Chapter IV

Debate Setting II: Industrial Policy

4.1 The Context

Like its agricultural policy, discussed in the previous chapter, the industrial policies of the Left Front governments intensified debates immensely. The current chapter elaborates why and how it happened. The discussion is centred on the evolution of policy strategies, especially the *shifts* in terms of industrial visions of the Front governments in the three and half decades of its rule.

The Partition of India in 1947 caused tremendous stress on the eastern regional economy due to ever-increasing influx of population leading to food and employment crisis and problems in refugee settlement.\(^1\) The abundant natural resources and labour force marked the prospect of agriculture and industry in the undivided Bengal in colonial days, which started stagnating since the first decade of independence. The industrial recession inherited by the state of West Bengal in the late 1970s was the product of a gradual decline in the competitive edge of the state’s industry in the decades after independence. An inquiry into the course of industrialisation in West Bengal needs to be situated in this historical background and post-independence policy dilemmas. For example, one of the traditionally rich industries of Bengal economy, jute industry, suffered a lot due to the Partition and faced serious policy crisis in the liberalisation period.

The Industrial Policy Resolution of 1956 and the Second Five-Year Plan (1956-61) envisaged the intrinsic goal of industrialisation in India with massive investments in basic and heavy industries and science and technology as the potent feeder, as well classifying the domains of the state and private sector. Industrial development in post-independence period has gradually emerged as a crucial space of federal polemic in India. One of the important factors behind this development is the federal distribution of power that designated setting up of large and medium-scale industry under the Union List and major financial institutions under the Centre’s prerogative.\(^2\) The provincial governments were required to operate within the broad framework of national policy on industry for major
capital investment in the states. In the process, the hidden agenda of politics often superseded economic considerations in industrial investments producing a long-standing legacy of tensions in Indian federal governance.

In this backdrop, the performance of the industrial sector under the Left Front regime in West Bengal gained prominence broadly for two reasons. Firstly, the Front had accorded primacy to rural agrarian development vis-à-vis industrialisation in terms of policy projections and rhetorical flourishes in the early years of its rule, marking a greater attention in building rural support base. Besides, the industrial thinking of the Left Front in West Bengal had accommodated certain interesting shifts in its ideological and tactical postures to suit the conditions of running a state government under ‘bourgeois’ constitutional framework, notwithstanding their early conviction in radical politics. The interlacing of the agrarian and industrial policies with the core Left agenda in state politics over the three and half decades of the Left Front rule had provoked a number of critical messages in understanding the parliamentary Leftists’ experiments with governance in India. To cite an example, the Centre-state relation evolved as a crucial political space, intercepted by occasional pungency of the Left politics, especially in terms of industrial development of the state.

4.2 Industrial Situation in pre-1977 period: Brief Review

In the colonial period, West Bengal occupied a leading position in industrial prospect in terms of employment potentials and diversification of industries, compared to many big states in India. In the first decade of independence, the state prospered in labour-intensive industries, inspite of negative impact of population pressures due to refugee influx and internal political turbulence. A number of public sector enterprises were established in the state during the Congress regime in 1950s. The Congress government, under the leadership of the then Chief Minister, Dr. Bidhan Chandra Roy, envisaged a comprehensive industrialisation programme centred on industrial township projects like Durgapur and Kalyani. However, the prospect of industrialisation started declining gradually due to economic crisis borne out of certain policy considerations at the national and state levels. It also resulted from the persistent colonial legacy that continued in the uneven pattern of industrialisation with its focus mostly on traditional industries in the
state, resulting in increasing closure of units and industrial sickness in subsequent years. The low growth rate of industrial production, coupled with stagnation in agricultural sector, led to a sluggish economy in the state since late 1950s.

One of the key factors behind the increasing industrial stagnation was the regional impact of national industrial policies like licensing and freight equalisation. The Left leadership in the state alleged that the freight equalisation policy affected the eastern states like Bihar and West Bengal most as it deprived these states of their comparative locational advantages in terms of vital industrial raw materials like steel and coal. Granting of licenses for new industries in the state also got thwarted due to increasingly strained Centre-state relations, which, at a later stage, figured greatly in the political agenda and rhetorical articulation of the Left Front in the state.

The 1960s witnessed volatile political situation in the state, massive mobilisation against the Congress regime and the upsurge of radical Left politics. The food crisis, price rise and corruption of faction-ridden Congress regime emerged as important agenda in state politics and helped the anti-Congress forces, led by the Leftists, in coming to power in 1967. The decade also saw an industrial recession throughout India, which had a long-lasting effect leading to closure, industrial sickness, retrenchment, lay-offs and a severe labour crisis in the state’s industrial sector.

As has been noted in the previous chapter, the two United Front governments (1967 and 1969) were short-lived but had lasting impact in state politics. The parliamentary Left parties had already established significant presence among a section of the urban population, competing with the Congress party, along with strengthening its rural base (Kohli, 1991: 123-153). The acute employment crisis due to retrenchment, lay-offs and wage-cut paved the way for radicalisation of workers’ movement in the state. The pro-worker United Front regimes helped a strong bid for radicalising trade union mobilisation that might have contributed, as many observers argued, to a flight of private capital from the state. Kohli observed (1991:145): “Whereas gharaoes averaged fewer than 100 per year before 1967 and after 1967, there were 811 and 517 gharaoes in 1967 and 1969 respectively.”
The industrial unrest was aggravated by a general decline in law and order situation and political instability that continued under the Congress regime in the 1970s and cast an impact on the industrial situation with the sluggish growth rate and a steady decline in infrastructure sector. However, employment prospect showed a slow improvement in this period with the reopening of some of the closed units. West Bengal received eighty one licenses for new industries during 1971-1976, though it was a low figure compared to states like Maharashtra, Gujarat (Dasgupta, 1998: 3055). The state continued to suffer from lack of investments and experienced a steady decline in industrial prospect.

4.3 The Left Front: Coming to Power

The Left Front fought the Assembly election in 1977 with a 36-point Charter of demand embodied in the Common Minimum Programme (CMP), which reflected its vision of governance reforms. Following the dominant ideological conviction of the Left parties, the Charter demanded nationalisation of basic industries and restrictions on monopoly capital and multinational corporations. In the Common Minimum Programme it propagated strengthening of the public sector and incentivising the cottage industries and small and medium scale industries by supplying capital, raw materials and expanded scope of market. In a speech, broadcast on the eve of the election in Akashbani on 6 June, Jyoti Basu outlined (Ganashakti, 7 June, 1977) the electoral agenda of the Left Front where he spoke for a restructuring of the state economy, suffering from declining growth rate, by establishing new industries and expanding the role of public enterprise. It is to be noted that the Front also promised, in the point 11 of the Common Minimum Programme under the subtitle Labour, a revision of the Trade Union and Industrial Relations Acts and regulations to “ensure democratic rights” of the working class and security of the trade union activities (Document#16).

After coming to power, the Front government prepared its first draft of a comprehensive industrial policy in early 1978. As has been noted in the preceding chapter, the protection of democratic and civil rights of the citizen, redistributive justice and land reform programmes formed the essential basis of the Front’s vision of socio-economic transformation. Thus, primacy was given to recovering the democratic rights of the workers in the industrial sector in the Front’s electoral manifesto. The framing of
industrial policy by the first Front government pondered over the assessment of the deteriorating industrial situation of the state and arrangement for greater employment resisting the rate of unemployment. In his first public address on 22 June in Akashbani, as the Chief Minister of the first Left Front government, Jyoti Basu expressed (1977: 1-2) his concern for the declining state of employment, investment and power situation in the state and assured to provide relief to the people.

The Left Front, under the Chairmanship of the then CPI(M) State Secretary, Promode Dasgupta, suggested a specific frame of industrialisation programme for the state to address basic problems of employment and investment. It can be noted that from the very first draft of the industrialisation vision of the Front, the critical question of workers’ rights and organised activities vis-à-vis the capitalists’ economic prerogatives was taken into serious consideration by the Front leadership. Celebrating the rise of the Front government in power, Promode Dasgupta, in a speech delivered on 18 July, 1977, explained the role of the Front government in power. He said (2011: 65):

“The basis of the Left-democratic unity is the struggle against imperialism, feudalism and monopoly capitalism. This struggle should continue. And, the Left Front government will be the facilitating agent of this struggle…the capitalist groups will aspire to isolate us from the people. And, our aim will be to isolate the capitalists…we have to determine our strategy of struggle with the tactics of isolating the big landowners and monopoly capitalists.”

Thus, the Left Front’s development visions were cogitated on the strong critique of feudalism and monopoly capitalism. This ideological trumpeting took an interesting dimension in the context of economic compulsions of a state government, working under the federal structure. The Front government often rationalised its industrial policies on ‘pragmatic’ terms, reflecting the nuances of negotiations at various levels of governance and opening greater scope of political debate. The disjunction was well addressed by the then Chief Minister, Jyoti Basu in one of his interviews, just after coming to power. He said (Business Standard, June 29, 1977): “We believe in socialism, but we know it well that we have to work with the capitalists…Let the capitalists understand us – our policy and our interest; we shall also try to understand their point of view.”

In July1977, the Chief Minister met the delegates of the Chamber of Commerce to communicate the intent of his government in augmenting industrialisation and assured
the industrialists of their role and *legitimate demands* in the programme. In the context of industrialisation programme, many political leaders and observers termed Jyoti Basu as the leader of the ‘pragmatic’ section of the party. At the same time, the Front leadership professed the active role of the government in favour of the labour in case of any forceful intervention in industrial disputes. The Front government amended the Trade Union Act, 1926 at the earliest to enhance the bargaining power of the labour vis-à-vis capital in industrial relations (Document#12). The mainstream ‘bourgeois’ media widely articulated the ‘concern’ of the industrialists about their possible relations of trust with the Left-led government.

