



Confederation of Indian Industry
Since 1895

Economic Agenda of West Bengal

Backdrop

Historically, the people of West Bengal have always been appreciated across the world for their talents and capabilities – which points to the need and the opportunity of bridging the gap between potential and realization. The coming few years present West Bengal a unique opportunity to transform itself into an engine of growth, meeting the problems of the state and the nation while also riding the wave of opportunity presented by the India story. Given the present situation, it is not just the facts and figures but also the brand, “West Bengal” that needs to be paid attention to – in the journey to lasting sustenance and progress. This document lays out a high level view on some of the key opportunities for the government of West Bengal to get the economic engine upto full speed and beyond, to take the state into an era of prosperity, progress and leadership.

Immediate Priority Areas

Grassroots Development and Agriculture

- Further value addition in the agricultural sector needed
- There is a need for comprehensive approach to food processing and logistics – including a long term plan for multiple parks, focused infrastructure and supply chain capability, skills and knowledge development particularly on aspects like standards, quality, production processes, packaging & branding
- Very importantly, there is a need for a comprehensive review of legislation that surrounds food processing and associated logistics so as to provide a holistic approach to the industry
- A long term view necessitates multiple food parks, focused on different crops. There is a need to develop an integrated plan towards developing the same with all necessary logistics and other infrastructure support
- Modern retail industry can partner with the state government in furthering the development of the food processing industry
- The food processing industry will not only provide jobs and value addition in a geographically distributed fashion but also increase the food security of the people in the state and the country
- Special emphasis is to be laid on providing training to farmers with respect to scientific agricultural practices. A detailed skills assessment to map the training needs based on required skills and future opportunities need to be carried out

- Due thrust is to be given towards modernization of agricultural techniques by technology enablement and penetration, usage of innovative crop production methods, research, new seed technologies. Scientific methods of crop production are to be implemented and these technologies are to be propagated downstream to all farming methods. Scientific methods have to be introduced in order to increase crop yield and crop density

- A comprehensive agricultural policy is to be formulated to ensure success of the agricultural sector. These may include but are not limited to providing subsidies to farmers, as well as providing attractive and feasible financing schemes. Procedures also have to be formulated to tackle irrigation and drainage requirements

- Share of agricultural laborers and self employed agriculturists in agricultural population in poverty need to be at least 22 and 12 percent respectively

- Growth rate of rural employment need to increase to at least 2.5 percent

- Productivity per hectare of net area sown need to be increased from its present level of 238.7 to 300

- Infrastructure is to be developed to aid the optimization of the supply chain. Apt transportation, irrigation and storage management solutions are to be envisaged and implemented. A roadmap is to be provided to further strengthen cooperatives and their feasibility

- Food supply chain models are to be optimized throughout the state, and special stress is to be laid on profitability of agriculturists and farmers. Measures are to be introduced to enable income parity of farmers and agriculturists with other sectors. Poverty eradication measures are to be rigorously enforced

Development of Tourism

- West Bengal enjoys the benefit of a unique blend of sites of cultural, historical, natural as well as religious importance. In addition, it is also a gateway to the North East, Orissa, Andaman & Nicobar Islands, Bangladesh as well as Nepal
- There is a need to work on attractiveness of West Bengal as a prime tourist destination as well as of secondary interest while on tours to the other destinations globally and nationally
- Not just Kolkata and Darjeeling but the state has ample other tourism opportunities in terms of the Sunderbans, river tourism, the Dooars, Murshidabad, Shantiniketan etc. Additional innovative opportunities centered around Jute Mills and British Raj days, Durga Puja related attractions can further the tourism potential
- There is a need to blend in the advantages of natural beauty and resources led tourism with the art and crafts advantage that Bengal has historically enjoyed respect for. An updated policy to further the art and craft aspect of the state is the need of the hour
- The state needs a comprehensive tourism development plan – including aspects of infrastructure, branding and promotions, tourist-friendly services, tourist security as well as ease of access to various attractions
- Tourism is not just about infrastructure but a lot about people – a welcoming attitude, understanding of different backgrounds, languages and culture. Building a tourist-friendly orientation is the need of the hour
- It would be critical to identify quality infrastructure and support services and build around the tourism strategy – especially along the specific tourism routes

- This infrastructure needs to be prepared such that it is in line with the arriving tourists' expectations and general experience in leading similar tourist destinations in other countries and regions

Education as Pillars of Growth

West Bengal has historically enjoyed a great reputation in the fields of education. Given the intellectual capabilities, orientation as well as reputation of the population, West Bengal needs to significantly improve to realise its potential. In order to do so the following need to be done:

- The sector should aim to become the hub of innovation and knowledge for the country as well as the world. Educational institutions need to be encouraged to increase their participation in valuable R&D activities
- Need high focus on quality education and Policy support for accreditation of programs
- State expenditure on Education (as % of State 5 Year Budget) need to be increased
- Increased availability of international curricula like IB in form of international schools is the need of the day
- Accelerate the set up of educational institutions across the spectrum – Post Graduation, Graduation – especially Technical and Medical, primary and secondary schools, ITI's. Special focus should be laid on enhancing world-class institutions in West Bengal
- A robust state-wide policy is to be devised and implemented to ensure primary education is provided to all

- Education infrastructure is to be ramped up across the state to ensure primary education facilities are available to 100% of the population in every district. Primary education centers to be located within a 1.5 km radius of rural settlements
- Emphasis is to be laid on revamping teaching methodology as well as up gradation of curriculum with special stress on practicum. Stress is to be laid on innovative learning principles
- Capacity and infrastructure of higher educational institutes in all streams are to be upgraded to accommodate for the burgeoning requirements of educated professionals
- Infrastructure is to be upgraded to enable next generation learning techniques as well as enable scholars to get acquainted with the latest technologies and happenings of their fields
- Various pro-active measures are to be undertaken to augment skill based education setups
- A comprehensive roadmap covering various vocational education methods and collaborations are to be studied and implemented. Collaboration with industry bodies is to be investigated and implemented
- Industry Academia collaborations are to be a special thrust area so that scholars are knowledgeable of latest industrial processes and technologies and are able to spawn new ideas
- Employability streamlining is to be an area of action. Internship and scholarship models are to be developed between various industries and educational institutes through inter-agency collaborations
- Augmentation of professional educational staff to adequately train the population and provide them with comprehensive primary and secondary education is needed
- An increase in teacher to student ratio is to be envisaged and implemented. