

CHAPTER 2

OVERVIEW OF ECONOMIC DEVELOPMENT IN WEST BENGAL SINCE THE BRITISH PERIOD TO THE LATE 1970s

2.1 Regional Setting and History of Economic Development:

West Bengal is located in Eastern India. It is bounded on the north by the Indian states of Sikkim and the country Bhutan, on the east by Bangladesh and the Indian state of Assam. It is bounded on the west by Nepal and the state of Bihar, and on the south by the state of Orissa and the Bay of Bengal. It is well situated from the point of view of commerce both within the sub-continent and with the outside world. Bengal took full advantage of her geographical position to become an entrepot for a large part of India. Waterways were the main and cheapest highways of commerce. A number of roads radiate from Bengal to different parts of the subcontinent.

The state of West Bengal is comprised of 19 districts (*See in Appendix to chapter-2*) with a total area of now in 88,752 square kilometers. These nineteen districts are Darjeeling, Jalpaiguri, Cooch Behar, Uttar Dinajpur, Dakshin Dinajpur, Malda, Murshidabad, Nadia, 24 Parganas (N), 24 Parganas (S), Howrah, Kolkata, Hooghly, Burdwan, Birbhum, Bankura, Purba Midnapore, Paschim Midnapore and Purulia the first six districts comprise the Jalpaiguri administrative division, the next six districts are under the Presidency division, and the remaining seven districts comprise the Burdwan division.

A complete knowledge of economic history of the region is essential before explaining the disparities of the region. In this section a short history of economic development of West Bengal is discussed.

According to Roy "Bengal was the wealthiest province in the subcontinent when the British arrived in India. In ancient and medieval ages foreign travelers were impressed by the province's flourishing agriculture, industry and trade. When they came, the British were attracted to Bengal by the wealth and industries of the province and her strategic position in international trade. Their industries could not compete with Indian industries at that time. They systematically ruined India's flourishing industries of that time as a matter of state

policy. They ultimately reduced the country into an agricultural hinterland of Britain”.

The fertile soil and the monsoon made agriculture thrive. Cottage industries of a varied kind were run on an extensive scale. A perfect balance between agriculture and industries was in existence for centuries. Cotton textiles and silk fabrics were the most famous industries and these had markets in different parts of India and in many other countries as well. Bengal's other major industries were sugar and salt.

Much of the primary capital for British industries was drained out of Bengal. Immediately after the war of Palasi (1857), the East India Company embarked on a determined policy to monopolize manufacturing, particularly of silk and cotton fabrics. In the course of five decades from the war of Palasi all industries in Bengal declined. The destruction of the diversified basis of the traditional rural economy by the heavy competition of British industry intensified the pressure on land. As a result the village handicrafts declined and the cultivation of non-food crops decreased. Thus the socio-economic disintegration and sectoral distortion of the economy of Bengal set in motion a process of static expansion. The rural economy and the rural society became less progressive in the nineteenth century in response to the new colonial conditions.

The British government constrained the growth of per capita consumption, especially food and the size of the domestic market for agricultural products by its monetary policies. Consequently Bengal gradually became a producer of raw materials for British industries and a market for finished goods produced by British industries.

Independence of India from Britain (1947) was a severe blow to Bengal, since the province was partitioned by the Imperial government. Industries and their raw materials fell under different national jurisdictions. In addition, West Bengal had to face a huge influx of refugees numbering anywhere from five to eight million due to partition of India. Although taxes were centrally collected, the tax redistribution was utilized as an instrument to pump money out of one or two prosperous states. West Bengal has suffered the most from this policy. However, even then the state was producing much more than any other state in the nation. It had the highest per capita income, and was second in terms of education. She

had access to industrial raw materials and an infrastructure to make progress faster than any other state.

In 1965 a seminar was organized by the National Chamber of Commerce on West Bengal's economic problems. They found that the state was discriminated against through a quota for raw materials and steel supplies. In the 1960's the industrial situation in West Bengal had been altogether dismal. The crisis in agriculture was no less deep. In the early 1970's Roy remarked, "if economically, culturally, socially and politically West Bengal is collapsing, the unresolved refugee problem is one of the most serious causes of this"

2.2 Demographic and Socio-economic Structure of West Bengal

2.2.1 Demographic Features

Over the years, population concentration has brought about increased density in human settlements resulting in considerable regional disparity in the distribution of the state's population. India, the second most populous country of the world, has been increasing in terms of population at the rate of 2.5 per cent a year. In 1971 West Bengal comprised only 2.67 per cent of India's land area (12th among the states and territories), however, it ranked fourth in population size.

Within West Bengal the percentage share of population is lowest in the Darjeeling district (1.76 %), while the percentage share of land area is lowest in Kolkata (0.12%) but its density is the highest (30,276 persons per square kilometer; Table 2.1). Apart from the above mentioned districts, the density of population is less than the state average in Jalpaiguri, Cooch Behar, West-Dinajpur, Malda, Birbhum, Bankura, Midnapore, and Purulia. In contrast, the concentration of population is high in all the districts of the Presidency division because of urban agglomerations in Kolkata, Howrah and Hooghly.

The highest concentration of working population is in Kolkata (11,207 persons per sq. km.) Other districts having higher than the state average in density of working population are Murshidabad, 24 Parganas, Howrah, Hooghly and Burdwan. The density of working population is below average mainly in the northern hill districts and south-western districts (Table 2.1). There is a high concentration of nonworking population in the districts of Kolkata and Howrah reflecting the over all population densities in these regions. People come to cities for educational, medical and recreational facilities as well as for job.

In 1971, the population of India was 548 million, and West Bengal's population was 44 million with a 27 per cent growth rate over the past decade. There has been a tendency of growth of population since 1901, except during the decade 1911-1921 when almost all the districts declined because of disease and famine both natural and man-made. The aggregate growth of population was high in the districts of 24 - Parganas and Kolkata as well as in Jalpaiguri, Darjeeling, Nadia and Howrah districts (*Appendix A 2.2*). Although there was a trend of positive growth, the percentage increase for the decade 1961-71 was lower than that of 1951-61. This was due to a lower birth rate and improvement in family planning, as well as the decreasing influx of refugees.