The tuning of ideological convictions with urgency of pragmatism marked visible impact on the framing of industrial policies in the Left Front regime, gradually evidencing a political-tactical shift in the following years. As has been already noted in the previous chapter, the trajectory of policy projections of the Left Front government over the three and half decades marked certain *zones of hype* in policy prioritisation and thereby marginalising certain other agenda in the Left Front’s development rhetoric. Accordingly, the first decade of the Left Front regime (1977-1987) prioritised land reform programmes and democratic decentralisation, which was largely attended in Front’s documents and political mobilisation as well as in mainstream media coverage. The public attention to the industrial sector was drawn when the policy of joint venture had been framed in the early 1980s and the Left leadership raised the war cry around the agenda of ‘perpetual discrimination’ of the state by the Centre. The potent of industrialisation programme was rediscovered in mid 1990s with the Front government preparing the new industrial policy in 1994. It was conceptualised in the changing context of liberalisation programmes in the country. But, the rigorous hype around industrialisation with massive focus in private investment surfaced during the sixth and seventh Left Front regimes stirring the public sphere and leading to certain unprecedented political upheavals in the state. The subtle continuities and disjunctions in the framing of policies and mediation of the debates around industrialisation, both within and outside the Front, reflected the nuances and development dilemmas of a Left-led regime.
4.4 The First Phase of Policy Making

After coming to power in 1977, the Left Front government declared a comprehensive industrial policy in January, 1978. It outlined the basic principles and programmes of the industrial development of the state. The first two Left Front governments (1977-87) witnessed serious challenges related to stagnation in industrial growth and employment generation that prompted certain shifts in conventional political-ideological posturing of the Left Front evoking great debates.

4.4.1 Industrial Policy, 1978

The first draft on industrial policy of the Left Front, prepared in January, 1978, acknowledged the declining state of industrial situation in West Bengal and proclaimed seven policy objectives to redress the situation. These were:

- Changing the stagnation in the industrial situation.
- Resisting the growth of unemployment and making provision for employment in industry and agricultural institutions
- Encouragement to small and cottage industries
- Curbing the power and influence of domestic monopoly capital and MNCs in state economy
- Encouragement to indigenous technology
- Expansion of public sector
- Consolidating workers’ cooperation in running the industry

These broad principles set the basic tone of the policy framework suggested to the government by the Front committee, tuned with the rhetorical fervour of the Left mobilisation in state politics. The Front was emphatic in its support to public sector and small-scale and cottage industries and its hostility to the big capital and multinational corporations. Promode Dasgupta, in explaining the Front draft, suggested (Ganashakti, 6 January, 1978) that the big capital might be allowed to operate in the state economy only with the condition that they did not come to a competition with the small sector. The spirit was documented in the Industrial Policy of the government as well, which proclaimed, “lessening the stronghold of the [domestic] monopoly houses and multinational firms on the economy of the state” (Document#4: 594) as one of the major
goals. It ratified that “there can be no question of new multinational units to come in” (Document #4: 596).

The Front government envisaged certain changes in the existing industrial laws to accommodate its reforms in favour of public sector and small and middle investors in investments in new industrial units. One of the important factors behind the poor industrial growth rate in West Bengal, as acknowledged in the policy statement, was increasing number of sick and closed industries and deteriorating performance of the public sector. The industrial policy outlined a framework for addressing the sickness and the fate of these industries, especially the public sector enterprises and thought of a review of the actual potentials of the existing industrial units established under the Congress regimes. The policy stressed on the increasing role of the public sector in the state’s industrial growth, especially in those areas where the private investors had expressed their lack of interest like infrastructure and raw material industries. It stated (Document#4: 597):

“The major goals of the Left Front government over the long run should be…lessening the stronghold of the [domestic] monopoly houses and multinational firms on the economy of the state…There can be no question of new multinational units to come in…Till now the joint sector has been a mere cover for expanding the jurisdiction of private enterprises with the help of public funds. This situation must change, but the prior condition for that is an effective and ideologically oriented public industrial sector.”

As was reflected from the Industrial Policy document, the government proclaimed a restructuring of the management system of the existing state-owned units to ensure professional expertise in production and administration. The first Left Front government proposed petro-chemical, pharmaceutical, ship-building industries for the state and development of industrial townships. To promote employment-intensive industrial development, the government proposed to set up the State Science and Technology Board to advance researches to rejuvenate the small and cottage industries (Document#4: 597).

Consonant with the Left rhetoric of anti-monopoly capitalism, the framing of industrial policy reflected the strong positioning of the policy document against the role of the big capital and foreign investment in the state. It earmarked three spaces of state intervention to restrict the dominance of the big and foreign institutions – marketing, examination and standardisation of products and direct contact of the real producers to the export market
The policy resolution proclaimed that no new multinational company would be allowed to venture in the state and the existing corporations would be required to satisfy the conditions of employment generation to acquire permission for reinvestment. The industrial policy accommodated a noteworthy anecdote in this context by supporting import of foreign technology, if required, only from the socialist countries of the world, as “these countries were dependable in assisting public sector” (Document#4: 598). Thus, the first industrial policy of the Front government was visibly conditioned by the political-ideological commitment of the Left Front and was framed in strong pro-public sector, anti-big capital spirit. The first two Front governments reiterated their prophecy for an ‘alternative’ economic model against vested interests, as promised in the political manifestoes.

The second important prioritisation of the industrial policy of 1978 was recovery of the declining rate of employment in the state. The Industry and Commerce Minister of the first Left Front government, Dr. Kanailal Bhattacharyya, on several occasions, emphasised a labour-intensive, decentralised industrial development, based on indigenous technology. Accordingly, the policy planned to restore the traditional cottage and small industry units and stressed on creating producer-cooperatives to run the small industry institutions with initial financial support of the government (Document#4: 597). The focus on small and cottage industries also rested on the logic that this sector was under the State List and the state government could exercise greater control and autonomy in development of the sector.

The industrial policy resolution of the Front government was not only envisaged as a visionary document of the Left-democratic force in power but also stimulated the future course of political-economic debates in the state. Thus, the very first charter demanded a restructuring of the existing industrial development and restriction Acts, working of the financial institutions and more importantly, an amendment of the distribution of financial powers between the Centre and the states. From the beginning, the Labour policy of the Front government supplemented some of the thrust areas of industrial strategies along with the development of a strong trade union movement in the state.
As noted previously, many observers had attributed militant trade unionism under the patronage of the Left political parties as the major cause of the gradual industrial decline of the state since 1960s (Kohli, 1991:127). However, some others have considered poor infrastructure, excessive regulation, etc. as important causes of the deteriorating performance of the state in industrial sector, especially under the Front rule (Banerjee et. al. 2002; Khasnobis, 2008). The Front government and the affiliated trade unions strongly dismissed the critique that the militant trade unionism had resulted in increasing number of closure of industrial units in the state. The Left leadership rather held the owners responsible for the industrial disputes and sickness as part of its political-rhetorical campaigns. They observed (Basu, 1997: 92):

“The closure or sickness of an industrial unit is not due to the fault of the workers. In most cases the owners did not plough back the profit to modernize the units and in many cases the financial resources of the units were drained out with ulterior motive.”

On a number of occasions the Front leadership had showed their concern about the declining trends in industrial output and employment during the decades of 1970s and 1980s and stressed on controlling the industrial disputes at bi-partite or tri-partite levels. Scholars argued that the ‘reform-oriented’ Front government sought to restore order and discipline after coming to power and shifted to “deradicalization”(Kohli, 1991:137) to “facilitate growth in a largely private economy” (Kohli, 1991:137). Atul Kohli observed (1991:127): “CPM-dominated Left Front government has sought to attract business and investment by discouraging gheraoes and labour militancy”.

**4.4.2 Centre-state Debate: The Beginning**

From its inception, the Left Front raised the issue of discrimination by the Centre and gradually embarked on a strong articulation of the agenda at the national forums. Over the years, especially in the decade of 1980s, the Centre-state debate emerged as a crucial agenda in the state politics around industrialisation programme with its grand polemical and rhetorical value for the Front’s mobilisation. The battle took a serious turn, since early 1980s, with the refusal of the Centre to the state government’s proposals to build up the Haldia Petrochemicals project¹³ and electronics complex in Salt Lake¹⁴ on joint capital investment of the Centre and the state. The Centre granted the permission of the
petrochemical factory after twelve years of negotiation and rejected the proposal for the electronics complex on security grounds. The tussle reached its peak with the Centre’s reluctance to grant permit to a thermal power plant in Bakreswar. Throughout 1980s the Front rallied public opinion with a huge war cry against the Centre’s “step motherly” attitude to the industrialisation programmes of the state. Rhetorical trumpeting through unique campaigns like blood donation camps by the youth fronts of the Left parties to raise fund for the Bakreswar Thermal Plant received wide attention in mobilising the public opinion against the Centre. The Youth Front also organised ‘Salt Lake to Haldia’ march in September, 1985 to raise demand for industrialisation in the state.

Since late 1970s the Left parties spearheaded the movement for radical restructuring of the Centre-state relations in India, especially the financial powers, which were marked by the dominance of the Centre, as the constitutional arrangement. The Left Front governments in West Bengal and Tripura played leading roles in uniting the non-Congress governments in demanding more power to the states with greater share of revenues and autonomy in decision-making since 1980s. It can be noted that the Front government in its first industrial policy statement demanded increased investment for the eastern economy as a whole and a change in the policies of the national financial institutions to ensure more equitable distribution of financial resources to the states. The Front government, in subsequent years, spearheaded its campaign against the Centre’s “economic blockade” against West Bengal as part of a “political conspiracy”.

The Centre-state confrontational relation acquired prime space, as one of the major constituents, in the Left Front’s agitational politics throughout 1980s. The then Finance Minister of the state, Dr. Ashok Mitra, on several occasions, (1984: 101) made his conviction that “the policy of depriving West Bengal from its due economic resources was political”. The centrality of the agenda was well reflected in the government and party publications, which gave massive coverage to the alleged ‘discrimination’ by the Centre. Aseema Sinha noted (2005: 102):

“…the mere volume of official public press output on the question of centre-state relation in West Bengal is considerable…no other opposition party government…makes centre-state relations such a regular focus of attention. One of the major tasks of the I &CA department has been to disseminate information on the question of central discrimination in industrial development.”
In the context of the *urgency* of industrialisation and employment generation in the state the Front leadership led to a review of the industrial policy in the mid 1980s, which, in turn, provoked an intense ideological debate both within and outside the Front.

**4.4.3 Second Left Front Government: Major Debates**

In the context of increasing industrial meltdown due to lack of investments in the state, the second Left Front government (1982-87) embarked on a review of the industrial policy strategies. The two most hyped policy reforms, which evoked crucial debates in the state during this period, were the joint sector policy and automation policy. The policies engaged the Front leadership in intense deliberations over the implications of the ‘shift’ and accordingly, received wide media coverage.

**4.4.3.1 Joint Sector Policy**

The Front government attempted the review of policy strategies to restore the existing industries from closure and sluggish growth and invite new investments. It decided to handover the ‘management’ of some of the government-owned sick industries to private enterprises. The state government proposed to transfer the management of two engineering units to the Tata and the Birla groups in 1982 and endorsed the policy as a principle in the Front committee in 1983. The Left Front committee in its meeting on 26 November, 1983, proposed this handover with the note that there would be no retrenchment and security of job should be ensured by the owner (*Ganashakti*, 6 December, 1983).

In view of the declining capital investment in the state, increasing number of sick and closed industries and ‘reluctance’ of the Central government to permit industrial licenses, the Front government went for a drastic change in its earlier stand on the dominant role of the ‘public sector’ in the state’s economy to accommodate joint venture proposals for industrialisation. In a number of meets with the industrialists, the then Chief Minister, Jyoti Basu called for increased investment by the industrialists in the state and assured them ‘help’ of the state government in this regard. He also appealed to the non-resident Indian industrialists to invest in the state. In the changing context, the Front government endorsed a number of collaborative proposals enhancing the scope of joint sector in the state in the mid-1980s. The most hyped contract for joint venture was signed between the
West Bengal Industrial Development Corporation and the RPG Group to set up Haldia Petrochemicals, on 22 May, 1985. The long battle with the Central government for the permission of the petrochemical project proposed in 1980 by the Front government and demand for capital investment culminated in the search for an alternative financing to the project in mid 1980s. The permission of the Central government was granted in 1990 after much tussle and the Haldia Petrochemicals started production in February, 2000. It was visualised as the “project which symbolized industrial resurgence of West Bengal” (Document#1: 31) with “vast new possibilities for the downstream industries in plastic processing and chemical sectors in the state” (Document#1: 31).

The shifts in the industrial policies evoked great responses in the state politics on the ‘deviation’ of the Front’s political-ideological positioning in respect to industrialisation policy, especially private capital. The trade union front of the constituent parties and a section of the Leftists expressed their strong displeasure in the decision and advocated for the state acquisition of sick and closed industries and public investment in setting up of new industries. The Front acknowledged the demand by ensuring acquisition of thirteen sick industries by the state government. In other cases, the state government proclaimed to explore possibilities of private investment in modernisation of industries like Durgapur Steel Plant.

The Front leadership consistently maintained that aversion of the Central government in capital investment in the state’s industrial enterprises forced them to think over collaboration with private capital to find a ‘pragmatic’ solution of the industrial crisis. The joint venture policy of the Front government was widely discussed in the Left Front, especially in the CPI(M). The central leadership of the CPI(M) vindicated the Front government’s stand with the argument that the joint venture did not mean “a desertion of the fundamental strategy” (Ranadive, 1986: 120) but a “tactical move to combat immediate attacks” (Ranadive, 1986: 120) or “economic blockade” (Ranadive, 1986: 120) against the Left Front government. B. T. Ranadive (1986: 120) explained:

“It is our party line that there will always be dominance of the public sector over the private sector and no public sector enterprise will be handed over to the private capital. We criticize the Congress government’s attempt to make the road for complete privatization in the name of joint sector...one should not equate our attempt to represent the public sector in a joint venture with
that of the bourgeois parties. All progressive governments are often required to take such temporary steps.”

Responding to the debate, Jyoti Basu reiterated the ‘differences’ in the joint sector policy of the Congress-led Central government and the Front government. He said (1986: 132):

“The Congress government represents the owners’ groups. Any joint sector with the Congress government will preserve the interests of the owners. And we represent the workers. Our aim to establish joint sector project is to protect the interests of the workers. We have to aware people about this.”

The ‘tactical move’ received much critical assessment in the political and academic circles with the assumptions of a tussle between the hardliners and the pragmatists within the party. Referring to the debate, Partha Chatterjee wrote (1998: 117-8):

“The most controversial issue, and one over which the bourgeois press has had a field day, was the recent policy of the West Bengal government to go in for joint ventures with Indian monopoly capitalists and multinational companies. The issue has been widely discussed in recent months, but the most astounding defence of the policy has come in the report adopted by the Congress...by declaring that the current industrial policy has nothing to do with those long-term goals, the CPI(M) party document has not only exposed its theoretical bankruptcy, it has also conceded at one stroke its abject failure to locate its experiment in running a State government within any broader perspective of socialist transformation.”

The CPI(M) leadership, however, reproved of “a shadow debate” (Basu, 1986: 122) organised by the ‘bourgeois’ media. The then Minister of Small and Cottage Industry and a leading member of the CPI(M)’s trade union front, CITU, Chittabrata Mazumdar, reiterated (2002) later that the Front government had not approved privatisation of any of the profitable state-owned industrial units in West Bengal, whereas the Central government opted for such policies.

Thus, the Front government reshaped its pro-public sector stance to ‘suit’ the exigencies of greater investment in the state, stressing on the need to explore more private capital investment, and arguing that they were forced to endorse certain ‘shifts’ in their long proclaimed anti-private capital stand in the changing context.

4.4.3.2 The Debate over Automation Policy

Beside the joint venture policy, the state politics was stirred over the automation policy of the Front government during 1980s. The Congress government, under the leadership of
the then Prime Minister Rajiv Gandhi, introduced certain structural changes in industrial policy, since 1985, based on liberalisation of investment policies, especially de-licensing in the power, banking, telecommunication sectors and massive scientific and technological upgradation programmes in India. Followed to that, the Central government and many of the state governments adopted computerisation programme in the industrial and the finance sectors. The Left trade unions opposed computerisation of services on the ground that mechanisation would lead to retrenchment and more unemployment. The debate received much hype in West Bengal in the mid 1980s as the trade union fronts of the CPI(M) and other Front constituents campaigned vehemently against automation policy of the Central government.\textsuperscript{19} The Front government also showed its reluctance to allow computerisation of production and services in the industrial sector. Despite acknowledging the necessity of computers in scientific researches, Jyoti Basu argued (1986: 129) that “automation would necessarily obstruct new recruitment”. The Left leadership strongly argued for scrutinising indiscriminate computerisation of services in different sectors of economy. The issue received much critical attention inside the Front as well as in the media on an oft-quoted ‘machine versus labour’ line of debate. A section of the mainstream media strongly criticised the ‘conservatism’ of the Front leadership, especially the trade union front, in resisting prospects of modern technology-based industries in the state and apprehended that the state would suffer for this stand in the emerging context of liberal economic reforms. The declaration of liberal reforms by the central government, however, prompted review of the automation policy by the Front leadership in the later period. Inspite of strong ideological reservations of the Leftists on this issue, the Front government endorsed important changes in its stand on industrialisation in the early 1990s with the declaration of the new industrial policy in 1994. One of the statements issued by the government on the new industrial policy (1994) reflected (Basu, 1997: xxxiv) the changed intonation:

“We are all for new technology and investment in select spheres where they help our economy and which are of mutual interest. The goal of self-reliance is, however, needed today as earlier. We have the state sector, the private sector and also the joint sector. All these have a role to play.”
4.5 Stagnation in the Industrial Sector: The 1980s

The period between 1976-77 and 1989-90 witnessed a steady decline in West Bengal’s share in the total industrial output of India barring some exceptions in 1980-81 or 1984-85. The share was also comparatively low and showed a declining trend in reference to industrial employment generation in West Bengal.20 Industries in West Bengal were suffering from low productivity and profitability, amounting to increase in sick and closed industries in the 1980s.21 The organised sector did not expand in substantial size due to dearth of capital investment and informal manufacturing sector dominated the scene. However, small scale industry performed better with a steady average annual growth rate of 5.11 per cent during the decade (Basu, 1997:180). Scholars argued that the “industrial meltdown happened in a period of relative peace and political stability in the state after the turbulent 1960s and the repressive 1970s” (Banerjee et. al 2002: 4203). The familiar line of argument held militant trade unionism, labour disputes and resultant man days lost as responsible for this industrial sluggishness in the state. As noted earlier, a section of political observers argued that the reluctance of the private capital to invest in a state might have caused in a big way the declining rate in industrial investment and production in the state (Dasgupta, 1998). Assessing the victory of the Left Front for the third term in 1987, Partha Chatterjee observed (1998: 126): “The Left Front in power has not been able to intervene from the top to settle the problems of lay-offs, retrenchment and industrial stagnation.”

However, some other observers attributed the causes of decline to factors like lack of local capital and entrepreneurship, low profitability, over-regulation, poor infrastructure, lockouts or dearth of skilled labour (Banerjee et al. 2002; Khasnobis, 2008: 110; Sen, 2009: 2). The manufacturing sector accommodated greater share of the industrial growth and showed an increasing rate of absorption of labour, compared to the large and medium industrial sector. The Front leaders often lamented the flight of capital from the state to Maharashtra or Gujarat due to ‘negative campaign’ against the Front government. Somnath Chattopadhyay, the then Chairperson of the WBIDC, later admitted that the “most serious problem is one of image – an image that nothing happens in West Bengal”.22
Thus, in spite of political stability, comparatively steady expansion of the small scale sector and changing attitude of the Front towards the private capital in terms of investment the state could not achieve any major breakthrough in industrial investment and recover from sluggishness in the first decade of the Front regime.

4.6 Reshaping Industrial Policy in the 1990s

In the context of the industrial recession and the changing political and economic scenario in India since late 1980s, the Front government embarked on a significant restructuring of its industrial policies in 1994. The most important factor contributing behind this restructuring was the introduction of the neo-liberal economic reforms by the Congress government at the Centre in 1991. The late 1980s also witnessed the disintegration of the paramountcy of the Congress party in Indian political system and the rise of regional political forces forming strong traits of coalitional politics and a resultant increase in bargaining power of the states in policy making.

The New Economic Policy (NEP), declared in 1991 by the Central government, introduced certain long-term structural reforms to speed up growth in competitive economy, like de-regulation and trade liberalization.23 These reforms24 were the culmination of the Structural Adjustment Programme supported by the IMF and the World Bank since mid 1980s that stressed on opening of domestic economy to the foreign capital investment25 and a gradual shrinkage of public sector26 in India.

The New Economic Policy evidenced a fundamental departure from the earlier policies of state protection and norms of economic management in Indian economy. The strategic aspects of the reform package had a strong influence on the federal distribution of economic resources and power with the policies of de-regulation and de-licensing in the industrial sector. The liberalisation programme led to critical policy debates and severe political opposition in the 1990s, especially of the Leftists.27 It, however, prompted a widening scope of choices for the provincial governments in industrial investments, stimulating prospects for massive private and foreign investment, technology transfer etc. as part of competitive economy, followed by certain major policy initiatives at the regional levels.
4.6.1 Industrial Policy 1994: Major Shifts and Debates

In consonance with the liberalisation reforms and the changing context of the abolition of the ‘license, quota and permit raj’, the Front government declared its new industrial policy in September, 1994, despite the critical positioning of the Front towards liberalisation-privatisation policies.\(^{28}\) The policy marked a visible shift in terms of the Front government’s attitude to the private sector and foreign investment. The new industrial policy envisioned greater role of the private sector and foreign capital in industrial investment and incentivising private investment by infrastructural and other economic supports. It earmarked industries like petro-chemicals and downstream industries, leather and leather products, food processing, power, tourism, electronics and information technology, etc. as potential sources of large and medium scale investment.\(^{29}\)

It proposed (Document\#5: 5-6):

“The state government welcomes foreign technology and investment, as may be appropriate, or mutually advantageous. While the state government considers the government and public sectors an important vehicle for ensuring social justice and balanced growth, it recognizes the importance and the key role of the private sector in providing accelerated growth.”

Marking an evident departure from the industrial policy statement of 1978, the Front government acknowledged the importance of the “private participation for a quick qualitative change” (Document\#5) in industrial and social infrastructure of the state. The ‘investor-friendly’ policy brought in certain important changes in institutional functioning of the administrative departments to accommodate reforms.

Conforming to the new thrust areas of industrial policy, the Information Technology (IT) and Electronics industry were identified as the priority sectors. Six units were registered in the Software Technology Park in Kolkata during early 1990s and by 1999-2000, the number reached to 138 IT farms (Document\#3: 77). In 1999, the Task Force, set up on the basis of the recommendations of the foreign consultancy farm, the McKinsey, to review the industrial prospect of West Bengal, prepared a status report on the IT sector and finally, the IT policy was declared in January, 2000, followed by the establishment of a separate IT department in that year. Thus, the previous stand on automation and computerisation underwent a radical shift in the post-1994 period. The West Bengal government adopted certain changes in its power policy as well, as part of basic
infrastructural facilities for industrialisation, by encouraging private enterprises and joint venture projects to set up new power plants. The Front government also welcomed investments in other infrastructural sectors like communication, growth centres and industrial hubs.

The policy reforms initiated great debates within and outside the Front on the ‘ideological deviations’ of the Left Front. The then Chief Minister, Jyoti Basu, explained (1997: xiv) the new situation as follows:

“With the removal of regulation and control, we have got the opportunity to plan for the industrial development of the state...as a state government, we are to function within its economic milieu and therefore endeavors need to be stepped up for all concerned quarters to bring about the industrial resurgence of West Bengal.”

The Central Committee of the CPI(M) in its meeting, held in December, 1994, adopted a resolution on the role of the Left Front governments in the context of new economic policies and condemned (Central Committee Resolution, 1995) the “motivated propaganda...(to) distract the working class about the economic policies taken by the Front government”. It identified (Central Committee Resolution, 1995) the “independent perspective” of the Left Front in propagating the role of the public sector in basic industries, restricted entry of the foreign capital in crucial sectors and deliberations with the trade unions on industrialisation in its new industrial statement. The Front embarked on the argument that the provincial state could not exercise its autonomy in a federated arrangement singlehandedly and thus, the Left-led governments needed to ‘restructure’ their economic policies in the new context of liberalisation.

The new industrial policy stressed on a more ‘aggressive’ projection of West Bengal in terms of industrial investment, leading to successive meet of the ministers with the prospective investors and foreign tours of the Chief Minister and government officials to attract investment. The hype around the policy shift resulted into an increasing flow of Foreign Direct Investment (FDI) proposals in West Bengal during 1991-1997. The discursive departure in the Left Front’s industrial strategy can also be located in its attitudes towards the industrial and labour relations. Jyoti Basu explained (1997: xv):

“Our government has urged the employers to take the workers into confidence, to meet their legitimate demands and to maintain transparency. We have also laid stress on motivating the
workers to take an active interest in production and productivity while safeguarding their legitimate rights and privileges.”

The Central Committee of the CPI(M) in its resolution stressed on the ‘awareness’ about the new exigencies of industrial modernisation and higher productivity ‘in the interest of industrial development’ in the state (Central Committee Resolution, 1995). However, inspite of efforts in ‘taming’ the militancy of the trade union front, over the years, pro-private sector industrialisation efforts faced challenges from within the hardliners of the affiliated labour organisations. The occasional disjunctions in government-union relationships embodied the dilemmas of a Left-led government in implementing liberalisation drives impregnated with capitalist economic logic of development. The discomfiture became more evident in the last decade of the Left Front regime.

Thus, the Industrial Policy of 1994 not only marked certain fundamental policy shifts in the industrial thought of the Front government but also laid the basic foundation of the massive drive for privatisation in the subsequent Front regimes. An inquiry into the industrial policies of the sixth and the seventh Left Front regimes, therefore, necessarily resided on the major suppositions of the post-1994 industrial reforms.

4.7 The Second Phase: The ‘Great Leap Forward’ to Industrialisation

As noted in Chapter III, the 1990s indicated steady shifts in the Left Front’s agenda of governance and development. The focus of the first two Front governments on agrarian reforms underwent visible shifts in advocating the ‘necessity of industrialisation based on the success of agricultural sector’ and “the need to increase investment in industries” (Document#9: point 32). The intent of the shift was well documented in the updated party programme of the CPI(M) in 2000 and subsequent party and Front documents.

4.7.1 Shifting Strategies

The Left Front was undergoing leadership transition during the last years of the 1990s with Budhdhadev Bhattacharjee taking charge from Jyoti Basu as the new Chief Minister in November, 2000 and Biman Bose taking the leadership of the Front as Chairman. The new leadership envisioned new rallying agenda for the Front government since 2000, indicative of a revisit to the earlier commitment of industrialisation programme. The policy rhetoric around industrialisation reached its climax under the sixth and the seventh
Left Front regimes stimulating a great debate around the relative importance of agriculture and industry in the state’s development agenda. The election manifesto of the Front in 2001 declared the ‘gains in the agricultural sector reforms’ to be consolidated through industrialisation. Besides, the policy-strategies centred on a massive ‘search for capital’ – domestic and foreign investments, often implemented through public-private partnerships.

The sixth Left Front government, assuming power in 2001, manifested its strong intention to advance the “drive for industrial resurgence on the successes achieved in agriculture” (Document#1: 31) with a “sufficiently resilient and futuristic” (Document#1: 31) industrial policy. The then Minister for Industry and Commerce, Nirupam Sen declared the priorities of the department as the revamping of existing capital-intensive industries, setting up of new medium and heavy industries in fields and areas that were fast acquiring international importance, such as the IT sector and initiating a ‘push forward’ in expanding the base of self-employment (Prashant, 2001). The renewed thrust on industrialisation under the sixth and seventh Left Front governments, thus, concentrated on the expansion of information technology and agri-business sector, promotion of petrochemicals, electronics, biotechnology and other ‘sunrise industries’ through domestic and direct foreign investment and tapping of the small and medium investments in industries like sericulture, handloom, handicrafts, etc. (Document#1: 31).

It also set the goal to emphasise “the prime need to promote, strengthen and expand indigenous development” (Document#1: 31). The WBIDC stressed on the creation of infrastructural facilities through a number of growth centres. The West Bengal Industrial Finance Corporation was rejuvenated to facilitate grants, loans etc. for investments in the state. Infrastructural supports included development of transport, construction of roads, bridges, flyovers, upgradation of highways, ports, and large investments in real estate and urban development projects where the state government entered into joint ventures with domestic and foreign enterprises. Besides, a number of investment-supporting projects were also initiated with the help of foreign loans from the ADB, DFID, Japan Bank for International Cooperation in areas like power, water and waste management, environmental pollution management, slum development, etc. The Chief Minister himself led the business delegations to foreign countries like Indonesia and Italy to explore potential investments in the state.
4.7.1.1 Land Acquisition for Industries: The Key Contentious Agenda

The oft-quoted slogan of the seventh Left Front government — *Agriculture is our foundation, Industry is the future* embodied an intense drive towards industrialisation since 2001. As has been mentioned in Chapter III, the *agriculture versus industry* debate received heightened attention in the public sphere as well as in the intra-party and intra-Front deliberations during the last decade of the Left Front regime. The *hardliners* within the CPI(M) and a section of the Front partners expressed their strong reluctance to conform to the industrial policy legitimating massive private investment, especially foreign capital investment, and the essentiality of land acquisition for this purpose. The debate also hinted at certain uneasy assumptions about an uneven pattern of industrialisation resulting from certain spatial dimensions catering more to the needs of urban and semi-urban populace. The political-organisational strength of the Front, on the other hand, was sourced broadly on the rural base since 1977. The intense focus on large industries increased the demand for land acquisition, mostly the agricultural land, which turned out to be a volatile political issue in the last few years of the Left Front regime, especially with the acquisition of land for the automobile factory of the Tatas in Singur and proposal of a chemical hub in Nandigram. The debate reached its climax during the seventh Left Front regime when the Front partners like the RSP, CPI, Forward Bloc and a large section of the civil-political society became vocal against the land acquisition policy of the state government, endorsed by the major partner CPI(M). The issues like nature of acquisition, role of the government in acquisition, the rehabilitation and compensation packages to the farmers parting with land, the employment prospects of the industry built on the acquired land and so forth were the key concerns of the public deliberations that fuelled the debate on *agriculture versus industry*. The Front partners like the CPI, RSP raised their voices against acquisition of cultivable land and expressed their concern about possible implications for food security in the state. Ashok Mitra, former Finance Minister of the Left Front government in the 1980s, questioned (2007: 13-14) the *intention* of the leadership pleading for industrialisation based on massive private capital investment:

“We are claiming ourselves as leftists, but in practice we are advancing to the path of capitalistic development with the excuse of so-called pragmatism. Is it not a confusing matter or something more dangerous of a frustration-filled act?”
The State Committee of the RSP strongly objected to the ‘distorted definition’ of the ‘public interest’ propagated in acquiring land for industries, which “would encourage dismantling of the fruits of land reform and legacy of peasant movement in West Bengal” (Document#6: 19). On the controversy over acquiring multi-crop land, the CPI and the other partners raised their strong objections. The then CPI General Secretary, A. B. Bardhan, argued (quoted in Nandini, 2006):

“For industries, you need land. But for that you either use fallow, uncultivable land or land where moribund industrial units are situated. And if you still need agricultural land, you acquire single-crop land and pay adequate compensation to farmers.”

The criticism of the land acquisition policy unveiled the inner party dissensions even within the major partner, CPI(M). The veteran peasant leader of the CPI(M) and the then Land and Land Reform Minister, Abdur Rezzak Mollah, publicly expressed his dissent over the policy. On one occasion, he commented (quoted in Chakravarty and Bose, 2010: 19): “The land issue is diabetes debilitating the LFG today. The entire process of land acquisition of our government is flawed”.

The state government’s policy of land acquisition for industrial purpose drew violent resistance from the Opposition like Trinamool Congress, Congress and BJP. The other group of critics mainly drew from civil society activists and a section of the radical Left contingent. Challenging the rationale of the ‘private-capital friendly land acquisition policy’ adopted by a Left government, Sumanta Banerjee argued (2006: 5297):

“The political rhetoric that lies behind the promise of rehabilitation and jobs for those ousted from their land conceals the old rationale of capital accumulation by expropriating land that was earlier cultivated for a particular type of economic development.”

The critics strongly questioned the ‘necessity’ of the state government’s involvement in acquiring land for the private business houses and the consequent ‘surrender’ to their demands. The issue, however, divided the civil-political society in two camps. While a section of them favoured the issue of land purchase to leave to the market, a group of leading economists, on the other hand, strongly pleaded (Banerjee et al. 2007: 1487-89) for the state’s role as ‘negotiator’ in acquisition to protect the poor farmers, settle the compensation package fairly or decide over the location of investments.

With the spurt of resistance against land acquisition for industrial purposes, the Front leadership acknowledged that the fear among the peasantry of losing their land would
have to be addressed “in a serious manner” and the task was a “political’ one rather than ‘administrative” (Document#7: point 1.8). Amidst the controversies, urging the importance of industrialisation in the state, especially capital-intensive, technology-driven modern industrialisation programme, the then Chief Minister, Budhdhadev Bhattacharjee, reiterated (2007): “Agriculture and villages are important but they alone cannot comprise the Left alternative for the torch-bearers of the 21st century”. He advocated (Bhattacharjee, 2007) for moving onto the “untravelled path”, “taking into account the reality of the situation in India and the constraints of the Left forces” and explained (Bhattacharjee, 2006) the ‘necessity’ of pro-private sector policy shifts: “We cannot avoid liberalization because we live in a time where we have to work according to the market conditions.” At the same time, assessing the ‘experiences’ of running the Left Front government in the changing situation the party leadership submitted (Document#7: point 1.5) that in the context of economic liberalisation, it became “even more important to increase expenditure in social sectors in order to protect the weaker sections of the population”.

4.7.1.2 Foreign Investment: The Bone of Contention

The 18th Party Congress of the CPI(M) adopted the document – “On Certain Policy Matters” (Document#8) as part of its political-organisational report in 2005. The most important areas incorporated in the document were the guidelines for the Left-led governments (in Kerala, West Bengal and Tripura) related to the issues of foreign capital investment and public sector investment in the state’s economy. These were — i) taking loans and grants from foreign and multilateral agencies ii) approach to public sector39 iii) foreign direct investment in the Left-ruled states.40

The document stressed on the role of the Front governments in respect to foreign loans and developmental aids. It underlined the necessity of taking foreign loans for development projects41 but directed to adhere to the criteria that there should be no ‘conditionalities’ that would affect ‘basic interests and policies’ of the Front governments. The resolution emphasised (Document#8: 26):

“In no case should we go for loans which involve structural adjustment programmes...in all cases, where the party agrees to such loans from international agencies like World Bank, ADB, DFID, JBIC, etc. it must take the people in confidence and explain to them the justification for taking such loans.”
The Front leadership pondered over (Document#11: point 10) the ‘urgency’ of a tactical restructuring of the Front programmes and to adopt a ‘pragmatic approach’ in the context of liberalisation-privatisation drives in the country. After assuming power, the then Chief Minister Budhdhadev Bhattacharjee took to trips to Italy in June 2003 to attract Italian investments in trade, tourism, especially in the leather industries. The ‘search for foreign capital’ was severely criticised by the radical Leftists who ridiculed (Bhattacharya and Ghosh, 2003) “new mantras of Bengal’s Buddha-ism” in “offering urgent invitations and lucrative guarantees to foreign giants” in the name of “marketing West Bengal as an investment-friendly destination”.

4.7.1.3 Stand on Special Economic Zone

Another controversial aspect of the Front’s industrial programme was the SEZ policy, which drew severe criticism, especially from a section of the Left. The Front partners, other than the CPI(M) were also vocal against the creation of autonomous zones of industrial enclaves in the state. In the post-liberalisation period, the intense competition for capital led the state governments to declare massive incentive schemes to attract the investors. The Central government declared the SEZ policy in 2005 for creating industrial clusters with incentivised infrastructural and economic facilities to promote industrial investment and export. Followed to the SEZ Act, many of the state governments, like Maharashtra, Tamil Nadu, Karnataka embarked on their aggressive SEZ policies allotting huge amount of land for real estate, township or industrial purposes with the approvals of the Central government. Prior to the central policy, the West Bengal Special Economic Zones Act was declared in 2003 which defined (Document#13: point 1) SEZ as “a specifically duty-free enclave, as if it were a foreign territory”. The Left Front government set up an export processing zone in Falta in the district of South 24 Parganas with the incentive schemes of tax concessions, export promotion, etc in 1984. It was later converted into a SEZ in 2006 under the SEZ Act and Rules, Government of India. Another SEZ was set up in Kulpi in South 24 parganas as an integrated port-cum-industrial hub and as the gems and jewellery park (Manikanchan) in Salt Lake.
The SEZ policy of the Centre stimulated a great debate in the country since 2005 with the Leftists and a section of the civil activists, economists and academics raising objections against it. The Left parties submitted a Note to the UPA government on the SEZ Act/Rules in 2006 demanding amendments in approval provisions, tax concessions, land use within SEZ area, workers’ rights, etc. The CPI(M) leadership opposed the “unbriddled proliferation of the SEZ resulting from en masse approvals granted by the Central government” (Document #7) and the huge tax concessions provided to the industries in the SEZ. But at the same time, they acknowledged the ‘compulsions’ of the state governments to take a stand on the policy to survive in the “cut-throat competition to attract investment in export-oriented industries” and to address the industrial problems “in terms of the eventual sickness and closure of the existing export-oriented industries in the state” (Document #7). Accordingly, the 22nd Conference of the CPI(M) West Bengal State Committee, held in 13-17 January, 2008, endorsed setting up of “some sector-specific SEZs that will not require much land, and some multi-product SEZs keeping in mind the need for balanced development in the state” (Document #7). The Political-Organisational Report of the 19th Congress of the CPI(M) also substantiated this stand and asked, as noted in point 31, the Leftruled states to protect trade union rights in the SEZ (Document #10). Inspite of this submission, the critics and the Front partners expressed strong discontent over the CPI(M)’s stand on the SEZ policy in the state. Dia Da Costa observed (2007: 310):

“The CPM statement on changes to the SEZ Act are interesting because they seem aimed at differentiating CPM from ‘naked neo-liberalism’, while the people seem convinced that ‘expanded reproduction’ by private capital today is really dispossession today and capital flight tomorrow. Otherwise, the CPM would have led capitalists to the defunct factory sites rather than to vast tracts of agricultural land.”

The then Minister of Public Works and the RSP state leader Amar Chaudhury observed that “the CPI(M) theoretically opposed the SEZ policies of the Centre but practically endorsed it.” Assessing the proposed SEZ policy and industrial reforms in the state, the RSP State Committee made (Document #6: 32) strong observations:

“Those who believe that they can find a path of survival for the common man by compromising with the international speculative capital or finance capital, they are not only obsessed with anti-Marxist or unscientific illusion, but also there is enough doubt about their pragmatic sense.”
The SEZ policy, thus, further widened the discord within the Front on industrialisation programme. The Front partners demanded preparation of land map and land use data bank before transferring land for SEZ or other industrial purposes.

4.7.2 Industrialisation Programme: Focal Areas

The ‘great leap forward’ to industrialisation and the urge for rapid industrial development since 2001 ushered in a new discursive shift in the industrial policies of the Left Front governments that called for a ‘resurgence’ of West Bengal in terms of industrial profile. As noted in Chapter III, after assuming power the sixth Left Front government appointed the well-known western consultancy farm, McKinsey, to prepare a report on the economic prospect of West Bengal and suggest comprehensive policy measures. Based on its recommendations, the state government earmarked certain prospective areas of investment, which were:

- Information Technology and IT enabled services
- Biotechnology
- Chemical hub
- Agro-industries like food processing
- Manufacturing industries
- Leather complex
- Iron and Steel plant
- Automobile industry
- Gems and Jewellery complex

Information Technology

Information Technology (IT) was one of the most hyped areas of industrial vision of the sixth and the seventh Left Front governments. As mentioned earlier, the IT industries were accorded increasing significance as a potential area for investment and employment since early 1990s and software technology parks were developed to create infrastructure for the development of the sector. The West Bengal government set up the IT Task Force in March, 1999, to devise strategies for promoting growth of the sector. Based on its recommendations, a comprehensive IT policy was declared in January 2000 along with the establishment of the Department of Information Technology in August, 2000, “to shape a digital future of West Bengal” (Website #1). The IT policy was designed, as
described in point 2 of the draft, “to help in providing better and more efficient services to the citizens, promote social and economic development through broad-based computer access and contribute towards development of e-commerce and efficient connectivity”(Document#14). In August 2002 the state government declared its new policy of IT and IT enabled services. West Bengal was the first Indian state to declare IT as ‘public utility services’ (Website#1). The major objectives set in the IT policy, as described in the point 2.2 of the draft, were (Document#14) viewed as to “transit from an ‘IT aware Government’ to an ‘IT enabled Government’ by adopting E-governance appropriately”, “stimulating the growth of IT-enabled services”. It focused on “setting up an integrated, state-wide delivery backbone for Wide Area Network…developing IT education…realizing 20% of the national software export target by 2005” (Document#1: 212-214).

To enable the rapid growth of the sector, a number of Software Technology Parks were created with the help of WEBEL, HIDCO48 and domestic private and foreign farms were invited to develop the IT parks and townships. The government declared incentive schemes to boost the IT industry. Global players like IBM, Cognizant Technology Solutions Ltd., Price Water House Coopers, Microsoft Corporation and Indian companies like TCS, Wipro, HCL established their operations in the state followed to the state government’s aggressive pursuit of IT policies.49 E-governance initiatives were proposed and devised for state government departments, especially for the Finance, Land and Land Reforms, Education departments.50 The government established the West Bengal University of Technology in 2001, to provide framework of industrialisation ‘based on knowledge economy’, as part of this policy.

Thus, the sixth and the seventh Left Front governments recognised the significant role of the IT industry, as one of the core areas, in the “march towards industrial and economic development” of the state, as described in the Foreword of the document (Document#14).

**Biotechnology**

The Left Front government declared its Biotechnology policy in April 2002, followed to the recommendations of the McKinsey on the potentials of the agri-business sector. The Department of Biotechnology was established as a separate department in 2006 to
generate investment in the sector under the seventh Left Front regime. The West Bengal Biotechnology Development Corporation, established in 2004, acted as a consort service in the expansion of the biotechnology researches and investments in the state. The Biotechnology policy declared to speed up the process by creating Biotechnology parks, Agri-tech parks, Ecology parks or Bioinformatics parks mainly to advance pharmaceutical and agricultural researches utilising biotechnology. The government highlighted on the potentialities of biotechnology researches and entrusted West Bengal State Council of Science and Technology with the responsibility as a nodal agency.

**Chemical Hub**

As has been mentioned earlier, since mid 1980s, the Left Front government started exploring the scope of petrochemical industry as one of the key promising sectors in the resurgence of the industrial profile of the state. The Haldia Petrochemicals Ltd. symbolised the ‘resurgence’ which started its operations, after much tussles, in 2000 with a public-private investment of 5200 crores. It opened up new possibilities for the downstream and ancillary industries in plastic and chemical sectors. Accordingly, foreign investments were welcomed in the sector since 2001 as part of new policy.

Focus on petrochemical industries led the government to expand the sector and exploring more investment in building a second chemical hub in the state. The most discussed and controversial project during the seventh Left Front regime was the proposal to set up a chemical hub in Nandigram in East Midnapore under the Special Economic Zone scheme with the investment of the Indonesian conglomerate, the Salim Group. The Central government proposed to establish the chemical hub in Haldia, which the state government shifted to the alternative place of Nandigram. The violent outburst against land acquisition for the proposed chemical plant in Nandigram since late 2006 reinforced the agriculture versus industry debate in the state, hastening the desertion of the project and a crisis in the political legitimacy and stability of the Front regime. The Political-Organisational Report of the 19th Congress of the CPI(M), in point 36 of the draft, admitted that “there were political and administrative mistakes” in Nandigram (Document#10). It resolved (Document#10): “In attracting private investment we should be cautious about the fact that they cannot realize any illegitimate gain which is inimical to people’s interests.” The then Chief Minister, Budhdhadev Bhattacharjee, also
acknowledged (2007) that “we did commit the initial error and we need to proceed with great caution”. It can be mentioned here that anti-land acquisition movement in Nandigram not only produced great political fervour but also emerged as one of the prime factors responsible for the debacle of the Front government in subsequent Lok Sabha election in 2009.

**Agro-industries**

As noted in Chapter III, from the beginning of the industrialisation drives under the sixth Left Front government, agro-industries were identified as the potent area of investment and employment in the state with expanding scope of trade and marketing. The then Industry and Commerce Minister, Nirupam Sen, presented the new agricultural trade policy in 2002, after a series of revision, that included the enhanced scope of biotechnology in agricultural production, focus on export potentiality of the agrarian sector and advanced areas of agri-marketing. The agri-business, especially food processing and horticulture was visualised as viable source of capital and employment generation. (Document #2: 66). The state government devised its new course of agricultural reforms on basis of recommendations by the foreign consultancy firm, McKinsey which submitted the proposals for the Industry and Commerce Ministry. The recommendations faced severe objections from different quarters, even from the then Agriculture Minister, Kamal Guha (representing Forward Bloc) and the Land and Land Reform Minister Abdur Rezzak Mollah (representing the CPIM).

The state government focused on the expansion and modernisation of agro-markets to incentivise the rural economy and boosting up employment. The Agriculture Marketing department of the state government identified six crop specific Agro Export Zones (AEZ) to promote target-oriented production in food processing sector, like mango, pineapple, tea, potato etc. Entrepreneurs like ITC, Pepsi, Nestle, Marico, Parle, Venkateswara Hatcheries’ were welcomed by the government as potential investors for Agri Export Zones. Twelve Food parks were set up in areas like Siliguri, Malda, Murshidabad, Haldia, Dankuni. AEZs and Agro-parks were built on public-private partnership mode.

Agro-industrialisation policy drew severe protests from the critics. They argued that agricultural market would be dominated by the big multinational capital like the Metro,
Pepsico, Del Monte Pacific and the employment potential of the agro-industries would be negligible compared to the huge investment in the sector (Raychaudhury, 2007: 64). The Front partners like the RSP dubbed agro-industrialisation programme as “reversal in land reform” (Document#6: 29). The Front got embroiled in the debate as the partners like the RSP and Forward Bloc opposed any move towards implementing foreign investment in retail trade by the Front government in the state. It is noteworthy that the disputed policies like contract farming, agro-export formed the basic components of new agrarian policy that actually fed the urgency of the private investment in the agrarian sector with its essential linkage to industrialisation.

Automobile
The search for capital attested government’s policies that prioritised large scale capital-intensive industries like automobile factories. The sixth and the seventh Left Front governments signed a number of MOUs (Memorandum of Understanding) with automobile companies since 2005. The first of its kind was the treaty with the Indonesian conglomerate Salim group to build up a motorcycle factory in Uluberia in 2005. The most hyped and controversial investment in this sector that impacted the state politics since 2006 was the project of Nano (the much-advertised people’s car) factory by the Tata Motors in Singur in Hooghly district. The Tata group proposed to invest about 2000 crores of capital in two automobile units – one in Singur and the other in Kharagpur, in May, 2006. The government claimed that such massive investments in automobile industries would generate more investments in ancillary industries like heavy engineering, automobile parts, etc. The immediate factor causing huge uproar was the land acquisition for Tata Motors in Singur. The civil and political society, including the media, was sharply divided on the essentiality of state acquisition for private industrial houses and the debate over willing-unwilling farmers parting with their agricultural land. Political opposition against the construction of the Nano factory reached its height with the opposition parties and groups forming a broad platform – Krishijomi Banchao Committee (Committee to Save the Agricultural Land) and embarking on violent resistance against the project. As noted in Chapter III, the issue fractured the solidarity of the Front with the RSP, Forward Bloc and CPI vehemently opposing the land acquisition. However, the top echelon of CPI(M) leadership supported the project ‘in the interest of
the state’. A veteran peasant leader and the State Secretariat member of the CPI(M), Madan Ghosh, described (2006) the Singur project as “the flight to industrialisation in the state”. The resistance against the Tata Motors project in Singur represented an unprecedented ‘mass upsurge’ against land acquisition in the state and hastened the disintegration of the Left Front regime in subsequent years.

**Manufacturing and Small Scale Sector**

For a long period of time, West Bengal accounted for the highest number of manufacturing units in the unorganised sector in India (Khasnobis, 2008: 110). The rate of growth in the organised sector in the state registered a declining trend compared to the unorganised manufacturing sector in the first two decades of the Left Front regime. The relative domination of the unorganised sector in respect to production and employment generation had also been noted in the official industrial documents of the Front government.\(^5\) In spite of lack of investment and low level of technology, the small scale industrial sector, constituting the larger share of the manufacturing industry (both registered and unregistered units), expanded in the state.\(^5\) During 2004-5, West Bengal occupied the third position in terms of unorganised manufacturing sector in India whereas for the organised sector, it was seventh position (Chakravarty and Bose, 2010: 13).

With the launching of liberalisation-privatisation programme, these small enterprises were faced with stiff competition from the corporate capital, especially of the multinational companies and high-end technology-based economy. West Bengal government also visualised big capital investment and modern technology-based industrialisation in the state as the core policy strategy since 2000, which raised questions about the viability of the small and medium scale manufacturing sector in the industrial vision of the state. The trade union leadership of the Front, on several occasions, addressed this issue of increasing vulnerability of the small scale sector (Mazumdar, 2002). The concern was also reflected in the government proclamation facilitating this sector in competitive market (Document#2: 96). West Bengal government declared a special incentive scheme\(^5\) for micro and small scale enterprises in 2007 including investment subsidy, subsidy for quality improvement, waiver of electricity duty, etc. The then Chief Minister Buddhadev Bhattacharjee signed an MOU with Italian leather magnet Gucci in January, 2006, to boost up the potentials of local leather industry. The
Front government declared its first textile policy in February, 2008 with key strategies like comprehensive modernisation of the sector, creation of additional one million jobs (direct or indirect), revamping of the administrative set up in creating textile infrastructure. In the context of increasing threats to the unorganised sector under the liberalisation reforms, the trade union front demanded more state intervention in protecting the workers of this sector. The Front government initiated some social security schemes for the unorganised sector workers.

**Iron and Steel Industry**

The Front government identified the iron and steel sector as one of the thrust areas in the industrial policy of 1994 and also in the subsequent years. Private investors were encouraged in this sector. During the seventh Left Front regime, the WBIDC signed a much-publicised treaty with the Jindal Industries Ltd. in constructing a steel plant in Shalboni in Medinipur district with a proposed investment of 35000 crore. Budhdhadev Bhattacharjee termed (Aajkal, 12 January, 2007) the day of signing the treaty as the “memorable day in the industry of Bengal”.

**Infrastructural Ventures**

The sixth and the seventh Left Front governments stressed on infrastructural expansion to facilitate industrialisation and employment generation. As part of this policy, a number of industrial development clusters were set up in different districts of the state. The sixth Left Front government proposed to relocate the city tanneries into an integrated leather habitat in Bantala, South 24 Parganas. Accordingly, *Kolkata Leather Complex* became operative from July 2005. The state declared its first textile policy in 2008 with the key strategies as expansion of textile infrastructure by setting up textile/hosiery parks, handloom clusters, silk and jute parks, modernisation and technological upgradation of the sector and restructuring of the administrative mechanisms to implement the reforms in a time-bound manner. An Apparel Park was set up in Howrah as a cluster for textile industry. The government proposed to encourage cooperative movement in handloom-concentrated districts like Nadia, Murshidabad and Burdwan to facilitate weavers in material supply, marketing etc. Power and transport sectors also received attention in the industrial roadmap of the state with search for large investments. Investments in alternative renewable energy sources were explored in the state.
In the changing context of an aggressive industrialisation policy, the Front government reviewed the role of the WBIDC and WBIFC as the nodal infrastructural support agencies in the state. The WBIDC was primarily entrusted with the responsibilities of creating and supporting large and medium industrial investments in the state. Beyond that role, it extended its activities to the areas of trade and commerce, township, housing, basic health, sports complex etc. and devised public-private partnership mode in developing growth centres (Website#2). During the tenure of the sixth Left Front government, the WBIDC signed a treaty in Jakarta with the Indonesian giant Salim group for construction of Trade Zone and Health city, in August, 2005, that received much public and media attention. During mid 2008, the WBIDC and Bengal Aerotropolis Projects Ltd. signed a treaty for a joint venture to build up aerotropolis in Andal in Burdwan district on 1900 acres of land.

4.7.3 The Dilemmas

The three decades of the Left Front governments witnessed certain evident shifts in the thrust-areas of the Front governance in general and industrial policies in particular. From a pro-public sector and pro-labour industrialisation policy, the last decade of the Front rule shifted to an intense ‘search for capital’, as manifested in the urge for rapid industrial development with the help of private and foreign capital. While the first two Left Front governments were having focused on radical restructuring of land relations and redistributive reforms as core governing agenda, the sixth and seventh Left Front governments were caught in the polemic around agriculture-industry relations. The ‘submission’ of the Front governments to the imperatives of the private-capital friendly model of development raised serious objections from different quarters of political and civil society. The ‘shifts’ in policy strategies, more importantly, exposed hitherto unseen dilemmas within the Front in the last decade of the regime. The joint sector policy initiated the debate in the state in the 1980s, which reached its climax in the sixth and seventh Left Front regimes.

The early proclamations of the Front government of protecting the right of the workers as its political-ideological commitment to the working class gradually changed to acquiesce the essence of liberal economic reforms. The bargaining strength of the trade unions and
recognition of their democratic rights in the industrial sector by the government was a major trait of the Left governance in the early days. However, the Front government effected a major departure in the early 1990s with the declaration of the new industrial policy, which stressed on a revival of the industrial health of the state. The ‘new industrial vision’ acknowledged the role of private capital as a major constituent and a changing role of the working class in restoring work culture, healthy industrial relations in the state. The intensive reform programmes during the sixth and seventh Left Front regimes incited the debate to an unprecedented level. A section of the CPI(M)’s trade union front (CITU), along with the other Front partners (often termed as the hardliners by the media), expressed strong discontent against the industrial strategies on several occasions. The tension was acknowledged in party/Front documents and was manifested in public arguments and counter-arguments. From the days of the declaration of the new industrial policy in 1994, Jyoti Basu repeatedly harped on a new ‘responsible’ role of the labour front in the changing context. The opinion was reiterated later by Buddhadev Bhattacharjee during his tenure as Chief Minister, resulting in critical responses from the Left trade unions, especially with regard to his negative assessment of the ‘bandh culture’ on several occasions. He had been repeatedly assuring the industrialists that ‘militant trade unionism’ would not be tolerated in the state. A veteran trade union leader and the State Secretariat member of the CITU, Shyamal Chakraborty, responded to the debate by arguing that the Front had not submitted any bond that there would be no labour movement (Aajkal, 3 December, 2003).

Since 2003, after the Supreme Court’s landmark verdict on Right to Strike, the Left trade unions were engaged in a nationwide public debate against the “anti-worker measures of the state apparatus” (CITU Secretariat Statement, 2003). The Left Trade Unions called an all-India strike on 29 September, 2005, and raised the issues of workers’ rights, including the right to strike, especially in the emerging economy sectors like Information Technology. In the state, the then All India CITU President, M. K. Pandhe and General Secretary, Chittabrata Mazumdar, along with the AITUC leadership, were involved in a bitter debate with the Chief Minister Budhdhadev Bhattacharjee on ‘concessions’ given to the IT sector in the form of negating the right to strike. The CITU passed a resolution
in its central committee meeting in November 2005 endorsing the right to form unions in the IT sector.

The restructuring of the PSUs with the aid of DFID also became a bone of contention exhibiting further divergence. Subhashis Gupta, a State Secretariat member of the Coordination Committee of State Government Employees, a mass front of the CPI(M), raised objections against the rationale of the strategy. He wrote (cited in Bhattacharya, 2005):

“This most significant aspect with the DFID and other multilateral lending agencies lies in the fact that they can mesmerize all – the right, the centre and even the left! …By striving to derive profit under their conditions, the governments in our country are handing over the lion’s share of profit to the foreign and Indian industrialists. It is they who will reap the benefits from the so-called restructuring of public sector concerns and industries.”

The discord between the Left trade unions and the ‘reformers’ in the party and in the Front government was strongly manifested regarding issues like airport privatisation, privatisation of state-run Great Eastern Hotel and FDI in retail brands as well.

4.8 Concluding Observations

The industrial programmes revolved around intense intra-party and intra-Front ideological debates, exposing the occasional disunity within the Front on economic models of development. While the ‘inefficiency’ of the Front leadership in bringing about an industrial resuscitation formed the core of the public critique in the first phase of the Front rule, the ‘deviations’ from the Left political-ideological commitments provided an angularity to the public debate in the last decade of the regime. The polemic around the industrial policy strategies set the stage for the Bengali mass media’s role in agenda setting in the three decades of the Front rule. The next chapter specifically deals with the mediation strategies of the Bengali media vis-à-vis the agricultural policy reforms of the first two Left Front governments.
Notes

1. In the situation of rising grievances against acute hunger in rural Bengal, the state was swayed by food movements during 1957-1959 under the leadership of the undivided CPI. The protest culminated into a huge mass demonstration of about three lakh people in Kolkata on 31 August, 1959. The government actions against the protestors resulted in death of 80 people during the movement that unleashed mass fury against the Congress-led government. In 1966, a second Food Movement was also launched by the Left parties. The Food movements were marked as one of the historic turns in the Left-led movements in Bengal. Suranjan Das and P. K. Bandyopadhyay (eds.) (2004). *Food Movement of 1959: Documenting a Turning Point in the History of West Bengal*. Kolkata: K P Bagchi.

2. Under Industrial (Development and Regulation) Act, 1951, the Central government decided on the establishment of large and medium-scale industries, which needed licenses from the Central government to operate. The state governments were given with the powers and responsibilities to set up small-scale industries.

3. The experience of dislodging of the first communist-led government in Kerala, led by E. M. S. Namboodiripad, in 1959 by the Centre invoking Art. 365 of the Indian Constitution was an important lesson for the parliamentary communists in working within Indian constitutional system.

4. Political observers have argued that the towering personality of Dr. Roy in Congress politics had helped significantly in negotiating with the central government on the state’s industrial economy in this period (Sinha, 2005).

5. Freight equalisation policy was taken in 1948 by the Central government to ensure balanced development of industry in all regions and provided for subsidy on raw material transportation to any part of the country in establishing industries.

6. “The deliberate policy of selective freight equalization has also robbed the state of its comparative locational advantage in terms of important industrial raw materials, such as steel and coal”(Document#5: 2). “…the freight equalization policy for coal and iron ore robbed West Bengal, along with the other states in the Eastern region of India, of its locational advantage of being the most mineral rich region of the country” (Website#3).

7. It is found that between 1956 and 1966, 916 licenses were issued for engineering and steel-based products throughout India, most of which were for other states that could break the dominant position of West Bengal in steel and engineering industry (Dasgupta, 1998: 3050).

8. The major engineering and railway industrial units in the state, like Burn and Co., Braithwaite and Co., Bridge and Roof, Jessop, Indian Standard Wagon, Guest Keen Williams, Texmaco suffered huge loss due to recession and gradually were turned into sick industries. The jute industries also witnessed a setback.

9. The Front prepared the draft in its meeting on 6 January, 1978 and the then Minister of Industry and Commerce, Dr. Kanailal Bhattacharya placed it in the Assembly on 22 February, 1978.
10. Leela Fernandes observed (1997: 34) that the first Left Front government expressed its content, in 1979, in the “sense of moderation and high degree of maturity displayed by the organized trade union movement in keeping the situation in the field of industrial relations on an even keel”. She argued that ‘moderation’ as a sign of ‘matured’ trade union marked a significant contrast to the CPI(M)’s condemnation of the ‘class collaborationist’ policies pursued by the other unions in the 1960s.

11. “Jyoti Basu was ever the party pragmatist par excellence, who invested a huge amount of energy into the business of practical politics, conducted within the CPI(M) in clear focus” (Bidwai, 2010); Somanth Chatterjee termed him as the “pragmatic Communist” (Chatterjee, 2013).

12. The then CPI(M) State Secretary and the Chairman of the Left Front Committee, Promode Dasgupta explained the draft framework in a press conference on 6 January, 1978 (Ganashakti, 6 January, 1978).

13. The proposal for a petrochemical factory in Haldia was passed in the state legislative assembly on 2 September, 1980 and sent to the Centre for its approval.

14. The state government placed the demand to the then Prime Minister Indira Gandhi in May, 1981.

15. The Akali Dal in Punjab, the DMK in Tamil Nadu, the TDP in Andhra Pradesh, the Janata Dal in Karnataka joined the rally against the central dominance in the 1980s along with the Left governments. The movement of the non-Congress parties was impregnated with the allegation of political vengeance of the Congress-led government at the Centre towards the opposition party-led regimes in the states.

16. B. T. Ranadive (1986), in his address on the political-organisational report in the 12th Party Congress of the CPI(M) held in December, 1985, mentioned of an ‘economic blockade’ created by the Congress(I) government to “harass” and “dethrone” the Front government “by withdrawing central resources from the state and discouraging private investment”.

17. The Front stood by the argument that the central policies to the state were largely motivated by political opposition of the Congress government to the Left Front. Some scholars corroborated the argument partially by the fact that when “the Congress was defeated in the elections and a minority government was formed at the centre” in 1989, “overnight the state received a large number of industrial investment proposals, as the “central government was dependent on the leftists for its survival” (Dasgupta, 1998:3058).

18. The acquisition issue of sick and closed industries, however, found much inner-party deliberations. In the context of the pressing demands for state acquisition, the CPI(M) party leadership warned (Document#15) the members of the “delusions” followed from the “wrong assessment of the new context”, where the Left Front was running the government in the state with its limited potential and stressed on “prioritisation” of economic demands by the workers.

19. The joint forum of different trade unions, including CITU, AITUC, called a statewide industrial strike on 12 September, 1985 protesting against automation in banks or the insurance sectors.
20. The growth rate of Net Value Added in 1976-77 and 1989-90 was 3.5 and 5.27 per cent in West Bengal compared to 14.47 and 25.23 per cent in India respectively. West Bengal registered total employment of 882100 in 1976-77, which stood at 738028 in 1989-90 (Basu, 1997:161-162).

21. The jute and engineering industries were the worst hit sectors marked by chronic sickness and closure.

22. Chattopadhyay acknowledged the problem in an interview with the Business World on June 22, 1997. In this context, it can be noted that there was a huge uproar in West Bengal on the image of the Front regime in 1985 when the then Prime Minister of India and Congress(I) President Rajiv Gandhi termed the state capital as the ‘dying city’ and held the Front government responsible for the ‘decaying economy’ of the state. The Front took it to the core electoral campaign terming it as the Congress’ policy to ‘politically and economically malign the Front government’.

23. The NEP was popularly known as the abolition of the ‘license, quota and permit raj’.

24. The NEP introduced liberalisation-privatisation-globalisation regime in Indian economy.

25. Important changes were introduced in the MRTP and FERA.

26. Liberalisation prompted a spate of disinvestment proposals for the public sector enterprises.

27. The Leftists spearheaded the movement against the ‘IMF-World Bank dictated’ new economic policy terming it as a ‘surrender of the national sovereignty to the foreign capital’.

28. The Left parties took a strong stand against the ‘IMF-dictated’ liberalisation programmes. The joint election manifesto of the four Left parties – CPI(M), CPI, RSP, AIFB, in the 1998 Loksabha election, observed, “Liberalization has meant a bonanza for big business houses, landlords, financial speculators and big traders who make super profits and accumulate huge incomes. Under the IMF-World Bank dictated model, the priorities for India’s economic growth are determined not in the interests of the Indian people but for a narrow affluent section at home and foreign capitalists” (Website#4).

29. The state attracted substantial investments from large organisations like Mitsubishi, Jindal groups, Jai Balaji, Appejay, etc. in the mid1990s.

30. The Front was quite vocal against hundred percent foreign ownership in power sector as was proposed in the Central policy like the treaty between Maharashtra government and the multinational company ENRON.

31. West Bengal ranked third among the Indian states in attracting FDI proposals during 1991-97 after Maharashtra and Gujarat with an all-India share of 5.2 per cent (CMIE Report, 1999: 33).

32. One of the contentious decisions was the takeover of the Great Eastern Hotel by a French hotel chain which received severe resistance from the CITU and trade union organisations of the alliance partners.

33. A number of infrastructural development projects in the transport sector were launched under the JNNRUM plan and with assistance from the Japan Bank for International Assistance.
34. An airport city project – Aerotropolis was proposed in Andal in Burdwan district in a public-private partnership mode; extension of new terminal to Calcutta airport was also proposed.

35. The New Town Housing project in Rajarhat was launched as a business and residential hub with public-private partnership scheme under the aegis of the West Bengal Housing Development Corporation initiatives and Kolkata West International City was developed as a township project in Howrah by the Salim group of Indonesia.

36. Analysing the favourable urban poll verdict for the Left Front in the Assembly election of 2006, scholars hinted at this assumption: “The efforts at industrialisation and securing investments for the state by Bhattacharya seem to have paid electoral dividends to the front that he leads” (Chakrabarty, 2006: 3521).

37. The centrality of the debate addressed the viability of the colonial legislation – Land Acquisition Act, 1894 that served as the foundational framework for land acquisition in post-independence India. The state governments in West Bengal amended the parts of the Act several times. After the declaration of new industrial policy in 1994, the Left Front government decided to invoke parts of the Act I or the Land Acquisition Act, 1894 in acquiring land for industrial purposes. The critics expressed their strong opposition against the absence of ‘compulsory compensation’ clause in acquisition of common land and ‘mandatory permission of the local panchayats’ under this Act (Guha, 2007: 42-49).

38. The opinion of the parties was explained further in the personal interviews of the researcher with the RSP State Committee member and former Public works Minister, Amar Chaudhury on 23 August, 2011 and the CPI State Committee member, Debasish Dutta, on 30 August, 2011.

39. The West Bengal government entrusted the Industrial Reconstruction Department, as the nodal enterprise, with the responsibilities of the restructuring of the state public sector enterprises in different phases starting from 2003. In the first phase viability of financial, technological or manpower restructuring of the PSEs was reviewed and a number of enterprises were retained after restructuring. In the second phase (2006 onwards) a number of joint venture projects were sanctioned in revamping the public sector enterprises.

40. The Politbureau and the Central Committee of the CPI(M) debated much over issues like loans from Asian Development Bank in Kerala or DFID in West Bengal in the 1990s.

41. The West Bengal government endorsed a DFID pilot project of utilising loans in rehabilitation and compensation funds of the restructured PSUs, after much deliberation within the Front.

42. The SEZ Act was passed in the Parliament in 2005 and the SEZ Rules were notified in February, 2006.

43. The Central government approved 237 SEZ in the first year of its implementation (Bose, 2006).

44. ‘Manikanchan’ was set up as a sector specific Special Export Processing Zone under the aegis of West Bengal Industrial Development Corporation.

45. personal interview with Amar Chaudhury taken on 23 August, 2011.
46. The decision to appoint McKinsey and its policy suggestions created great debates both inside and outside the Front.

47. The IT policy was amended in 2003.

48. IT Parks were created in Kalyani, Durgapur, Siliguri, Kharagpur, etc. besides Kolkata and greater Kolkata areas. WEBEL was assigned the role of ‘facilitator’ (Document#14: point 3.5) for the development of IT in the state.

49. The leading US global consultants like NeoIT and Tholons ranked Kolkata as the “third most attractive destination by 2010” (Document#17: 29). The state government proposed to develop West Bengal “as one of the three leading states in India by 2010” (Document#2:82) in IT sector.

50. The School Education Department was prioritised to initiate computer literacy programme at the basic levels.

51. One such park was established in Kharagpur with association of the IIT (Kharagpur).

52. According to an official estimate, number of units in ancillary streams stood to 773 in Haldia Petrochemicals during the period January 1998 to December 2005 (Document#2: 72).

53. Foreign multinational farms like Mitsubishi Chemical Corporation of Japan, Praxair – a Fortune 500 global Company invested in the Purified Terephthalic Acid unit and Nitrogen plant respectively in Haldia along with domestic farms like HPL, Hind Lever Chemicals.

54. The Front partners severely objected the proposal to allow the multinational firm, Metro, in retail trade in agriculture. The Opposition also organised protest movements by the local traders against such proposal. As a result, Metro was allowed to establish its outlet in the wholesale business only in West Bengal.

55. The then Industry and Commerce Minister, Nirupam Sen, announced in a press meet, in December, 2007, that 55 companies had proposed to invest 2200 crores in manufacturing automobile parts for the Tata Motors in the state (ABP, 14 December, 2007).

56. The Front government and party documents highlighted their ‘success’ in maintaining a ‘leading role’ in the small and cottage industrial sector in the country.

57. West Bengal’s share in the gross domestic product of small scale industries in India was 7.5 per cent during 2005-2006 (Document#2: 90).

58. The Incentive Scheme was devised especially for the sericulture, handloom and textile sector, household electrical appliances, leather and leather products, plastic processing, etc.

59. West Bengal Incentive to Power Intensive Industries Scheme was launched in 2005.

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