main thrust of State's policy has been to enhance production and employment generation by involving the local people. Keeping this in mind, local youth (now totalling 2,990) have been trained and associated as 'Pranibandhu' for purposes of artificial insemination as well, self-help groups or cooperatives have been formed for enhancing production in different spheres of animal resources. As a result of these efforts, the

production of milk will increase from 43.04 lakh metric tonne in the last year (2009-10) to 45.30 lakh metric tonne in the current year (2010-11), and there will also be enhancement in production of eggs and meat. With emphasis on animal resource development, the plan expenditure for the concerned department will increase from ₹ 69.47 crore in the last year to an estimated ₹ 90.14 crore in the current year.

2.15 Keeping the same approach in view, in the sphere of forestry, initiatives of the Department of Forests have been combined with initiatives of the common people of adjacent villages so that, along with afforestation and forest protection, employment and income of the local people can also increase. It is with this objective in view, that an initiative was undertaken, for the first time in the country in this State in early 80's, and Joint Forest Management Committees were formed by associating the local people in the forest fringe areas for taking active role in afforestation as well as forest protection and also allowing them earn a part of usufruct. With a modest beginning in early 80's, the number of Joint Forest Management Committees has now reached 4,386 with share of usufruct earned by them becoming nearly ₹ 89.79 crore at present. As a result of the combined efforts of the Department of

Forests and the local people, the forest cover in the State has increased from 13.4 per cent before 80's to 15.68 per cent in 2006 and (according to the latest forest survey data of Government of India) to 16.67 per cent in 2009. If the areas under tree-cover is also added, then the total forest and tree-cover will now cross 30 per cent. In addition, through distribution of patta under the Forest Dwellers (Recognition of Forest Rights) Act, 27,004 forest dwellers have been benefited. With emphasis on afforestation as well as upholding of interests of local people, the plan expenditure of Department of Forests will increase from ₹ 67.12 crore in the last year to an estimated ₹ 88.14 crore in the current year.

2.16 In order to further advance the growth of employment generation and production in agriculture and allied sectors, it is essential to ensure disbursement of appropriate amount of credit and its timely delivery. According to the updated assessment, based on the recommendation of the Expert Committee (Dave Committee), the credit need for agriculture and allied activities in West Bengal in the last year (2009-10) has been ₹ 45,338 crore. Although in some of the comparable States, where the deposits in the banks are even lower than in West Bengal, the disbursement of

credit to agriculture and allied activities from the nationalised banks and other banks, has been along the line of recommendation of the Dave Committee, in West Bengal the actual credit disbursement in agriculture and allied activities has been much lower at the level of only ₹ 8,178 crore. Confronted with this situation, it was decided on the basis of discussion held between the State Government and representatives of Reserve Bank of India, NABARD and State-level leaders of the nationalised banks and other banks, that the target for credit disbursement in agriculture in the current year should at least be nearly doubled from the level of credit disbursement in the last year and be raised to ₹ 16,000 crore, and then systematically raised in every year. As against this target, the actual disbursement of credit in agriculture and allied activities, according to the latest available data, will be an estimated amount of ₹ 12,915 crore in the current year.

For expanding this needed credit disbursement, it is also specially necessary to increase the number of bank branches in rural areas of the State. According to the decision at the national level, a target has been fixed to set up at least one bank branch in the villages in every State, where population is above 2,000 and there is no branch of

any bank, and this banking facility may be set up in terms of brick and mortar branches or by engaging business correspondents of the banks. In West Bengal, out of a total of about 39 thousand villages in the State, there are 7,486 villages (with population of more than 2,000), without a branch of any bank. The target set up by the banks has been to open up within the current year and the next year brick and mortar branches in 225 villages and engage business correspondents in the remaining 7,261 villages. As against these targets, the total number of brick and mortar branches and engagement of business correspondents as on December 31, 2010 have been 86 and 410 respectively. It is necessary to mention here that a proposal was presented by the State Government that, in case of engagement of business correspondents, the leader of self-help group of the same or the nearest village with proper training may be considered, and this proposal has been accepted in the guidelines of Reserve Bank of India. What is necessary now is for the banks to complete the task of fulfilling the targets of enhancement of credit for agriculture and allied activities and opening up of the required number of brick and mortar branches and business correspondents with a sense of urgency.

2.17 It has already been mentioned that since price-rise is a national problem, the main responsibility of its redressal has to be undertaken by the Central Government in coordination with the States. Along with raising this justified demand, the State Government, within its limited power, has also initiated certain specific steps. In the case of rice, this initiative has taken the form of providing additional subsidy at the State level so as to distribute rice through the ration shops at a price of ₹ 2 per kilogram for the people below poverty line. Starting from the month of March, 2009, steady implementation of this scheme has led to an increase in the offtake of rice from the ration shops by the people below the poverty line from 88 per cent in previous years to around 96 per cent in the current year. About 2.65 crore people have benefited from this scheme, and an amount of about ₹ 434 crore has been spent by the State Government as subsidy for this purpose. In addition, a special initiative was taken to distribute, during the festival time, sugar, edible oil and pulses through the ration shops at prices around 10 per cent lower than the market price.

In the year 2010, as a result of fall in the farmers' gate price of potato due to excessive production, the potato growers had started suffering loss. The State

Government decided that, in order to protect, to some extent, the interest of potato growers, quantity of potato to the tune of 9.70 lakh metric tonne would be purchased through cooperatives and the West Bengal Essential Commodities Supply Corporation at a price of ₹ 3.50 per kilogram. After the purchase, potatoes were kept in the cold storage following the relevant rules, and, once the market price of potato started increasing, the stored potatoes, for the benefit of consumers were sold, first through the ration shops at a lower price, and then in the market. This initiative, to protect the interest of potato growers and consumers, has been the first of its kind in the country, and for this purpose, the State Government had to arrange for a sum of ₹ 400 crore. As a result of this State intervention, it was found that, according to State-wise price data published by the Government of India, retail price of potatoes, particularly, during the period between the months of September and November, 2010, in Kolkata had remained relatively much lower in relation to the comparable metropolitan cities in the country.

2.18 As a result of these steps taken, starting with land reforms, purchasing power of common people in rural areas of West Bengal has steadily

increased. This has been particularly reflected in the increase in their consumption demand for industrial goods. On the basis of the latest National Sample Survey data (69th round), this consumption demand has been estimated to increase substantially from ₹ 26.8 thousand crore in the last year to ₹ 29.9 thousand crore in the current year.

2.19 This steady expansion of internal market for industrial goods, geographical locational advantage, availability of skilled workers, technologists and scientists as well as positive attitude of the State Government have together formed the material basis for industrial development in the State. This developmental trend has been reflected in each of the sectors related to large, medium and small-scale industries as well as self-help groups. In this situation, a positive trend has also emerged in the services sector enterprises in the State.

2.20 In the sphere of large and medium industries, despite several obstacles, the level of materialised industrial investment in the State has increased noticeably from ₹ 8,493.43 crore in 2009 to ₹ 15,052.23 crore in 2010. The industrial units (numbering 322) where the investment has materialised relate mainly to food processing, iron and steel, chemical and petro-chemical and

engineering categories. It also needs to be noted that of these 322 units, nearly 81 per cent belong to medium industries. From these 322 units, potential of direct employment generation of 31,270 persons and at least twice this number of indirect employment generation have also been created. After including the data for the year 2010, it is further found that over the period from 1991 to 2010, the total number of units set up in large and medium industries in the State has reached 2,531 with materialised investment of ₹ 65,685.57 crore and creating potential of direct employment generation of 2.98 lakh.

There has also been, in recent years, a significant progress in the “Land Bank” scheme being implemented by the Commerce & Industries Department for making land available for industry. In this scheme, land in relatively less fertile areas are purchased/acquired, after several discussions with willing farmers at fair price and with adequate compensation. Initiated in 2008, as of now, nearly 8,100 acres of land have already been made available for industry at Raghunathpur in Purulia, Panagarh in Burdwan and Naihati in North 24-Parganas, and several entrepreneurs have come forward to set up industries on these lands. This progress of ‘Land Bank’ scheme has added a new

dimension in industrial development of the State. Keeping the significance of large and medium industries sector in view, the plan expenditure for the Department of Commerce and Industries will increase from ₹ 215.46 crore in the last year to an estimated ₹ 286.0 crore in the current year.

2.21 The progress of Information Technology (IT) and Information Technology-enabled service (ITeS) in West Bengal is primarily propelled by the strength of human capital in the State. It needs to be noted that when, in the year 2009-10, there was, due to global recession, a fall in IT related exports in all the comparable States, there was, as an exception, a rise in exports by 6 per cent from West Bengal. It is further noted that the IT related exports from West Bengal has steadily increased from ₹ 2,700 crore in 2006 to ₹ 6,500 crore in 2010, with the result that the total employment generated in the IT sector in the State has also noticeably increased from 32,000 in 2006 to 1,05,000 in 2010.

A special feature of IT and ITeS sector in the State is that, along with presence of major internationally reputed concerns, there is also wide-spread presence of small and medium units which constitute nearly 80 per cent of the total number of units. In order to encourage the small and medium

units, incubation centres have been started, along with Kolkata and Bidhannagar, also at Durgapur and Siliguri. With the advent of these centres, equipped with built-in infrastructure, the units in small and medium sector can start their operation expeditiously at reasonable rent. In addition, for promoting the IT hardware sector, a new initiative has been taken by the IT department to set up incubation centre at BESU (Bengal Engineering and Science University) to promote enterprises in the hardware design.

In addition, for helping the development of internal market for IT and ITeS, the State Government has also expanded the use of IT and ITeS in the functioning of different departments, as well as broadened the IT network in the districts up to the level of Gram Panchayats. Keeping in view this multi-dimensional development of IT and ITeS activities in the State, the plan expenditure for the Department of Information Technology will increase from ₹ 72.03 crore in the last year to an estimated ₹ 80.86 crore in the current year.

2.22 Regarding employment generation in industry, a specially important role is being played by the small-scale industries. In this context, according to the data of the latest National Sample

Survey (2005-06), both in respect of number of running small-scale units (which, for this State is 27.53 lakh) and generation of employment (which, for this State is 54.93 lakh), West Bengal ranks first among all the States. The number of new small-scale units in the State, according to the data of the concerned department, has increased from 19,884 in the last year to an estimated 23,000 in current year, creating the potential of at least 2.2 lakh employment generation. Of this employment generation, an estimated 1.04 lakh will be created from the implementation of important national scheme of PMEGP, and according to the information compiled by the Government of India, in the implementation of this scheme, the performance of West Bengal will be, as in the last year, the best in the country. With a special emphasis on the development of small-scale sector, the plan expenditure of the concerned department will increase from ₹ 99.65 crore in the last year to an estimated ₹ 162.20 crore in the current year.

2.23 In the services sector, the latest National Sample Survey data on service sector in India has recently been published (2009). Hon'ble Members will be glad to know that, according to these latest

National Sample Survey data, the number of service enterprises in the State has increased from 23.25 lakh in 2001-02 to 33.54 lakh in 2006-07 and the position of West Bengal has been second among the States. From this growth of service sector in the State, additional employment generated from this sector has been, on an average, 1.8 lakh per year.

2.24 In the sphere of employment generation through common entrepreneurs, it is the self-help groups which have created highest potential. The number of self-help groups in the State has increased significantly from 10.46 lakh in the last year to 14.70 lakh in the current year, with membership of about 1.40 crore, of whom nearly 90 per cent would be women and the rest enthusiastic young male members. The members of these self-help groups have first deposited their own savings in the banks, and then on the strength of their own savings, nearly 13.08 lakh self-help groups have obtained loan from banks, repaid the loans, and obtained fresh loans. According to the latest assessment of NABARD, about 33 per cent of these 13.08 lakh self-help groups have qualified for second or third dose of loans, and through them potential for generation of at least 4.32 lakh additional employment has been created in the

State. In order to encourage further self-help groups of male and female, in rural as well as in urban areas in the sphere of employment generation, the State has already taken a decision (and also started its implementation) of providing interest subsidy on the loans taken by these self-help groups from banks so as to reduce the effective rate of interest payable by the self-help groups to 4 per cent. On assigning a special priority to the development of self-help groups, the plan expenditure for the concerned department will increase from ₹ 98.05 crore in the last year to an estimated ₹ 147.50 crore in the current year.

2.25 According to the latest revised estimate, the minimum annual requirement of credit for small scale industries, self-help groups and self-employment schemes in the State is ₹ 15,000 crore. Against this requirement, credit to the tune of only ₹ 4,138 crore was disbursed to this sector in the last year. It was, therefore, decided after discussion between the State Government and representatives of the Reserve Bank, NABARD and other banks that, as a first step towards this objective, the target of credit disbursement in the current year should be fixed at ₹ 8,000 crore by nearly doubling the level of disbursement in the last year. As against this target, the actual disbursement in the current year

has been estimated at ₹ 7,098 crore which is 89 per cent of the target. The need for continuous enhancement of the credit disbursement for the small scale industries and related activities, therefore, remains a matter of urgent concern.

2.26 Honourable Members, in accordance with the statement made in the last State Budget, the State Government, for reducing the problem of unemployment in urban areas, has already started the West Bengal State Urban Employment Programme. In this programme, any person in urban areas can be engaged either as a worker or as a supervisor for implementation or maintenance of any project of the State Government or the concerned Municipality/Municipal Corporation on the basis of specified wage. No contractor can be engaged in the programme. The State Government has allotted ₹ 250 crore for the project in the current year.

2.27 Within the limitations at the State level, the State Government has taken specific steps for revival of closed and sick industrial units, specially, by placing the views of the State Government before BIFR, upholding the interests of the industry as well as workers, and by granting subsidy, tax relief, etc. for the revival package. As a result of this, out of

361 industrial units registered with the BIFR, in the public sector, revival package for 5 units has already been successfully implemented, with protection of employment of around 16,300. In addition, in the case of 7 other public sector units, revival packages are at various stages of implementation, on completion of which employment of around 23,700 workers will again be protected. In the private sector, revival package has been approved for 71 units. Of these units, implementation of revival package has been completed for 36 units and employment of 52,725 workers has been protected. The revival packages for the remaining units are also at various stages of implementation.

In addition, of the 16 closed tea gardens out of a total of 277 tea gardens in North Bengal, the number of reopened tea gardens has now increased from 8 in the last year to 12 in the current year.

Honourable Members are aware that the scheme of providing monthly assistance to the workers of closed factories and tea gardens was started, for the first time in the country, in West Bengal in 1998 with monthly assistance of ₹ 500. This assistance has then been increased over the years, and has

been enhanced to ₹ 1,500 per month in the current year, and is estimated to benefit 33,956 workers.

2.28 Hon'ble Members are kindly aware that the State Government has been, over the years, taking initiatives to introduce welfare measures for workers in the unorganised sector. It is at the initiative of the State Government that a provident fund scheme for workers in the unorganised sector was introduced for the first time in the country in the year 2001-02. Implemented on the basis of contribution from the workers (₹ 20 per month) and an equal contribution from the State Government, the scheme has now been made more welfare-oriented by adding benefits of health insurance scheme so that the beneficiaries of the scheme can also get additional coverage of clinical tests, medicines and certain benefits after hospitalisation. Moreover, coverage of list of employments has been widened to include 44 categories and 12 self-employed occupations. The number of beneficiaries under this scheme has increased significantly from 17.27 lakh in the last year to an estimated 25 lakh in the current year. Designed in a similar manner, a provident fund scheme for landless agricultural labourers is also being implemented in the State, and number of beneficiaries under this scheme has

increased from 9.43 lakh in the last year to at least 10.58 lakh in the current year. With the implementation of legislation concerning the welfare of construction workers, the number of beneficiaries of this sector has again increased from 1.17 lakh in the last year to reach an estimated 2.30 lakh in the current year. In addition, the State Government, after legislative action, has also recently started implementing the welfare scheme for transport workers, and the number of enrolled workers has already reached 30,000. Moreover, with the implementation of beedi workers' welfare scheme, the beneficiaries under this scheme has become 41,961. The total number of beneficiaries of these welfare measures adopted by the State Government has now crossed 38 lakh. With emphasis on the welfare of workers, the plan expenditure of the Department of Labour will increase from ₹ 97.47 crore in the last year to an estimated ₹ 101.0 crore in the current year.

2.29 For enhancing production and employment generation in agriculture and industry, it is specially necessary to have supporting improvement in the spheres of physical infrastructure relating to roads and bridges, mass transport and power.

In the case of bridges and ROBs, Public Works and Public Works (Roads) Department has started implementing 112 projects in the first four years of the Eleventh Plan (2007-2011), and of these, 47 projects have already been completed. Similarly, in the case of roads, works of improvement of 4,109 kilometre of roads have also been completed. With importance attached to construction/improvement of bridges and roads, the plan expenditure for the Public Works and Public Works (Roads) Department will be increased from ₹ 721.08 crore in the last year to ₹ 789.81 crore in the current year. In the sphere of mass transport, after according priority, for reasons of environmental balance, to the operation of improved buses, minibuses, taxis and auto-rickshaws, improvement of tram lines and construction of modern tramcars on the basis of self-reliant and improved technology, the plan expenditure for the Transport Department will increase from ₹ 253.95 crore in the last year to ₹ 295.81 crore in the current year.

2.30 In the sphere of power, there has been, in the current year, a relative improvement in the demand-supply balance in power in the State. This improvement has been made possible by the addition to installed capacity of 250 MW in the Santaldih Thermal Power Project, and increase in internal production-efficiency of the power units under the State Government, despite the problem of low-grade coal supply. This is reflected in terms of steady improvement in the plant load factor of these power units from 53.20 per cent in 2001-02 to 62.75 per cent in the last year, and then to 69.75 per cent in the current year.