Table 2.1: Distribution of Area and Density of Population of West Bengal, 1971

Sl. No.	District	Area		Population		Density (Persons Per Sq. Km.)				
		Sq. Km.	(%)	Total	(%)	Rural	Urban	Working	Non Working	Total
1	Burdwan	7,028	8.00	3,716,174	8.84	430	127	158	401	557
2	Birbhum	4,550	5.18	1,775,909	4.01	363	27	104	286	390
3	Bankura	6,881	7.83	2,031,039	4.58	273	22	84	211	295
4	Midnapore	13,724	15.62	5,509,247	12.43	370	31	107	294	401
5	Howrah	1,474	1.68	2,417,286	5.54	952	688	496	1204	1640
6	Hooghly	2,145	3.58	2,872,116	6.48	671	242	246	667	913
7	24 Parganas	13,796	15.70	8,449,482	19.07	397	215	158	454	612
8	Nadia	3,926	4.47	2,230,270	5.03	462	106	141	427	568
9	Murshidabad	5,341	6.08	2,940,204	6.64	504	46	143	408	550
10	Malda	3,713	4.23	1,612,657	3.64	416	18	118	316	434
11	West Dinajpur	5,206	5.93	1,859,887	4.20	324	33	100	257	357
12	Jalpaiguri	6,245	7.11	1,750,159	3.95	253	27	87	193	280
13	Darjeeling	3,075	3.50	781,777	1.76	196	59	92	162	254
14	Cooch Behar	3,386	3.85	1,414,183	3.19	389	29	115	302	418
15	Purulia	6,259	7.12	1,602,875	3.62	235	21	80	176	256
16	Kolkata	104	0.12	3,148,746	7.11	-	30276	11207	19069	30276
	State	87,853	100.00	44,112,011	8.09	379	125	141	363	504

Source: Census of India, 1971, series 22, West Bengal, General population Tables, part-II-A.

Kolkata unlike all other million plus cities in the world has been experiencing a decrease in absolute as well as in relative growth. Population increase in the southern and southeastern districts of West Bengal were mostly due to immigration induced by expansion of industrial complexes. The high growth rate of population of West Bengal can also be explained in terms of a persistently high birth rate and a fast declining death rate. A major part of the increase in population takes place in rural areas. Large additions to the work

force caused by a high rate of population growth leads to higher rates of unemployment and underemployment. The labor force of the country can make a positive contribution if it can be truly utilized; otherwise a rapidly growing population retards the process of development.

2.2.2 Socio-Cultural Features

Economic development is closely associated with the growth of urbanization. As urbanization progresses new opportunities for gainful employment arise and a new horizon of a richer and more varied existence opens up. People are likely to be pulled out of their traditional occupations and living environments to towns and cities. The rate of urbanization for West Bengal was only 28.4 per cent in 1971 (Table 2.2), whereas the national rate was 37.83 per cent. In 1961 and 1971 the proportion of urban population was above average only in the districts

Table 2.2: Distribution of Villages, Towns and Urban Population of West Bengal in 1971

Sl. No.	District	Villages (% of total)	Towns (% of total)	Urban Population		Rate of Urbanization 1971 (1961 = 100 Base)
				1961	1971	
1	Burdwan	6.59	9.86	18.2	22.8	59.0
2	Birbhum	5.97	2.69	7.0	7.0	23.5
3	Bankura	9.24	2.2	7.4	7.5	23.4
4	Midnapore	28.53	7.17	7.7	7.6	25.8
5	Howrah	1.88	12.11	40.5	41.9	22.8
6	Hooghly	4.68	7.62	26.0	26.5	31.3
7	24 Parganas	9.36	31.39	31.8	34.2	48.7
8	Nadia	3.34	5.83	18.4	18.7	32.7
9	Murshidabad	5.38	4.93	8.5	8.5	27.4
10	Malda	4.33	0.89	4.2	4.2	33.4
11	West Dinajpur	8.13	3.14	7.5	9.3	75.4
12	Jaipauri	1.8	3.59	9.1	9.6	35.5
13	Darjeeling	1.4	1.79	23.2	23.1	24.3
14	Cooch Behar	2.82	3.14	77.0	6.8	36.1
15	Purulia	6.49	3.14	6.8	8.3	42.3
16	Kolkata	—	0.45	100.0	100.0	7.6
West Bengal		6.58	7.13	12.7	24.8	28.4

Source: Census of India: 1971, Series I, General Population Tables, Pt. II- A (1)

of 24 Parganas, Howrah, Kolkata and Hooghly. The percentage of urban population was high in the Kolkata industrial region, as many manufacturing industries as well as service industries was established here. There was a decline of urbanization in the districts of Darjeeling, Cooch Behar, Midnapore and Murshidabad during the decade of 1961-71.

It is expected that in the districts in which there has been substantial urbanization, the pressure of population of rural areas is likely to be comparatively small. But Chatterjee (1973) has shown that urbanization in West Bengal has contributed little in reducing the pressure of population in rural areas. Some districts enjoy congenial locations, those that are rich in natural endowments and have favorable economies and political antecedents. Both urban and rural areas of such regions may, therefore, be densely populated, as for example, Howrah, Hooghly and Burdwan. People in rural areas of such districts have also facilities for commuting daily to the industrial and commercial areas of the regions and to the city of Kolkata. A high degree of urbanization in the districts of Kolkata, Howrah, Hooghly, 24 Parganas, Darjeeling and Burdwan is explained by the fact that these districts are the major recipients of public sector projects and industrial projects. Another factor of great significance is the development of overseas trade.

The pattern of urbanization can be understood by the study of the proportional distribution of towns and villages. In 1971 Midnapore district had the largest proportion of villages (28.53%), while in the whole districts the concentration of villages was low. Out of the total 223 towns, 70 (31.39%) of them were located in 24 Parganas. A high concentration of towns also existed in the districts of Howrah and Burdwan (Table 2.2).

2.2.3 Economic Features

The importance of population as a primary determinant of crude labor force participation is well recognized. Age composition has been found to be an important factor in determining unemployment. In this study age structure is grouped into four major classes.

The regional distribution of population shows that the percentage of population was highest (more than 40 per cent) in the 0-14 age group in almost all the district. Out of the total of 40 per cent infants and younger children, more than 30 per cent were rural in all the districts (Table 2.3). A high proportion of elderly people are found in rural areas because most of them go back to their villages after retirement. Therefore, there is a great disequilibrium between rural and urban population.

The level of literacy in India has increased from 24 per cent in 1961 to 29.31 per cent in 1971. The level of literacy achieved in Australia, Canada, the

United Kingdom and the United States is about 95 per cent. The proportion of literates in West Bengal decreased from 34.65 per cent in 1961 to 33.00 per cent in 1971. The percentage of literate people was more than average only in the districts of Kolkata, Howrah, Hooghly, 24 Parganas and Burdwan. Kolkata's literacy rate was over 60 per cent while the others ranged from 33% to 40% (Table 2.4). The dominance of male literates over females is common in every district. The difference is minimal in Kolkata but the disparity between male and female literates is gradually narrowing. A higher dependency ratio is one of the retarding factors to economic development. Populations below the age of 15 and above 60 are considered as non-earning members. The higher proportion of infants and young children in all the districts reveal the potential dependent group of population. Darjeeling, Howrah, Purulia, Jalpaiguri, Burdwan, Hooghly and 24 Parganas comprise more than the average of the state dependency ratio. High fertility and to a lesser extent improvements in medical facilities and public health programme cause a higher dependency ratio.

Table 2.3: Age Structure of Rural and Urban Population of West Bengal, 1971

Sl. No.	District	0-14		15-39		40-59		60+		Total	
		Rural	Urban	Rural	Urban	Rural	Urban	Rural	Urban	Rural	Urban
1	Burdwan	34.30	9.02	27.79	9.79	11.36	3.10	3.78	0.86	77.22	22.73
2	Birbhum	42.07	2.87	31.84	2.79	14.08	1.05	4.99	0.32	92.97	7.03
3	Bankura	40.46	3.09	32.76	2.89	13.87	1.12	5.44	0.37	92.53	7.47
4	Midnapore	41.62	3.15	31.99	3.05	13.25	1.14	5.32	0.36	92.29	7.71
5	Howrah	25.40	14.79	20.57	18.86	5.50	6.54	3.60	1.74	58.07	41.93
6	Hooghly	33.76	9.41	25.79	11.45	9.99	4.22	4.00	1.38	73.54	26.46
7	24 Parganas	29.56	12.99	22.72	1.51	8.82	5.29	3.74	1.80	64.85	35.15
8	Nadia	38.46	7.42	26.90	7.25	11.21	2.81	4.68	1.26	81.26	18.74
9	Murshidabad	44.39	3.54	30.47	3.23	12.16	1.20	4.53	0.47	91.55	8.45
10	Malda	45.42	1.74	33.08	1.66	12.29	0.58	4.99	0.24	95.78	4.22
11	West Dinajpur	42.31	4.05	31.37	3.54	12.73	1.27	4.24	0.48	90.66	9.34
12	Jalpaiguri	39.38	3.87	33.09	3.85	13.73	1.39	4.20	0.49	90.40	9.60
13	Darjeeling	32.18	8.73	30.58	10.12	10.85	3.19	3.34	0.99	76.96	23.04
14	Cooch Behar	44.90	2.73	30.74	2.76	12.49	0.98	5.04	0.37	93.17	6.23
15	Purulia	37.56	3.40	34.35	3.23	14.93	1.26	4.91	0.38	91.74	8.26
16	Kolkata	-	29.30	-	46.85	-	18.62	-	5.24	-	100
State		34.17	8.79	26.30	10.80	10.68	3.96	4.07	1.24	75.22	24.78

Source: Census of India: 1971, series 32, West Bengal, General population Tables, Pt. II-A.

Labor force participation rates can be explained by the level of employment opportunities. In 1971 the potential labor force in West Bengal was

51.65 per cent of the population. This proportion was high in the districts of Kolkata, Darjeeling and Howrah. Apart from these districts, Jalpaiguri, 24 Parganas and Burdwan also had above average potential labor force (Table 2.4). In contrast to the 51.65 per cent potential labor force in West Bengal the actual labor force participation was 24.91 per cent. In almost all the districts the labor force participation was below the state average except for Kolkata, Darjeeling, Purulia, Burdwan and Bankura. This indicates that all the districts had more manpower than was being used. The relation between labor force participation is income, occupational levels, health, education, other cultural and institutional factors. The proportion of labor force was higher than that of the potential productive labor force in almost all the districts (Table 2.4).

Table 2.4: Level of Literacy, Dependency Ratio and Labour force Participation of West Bengal in 1971

Sl. No.	District	Literates			Dependency Ratio (%)	Potential Labour Force (%)	Potential Productive Labour Force (%)	Labour Force Participation (%)	Surplus Labour Supply (%)
		Male (%)	Female (%)	Total (%)					
1	Burdwan	43.2	24.5	34.4	92.2	52.02	48.75	25.36	26.66
2	Birbhum	35.7	16.8	26.4	100.9	49.75	46.89	23.33	26.42
3	Bankura	38.1	13.9	26.2	97.5	50.63	49.35	24.99	25.64
4	Midnapore	45.6	19.4	32.9	101.9	49.01	47.99	23.52	25.49
5	Howrah	49.4	28.0	39.7	83.6	54.47	45.17	24.60	29.87
6	Hooghly	47.9	28.3	38.6	94.3	51.44	47.32	24.34	27.10
7	24 Parganas	48.2	26.4	38.0	92.7	51.89	44.87	23.29	28.60
8	Nadia	26.8	12.1	19.6	112.4	47.06	47.40	22.31	24.75
9	Murshidabad	39.3	22.9	31.3	107.6	48.16	44.80	21.58	26.58
10	Malda	25.1	9.0	17.2	110.0	47.59	48.55	23.10	24.49
11	West Dinajpur	31.2	11.9	22.0	104.4	48.91	48.37	23.66	25.25
12	Jalpaiguri	32.4	15.0	24.2	92.1	52.05	46.89	24.41	27.64
13	Darjeeling	42.0	22.5	32.90	82.7	54.73	59.50	32.56	22.17
14	Cooch Behar	31.4	11.7	22.0	112.9	46.93	50.22	23.57	23.36
15	Purulia	35.1	8.2	21.9	86.0	53.75	51.35	27.60	26.15
16	Kolkata	64.2	54.4	60.4	52.8	65.45	53.13	34.78	30.67
	State	42.8	22.1	33.0	93.3	51.65	48.22	24.91	26.74

Source: Census of India: 1971, series 22, West Bengal, General population Tables, Pt. 2-A.

There is a great disparity in the supply of surplus labor. In West Bengal 26.74 per cent of the entire labor force comprise surplus labor. In the districts of Hooghly, Jalpaiguri, 24 Parganas, Howrah, and Kolkata the surplus labor supply was above average. Kolkata and its surroundings are the centers of many industries, and other multifarious activities. Since a higher proportion of the population remain underutilized. The rapid growth of population and consequent

increase in the supply of labor force are leading the problems of labor absorption in the economy.

In India the ratio of productive consumers (working population) to non-productive consumers (non-working population) deteriorated during 1961-71. In India the proportion went up from 57.3 per cent in 1961 to 67.1 per cent in 1971. In West Bengal, the proportion increased from 66.8 per cent in 1961 to 72.1 per cent in 1971. The proportion of male productive consumers was higher (25.80%) than that of female (2.05%) in the entire economy. Therefore, this indicates the backward nature of the economy. In all the districts the ratio of productive consumers to non-productive consumers is higher in the rural areas than in the urban areas. In the rural areas family employment is dominant and there is a higher child labor participation in unorganized sectors. In the urban areas the income among educated people is not a serious problem for the family. Although the ratio of productive consumers is high in the rural areas, the wages in the rural sector is very low, and as a result their contribution in the economy is low.

In terms of occupational structure, 72 per cent of the working population was engaged in the primary sector, 11.1 per cent in the secondary sector and 16.7 per cent in the tertiary sector in 1971 in India. In West Bengal 62.5 per cent of the working population was engaged in the primary sector, 15.0 per cent in the secondary sector and 22.5 per cent in the tertiary sector during the same period, thus the economy of West Bengal is more diversified than the national average.

The proportion of male working population in West Bengal is high while that of female is very low. Distribution of male workers was above average in the northern (except Darjeeling and Jalpaiguri), central and southeastern districts. On the other hand, the distribution of female workers was above average in Darjeeling and Jalpaiguri and all of the south western districts (Table 2.5).

In each case, the proportion of female workers was high in the rural economy only. Other than Kolkata the districts which comprise a comparatively higher proportion of urban workers are mostly the neighboring districts of Kolkata, as well as Burdwan. The reason is obvious, the Kolkata industrial region attracts the urban workers from the neighboring districts and also from the neighboring states. The distribution of urban male workers was below average in almost all the districts except Hooghly, 24 Parganas, Howrah, and Kolkata. Rural workers dominate West Bengal's work force (73.30%). The proportion of rural

workers was very high (more than 90%) in the north (except Darjeeling) and south – western districts of Birbhum, Bankura, Midnapore, and Purulia. The proportion of male workers was less than average in the districts of Darjeeling, 24 Parganas, Howrah, Kolkata, and Hooghly. Cooch Behar and Malda had more than 90 per cent rural male workers.

Out of the total 16 districts of West Bengal only five districts (24 Parganas, Howrah, Kolkata, Hooghly and Burdwan) have less than the average number of workers in the primary sector of the economy. More than 80 per cent of workers were engaged in the primary sector in Cooch Behar, West Dinajpur and Malda in the north and Birbhum, Bankura, Midnapore and Purulia on the south-west. The proportion of workers in the secondary sector was very low in almost all the districts except the five mentioned above. People are employed mostly in manufacturing other than household industry in those areas. The highest percentage of workers (69.31) in Kolkata was engaged in the tertiary sector. The root cause of this concentration in tertiary activities is the location of educational institutions, administrative offices, courts, transport offices and cultural institutions. Other districts which had a higher than average concentration of workers in the tertiary sector were Howrah, Darjeeling, and 24 Parganas where transport as well as services are dominant.

A higher than average proportion of workers in the primary sector existed in Midnapore, 24 Parganas, Burdwan and Murshidabad, while the districts of 24 Parganas, Burdwan, Kolkata, Howrah and Hooghly showed a higher than average proportion of workers in secondary sector of economy. Other than Kolkata, areas having higher proportion of workers in the tertiary sector are 24 Parganas, Burdwan, Midnapore and Howrah. Northern hill districts had a higher proportion of workers in the primary sector compared to other two sectors.

In rural areas, due to the absence of diversification of the economy, intensification of the pressure on land is likely to reduce the size of land holdings. This increases the ratio of landless laborers in agriculture. The rural economy is least diversified in Cooch Behar and West Dinajpur because of location and their industrial base. On the other hand Hooghly, Kolkata and Burdwan have diversified economies in response to economic opportunities and pressure on land. Substantial diversification of the rural economy in Howrah can be explained

by a developed network of transportation and communication, a high degree of industrialization, nearness to Kolkata and population pressure.

Total agriculture area has more than doubled in almost all the districts from 1957 to 1971. One of the reasons of higher agricultural production is more irrigated area. This is true in Murshidabad, Nadia, Burdwan, Birbhum, 24 Parganas and Hooghly.

The average daily wages of male agricultural workers ranged from Rs. 1.50 to 3.50. Therefore, their monthly earning is small (approximately Rs 100.00) it is lower in the case of women and young persons.

In 1971 per capita income of West Bengal was Rs. 524.00 in West Bengal out of the 16 districts, 6 districts had per capita income greater than the average of the state where as in 2001 per capita income of West Bengal is Rs.9764.75 (1993-94, constant prices) out of 18 districts, 8 districts have per capita income greater than the state average (*see appendix A 2.3*). These are Kolkata, Burdwan, Hooghly, Jalpaiguri and Cooch Behar. Per capita income was highest (Rs. 1,011.00) in Kolkata. The hill districts and the south – eastern districts are next to Kolkata in per capita income. The reason of their higher per capita income is that the south-eastern districts are located in the industrialized belt, and the northern hill districts have tea estates. A high concentration of small scale industries and their employment denote a higher per capital income.

In Kolkata there is a high concentration of small scale industries (32.07%) and a high proportion of industrial employment (26.82%). In fact this concentration is highest in the state in 24 Parganas and Howrah. Darjeeling also shows a high concentration of small scale industries in Table 2.6.

Replacement of the relatively backward jute industry by the relatively modern engineering industries, e.g., machine tools, machinery, manufacture of cotton and textiles, electrical equipment, and diesel engines is an important aspect of the structural change in the state economy. The majority of large industries are concentrated in Kolkata and in a close cluster of towns around it, barring Asansol-Durgapur region. The Kolkata industrial region has built up a strong industrial base and the Damodar Valley Corporation has helped to develop the area in to one of India's major industrial concentration.

