सत्यमेव जयते

Speech of

Shri Buddhadeb Bhattacharjee

Chief Minister, West Bengal

at

The National Development Council Meeting

on

Finalisation of the Eleventh Five-Year Plan

Vigyan Bhavan

New Delhi, December 19, 2007

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Respected Prime Minister, Union Ministers, Deputy Chairman and Members of the Planning Commission, Officials and other dignitaries,

We appreciate the convening of this 54th National Development Council Meeting on finalization of the document on Eleventh Five Year Plan (2007-2012). While broadly endorsing the approach of "inclusive growth" as elaborated in this revised Eleventh Plan document, I take this opportunity of drawing your attention to a few areas which have not been given due importance in the document.

Although it has been recognized in this document (page 3, para 1.17) that reasons behind poverty of a person is his limited endowment of land, capital, labour and skill, yet no substantial commitment, except for passing reference, has been made to increasing the land endowment for the poor, i.e., to land reforms. I must mention that the impressive growth rate of 4-5% in agriculture achieved in West Bengal over a period spread over more than two decades has been largely contributed by our vigorous implementation of Land Reforms programme, supported by provision of other non-land inputs such as irrigation, improved seeds, etc., by involvement of the local people through the Panchayats.

The findings of the 59th round of National Sample Survey data, which have been referred to in the document, point out that only 27% of the total number of cultivator households received credit from formal sources. This is a matter of serious concern. To achieve the targeted 4% growth in agriculture during the 11th Plan, we must assure that the Kissan Credit Card facility is extended to every agricultural household with adequate disbursement of credit.

The plan document has very correctly identified the specific constraint for increasing productivity in West Bengal as flood / water-logging and improper drainage. The funding pattern of AIBP should be modified so as to provide central assistance in the form of grant to the extent of 75% of the project cost to tackle the flood and water-logging problem as well as to extend irrigation facilities.

The scheme for Special Economic Zones (SEZs) requires a fresh look. Industry Groups should be identified in the first instance which are to be covered under the scheme, instead of extending it to all and sundry. As the minimum land requirement is prescribed, there should be an upper ceiling of land as well for a particular type of SEZ. Within that ceiling, percentage of land area to be compulsorily utilized for industries as against other uses should also be carefully worked out and prescribed.

It is high time that the industrial incentive scheme of the Central Government is kept limited to North-Eastern States and Jammu & Kashmir only, as otherwise the neighbouring States have not been getting a level-playing field.

The investment in infrastructure has been proposed to be increased from 5% of GDP in 2006-07 to 9% by 2011-12. To achieve an annual growth rate of 9%, we have to invest much more in infrastructure. It has been estimated in the document that to achieve the targeted annual average growth rate of 9% over the 11th Plan Period, the aggregate capital formation in infrastructure over the same period should be to the tune of Rs. 20 lakh crore, of which 30% is to come from the private sector, directly as well as through PPPs, where desirable and feasible. In this connection, I would mention that the construction of Delhi-Kolkata dedicated railway freight corridor, the deep sea port and the shipyard as well as the modernization work of the existing Airport in the State needs to be expedited.

To achieve 10% growth in industries sector, the manufacturing sector and particularly the micro & small enterprises (MSE) sector has been projected to grow at 12%. The working group has estimated term loan and working capital requirement for the MSE sector to the tune of Rs. 2.96 lakh crore during the 11th Plan. It has been mentioned in the document that the percentage of net bank credit available to MSE sector has been declining. To meet the projected credit requirement for this sector we are required to have sufficient number of specialised SSI bank branches in all potential areas and devise appropriate ways to incentivise lending to this sector. Otherwise, it would not be possible to achieve the target of creating 70 million employment opportunities during the Eleventh Plan.

In this context, I would strongly suggest the need for revising the policy of high interest rate regime of bank loans to industry, particularly to the SME sector, and agriculture. Since the rate of inflation has been reported by the Government of India to have fallen over the last one year or so, the rate of interest on bank loan should also be