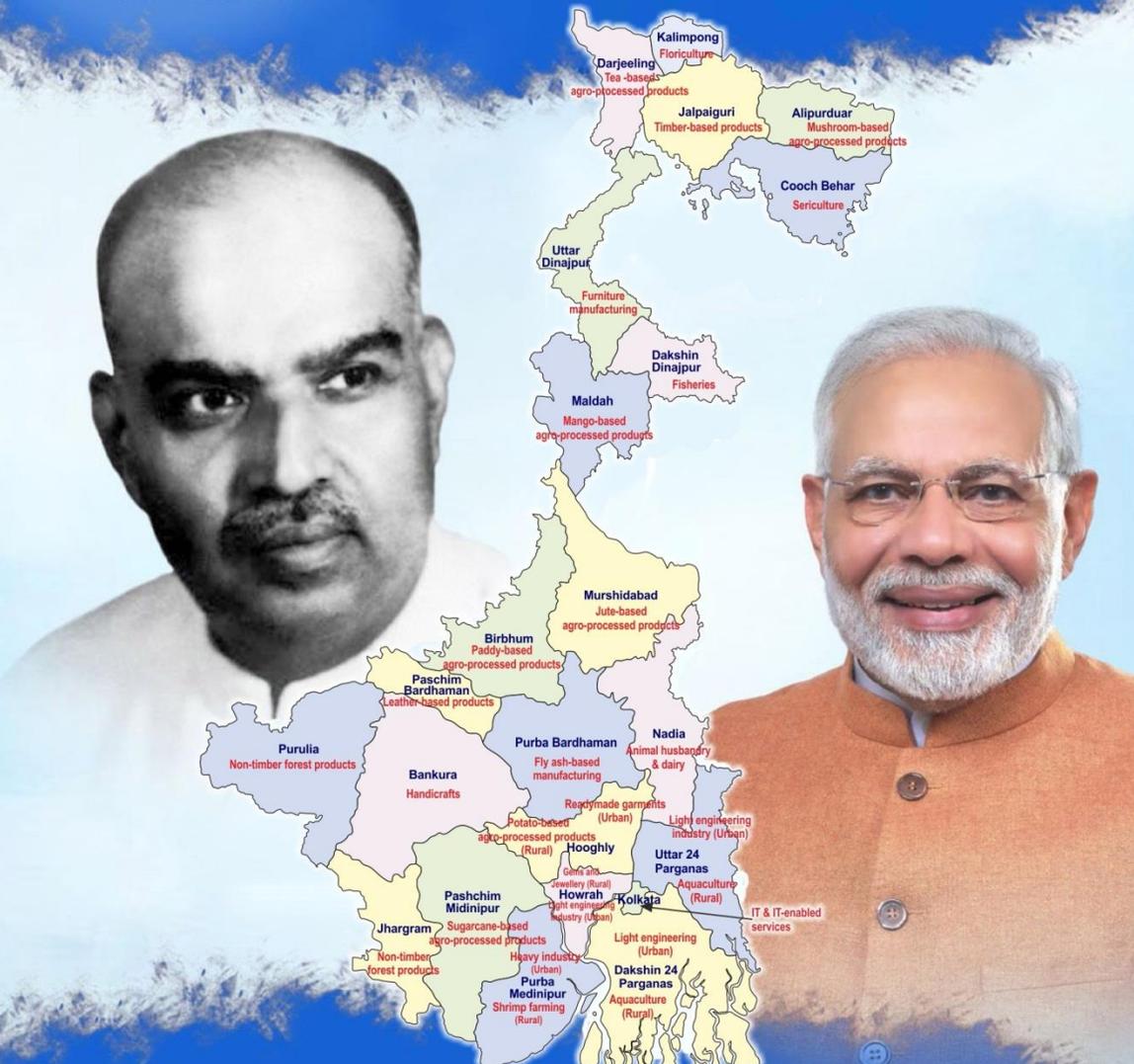




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Socio-economic Revival of West Bengal

Time for a 'One District, One Product' Initiative

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Foreword

States are natural administrative units. Therefore, often, there are inter-State studies, comparing economic performance and governance across States. With much more data readily available, such studies are more broad-based now than they were in 1990s, when such comparative performances first surfaced. Once upon a time, they used to be based on notions of GSDP (gross State domestic product) or its variations, with perhaps something like poverty rates thrown in.

Today, variables straddle a range of physical and social infrastructure heads, with law and order also occasionally thrown in. Therefore, the issue of convergence versus divergence across States is a bit of a non-starter. The answer depends on the variable used and weights used to construct an index. Since some States have had a head-start, the answer also depends on whether one considers absolute values, or increments to those.

Small States and Union Territories are often in a different basket. Therefore, there is greater interest in larger States (defined both as population and geographical area), since larger shares of population reside there. West Bengal is one of those larger States, also important because it is a link to the Northeast.

How has West Bengal performed? There is an absolute answer and a relative one. Over time, there have certainly been improvements. Across a range of indicators, West Bengal's performance has improved in an absolute sense. The catch is in the relative.

Compared to early 1960s, West Bengal should have performed much better. There is also the matter of splitting contribution to GSDP into the primary, secondary

and tertiary sectors. Much of West Bengal's growth has been driven by agriculture and allied activities. While industry's share in GSDP is roughly what it is for all-India, manufacturing contribution in industry is low.

Compared to a State like Gujarat, most manufacturing in West Bengal is in micro, small and medium enterprises. Given its historical base in education, Kolkata should have been the software centre of the country. As a generalisation, irrespective of indicator, West Bengal's performance has been around the all-India average.