In addition, in the sphere of rural electrification, out of the total rural mouzas of 37,910 in the State, in the current year electricity has reached 37,779 mouzas (99.65 per cent). Thereafter, the urgent task is to reach the remaining villages and provide electricity in each household for every village.

As a result of improvement in the internal efficiency of the power units under the State Government, the net revenue collection of these

units has increased from ₹ 15,100.01 crore in the last year to an estimated ₹ 15,961.28 crore in the current year, and the gross profit has also increased from ₹ 343.72 crore in the last year to an estimated ₹ 464.10 crore in the current year. According priority to the overall improvement in the power sector, the plan expenditure for the concerned department in the current year is estimated to reach ₹ 530.60 crore.

2.31 For the purpose of increasing employment generation and income of the common people, it is necessary, along with improvement in physical infrastructure, also to have a steady improvement in social infrastructure, specially relating to public health and education.

In the sphere of public health, data on morbidity pattern in the country show that of the total illness, 59 per cent is related to preventive diseases (such as enteric disease, malaria etc.), 26 per cent to curative diseases (such as, cardio-vascular disease, cancer etc.) and the remaining 15 per cent to injuries and accidents.

2.32 In the case of preventive health care, supply of safe drinking water is most important. In this

perspective, after ensuring at least one source of drinking water in every village (numbering about 39 thousand), the goal is now to provide 40 litres of safe drinking water in each habitation (numbering 96,295) within the village. Against this goal, it has been possible to achieve full coverage in 86,128 habitations and partial coverage in 7,081 habitations. Along with the urgency of achieving full coverage, a sustained initiative has also been taken for mitigating the problem of arsenic contamination of ground water in specific areas. With emphasis on the supply of safe drinking water, the plan expenditure for the Department of Public Health Engineering will increase from 388.24 crore in the last year to an estimated 401.0 crore in the current year.

2.33 In the sphere of curative health care, since treatment of disease is easier if detection and medical attention can start at primary stage, emphasis has therefore been placed on decentralised curative arrangement. With this emphasis in view, a priority has been accorded to improvement of infrastructure and services in the sub-centres within each Gram Panchayat. Along with this, priority has also been given on improvement in infrastructure and services at the

levels of primary health centres, block primary health centres, rural hospitals, state general hospitals, sub-divisional hospitals and district hospitals. This approach of decentralised curative health care has also been adopted in the urban areas of the State. Along with this, a special emphasis has also been given on improvement of infrastructure and quality of health care services at much affordable fees in the large teaching hospitals. In addition, steps have recently been taken for urgent treatment of persons affected by injuries and accidents in terms of services of trauma ambulances and then a coordinated treatment by already starting a process of setting up of “Trauma Care Units” in the hospitals.

As a result of these comprehensive measures, it is found from the latest State-wise data (2009) published by the Government of India that the death rate in the State has fallen to 6.2 per thousand, which is not only lower than the all-India average (7.3) but also the lowest among all the bigger States. Moreover, the death rate in rural areas in West Bengal is 6.1 and is again the lowest among the bigger States. The infant mortality rate in the State has fallen further to 33, which is much

lower than the all-India average (50). The birth rate in the State has also fallen to 17.2, which is again much lower than the all-India average of 22.5, and in the urban areas, the birth rate in West Bengal (12.1) is lowest among all the bigger States in the country. On the basis of this overall approach to public health, the plan expenditure for the Department of Health and Family Welfare will increase from ₹ 570.57 crore in the last year to an estimated ₹ 588.14 crore in the current year.

2.34 In the sphere of education, the approach of the State Government has been to take steps consistently for making educational opportunities accessible to all, improve the standard of education and also coordinate general education with vocational and technical education so that the students can learn to apply the acquired knowledge for employment generation and production.

With this objective in view, a special priority has been accorded in the first place to provide access to primary education for all children in the relevant age-group (5+ to 8+), and as a result, the net enrolment ratio has been estimated to reach nearly 99 per cent in the current year.

Along with ensuring enrolment of children in primary schools, it is also important to reduce their drop-out rate. To this end, the coverage of mid-day meal programme by involving the self-help groups has now been extended to nearly 96.6 per cent of primary schools. In addition, priority has been given to recruitment of new teachers, with the result that over the two years 2009-10 and 2010-11, the total recruitment of teachers at the primary level has been 49,161 and that at the upper primary, secondary and higher secondary levels 26,608. In consequence, the student-teacher ratio at the primary level has been estimated to come down in the current year to 31.7:1, and that at the upper primary level to 53.7:1. In consequence of these measures, the incidence of drop-out rate at the primary level has declined noticeably from 4.9 per cent in the last year to an estimated 1.8 per cent in the current year. The decline in drop-out incidence at the primary level has created a positive impact in terms of increase in net enrolment ratio to an estimated 90.1 per cent at the upper primary level in the current year. In addition, it has been further noted that drop-out rate at the upper primary level has also fallen from 7.7 per cent in the last year to an estimated 5.4 per cent in the current year. The total cumulative effect of this positive trend in

school education is also seen in terms of remarkable increase in the number of candidates appearing at the Secondary Examination from 6.18 lakh in 2005 to 9.41 lakh in 2010, and that at the Higher Secondary Examination from 2.66 lakh to 4.29 lakh over the same period.

Along with these initiatives, with a view to improving the quality of education, emphasis has been laid on the functioning of mother-teacher committees and inspectors of schools. As a consequential effect of all these measures, it is found according to the latest published State-wise data (2008) of the National Council of Educational Research and Training (NCERT) that, at the end of Class III, the achievement of students of West Bengal in Mathematics and Language has been second (2008), and that at the end of Class V their achievement in these two subjects has been noticeably first among all the States (2006). With priority given to school education, the plan expenditure for the concerned department will increase from ₹ 975.70 crore in the last year to an estimated ₹ 1,709 crore in the current year.

2.35 Along with expansion of opportunities for education and improvement of standards, it is also necessary to open up wider scope for participation

of the students in production and employment generation. It is for this reason that a special emphasis has been laid on expansion of vocational and technical education. As a result, the total number of vocational training centres/institutions has increased from 2,478 in the last year to 3,186 in the current year, and annual intake of students in these institutions/centres has now reached nearly 3.11 lakh. In addition, the number of polytechnics and related diploma technical institutions has also increased from 76 in the last year to 84 in the current year and annual intake of students in these institutions has now reached 14,766. Along with increase in the number of vocational and technical institutions, attention has also been paid to opening up of new and contemporary courses (such as, agricultural engineering, footwear technology, petroleum product technology etc.) so that, on completion of training, the students can directly get employment opportunities. Keeping this overall approach in view, the plan expenditure for the Department of Technical Education and Training will increase from ₹ 187.62 crore in the last year to an estimated ₹ 200.00 crore in the current year.

2.36 With a similar approach in mind, in the sphere of higher education, an emphasis has been placed, along with expansion of educational opportunities, also on extension of coverage of technical and professional education and forge a coordination between the two streams. As a result, together with the decision to set up 21 new colleges, steps have been taken to start, at the higher education level, 6 new engineering and professional institutions. In the sphere of university, after the establishment of West Bengal State University (Barasat), Gour Banga University, Presidency University, preparatory steps have been taken for setting up of Sidhu Kanhu Birsha University. The total number of universities in the State have now reached 20. Similarly, with addition of new colleges and engineering and professional institutions, the total number of colleges in the State has reached 454, and that of engineering/professional institutions and departments at 414. It is relevant to mention here that as institutions with potential of excellence, two universities and 17 colleges in the State have been recognised from the national level. With emphasis on the multi-dimensional development of higher education sector, the plan expenditure for the Department of Higher Education

will increase from ₹ 96.53 crore in the last year to ₹ 120.0 crore in the current year.

2.37 In the field of development of minority communities and madrasah education, main priority has been accorded to expansion of educational opportunities, improvement in infrastructure, disbursement of institutional credit and generation of employment.

For the purpose of expansion of madrasah education, the total State budgetary provision has increased significantly from only ₹ 5.6 lakh in 1976-77 to an estimated ₹ 574.0 crore in the current year. The number of madrasahs has also increased from 238 in 1977-78 to 605 in the current year, and the number of students has increased from 4,338 to 4.78 lakh over this period. In higher education, Aliah University has been set up and a new campus of Aligarh University established in Murshidabad.

In addition, various stipends are being provided for minority students, and the number of benefited students has now reached nearly 6 lakh. As a total effect of these measures, it is now found that in the State, students from minority communities are 30.04 per cent in the total number of students at the primary level, 23.49 per cent at the upper

primary level, and 21.11 per cent at the secondary and higher secondary levels.

In the sphere of development of infrastructure, it is observed from the latest State-wise data on the progress of joint Centre-State Multi-Sectoral Development Programme (MSD) that expenditure made in this programme (upto December 31, 2010) in the State is ₹ 264.24 crore, and the position of West Bengal in this regard is foremost among the States.

For the purpose of employment generation among minorities, the State Government has laid a special emphasis on disbursement of loans from the organised banking sector in the State. As a result, the share of bank loans for the minorities in the total priority sector loans of the banks in the State has increased from 7.89 per cent as on March 31, 2009 to 14.76 per cent as on March 31, 2010, and this share has increased further to cross the national level target (15.0 per cent) and reached 15.01 per cent as on September 30, 2010. In the sphere of credit delivery for the minorities in the State, an important role has been performed by the West Bengal Minorities Development and Finance Corporation and is recognized at the national level.

In the sphere of opening up of more opportunities for the minorities in the Government sector, the most significant step in the country has been taken by the Government of West Bengal in taking the decision, in the light of recommendations of the Ranganath Mishra Commission, to introduce reservation for minorities on the basis of socio-economic backwardness. The State of West Bengal has thus taken a front-ranking role in taking steps in relation to the major issues raised in the Sachar Committee Report regarding education, credit disbursement and employment generation for minority communities. With this emphasis on madrasah education and development of minority communities, the plan expenditure for the concerned department will increase from ₹ 123.33 crore in the last year to ₹ 310.0 crore in the current year.

2.38 In the sphere of backward classes welfare, emphasis has, once again, been placed on expansion of educational opportunities, development of infrastructure and disbursement of credit for employment generation. In the sphere of education, the number of beneficiaries of special maintenance grant for students belonging to scheduled castes and scheduled tribes has been

increased from 4.23 lakh in the last year to 6.15 lakh in the current year, and beneficiaries of book grant and other assistance has also increased from 25.51 lakh in the last year to an estimated 27.0 lakh in the current year. As a result of these steps taken steadily in this State, the number of students belonging to scheduled castes and scheduled tribes in the total number of students at the primary, upper primary, secondary and higher secondary levels has now reached 36.56 per cent, 33.97 per cent, 31.28 per cent and 27.43 per cent respectively. In addition, in the sphere of infrastructure development, steps have been taken to ensure correspondence between the expenditure on the area-wise schemes of different departments and proportionate presence of scheduled castes and scheduled tribes in the population of the area. Along with these measures, specific efforts have been made through the West Bengal Scheduled Castes and Scheduled Tribes Development and Finance Corporation to provide training arrangement and disbursement of loan for generation of employment for the backward classes. With this approach towards the welfare of people belonging to backward classes, the plan expenditure for the concerned department will increase from ₹ 275.51 crore in the last year to ₹ 333.62 crore in the current year.

2.39 In the interest of welfare of women and children, activities of the Integrated Child Development Services (ICDS) have been steadily expanded in the State. The number of ICDS projects has already been increased from 396 in 2006-07 to 414 in 2010-11, and the number of related Anganwadi Centres also enhanced from 91,372 to 1,11,054. As a result, the numbers of benefited children and mothers have also increased over this period from 41.0 lakh and 5.61 lakh to 66.97 lakh and 11.60 lakh respectively. With emphasis on welfare of women and children, the plan expenditure for the concerned department will increase from ₹ 546.06 crore in the last year to ₹ 736.60 crore in the current year.

2.40 In the sphere of rehabilitation of refugees, with continued emphasis on recognition of unlisted colonies, distribution of free-hold title deeds of land and infrastructural development of the colonies, the plan expenditure for Refugee Relief and Rehabilitation Department will be increased from ₹ 16.47 crore in the last year to an estimated ₹ 19.0 crore in the current year.

2.41 Upholding the importance of the specific programme of the State Government for construction as well as improvement of housing for low-income people, the plan expenditure for the

Department of Housing will get enhanced from ₹ 66.83 crore in the last year to estimated ₹ 170.36 crore in the current year.

2.42 For expansion of tourism industry in the State, the Tourism Department has taken steps for development of attractive places in the districts for common tourists and also for local employment generation. With emphasis on these activities, the plan expenditure for the Department of Tourism will increase from ₹ 21.64 crore in the last year to an estimated ₹ 26.0 crore in the current year.

2.43 With the objective of expansion of opportunities for sports among the youth in the State and also improvement of standards, the Department of Sports has already started implementing the Sports Policy and, as a part of this policy, has also started providing sports scholarship for talented sportspersons. In addition, a policy of reservation for successful sportspersons in the sphere of recruitment in the State Government has also been accepted. With importance attached to the implementation of sports policy, the plan expenditure for the concerned department will increase from ₹ 27.88 crore in the last year to an estimated ₹ 30.0 crore in the current year.

2.44 With emphasis on the developement of disadvantaged regions, the plan expenditure for improvement of infrastructure and social sectors in North Bengal, Paschimanchal and Sundarbans region will increase from ₹ 59.07 crore, ₹ 56.57 crore and ₹ 176.88 crore in the last year to an estimated ₹ 85.0 crore, ₹ 64.68 crore and ₹ 180.74 crore respectively in the current year.

2.45 A special feature of the alternative economic policy in the State is the involvement of local people in the formulation and implementation of plans for employment generation and production enhancement through the Panchayats in rural areas and the municipalities in urban areas in a decentralised manner. In order to encourage this process of participatory decentralised plan formulation and implementation, a special “untied fund” (of ₹ 800 crore) has been set up by the State Government for allotment to the Panchayats and municipalities.

With this priority for decentralised planning with people’s involvement, the plan expenditure for the Department of Panchayat and Rural Development will increase from ₹ 2,061.98 crore to an estimated ₹ 2,231.81 crore.

2.46 In the process of such participatory decentralised formulation and implementation in urban areas of the State, issues of general civic facilities are now combined with schemes of employment generation, public health and housing. With these priorities in view, the plan expenditure for the Departments of Municipal Affairs and Urban Development will get enhanced from ₹ 1,588.89 crore in the last year to ₹ 1,957.31 crore in the current year.

2.47 Honourable Members, if the sums of plan expenditure of all the departments for the current year (2010-11) are collected together, then the estimated total State plan expenditure would be ₹ 13,995.85 crore. If now, the expenditure related to Central share of Centrally Sponsored Schemes/Central Sector Schemes (₹ 3,122.11 crore) is added, then the total plan expenditure in the State for the current year would be an estimated ₹ 17,117.96 crore which is 20.9 per cent higher than the total plan expenditure in the State (₹ 14,161.30 crore) in the last year (2009-10).

2.48 In the sphere of non-plan expenditure, it may be mentioned that the Fifth State Pay Commission has now submitted its full recommendations contained in three volumes. The

State Government, after generally accepting the recommendations contained in Part-I of Volume-I of the Report, has already implemented the main decision relating to revision of emoluments of State Government employees, teachers, non-teaching employees and employees of panchayats/municipalities. The recommendations, contained in Part-II of Volume-I of the Report have also been accepted except in one or two cases, and implemented. Recommendations contained in Volumes II and III are related to certain issues of the departments/State Government organisations and views of the employees' organizations. These are under examination of the State Government. In addition, main decisions regarding the revision of emoluments of the college and university teachers, employees of universities and other related institutions have also been implemented.

Honourable Members, in addition to the permanent whole-time employees of the State Government and permanent whole-time teachers and employees of the educational institutions, there are also a large number of temporary employees and teachers who are attached to the Government and also in the sphere of education, public health and social welfare. They have been suffering from

uncertainty and inadequacy of honorarium in their work. Following the statement made in the last State Budget, the State Government has already taken steps to mitigate these problems.

2.49 In the case of temporary employees who are attached to different departments of the State Government for the period of not less than ten years, the State Government has taken decision, with due regard to the order of the Hon'ble Supreme Court, of engaging them on a long-term basis with security of tenure, appropriate emoluments, some increment in the emoluments after every third year and certain retirement benefits. The necessary Government order including the procedure to be followed in such cases has already been issued.

2.50 In a similar manner, following the statement made in the last State Budget, the State Government has taken decision, consistent with the order of the Hon'ble Supreme Court, that to maintain sustainability in the matter of imparting education, the appointment authority in respect of the sahayaks/sahayikas, mukhya samprasaraks/samprasaraks/samprasarikas and others working in sishu siksha kendras/madhyamik siksha kendras and para-teachers, siksha bandhus, VRPs and others working

in primary and upper primary schools would be the concerned departments of the State Government and that they would be engaged on a long-term basis with entitlement to appropriate honorarium, increase in the honorarium after every third year and certain benefits after retirement. In addition, a decision has been taken to increase in the monthly remuneration of part-time teachers of Government-aided schools as well as part-time teachers of Government/Government aided colleges. In all these cases, the Government order have been issued and decisions implemented. As a result, nearly 1.45 lakh persons would be benefited.

2.51 Moreover, following the statement in the State Budget, decision has also been taken to increase old-age pension, disability pension, widow pension as well as pension for artisans, handloom weavers, farmers and fishermen. In the sphere of public and social welfare, decision has been taken to enhance the monthly honorarium of health workers engaged in CUDP-III, IPP-VIII and other schemes, anganwadi workers and helpers as well as that of homeopathic, ayurvedic, unani doctors and others serving at the Gram Panchayat level. In all these cases, decisions have been implemented, benefitting 5.8 lakh persons.

2.52 After taking together non-plan expenditure in all the heads of account, the total non-plan expenditure in the State would increase from ₹ 53,972.73 crore in the last year by 11.9 per cent to ₹ 60,392.76 crore in the current year. It may be noted that since the pay revision of the Government employees and others has primarily been implemented in the last year, its impact on the increase of non-plan expenditure has mainly taken place in the last year. After the non-plan expenditure had reached the higher level, its rate of growth beginning from the current year would be relatively less.

2.53 Honourable Members, if the total plan expenditure in the State is now added with the total non-plan expenditure, then total expenditure in the State Budget would increase from ₹ 68,134.04 crore by nearly 13.8 per cent to reach an estimated ₹ 77,510.72 crore in the current year.

3

3.1 Honourable Members, before completing this presentation, a brief analysis will be made about the financial situation of the State Government. In this analysis, after describing the background of this financial situation, the steps taken by the State

Government and the latest financial position will be presented.

3.2 As a background, it needs to be mentioned that the Empowered Committee of Finance Ministers of all the States had, rising above political differences, unanimously submitted their demand before the Thirteenth Finance Commission on September 16, 2008 for an urgent need for re-ordering of the Centre-State relations for decentralisation of economic powers. The four major issues in this demand for needed decentralisation are: (a) since according to the Constitutional arrangements, the major responsibilities in the sphere of developmental and administrative activities are borne by the States, and since nearly two-thirds of the total tax-revenue collected in a year in the country get raised in the hands of the Central Government and the remaining only one-third in all the State Governments together, the share of the States in the divisible part of Central taxes collected from the States should, on the basis of economic logic, be raised from 30.5 per cent to at least 50 per cent, (b) since the State Governments had to revise the pay structure of their employees and others consequent upon the decision of the Central Government on pay revision for their

employees, following the recommendations of the Sixth Central Pay Commission, at least 50 per cent of the extra burden of pay revision of the States should be shared by the Centre, (c) the Centrally Sponsored Schemes in the State subjects should be transferred to the States with funds and (d) the unfair burden of Central loans (including small savings-related loans) should be significantly lessened. The Thirteenth Finance Commission has submitted its report containing recommendations in the month of December, 2009, and the Central Government has accepted the recommendations.

3.3 It is a matter of regret that the major demands of the States have been ignored or have received only marginal attention in the recommendations of the Thirteenth Finance Commission. The States are disappointed by the recommendation of the Thirteenth Finance Commission for an insignificant increase in the States' share of Central taxes from 30.5 per cent to only 32 per cent, thus ignoring the justified demand of the States for the needed increase in the States' share to at least 50 per cent. Similarly, even with the full knowledge of consequence of the Central decision on pay revision upon the States' additional burden of pay revision

and the need for sharing of 50 per cent of this extra burden, and also the need for transfer of Centrally Sponsored Schemes in the State subjects to the States with funds, the Commission could not make any recommendation on these unanimous demands of the States. Some recommendations have been made for only partial debt relief for the burden of Central loans of the States. In this context, a condition has been added that for getting the benefit of debt relief and even for grants relating to the problems of the States, the States have to enact the Fiscal Responsibility and Budget Management (FRBM) legislation. In other words, the demands for reordering of the Centre-State relations, raised unitedly by all the States have once again remained neglected. Moreover, a new centralising tendency has emerged by linking up even the release of grants to conditionalities. That apart, for West Bengal, despite the decision of the Hon'ble Supreme Court, the State has been left deprived of its justified dues (now amounting to ₹ 4,994 crore) from coal royalty on the basis of revised rates estimated over the period from 1991 to June 30, 2010.

3.4 Honourable Members, the State Government is, in general, against the FRBM legislation, as it

may lead to curtailment of the welfare role of the Government. In fact, for this reason, the Central Government and the concerned State Governments often had to relax the provisions of FRBM legislation even after enacting the same. However, the Government of West Bengal had mentioned in its Memorandum before the Thirteenth Finance Commission that, consistent with this legislation, it may be possible to expand the welfare role of the State Government for enhancing employment-oriented production in the interest of common people if there can be significant increase in the tax revenue through improvement in the tax system.

It is in this background, and for reasons of partial debt-relief and condition of Central grant, that the State Government, after approval of the West Bengal Legislative Assembly in the last Budget session, has enacted this FRBM legislation, stating for West Bengal the targets of step-by-step reduction in the ratios of State's fiscal deficit and revenue deficit to Gross State Domestic Product (GSDP). Most of the State Governments had also enacted the FRBM legislation in a similar manner. After enacting this legislation, the State Government communicated the same to the Government of India (August 3, 2010) and, on the basis of conditions of the

Thirteenth Finance Commission, asked for the debt-relief of ₹ 1,464.96 crore for the current year. After several discussions, the Central Government, with delay, informed the State Government (December 27, 2010) about the need for some amendment to the FRBM Act to include, along with the targets already mentioned, also the target for reduction, in terms of recommendations of the Thirteenth Finance Commission, in the ratio of debt of the State Government to the State's GSDP. The Government of West Bengal is reportedly the first State Government to have already given effect to this amendment in terms of promulgation of Ordinance (and will present the corresponding bill before the State Assembly in this session).

After the State Government has taken all these steps as required in terms of recommendations of the Thirteenth Finance Commission, the Central Government has now communicated that, of the total debt-relief of ₹ 1,464.96 crore to which the State Government is entitled, relief to the tune of only ₹ 536.59 crore would be available for the State in the current year. In other words, in spite of fulfilling all the conditions, the State Government will not get the remaining ₹ 928.37 crore of debt-

relief in the current year, and it may be available in the next year.

3.5 In the sphere of resource mobilisation in the current year, due to increase in the Centre's tax collection, there has been a consequential increase in the devolution of part of Central taxes to which the State is entitled. There has also been an increase in the Central grant on account of allotment from the National Disaster Response Fund (NDRF) related to severe drought in the State, as mentioned earlier.

The most noticeable increase in the tax-revenue collection in the current year, however, has taken place in the sphere of State's own taxes. In Value Added Tax (VAT), due to introduction of the system of electronic returns and electronic cross-checking, VAT revenue collection in the current year is estimated to increase by 34.0 per cent in comparison with collection in the last year. In stamp duty and registration fee, with introduction of comprehensive e-Governance and regular monitoring, State's revenue collection in this sphere is estimated to increase by 35.0 per cent in the current year. In State excise, due to the introduction of the system of ad valorem duty,

revenue collection in this sphere in the current year is estimated to increase by 30.0 per cent. In addition, there will also be increase in collection of all other State taxes/duties, with the result that the total State tax revenue in the current year is estimated to be significantly enhanced by 33.4 per cent.

It needs to be specifically noted, that due to this increase in the tax revenue collection in the State, it has been possible for the State Government to reduce the amount of its borrowing from the previous estimate. As a result, the accumulated debt burden of the State Government has fallen from the previous estimate of ₹ 1.92 lakh crore to ₹ 1.86 lakh crore in the current year 2010-11.

3.6 Due to the increase in the State's revenue and less borrowing, the State's of fiscal deficit, revenue deficit and debt to GSDP will decline noticeably from 6.2 per cent, 5.4 per cent and 41.9 per cent in the last year to 3.9 per cent, 3.1 per cent and 40.4 per cent in the current year—thus indicating development of a positive trend in fiscal parameters. In addition, it is primarily due to this increase in revenue, and mobilisation of other resources, that it will be possible for the State

Government, after bearing the non-plan expenditure, to enhance the total expenditure in the State from ₹ 14,161.31 crore in the last year to ₹ 17,117.91 crore in the current year, and the total expenditure in the State from ₹ 68,134.04 crore in the last year to ₹ 77,510.72 crore in the current year (as already mentioned), and end the current financial year with a limited total deficit of ₹ 3 crore.

3.7 On the basis of the prevailing average rate of growth of the State's own revenue, Central devolution and Central grants, and without any new scheme or new tax proposal, a preliminary estimate of the total outlay and the total budgetary outlay in the State in the next year will be at least ₹ 22,594.82 crore and ₹ 86,232.11 crore respectively. With these statements of estimates, I propose to present the Annual Financial Statement for 2011-12 and also move a Vote for grant of expenditure for the first four months beginning April 1, 2011.

3.8 Honourable Members, in spite of various obstacles, the rate of growth of Gross State Domestic Product of West Bengal, according to the latest estimate, will reach 8.3 per cent in the current year. The issue, however, is not simply one of growth of total production. This growth of production, following the alternative policy in the

State, has taken place in agriculture and allied activities through the small farmers, common fishermen and common animal resource growers. In industry, production growth has occurred, along with efforts of large industrialists, through medium-scale industrialists and specially, through the small industrialists and a massive number of small self-help groups. The service sector has also expanded through the small traders. Due to expansion of production and services through these employment-intensive efforts, the total potential of additional employment created from these sectors as well as Government-aided institutions, as already presented in details for each sector, would be at least 8 lakh in the next year.

The leadership of this employment-oriented growth of production has been provided by a vast number of working people in rural and urban areas of the State. It is these working people who, overcoming all obstacles, create history and will keep on creating this history. After paying regards to them, I seek cooperation of all and conclude this presentation.

WEST BENGAL ANNUAL FINANCIAL STATEMENT, 2011-2012

(In thousands of rupees)

	Actuals, 2009-2010	Budget, 2010-2011	Revised, 2010-2011	Budget, 2011-2012
Receipts				
1. Opening Balance	(-)221,85,36	(-)6,00,00	101,59,37	(-)3,00,00
2. Revenue Receipts	36921,64,58	47572,36,53	52951,06,34	64438,19,01
3. Receipts from Debt Heads—				
(i) Public Debt	36030,67,57	36721,09,20	36419,66,10	33445,42,09
(ii) Loans	387,09,83	63,34,00	238,96,00	163,34,00
4. Receipt from Contingency Fund and Public Account	19820,73,06	156967,42,49	196111,96,28	205029,83,82
Total	271320,29,68	241318,22,22	285823,24,09	303073,78,92
Expenditure				
5. Revenue Expenditure	58499,88,06	64013,69,62	67282,08,53	72824,34,23
6. Capital Expenditure	3011,06,44	5408,78,60	3587,33,06	6756,67,72
7. Expenditure on Debt Heads—				
(i) Public Debt	15195,21,21	14844,24,38	19149,53,58	16073,88,09
(ii) Loans	752,43,54	536,34,68	491,76,38	577,21,35
8. Expenditure on Contingency Fund and Public Account	193760,11,06	156000,14,94	195315,52,54	206843,67,53
9. Closing Balance	101,59,37	515,00,00	(-)3,00,00	(-)2,00,00
Total	271320,29,68	241318,22,22	285823,24,09	303073,78,92

(In thousands of rupees)

	Actuals, 2009-2010	Budget, 2010-2011	Revised, 2010-2011	Budget, 2011-2012
Net Results—				
Surplus (+)/				
Deficit (-)				
(a) On Revenue Account	(-)21578,23,48	(-)16441,33,09	(-)14331,02,19	(-)8386,15,22
(b) Outside Revenue Account	21901,68,21	(+)16962,33,09	(+)14226,42,82	(+)8387,15,22
(c) Net, excluding Opening Balance	323,44,73	(+)521,00,00	(-)104,59,37	(+)1,00,00
(d) Net, including Opening Balance	101,59,37	(+)515,00,00	(-)3,00,00	(-)2,00,00
(e) Expenditure for New Programmes/Additional Outlays/Additional Dearness Allowance				
(i) On Revenue Account	..	..	..	..
(ii) Outside Revenue Account	..	..	..	..
(f) Expenditure for Additional Outlays				
(i) On Revenue Account	..	(-)488,00,00	..	..
(ii) Outside Revenue Account	..	(-)141,00,00	..	..
(g) Additional Resource Mobilisation under Tax Revenue	..	110,00,00	..	..
(h) Net Revenue Deficit	(-)21578,23,48	(-)16819,33,09	(-)14331.02.19	(-)8386,15,22
(i) Net Surplus/Deficit	101,59,37	(-)4,00,00	(-)3,00,00	(-)2,00,00