Table 2.5: Distribution of Workers of West Bengal, 1971

Sl. No.	Districts	Urban Workers (%)			Rural Workers (%)			Total Workers (%)		Distribution of Workers by Sector (%)			Distribution of Workers by Districts (%)		
		Male	Female	Total	Male	Female	Total	Male	Female	Primary	Secondary	Tertiary	Primary	Secondary	Tertiary
1	Burdwan	21.54	1.15	22.69	69.85	7.46	77.31	91.39	8.61	56.27	23.79	19.94	8.11	13.17	7.80
2	Birbhum	6.28	0.59	6.87	85.59	7.54	93.13	91.87	8.13	80.20	5.95	13.85	5.00	1.43	2.43
3	Bankura	6.00	0.48	6.48	80.39	13.13	93.52	86.39	13.61	82.16	6.97	10.87	6.23	2.03	2.23
4	Midnapore	6.63	0.47	7.10	84.21	8.69	92.90	90.84	9.16	81.20	5.86	12.94	15.69	4.15	6.74
5	Howrah	47.27	1.39	48.66	50.40	0.94	51.34	97.67	2.33	33.42	37.29	29.29	2.83	12.13	6.73
6	Hooghly	27.18	1.57	28.75	64.46	6.79	71.25	91.64	8.36	55.93	22.00	22.07	5.71	8.64	6.11
7	24 Parganas	34.81	1.08	36.61	61.87	1.52	63.39	96.68	3.32	53.06	23.08	23.86	15.28	25.54	18.64
8	Nadia	16.72	1.35	18.07	79.41	2.52	81.93	96.13	3.87	68.21	12.55	19.24	4.97	3.51	3.80
9	Murshidabad	7.37	0.79	8.16	87.65	4.19	91.84	95.02	4.98	77.69	10.90	11.41	7.80	4.20	3.10
10	Malda	3.55	0.31	3.86	90.31	5.83	96.14	93.86	6.14	82.03	6.33	11.64	4.72	1.40	1.82
11	West Dinajpur	7.42	0.45	7.87	87.84	4.29	92.13	95.26	4.73	85.86	3.35	10.79	5.90	0.88	2.00
12	Jalpaiguri	8.04	0.57	8.61	76.79	14.60	91.39	84.38	15.17	78.18	4.97	16.85	5.61	1.37	3.29
13	Darjeeling	17.04	1.76	18.80	54.94	26.26	81.20	71.98	28.02	66.57	6.08	27.35	2.48	0.87	2.76
14	Cooch Behar	6.18	0.52	6.70	90.89	2.41	93.90	97.07	2.93	84.32	4.08	11.60	4.34	0.81	1.62
15	Purulia	6.26	0.54	6.80	78.93	14.27	93.20	85.15	14.81	80.03	7.99	11.98	5.26	2.01	2.13
16	Kolkata	94.05	5.95	100.00	..	..	..	94.05	5.95	0.44	30.25	69.31	0.07	17.86	28.89
	West Bengal	25.21	1.49	26.70	67.31	5.99	73.30	92.52	7.48	62.50	15.00	22.50	100.00	100.00	100.00

Source: Census of India, 1971, Series 22, West Bengal, General Economic Tables, Pt. II-B (i)

Table 2.6: Agricultural production, industrial employments and per capita income of West Bengal

Sl. No.	District	Agri-cultural Area (1971) 1956-57 =100	Total Agri-cultural Production (1971) 1956-57 =100	Average daily Wages of male Agri-cultural workers (Rs.) (1971)	Per-capita Income at current prices (Rs.) (1971)	Small-scale Industrial units (%) (1971)	Em-ployment in small-scale Industries (1971)	Regis-tered factory units (1972)	Em-ployment (daily) in registered factories (1972)
1	Burdwan	223.5	326.6	3.00-3.80	685	5.32	3.73	4.85	9.95
2	Birbhum	249.7	380.7	2.50-3.00	515	0.97	1.89	1.53	0.54
3	Bankura	225.5	282.5	3.00-3.50	482	5.30	5.24	1.21	0.27
4	Midnapore	208.0	245.5	3.00-3.35	416	4.57	4.33	1.48	1.93
5	Howrah	187.0	293.1	3.20-3.50	617	14.67	23.08	21.81	19.00
6	Hooghly	215.1	304.8	3.00-3.50	552	2.91	4.00	2.4	10.94
7	24-Parganas	186.1	328.3	2.44-3.25	479	15.42	17.68	45.32	49.92
8	Nadia	251.6	399.7	3.00-3.25	347	4.81	2.63	0.82	0.72
9	Murshidabad	258.9	461.4	2.75-3.00	343	1.26	0.26	0.27	0.24
10	Malda	232.6	304.9	....	304	....	....	0.12	0.04
11	West Dinajpur	276.8	365.9	3.00-3.25	468	1.15	0.69	0.61	0.26
12	Jalpaiguri	268.4	278.2	....	569	1.26	3.07	4.24	2.42
13	Darjeeling	239.4	307.4	3.25-3.50	407	7.51	2.86	2.80	0.95
14	Cooch Behar	252.6	321.6	3.00-3.50	525	1.97	1.43	0.23	0.07
15	Purulia	232.1	309.0	1.50-2.50	394	0.81	1.43	0.80	0.27
16	Kolkata	—	—	....	1011	32.07	26.82	11.46	2.47
West Bengal		116.6	146.2		524	100.00	100.00	100.00	100.00

Source: Economic Review, 1974-75, Bureau of Applied Economics and Statistics, Government of West Bengal.
Note: ... Data not available.

2.3 Industrial Decline of West Bengal

Just at the time of independence West Bengal was the most industrially developed State in India. Kolkata was, so to say, the industrial capital of the country. But today, West Bengal is said to be one of the backward States in India. Now everywhere the declining trend of West Bengal is a matter of discussion. Numerous seminars, debates, symposia, workshop have been held on the declining trend of the State's economy since independence and various causes of the continuous falling trend have been pointed out by different persons. The Bengal Chambers of Commerce have also pinpointed some causes for the present situation of the economy of West Bengal.

In 1950-51, Net Domestic Product (at 1960-61 prices) of West Bengal was Rs. 1239.82 crores, i.e., 11.6 per cent of the total Net Domestic Product of the country, and at the same time the NDP of Maharashtra was Rs. 1194.83 crores,

i.e., Maharashtra shared 11.2 per cent of the all India figure. The economic picture of some of the States in 1950-51 will be clear from the Table 2.7.

In 1951, West Bengal had the highest number of registered factories—1493. She was followed by the composite state of Madras (roughly Tamil Nadu and Andhra) with 1473 factories and Bombay (Maharashtra and Gujarat) with 1426 factories. The number of persons employed in factories in that year was 475084 in West Bengal, 537969 in Bombay and 180629 in Madras. Bombay factories had a total fixed capital of about Rs. 79 crores, West Bengal Rs. 73 crores and Madras Rs. 31 crores at that time.

Table 2.7: Net Domestic Product of Selected States		
States	NDP in 1950-51 (at '60-'61 prices) (Rs. in crores)	Percentage share
West Bengal	1239.82	11.60
Maharashtra	1194.83	11.20
Tamil Nadu	737.13	6.90
Gujarat	619.64	5.80
Bihar	700.41	6.60
Uttar Pradesh	1710.22	16.10
INDIA	10657.64	100.00

Source: 'Agony of West Bengal' by Ranajit Roy, second Edition, Chapter-IV. 1971

In the year 1950-51, the industrial production of the State was about 25 per cent of the total industrial production of the country.

The location advantages helped grow industries in and around Kolkata, the biggest city in India. The infrastructural facilities, wide market, availability of skilled personnel etc. were some of the reasons for rapid industrialization, especially in the Eastern Region. But from the later part of 50's the position of West Bengal began to change. Other states, especially Maharashtra, Gujarat, Karnataka, Punjab and Tamil Nadu began to grow more rapidly in industrialization than West Bengal. From the middle of 1950's Maharashtra replaced West Bengal from the top position in the industrial map of the country.

The contribution of West Bengal to National Product came down to 10 per cent in 1960-61, 8.76 per cent in 1976-77, 10.2 per cent in 1978-79, and 9 per cent in 1985-86.

The per capita income in West Bengal fell from Rs. 390 in 1960-61 (at 60-61 prices) to Rs. 385 in 1978-79. But the national average increased from Rs.

353 to Rs. 365 during that period. The index number of per capita net output (1970-71 base = 100) in West Bengal increased to 118 whereas all India figure was 126 in 1985-86.

West Bengal dominated the country in engineering industry. The percentage share of West Bengal in the producing of engineering goods was 40 per cent in 1950-51 and the number of total registered factories was about 30 per cent. But rapid decline in engineering industry was noticed from the second half of 60's. In 1966-67, West Bengal had 23.4 per cent of the total registered engineering factories in the country; a decade later in 1975-76, this percentage came down to 2.7. During the same period, the percentage share of productive capital deployed in the engineering industry declined from 28.5 (1966-67) to 13.2 (1975-76). Similarly, employment percentage in the same period became almost half from 30.5 to 16.5.

In pharmaceutical industry also West Bengal had a pioneering position. The total production of drugs in the country was Rs. 10 crores only in 1948, but 70 per cent of it (i.e. Rs. 7 crores) was produced in West Bengal. The value of total production of drugs in the country was Rs. 1150 crores in 1979-80, but West Bengal's share declined to 10 per cent from 70 per cent. The percentage share was only 8 per cent in 1985-86. In 1996, the paid up capital of all companies in West Bengal was 18.2 per cent of the all India total, it came down to 14 per cent by 1979, and 12 per cent in 1986.

Even the production of jute goods was lower in 1985 in West Bengal than that in 1960. In 1960 total production of jute goods was 1058 thousand tons and it was 1077 thousand tons even after 25 years.

In the second half of 1970s the position of West Bengal in the industrial map of the country will be to a large extent clear from the table below:

States	Factories		Output		Number of employees
	Number	Percentage to all India	Rs. in Lakh	Percentage to all India	
Maharashtra	13981	17.2	827037	24.3	1210028
Gujarat	9722	12	353143	10.3	594688
Tamil Nadu	8247	10.2	341817	10	668182
Andhra Pradesh	8450	10.4	188463	5.5	561658
Uttar Pradesh	6034	7.4	238426	7	592093
West Bengal	6173	7.6	272134	10.9	882100

Source: Basic Statistics of State Economies – Commerce Research Bureau, Chapter-II

The Table 2.8 shows that in number of industries and value of output West Bengal is relegated to the fifth and fourth position respectively. The number of industries in West Bengal is 6173 and the value of output is Rs. 2721.34 crores (converted to crores). Though West Bengal's position is second to Maharashtra in terms of the value of output; the difference between the two State is wide — Maharashtra 24.3 per cent and West Bengal 10.9 per cent.

Again, in Net Domestic Product West Bengal lost its predominant position in one decade from 1950-51 to 1960-61 (Table 2.9).

From 1950-51 to 1960-61 West Bengal's NDP increased by 30.3 per cent only compared to 58.7 per cent in Maharashtra, 57.1 per cent in Tamil Nadu and 34.1 per cent in Gujarat.

States	N.D.P. in 1960-61 at current prices (Rs. in lakh)	Percentage increase in 1960-61 over 1950-51
Maharashtra	189612	58.7
West Bengal	161308	30.3
Tamil Nadu	115812	57.1
Bihar	103137	47.3
Punjab-Haryana	89616	37.3
Gujarat	83108	34.1
INDIA	1474378	38.3

Source: NCAER- annual report 1960-61

Thus, we find that there is a gloomy picture in West Bengal's economy, especially in the industrial sector. Nobody denies that West Bengal has been losing ground in the industrial field let alone other sectors. It is now an accepted fact that West Bengal which was once the most industrially advanced State has lost position. She is now considered to be one of the backward states in the country. A few years ago, 12 districts of West Bengal, out of 16, were declared backward (Basu, 1989). No new major industry had been set up in this State during last two decades. New entrepreneurs are not coming up in West Bengal.

The major existing industries in West Bengal are jute, tea, paper, iron and steel, engineering (general), cotton, silk, mining, aluminium, chemicals, leather and footwear, electrical goods, automobiles, bi-cycle etc. In every field growth and expansion is practically absent.

2.4 CAUSES OF DECLINING TREND

Now the question is why West Bengal is limping behind other states in industrial development. Reasons for slow growth rate in West Bengal are many. We shall try to explain the main causes of the present state of affairs of the state in industrial field.

2.4.1 Partition: the main cause

The partition of Bengal (1947) is the main cause of the declining trend of West Bengal Economy. Just after the partition, lakh of East Pakistan refugees crossed the border and about 70 per cent of these refugees concentrated in and around Kolkata. Despite repeated assurances from the leaders, the East Bengal refugees were not properly rehabilitated. As there was no economic rehabilitation of these refugees social, economic and political problems were created in West Bengal with them. Kolkata was overpopulated and lost its charm as the ideal place of living for the industrialists. The city could hardly bear the huge burden of refugee influx. The political parties began to make political capital out of the helpless condition of the up-rooted East Pakistan people. No parties were interested in their economic settlement. The refugees were their political tools. They became desperate when they realized that there was none to help them. As a result, law and order began to deteriorate in West Bengal. Besides, after the partition there was continuous tension in the border. Kolkata and its suburban areas were not far away from the border. Kolkata, which was once a paradise for the industrialists, became a nightmare to them. Many of them left Kolkata and preferred to live in Bombay, Delhi and other cities. The industrialists made no major investment in West Bengal since partition. That does not mean that they had no interest in Kolkata. With the growth of population, the importance of Kolkata as a market began to increase. What ultimately happened was that Kolkata lost importance as a producing centre, but retained its position as an important trading centre.

Besides, the jute industry, the main industry of Bengal, was the victim of partition. Scarcity of raw jute halted the growth and expansion of this industry. Jute goods cannot compete with synthetic goods. Modernization of jute industry has not yet been possible.

The airport and seaport of Kolkata also lost significance due to partition of Bengal. The Government of West Bengal was busy in tackling the refugee

problem and development work suffered initially, but other states had a good start.

2.4.2 Discrimination

It is alleged by many that the Central Government is discriminating against West Bengal in respect of issuing of industrial license, sanctioning of credit, public investment, expansion of development of infrastructural facilities etc. The Communist Party of India (Marxist) i.e. CPI (M), especially of West Bengal, charged the Union Government for colonial treatment towards this State. Though CPI (M) openly criticizes the Union Government for step-motherly treatment towards West Bengal, it is not true, as said by others, that CPI (M) alone has brought such allegation. In 1949, Shri Sarat Chandra Bose said, "The very existence of West Bengal is at stake, her economy is in a perilous condition" (Basu, 1989). He drew the attention of Central Government, but the Centre cared little. Even the Congress Chief Minister, Sri Siddhartha Sankar Roy made similar allegation against the Centre. In a meeting with the business community, particularly Chambers of Commerce in Kolkata on June 18, 1974, Mr. Roy said that the whole of Eastern Region was neglected and the Centre was discriminating against this region, particularly West Bengal (Basu, 1989).

Without trying to judge whether the Central Government is actually neglecting West Bengal, it can be established with facts and findings that the Central Government's apathy towards West Bengal is to a large extent responsible for the present condition of the state. First, applications for the establishment of industries in West Bengal are, without reasons, delayed by the Central Government. Licenses and letters of the Intents are not easily issued to prospective entrepreneurs who are willing to set up industrial units in this state. In 1985-86 West Bengal was granted 21 industrial licenses, but in the same year Maharashtra was granted 96 licenses, Gujarat 86, Tamil Nadu 61 and Karnataka 52. In 1975-76, the number of licenses to West Bengal was 71 against 243 to Maharashtra, 142 to Tamil Nadu, 103 to Gujarat.

A comparative statement indicating how the Letters of Intent and Industrial Licenses were issued in favour of several States of India including West Bengal is furnished in Table 2.10 with a view to giving a clear idea on the subject.

There are cases when the application for the establishment of an industry in West Bengal was rejected, but if the entrepreneur applied afresh for the setting up of

the same industry in any other state, the application was sympathetically considered and license issued. The case of Phillips India Ltd. is an example. Phillips India wanted to expand its radio manufacturing unit in Kolkata and applied for permission; but that application was rejected by the centre. But when the company applied to expand its radio manufacturing unit in Pune that application was entertained and license issued. The same case was with Dunlop India Ltd. Dunlop India's application for expansion of the factory in West Bengal was turned down, but the company was permitted to set up a new factory in Tamil Nadu (Basu, 1989).

New entrepreneurs and the existing industrial units in West Bengal were not provided credit as liberally as were done in other States by the financial institutions and scheduled commercial banks. Though Kolkata is the biggest city in India its claim for having the head offices for financial institutions like LIC, IDB, ICIC, IFC, IRBI, SBI, UTI were denied. Most of the head offices of financial institutions are located in Bombay alone. The head office of the newly constituted EXIM Bank has also been set up in Bombay. The vocational advantages of the head quarters were absolutely enjoyed by Maharashtra, Gujarat and other Western States. The whole of Eastern Region is deprived of the type of credit facilities which are enjoyed by industrialists, traders, artisans in the States of the Western Region. The allegation that the all India financial institutions have not done justice to West Bengal can be established by concrete examples.

Table 2.10: State-wise Distribution of Letters (LI) and Industrial Licences (IL)

States	1975-76		1976-77		1977-78		1986	
	LI	IL	LI	IL	LI	IL	LI	IL
Maharashtra	163	243	125	148	127	127	173	96
Tamil Nadu	69	142	37	54	20	23	104	61
Gujarat	65	103	73	85	79	46	105	86
Karnataka	60	56	41	48	36	39	76	42
West Bengal	61	71	37	56	44	29	42	21

Source: Quarterly Bulletin of Statistics, Ministry of Industry, Government of India

Table 2.11: Credit Disbursements (Rs. in crores)

States	Disbursements		Per capita disbursements from 1969-70 to 1977-78	Upto March 1983
	1977-78	1969-70 to 1977-78		
Maharashtra	116.55	574.50	99	2442 (21)
Gujarat	89.05	322.38	103	1555 (12)
Tamil Nadu	55.59	299.38	66	1162 (10)
West Bengal	43.47	219.25	41	895 (8)

Figure in the bracket is the percentage of the total

In per capita disbursement of credit West Bengal's position is seventh after Gujarat, Maharashtra, Tamil Nadu, Haryana, Karnataka and Meghalaya.

Commercial banks' credit policy is also important to all states. For instance, from June, 1969 to December 1977, the scheduled commercial banks sanctioned credit to West Bengal to the tune of Rs. 1748 crores compared with Rs. 3359 crores to Maharashtra, Rs. 1380 crores to Tamil Nadu. Maharashtra got 22 per cent of the total credit and West Bengal 11.4 per cent. Relative credit position in 1984 was also dismal. Upto December 1984 commercial banks sanctioned Rs. 4332 crores to West Bengal against Rs. 12224 crores to Maharashtra.

Thus, it is proved that West Bengal has not got fair treatment from commercial banks also. West Bengal is always compared with Maharashtra, Gujarat, Tamil Nadu, Karnataka because these states are industrially developed. In population also West Bengal is far ahead of Tamil Nadu, Gujarat and Karnataka, inspite of that West Bengal has got less credit.