But West Bengal should have done much better, not around the average, but outstripping the average by a considerable magnitude. When capital looks for alternative destinations for investments, West Bengal should have been at the top of the league tables, along with Maharashtra, Gujarat, Tamil Nadu or Haryana. That it isn't, is due to several hurdles created by successive governments, leading to capital flight.

Here, a pertinent question is: What is West Bengal? It is an aggregate of 23 districts. There is considerable diversity and heterogeneity in districts within a State. Although States are natural administrative units, attention must also be devoted to specific districts. Once upon a time, many States published State-level HDRs (Human Development Reports), highlighting these differences in socio-economic conditions. Unfortunately, those State-level HDRs are no longer being published. West Bengal's only HDR was published in 2004, many years ago. With no major second city, there is a temptation to equate West Bengal with Kolkata or Howrah and with the 24 Parganas (North and South).

However, as that HDR pointed out, there is a vast difference between these and something like Malda, Murshidabad, Birbhum and Purulia. Those numbers are now dated, but the proposition will still be valid. There are divergences among districts and sources of growth must be endogenous to the district, based on a district's 'unique selling point' and comparative advantages.

Every district is not expected to become a hive of manufacturing activity. Given West Bengal's agro-climatic conditions, much of the growth impetus, in many districts, will indeed come through agriculture and related services. A necessary pre-condition for this is reforming land markets, which doesn't mean only ownership legislation. Any identification based on comparative advantage is necessarily static, based on values of parameters today. Those values are dynamic and evolve over time.

Nevertheless, a district is not expected to do everything. For instance, there is no need to jump onto the IT, bio-technology or nano-technology bandwagons, simply because those happen to be buzzwords.

Therefore, I congratulate Dr. Syama Prasad Mookerjee Research Foundation for having undertaken this revealed comparative advantage kind of exercise, titled 'One District, One Product'. For some districts, having distinct rural-urban dichotomy, it is actually two products – one for rural and the other for urban.

This is the kind of exercise that should drive policy actions and should figure in any vision document any State produces. I hope the present and future West Bengal governments take due cognizance. Growth is necessary for poverty reduction and employment generation. It is necessary for augmenting State government revenues, under a lot of stress.

That growth doesn't occur in Kolkata or the 24 Parganas. It occurs in the individual districts and is aggregated upwards to constitute State-level GSDP or some other indicator. We now have a template for that growth stimulus.

New Delhi

Bibek Debroy
Chairman,
Economic Advisory Council
to the Prime Minister of India

Prologue

The need for a linkage and synergy between the academia and the industry was a long-felt imperative for the thought-leaders, educationists, Swadeshi entrepreneurs of Bengal. Such a connection and collaboration was essential, as they had argued in the past, for evolving an effective education vision - that is for imparting an education that would drive the vision of a self-reliant India and would also empower the youth to be self-sufficient and to contribute towards a new India.

The national education movement in Bengal in early decade of the last century, the Swadeshi industry and economic movement, the call for making India self-reliant that radiated from Bengal, then the capital of India, spoke of this dimension.

Dr. Syama Prasad Mookerjee, an *avant-garde* educationist, statesman and free India's first industry minister, argued that universities and educational institutions in India should "establish close contact with those men and institutions that control the fields of commerce, business and industry. These must know and understand one another and work in harmony for the larger welfare of the community." (Syama Prasad: his vision for education, Anirban Ganguly and Avadhesh Kumar, 2017)

Dr. Mookerjee always emphasised on the need for a "close and honourable connection between education and trade, industry and commerce, so that men trained in different branches of practical skill and knowledge will have a natural scope for their talents..."

Similarly, over the last several years, Prime Minister Narendra Modi has been emphasising on this crucial aspect for India's socio-economic development. His reiteration of the need to transform India into an

innovation republic is meant to unleash the skill, industrial, entrepreneurial potential of the Indian mind especially that of India's youth.

The initiative of 'One District, One Product' has emerged from that vision of his. Against the backdrop of Prime Minister Modi's call for *Ātmanirbhar Bhārat*, his call for being vocal about local, as he inspiringly articulated it, most recently, from the ramparts of the Red Fort on Independence Day, 15th August, 2020, becomes even more relevant. It is one of the pillars for making India self-reliant:

Enough is enough, what should be the mind-set of independent India? The mind-set of independent India should be 'Vocal for Local.' We should take pride in our local products. If we do not praise and support our indigenous products, then how will they get an opportunity to flourish and improve? How will they gain strength? Come, let us pledge that as we move towards the 75th year of our independence, we shall adopt the talisman of 'Vocal for Local' and together let's strengthen ourselves.

It is in this context that we need to understand that West Bengal has intricate and rich array of products, which are produced and grow in its various districts. Many of these have a long history, can be elevated and popularised as brands, pushed on the global circuit and can become the drivers of realising the vision of *Ātmanirbhar Bhārat*.

We have to remember that this state in eastern India has some of the most talented and skilled artisans and entrepreneurs. However, for decades they have faced neglected, have had to struggle and have felt marginalised.

It is when they and their products are empowered, receive support, it is when we fill proud in promoting them, in popularising them, in speaking of them and create an enabling environment to tap their possibilities

that we will have taken a great leap towards contributing to making India self-reliant.

Therefore, this monograph articulates for re-discovering the potential of West Bengal's local products, it speaks for empowering the artisans and entrepreneurs and argues that Prime Minister Modi's transformative initiative of 'One District, One Product', shall be a game-changer for West Bengal and will empower and benefit the marginalised.

Introduction

West Bengal has had a robust history of industrialisation. A number of enterprises and industry was launched during the Swadeshi period and achieved success. Personalities like “Ramdulal De, Dwarkanath Tagore, Ramgopal Ghosh, Motilal Seal, Digmabar Mitra and other” emerged as leading Indian entrepreneurs and industrialists of the late 18th and early 19th century. As articulated in “Swadeshi Enterprise in Bengal: 1900-1920” (Amit Bhattacharya, 1986), they invested in shipping, banking, sugar, indigo, silk, export, import, etc.

One of the legendary and iconic names that comes into mind when speaking of the industrial and entrepreneurial acumen of Bengalis is the venerated Acharya Prafulla Chandra Ray, who set up the Bengal Chemical and Pharmaceutical Works limited in 1901 and nurtured it to become one of the leading Indian pharmaceutical companies straddling many eras. Acharya Ray symbolised the challenge that the Swadeshi spirit of enterprise posed to the industrial monopoly of the British colonisers.

Industrial output and performance in West Bengal continued to thrive in the post-independence period till the industrial recession, which started in 1960s. Since then, West Bengal’s industrial output, investment and employment has experienced a steady decline. This is an outcome of a myriad of social, economic and political factors rooted in its historical, structural and macro-economic policies.

However, instead of looking at the past and analysing clichés, particularly who is to be blamed for what fact, an issue which is well-known and has been analysed in detail over the years, this monograph has taken a forward-looking approach.

It has identified one product from each district of West Bengal with the objective of charting a way forward for a holistic development for the state. In doing so, it identifies low investment by the public sector in physical and other economic infrastructure and institutional failures to contain various socio-economic incidences that happened in the state as key factors hindering its growth and development.

Thus, this is the first of a sequel of four documents to revive the economic fortunes of the state of West Bengal and its people. This is particularly timely for a state, which is facing a double whammy of the Covid-19 pandemic and the Amphan Cyclone. Other than large-scale loss of lives due to these unnatural and natural disasters, there is a body blow to livelihoods of the people of West Bengal. New livelihood opportunities have to be generated with the help of local resources.

Therefore, while this one is focused on “One District, One Product”, the other three proposes to deal with the importance of service sectors such as healthcare, education, tourism, platform-based gig economy for generating further employment opportunities in the state, connectivity for fostering West Bengal’s trade and investment relations with its immediate and extended neighbours including a number of countries outside India and institutional developments, which are needed to achieve pro-poor growth in the state.

Taken together, they will not only help the state to align its future growth and development with the Act East Vision of Prime Minister Modi but also that of the *Antyodaya* philosophy of Pandit Deendayal Upadhyaya.

In doing so, it is important to provide a brief overview of the West Bengal economy, which has been presented in Table 1. This will help contextualise the proposed ‘One District, One Product’ initiative.

The state has high population density of 1,028 residents per sq. km, which is above the all-India average. The composition of its population is almost gender-balanced. It has a high literacy rate of 76.26 per cent, which is also above country average. However, its per capita gross domestic product (GDP) is below country average.

Table 1: A Socio-economic Overview of West Bengal

Total population	100254913 (approx., 2019)
Total urban population	29,134,060
Population density (per sq. km)	1028
Decadal population growth rate (%)	13.84
Sex ratio (Female per 000 Males) (2018)	950 females per 1,000 males
Literacy rate (%)	76.26
GSDP at constant prices (2017-18) (Rs. lakhs)	107772478
Per capita GDP at constant price (2011-12) (Rs. lakhs)	81369
Major cities	Kolkata, Siliguri, Burdwan, Durgapur, Kharagpur, Darjeeling

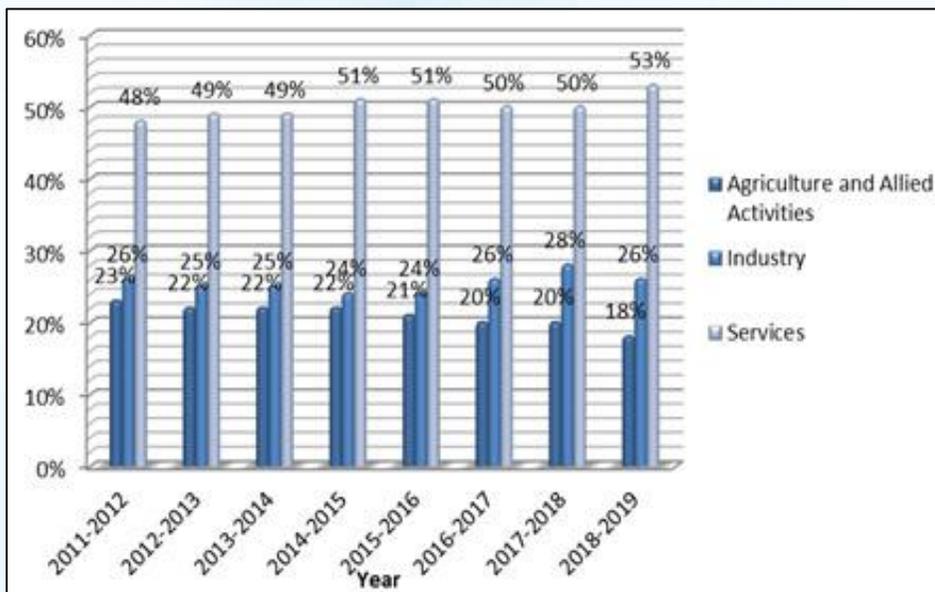
Source: Census of India, 2011

Historically, West Bengal was an agrarian state with most of its population living in rural areas. However, over the years, its economy has experienced drastic structural transformation. The share of the service sector in state GDP stood at 53 per cent in 2018-19.

The contribution of this sector in state GDP has increased continuously since 2011-12. Strikingly, the contribution of agriculture and allied activities has fallen

to 18 per cent in 2018-19. It was 23 per cent in 2011-12. That of “industry” remained the same – around 26 per cent of the state GDP.

Figure 1: SGDP Growth Rate across Sectors



Source: Economic and Political Weekly (EPW) Research Foundation, 2011-12 Series - SGDP (Constant Prices)

In agriculture, West Bengal produces a significant percentage of India’s rice produce. Other major crops are sugarcane, jute and oilseeds. Jute is primarily produced along its border with Bangladesh. North Bengal remains pre-eminent for high quality tea production, and for floriculture and allied activities.

In industry, the Haldia region has a terminus of oil pipelines from Assam and it is the site of a large oil refinery. Other important manufacturing units in the state include ship-building, automobiles, chemicals and fertilizers, wagons, electronics, paper, jute, and cotton textiles.

The state has a large number of small-scale and cottage industries as well. In the late 20th and early 21st

centuries, the only mineral resources of West Bengal that sustained nationally significant exploitation were coal and clay for brickmaking.

Information technology and IT-enabled services are dominating the state's service sector. A number of large multinational IT software firms are concentrated in the metropolis of Kolkata. Those firms are contributing high value to the state GDP.

Service sectors, particularly healthcare, education, tourism, platform-based gig economy, are also emerging as significant contributors to the state economy and are creating jobs. Along with low-end, labour-intensive manufacturing, as argued in this document, they should also be promoted much more holistically across the state. This will require the initiation of a different kind of skill development initiative including a better environment for start-ups.

A Snapshot of 'One District, One Product'

It is important to note that the potential for growth and development in West Bengal still remains untapped. The state needs to catch up with the rest of well-performing states of India and should aim for a US\$500bn economy by 2024-25; thus, contributing at least 10 per cent to the overall size of the Indian economy (given the target of US\$ 5 trillion economy by 2024-25). As the size of its economy in 2019-20 is approximately US\$190bn, at the current rate of growth, it is expected to reach US\$350bn by 2024-25.

Thus, as against a possible target of reaching US\$500bn in 2024-25, there will be an expected short-fall of about US\$150bn. This is to be bridged through public and private investment in all sectors, particularly in labour-intensive manufacturing for job creation, including in developing its physical infrastructure for better connectivity and along with an emphasis on institutional development for pro-poor growth.

Therefore, there is a need for a more effective pro-industry policy framework to attract investment in the state, which has to be in tune with market realities and tailored to the needs of the state. The effort to revamp the state's industrial capacities should also draw inspiration from the vision of "Third Way" (Dattopant Thengadi, 1995) for an effective use of local capital for local production and consumption.

In short, it is an imperative to identify a candidate product for each district, which can be produced through local capital and for local consumption, followed by its export to other parts of India and outside the country.

Other than reducing the cost of production through local inputs, this strategy will require reduction in the cost of delivery of inputs and outputs through better use of infrastructure connectivity via road, rail and waterways.

This is not to say that other products, which are largely produced in a particular district, are to be ignored but to underline the importance of developing an industrial ecosystem around a particular product, which can then have positive spill-over effects for the development of other sectors.

Therefore, this section provides an insight about all districts of the state and analyses their comparative advantage in producing one product that can lead their product basket and provide value addition to agriculture as well as service sectors through backward and forward linkages.

Furthermore and in doing this exercise, for large districts, such as Dakshin 24 Parganas, Hooghly, Howrah, Purba Medinipur, Uttar 24 Parganas, two products have been identified – one for rural parts of those districts and the other for their urban areas. Incidentally and other than Kolkata district, they are the ones, which are most affected by the Covid-19 pandemic as well as the Cyclone Amphan.

Thus, based on their comparative advantages of their production, a total of 28 products have been identified. Together, they can change the industrial landscape of West Bengal, leading to job creation, among other benefits. There will be positive impact on agriculture and allied sector too as many of them have strong backward linkages.

Moreover, some of them have significant forward linkages as well and overtime they are expected to experience an increasing trend of servicification of their manufacturing.

Most importantly, this stakeholder-oriented, local capital-based approach will create local entrepreneurship and jobs for the youth. As articulated in “One Economics, Many Recipes” (Dani Rodrik, 2007), all factors, such as location, resource endowment, intellectual property rights shaping an entrepreneurship culture should be looked around a product so as to develop an industrial ecosystem.

Alipurduar

The recently formed district of Alipurduar exhibits potential for **mushroom-based agro-processed industry** given the climatic suitability for the production of ‘button mushroom’ in this region. A number of market research companies have estimated that global mushroom consumption will reach 20.84mn tonnes by 2026.



Therefore, the district’s comparative advantage on the same puts Alipurduar in a favourable position. Mushroom farming can also open up new avenues for the establishment of dryer and packaging units to preserve mushrooms for longer duration and generate greater value.

Bankura

Agro-economic base and low urbanisation and industrialisation characterise the district of Bankura. However, its handicrafts have developed a name of their own. Cottage-based and small-scale **handicrafts** industry constitutes a major segment of the district's economy.



The district is famous for some unique traditional crafts such as terracotta (pottery) work of Panchmura, Baluchari silk sarees of Bishnupur, Dokra work of Bikna, Patrasayer and Gopalpur, stone craft of Susunia.

There are also large pockets where people have endogenous skills in manufacturing fishing hook, fishing net, bamboo craft and Babui rope. It provides for maximum employment opportunity next to agriculture and accounts for nearly nine per cent income of the district. There is ample scope of development of this sector with the provision of modern technology and other infrastructure facilities.

Better promotion of tourism infrastructure such as good hotels, restaurants, electricity, better roads linking different tourist attractions in Bankura and adjoining districts are needed so that tourism promotion and handicraft development can be done in tandem with each other.

potential. There should be focus on mango, banana and jackfruit, which have shown great potential over the years in terms of their production.

According to 2012-13 data, banana consists of 38 per cent of production value of the district while jackfruit comprises of 27 per cent. However, **sericulture** is identified as a focus product of this district. Cooch Behar stands at a favourable position for doubling the present silk production owing to the low cost of labour.

Sericulture is ideal for improving its rural non-farm economy and the setting up of skill development institutions disseminating education and practices adopted from countries like Japan and China can develop it as a highly rewarding industry.

Dakshin 24 Parganas

The rural economy of Dakshin 24 Parganas is greatly involved in **aquaculture**. According to the Central Marine Fisheries Research Institute (CMFRI), Kochi, aquaculture feeds 1,789 fishermen families in this district. It has a good prospect to further flourish its aquaculture activities by optimal resource allocation and implementation of advanced technologies.

On the other hand, the urban part of Dakshin 24 Parganas should focus on **light engineering** products. Falta multi-product Special Economic Zone (SEZ) is one of



the India's eight functional SEZs, commissioned since 1984. This district also has one notified SEZ approval at Banagram Mouza for electronics products and received approval to build SEZ in four places, namely at Uttar Gajipur, Bantala on Basanti Highway, Dakshin Kheirpur and Kariadanga, and has one in-principle approved SEZ at Kariadanga.

Dakshin Dinajpur

Dakshin Dinajpur is predominantly an agricultural district. It is drained by north-south flowing rivers like Atreyee, Punarbhaba, Tangon and Jamuna, which have given rise to a sizeable, un-organised fishing community.



Focused development initiatives on **fisheries** is bound to help engaging local population living at the banks of these rivers, who are among some of the poorest sections of society but it will also uplift women's economic empowerment who tend to be a prominent participant in fishing activities (98.33% women participation).

Promoting this sector will also increase ancillary economic activities as a number of people from places such as Safanagar and Jakirpur blocks engage themselves in repairing or mending of nets (55.22% and 34.33% of the block total, respectively), which is an integral part of fishing activity.

On the other hand, urban parts of Hooghly should emphasise on **readymade garments** sector. It absorbs the largest number of employees and man-days of employment are also largest among all other sectors of this district.

According to the Bureau of Applied Economics & Statistics, Government of West Bengal, man-days and employees were 46,867,000 and 16,879,000, respectively, in 2011-12. This sector is also paying highest emoluments to its employees and has highest value addition; thus, generating highest net income.

Howrah

Howrah district is bereft of forest and mineral resources. During pre- and immediate post-independence period, the district was ahead of its peers in terms of skilled labourers and entrepreneurship in areas such as light engineering, food processing, hosiery, gems & jewellery.

There is scope for further expansion for **gems & jewellery** sector in the rural part of the district.

This district used to house a large number of micro, small and medium enterprises of the likes of engineering, casting, ship building, consumer goods industries, forging, industrial electrical goods accessories, electric installations, etc. However, a dearth of demand from railways, shipping companies, etc. has cumulatively caused a down-fall of these industries.



Against this background, the development of **light engineering industry** in the urban areas of the district shows potential provided they are helped to re-discover their earlier linkages.

Jalpaiguri

Jalpaiguri district has a large forest base. There is a connotation that the name of the district is derived from 'Jalpai' (olive) trees. There are plenty of these trees, covering the northern terrain bordering Bhutan. Area covered under reserve forest is 144,300 hectare and protected forest area is 16,600 hectare (Divisional Forest Officers, Jalpaiguri, Cooch Behar and Baikunthapur).



Major forest produces are timber and fuel. Production of timber was 21,680 cubic metres and the production of fuel was 6,645 stacks in 2013-14. This district has strong industrial chains in timber-based **furniture manufacturing** industry. There is lot of scope to strengthen and develop it further as a principle means of generating local employment.

Jhargram

Jhargram district covers an area of 3037.64 Sq. kms. Out of which 268,249 hectare is agricultural land and 59,497 hectare is under forest coverage. Of the total population of 11,36,548 (2011 Census), 96.52 per cent was rural and only 3.48 per cent was urban.

Minor forest products are Sal seeds, Mahua seeds, medicinal plants like Amlaki, Kalomegh, Kurchi, Satamul, Diaskoria, Sarpagandhas, etc. Forest products like dates, blackberries, kakrol, bankundri are also available in the forests of this district.

The local markets of **non-timber forest products** in Jhargram have traditionally been a major provider of livelihood for the local people. However, many commodities are sold at the local level without processing. For example, gum is widely used in different industries like finishing of silk, preparation of water colours, confectionaries, cosmetics, pharmaceuticals, textile fabrics and dyeing.

Setting up of NTFP-based processing units in tribal areas could alter the tribal life patterns for better. They will get better prices for their collections.



Kalimpong

Historically, Kalimpong has played a pioneering role in developing **floriculture** in India. Private nurseries in Kalimpong were among the first to export floricultural products. However, due to lack of infrastructure, this region has failed to keep pace with floriculture developments in other parts of India.



Currently, nurseries are generating a turnover of Rs 30 million per annum of which Rs 15 million is from exports. The survival of these nurseries through so many decades speaks volumes on the inherent strength and potential for the same. Therefore, focus needs to be on tissue culture along with the setting up of units for manufacturing of dry flowers by bleaching, dyeing, etc.

Kolkata

Service sector has the largest value addition in state GDP. In 2017-18, the share of the service sector was 54 per cent in Gross State Value Addition (GSVA)). This high value addition in GSVA of the service sector has been generated from the bulk of IT industries, concentrated in Kolkata metropolis. Four major IT firms, viz. Genpact, Cognizant, HCL, and TCS, made large investment in Kolkata. These IT software companies have created ample opportunities for skilled human resources to get employed there.



There is scope to expand the **IT and ITES** sector to become like that in the National Capital Region of Delhi and southern cities like Bengaluru, Hyderabad. Other than this, there is avenue to create the IT hardware industry in Kolkata. Intel, a major IT hardware firm intends to invest in Kolkata. There is a need to create better business environment to attract investment to build IT hardware industry and IT software as well.

Malda

Malda's **mango** has high demand in other parts of India and neighbouring countries. Area under mango cultivation is largest in this district. It was 28,700 hectares in 2013-14 (BAES statistics). In 2013-14, the production of Mango was 200,000 tonnes (Directorate of Food Processing Industries and Horticulture, Government of West Bengal).



Around 4,75,000 people of Malda are directly and indirectly dependent on the production and processing of Mango. However, Malda's mango exporters are facing difficulties to export their produce. It has good prospects for increasing its export as well as to generate further domestic demand by developing its processing quality. The district has a good potential to develop mango-based micro and small-scale industries.

It also stood as one of the highest producers of eggs (246,989,904) in 2015-16. Institutional and policy development of animal husbandry and dairying in the district in terms of breeding, disease management and value addition in processing will add to the quality of products and put the district as a forerunner in animal husbandry in West Bengal.

Pashchim Bardhaman

Leather industry occupies an important position in the industrial economy of West Bengal, which accounts for 15 per cent of the total production of leather products of India. This district sits at an advantageous position to become a hub for the **leather-based manufacturing** units.



The district is favourably placed as it shares border with Jharkhand and other districts of West Bengal where animal husbandry is a major economic activity. They are a good source of raw hide and skins and this district has good connectivity through road, sea ports and air ports. It also has the support of ancillary industries like chemicals, metal fittings, and other ancillary product suppliers that can boost its leather-based industry.

Paschim Medinipur

Paschim Medinipur district is mainly a land of agriculture and more than 80 per cent of its population resides in villages. Its rural economy is based on agro-based small industries. **Sugarcane based agro-processed** products has huge potential. It has recorded the highest yield rate of 179,867 kg/hectare of sugarcane in 2014-15. Given the district's advantage in sugarcane production, it will also open avenues for ancillary agro-based industries.



The main product of sugarcane is sugar, however, there are many by-products such as bagasse, molasses, press mud and green top, which are used by various industries. For example bagasse is used to produce pulp, paper, and particle boards and can also be used as fuel, cattle feed and medium for cultivation.

Molasses-based industries mainly produce potable alcohol for distillery, acetic acid, and many pharmaceutical products. Press mud based industries produce fertilizer and is also used for wax and compost industries.

lakh hectares of brackish water may bring huge foreign exchange for the country.

On the other hand, **light engineering industry** has high potentiality in this district's urban part. According to BAES statistics, among light engineering, manufacturing of transport equipment had second largest employees, man-days of employment, and also had second highest emoluments, value addition, and net income in this district in 2011-12.

Uttar Dinajpur

Uttar Dinajpur is strategically located with two National Highways passing through its territory. The growing tourism industry in this region has led to an increase in spending in the hospitality sector with a growing market for real estate. Wood- and timber-based **furniture manufacturing** industry can be selected as a focus sector for further development of this district.



Currently, there are 55 licensed saw mills in the district. According to the Government of West Bengal's data, total annual capacity of the industry is about Rs. 80bn as increasing population has, in turn, increased the demand for wood- and timber-based products.

If more area can be brought under social forestry activity, it can enhance productivity and provide further scope of establishing small-scale furniture manufacturing units.

Conclusion

West Bengal is a classic example of how a rich natural resource-based economy can get caught in a low-level development trap, primarily due to socio-political mismanagement of its economy since early 1960s till date. A host of inter-related socio-economic and historical factors and political decisions of the state are directly and/or indirectly responsible for its sorry state of affair, particularly its low-end, labour-intensive industrial development.

What needs to be noted here is that even with the horrors of partition at the time of India's independence in 1947, West Bengal did fairly well on over-all development under the leadership of the then Chief Minister Dr. Bidhan Chandra Roy, which lasted till early 1960s (1948-1962).

There were a number of great strides under his leadership such as the development of Kalyani in Nadia district as an industrial centre and the satellite town of Kolkata, which is known as Salt Lake (renamed as Bidhan Nagar) as well as the development of the industrial belt in Durgapur in Paschim Bardhaman district.

Here, it is important to note that in developing an industrial base in post-independence, partitioned and population-heavy West Bengal, Dr. Roy was largely following the thinking of another great son of the soil – Dr. Syama Prasad Mookerjee.

He was the first industry minister of independent India and the architect of the formation of West Bengal following the partition of India in 1947. Dr. Mookerjee was instrumental and principal guiding force in formulating independent India's first Industrial Policy in 1948.

Subsequent socio-economic and political developments in the state including the unfortunate and untimely demise of Dr. Mookerjee in 1953, has not only downgraded West Bengal's position in the Indian economy but also, and more importantly, it is caught in a quagmire of lowness in almost every sphere of economic activities.

As evident from various dynamics working on the ground and affecting the social-economic and political structure of the state, it is clear that the economic marginalisation of the colonial period continued post-independence, despite some honest efforts on the part of Dr. B.C. Roy, whose contribution towards the growth and development of West Bengal is largely forgotten.

Poor infrastructure connectivity and weak institutions, together with political instability and social conflict, have (de)railed this resource-rich state towards socio-economic backwardness.

Despite recent changes in the political power structure, conditions necessary and favourable for investment, growth and social development are yet to be put in place. Political turmoil, corruption, and poor law and order conditions have reinforced its weak institutional development and have inhibited its industrial trajectory and stymied the unfolding of its industrial and entrepreneurial potential.

As a result, West Bengal lagged behind most other Indian states, which are comparable with its size and resources such as population, in economic growth and development, particularly in industrial development.

Therefore, we argue that resource endowment alone does not guarantee high economic growth and development. Given the huge agro-climatic potential and cheap rural labour, one could expect agriculture-led growth in West Bengal similar to that in Punjab and Haryana.

However, West Bengal was not able to exploit this potential due to inadequate land reforms, truncated investments and inadequate physical infrastructure.

Our analysis suggests that while resource endowment is important, it cannot be the main factor for economic growth and development of a region. Similarly, mere capital formation and investment as an engine of economic growth fails to explain the poor growth of this state as compared to others in India.

One needs to understand and emphasise how poor governance system, as manifested in large-scale absence of the rule of law, has affected negatively the economic growth and development of this state.

It is also important to note that socio-economic and political structure is not static. As evident from history, Dr. B.C. Roy made an attempt for infrastructural as well as institutional reformation of the state, which other leaders have failed to take forward through the years.

In order to reverse this state of crestfallenness, there should be long-term emphasis on infrastructure development for connectivity and institutional development for local entrepreneurship, particularly the application of the rule of law.

While that will develop a holistic industrial ecosystem in the state, in order to kick-start the growth momentum for the state and provide immediate opportunities to its youth, it is crucial to implement an 'One District, One Product' initiative.

Here it is important to note that West Bengal is an average performing state in the 'Ease of Doing Business' (EoDB) ranking. Every effort should be made to improve its performance on all EoDB indicators, the ground reality is that the 'Ease of Running Business' (EoRB) is abysmal.

For local entrepreneurship to develop, the state should undertake a comprehensive 'One District, One Product' initiative with a thrust on EoRB, where rules and regulations are to be implemented for facilitating businesses as against controlling them.

Therefore, instead of looking at those products in isolation, the emphasis should be on developing an ecosystem of their production by strengthening their backward and forward linkages. Over-time, many of the identified products have the potentiality to get linked with low-end, manufacturing and services value chains.

The first imperative is to get out of the mind-set of focussing economic development efforts in and around Greater Kolkata. Since early 1960s, this has resulted in a quagmire of clichés, which acted against the aspirations of majority population in its hinterland districts. One needs to understand that it is a state, not a city-state, and that too a large one. Efforts should get diffused to districts.

This is what is needed, not only for a better distributed growth and development of this state but also for creating jobs for its unskilled and semi-skilled youth. That can happen only by emphasising on creating an industrial ecosystem for low-end, labour-intensive sectors.

Time is ripe for West Bengal to get back its lost glory; not just in India but in respect to the role that it used to play and aspires to in the economic development of the Bay of Bengal region in particular and the Indo-Pacific region in general.

Prime Minister Modi's vision of "*Purvoday*" – Rise of Eastern India, his vision of Act East and India's dynamic outreach to Southeast Asia through a web of physical and digital connectivity, his vision of dynamising the entire region and unleashing its multi-dimensional potential and strengths promises to usher in a new dawn for the people and the state of West Bengal.

On a number of occasions Prime Minister Modi has spoken of West Bengal, which can become one of the leading growth engines of this new dawn. It is that which must be aspired for, it is that which shall make West Bengal one of the major drivers of 'New India'.

With a right emphasis on 'One District, One Product', West Bengal can make an immense contribution to Prime Minister's Modi's Vision of *Ātmanirbhar Bhārat*. It is time for us to be 'Vocal for Local', and 'Samaj, Sarkar and Bazar' will have to work in tandem for accomplishing this Vision.

Epilogue

In the Introduction of this monograph, we mentioned that there will be a sequel to this document, which will cover the importance of service sectors such as tourism, connectivity and institutions for the socio-economic revival of West Bengal.

The reason being that without looking at all of them in a holistic manner and with a whole-of-government approach for their implementation, it will be difficult to achieve the overall objective of a 'Resurgent West Bengal' for its socio-economic revival, particularly for large-scale, labour-intensive job creation in the hinterlands of the state.

In other words, it is not just enough to have policies for implementing a 'One District, One Product' initiative. Their implementation should focus on the establishment of inter-linked eco-systems with the marketing of those products as one of its central themes. Only then there will be harmonisation between 'One District, One Product' and jobs creation on the ground through large-scale use of local capital for local production and consumption.

In this respect, tourism can play a very effective role. On an average, one tourist day generates five person-days of employment. Here it is important to note that Bengalis are known for tourism, particularly domestic tourism. Also, West Bengal is the only state in India which has all possible attractions for tourism – mountains, rivers, sea, pilgrimage centres, etc.

It is also the land of social reformers such as Raja Rammohan Roy, Pandit Ishwar Chandra Vidyasagar, Thakur Ramakrishna Paramhans, Swami Vivekanada and Indian revolutionaries who propounded Indian philosophy and way of thinking such as Rishi Aurobindo, Mastar Da Surya Sen, Netaji Subhas Chandra Bose, Motilal Roy, Rasbehari Bose, Kanailal Dutta.

Common Bengalis revere them from the bottom of their heart. Yet, not only that there have been systematic attempts to erase their legacies, their birth places and those of their activities were neglected in a humongous manner. For example, today the 'Prabartak Sangha' in Chandernagore in Hooghly district, which was established by Motilal Roy, the guru of Rasbehari Bose and many other revolutionaries, is lying neglected in a dilapidated condition.

Therefore, the existing tourism sources are to be effectively harnessed through public-private partnerships by overhauling tourism infrastructure and new places, particularly for pilgrimage tourism, are to be harnessed.

For example, Tarakeshwar in Hooghly district is known for its Shiva temple. Effective development of tourism infrastructure in that place will not only increase the footfalls of devotees, it can also be the place for marketing local products such as handloom sarees produced in surrounding areas like Begumpur, Dhaniakhali.

Furthermore, pilgrimage centres in the northern part of West Bengal such as the Madanmohan Temple in Cooch Behar district can attract tourists from Northeast India and that can also serve as a market place for local products.

In short, pilgrimage and other types of tourism are to be developed in a manner so that they can attract tourists from adjoining states/countries and then the circles are to be expanded in a systematic manner.

Similarly, West Bengal can become a hub for education and medical services. For example, places like Shantiniketan in Birbhum district, Phulbari in Darjeeling district can be developed as education hubs including medical and nursing education, which can attract students, patients as well as tourists.

Now, for effective marketing of products produced in the hinterlands of the state including for the development of tourism and other service sectors, connectivity is a necessary condition.

Before the partition of Bengal, the province was well-connected by road, rail, waterways as well as air. While during the first decade and half since the independence of India, old connectivity linkages were more or less operational and with the advent of industrial towns such as Kalyani in Nadia district, Durgapur in Paschim Bardhaman district, new connectivity initiatives were explored, over the last six decades, except during the governance of Shri Atal Bihari Vajpayee and the present regime under Shri Narendra Damodardas Modi, there was hardly any emphasis on improving connectivity linkages.

Not only that we have to revive old waterways and railway linkages in the state, it has to be done in a manner that taken together they become multi/inter-modal.

For example, the Saraswati River, a tributary of Bhagirathi and originating from Tribeni near Bandel in Hooghly district and culminating at Sankrail in the Rupnarayan River in Howrah district used to be a lifeline of trade in pre-Moghul Bengal.

Along with the revival of the Saraswati River and adjoining canals such as the Aurora Canal, large parts of southern West Bengal will be better connected for trade and other economic activities. This is to be done in a holistic manner. For example, the Saraswati River and its adjoining canals are to be revised along with the Old Martin Burn Railway Line, which was a narrow gauge line connecting Chapadanga in Hooghly district with Howrah Maidan in Howrah district.

The state of West Bengal is dotted with such old linkages and their revival will help generating jobs in its hinterlands.

Finally, while large-scale, decentralised implementation of 'One District, One Product' initiative along with dedicated focus on infrastructure developments for service sectors and connectivity is a necessary condition for the socio-economic revival of West Bengal, they are not sufficient unless institutions are revived, developed and diffused.

For institutions to be an effective contributor to pro-poor growth in West Bengal (for that matter in any economy), we have to first understand their political economy characters in respect to their distinction from organisations (The Oxford Handbook of the Politics of Development, Stuart Corbridge, John Harriss and Craig Jeffrey, 2013). Institutions are not brick-and-mortar entities.

They are policies, practices, rules and regulations. For example, while the Damodar Valley Corporation is an organisation, its activities are directed by relevant policies and regulations, which are institutions.

For socio-economic revival of West Bengal, the most important institution that we should focus upon is the 'rule of law', which has been systematically destroyed since the regime of Dr. B C Roy. Today, it is a state, which is known for corruption, particularly in its tendering system, political violence and suppression of the freedom of speech of common citizens.

In the absence of 'rule of law', the citizens of West Bengal are unable to exercise their democratic rights. This culture of '10 per cent citizenship' has destroyed the innovativeness and entrepreneurial spirit of the state.

On the one hand, West Bengal is languishing towards the bottom of the 'ease of doing business' and the situation on the ground is so pathetic that the 'ease of running business' has become a misnomer.

Therefore, in order to achieve the socio-economic revival of West Bengal through 'One District, One Product' along with service sectors and connectivity, there should be special efforts for reviving and developing institutions leading to pro-poor growth. That should be based on three pillars of transparency, rule of law and freedom of speech.

Thus, our sequel to this monograph will focus on not just why it is important to focus on the development of service sectors and connectivity infrastructure, and what is to be done in a granular, grounded manner but also and more importantly how to get them done through institutional developments.



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