New entrepreneurs and industrialists face a lot of difficulties in securing raw materials in West Bengal. The distribution of the basic industrial inputs and raw materials are under the control of the Centre. Here also the Centre follows a different policy in the case of West Bengal.

Many of the cotton textile mills in West Bengal have been closed and the rest are sick. Many of the sick units have already been taken over by the National Textile Corporation. Cotton textile mills in West Bengal do not get cotton at reasonable price. West Bengal is deprived of the locational advantages of coal and steel. The prices of coal and steel are equalized throughout the country. But West Bengal's cotton mills are required to buy cotton at higher price. Cotton is mainly produced in Maharashtra and Gujarat, and the mills in these two States get cotton at cheaper price than those in Eastern Region, Particularly in West Bengal. Numerous examples can be given to prove that the Union Government does nothing for the industrial development of this State. The benefits of foreign collaborations and aids are hardly enjoyed by the people of this State.

The importance of Kolkata Port and Dum Dum Air Port has been deliberately reduced by shifting or withdrawing many of the international services from Kolkata. Even freight charges are higher from Kolkata Port and Dum Dum Air Port.

Since independence, there was practically no expansion of railways in West Bengal. Moreover, some railways had been abolished. Rail link is an important infrastructure for industrial development. Many of the districts of West Bengal are still inaccessible. Road links are not also much expanded. In other states, every district is well connected with State capital either by rails or roads. But roads in West Bengal are in a deplorable condition. Industrial development depends to a large extent on the infrastructural facilities. But West Bengal, excepting Kolkata, is backward in this respect.

2.4.3 MRTP Act and West Bengal Economy

The monopolies and Restrictive Trade Practices Act, 1969 identified 75 industrial houses in the country whose capital exceeded Rs. 20 crores. These large industrial houses were termed as Monopolists. The Government of India decided not to allow them to expand further. For historical reasons these monopoly houses dominated in West Bengal. The Central Government did not permit these big industries to invest further in this State. As a result of this policy industrial development in West Bengal halted. New entrepreneurs could not fill up the vacuum. What is astonishing is that the Union Government allowed these big industrial houses to expand their units or to establish new units in other States. But the provisions of MRTP Act were strictly translated into action in West Bengal. Shri Siddhartha Sankar Roy, the then Chief Minister of West Bengal, exercised his influence to relax some of the provisions of the MRTP Act in West Bengal in consideration of the near-stagnant economic situation in this State. Shri Roy placed that the purpose of MRTP ACT had not been served, new industries were not coming up. Hence, he requested the Union Government to relax a few provisions of the Act on merit. But the central Government did not pay heed to his words. To speak the truth, MRTP ACT is a curse to West Bengal. Halting of industrial growth to avoid concentration of economic power is a policy which is debatable. (Basu, 1989)

2.4.4 Harmful Trade Union

In West Bengal from the 1960's the trade Unions led by left parties began to dominate over others. All Trade Union movements in this State was politically motivated. Strike, go-slow, cease work, work to rule, gherao were very common. Labourers were made conscious of their rights, but they were ignorant of the senses of duty. 'Right implies duties' – without duty right became meaningless.

Trade Union did not perform their real functions. To speak the truth, the trade union did much harm to the labour community. Union leaders are generally outsiders. Hence, the interests of the trade union leaders do not coincide with that of the workers. So the trouble. Labourers are misinformed and misguided Union leaders are only interested in political gains. They do not bother for the welfare of the workers. In many cases trade union movements have been destructive. Strikes, lock-out, indiscipline have retarded growth. Owing to this labour unrest and militant role of the trade unions, many of the industrialists decided not to invest in West Bengal. They preferred other states where trade unions were not so turbulent.

In 1986 man days lost was 14835 thousand and men involved were 146 thousand. Man days lost for industrial dispute in West Bengal were the highest in the country.

In this atmosphere of mutual distrust among trade unions and their weakening bargaining power, the capitalist class is able to push through its agenda of economic reforms, knowing fully well the hard reality that unions will only bark and not bite. It is high time that the unions realize the prevailing social and economic scenario affected by the forces of globalization so as to bring about a change in their strategy, rather than getting sidelined by the state and capitalist class.

2.4.5 Naxalite Movement

Naxalite movement in West Bengal was another set back in the economic development especially in the industrial field. Indiscriminate killing of individual persons in the name of Maoism created a terror particularly among the business community and industrialists. There was serious law and order problem in the State. The investors were shaky. Inflow of capital was stopped and outflow started afresh. The administration was busy in curbing the activities of extremists and they could hardly think of economic development. This condition prevailed from 1969 to 1975. Sociologists and political thinkers believed that Naxalite movement was a corollary of regressive economic situation, unemployment and frustration among the youths. The movement subsided due to brutal police action on the Naxalites. But the state suffered in the economic front and it took several years to regain the confidence for safe investment (Basu, 1989).

2.4.6 Lack of Good Governance

The State Government has a bigger role in the industrial development of the State. But the Government of West Bengal is to a great extent responsible for the slow industrial growth rate (Basu, 1989). The state administration is very weak and government employees in concerned departments are passive. They do not take any initiative to accelerate the growth rate. The State Government blames the Centre for not clearing the applications from West Bengal for licence, but here in West Bengal also large number of applications lie with the Directorate of Small Scale Industries for registration and permit. Schemes for a small unit submitted with the Directorate for approval are delayed for months. The incentive schemes are paper policy only. In the practical field, none from the Government side comes forward for help. The State Government adopts dilly-dally tactics in the sanction and payment of 'Margin Money'. The SICOM in Maharashtra has been doing yeoman's service to the economy of the State by providing various types of incentives to medium and small sectors. The SICOM deals from ideas to implementations. It provides both 'financial' and 'result-oriented' services to the entrepreneurs. SICOM acts as a co-ordinating agent. On the initiative of the Chambers of Commerce of Kolkata a SICOM type organization i.e. SILPA was formed in West Bengal by the State Government but nobody is aware of its activities.

A few years ago, West Bengal Government planned to set up several industrial estates in some selected growth centres. The growth centres are in Asansol, Durgapur, Farakka, Kalyani, Haldia, Kharagpur, Santaldiha and Siliguri. But the government had done little for the development either of the growth centres or the industrial estates. In West Bengal the policy of setting up industrial estates is still a paper policy, nothing tangible has been done for the implementation of the policy (Basu, 1989). Thus, it is clear that there are severe disparities as measured by the various socio-economic variables among the districts of West Bengal. The most backward regions are those with the least urbanization.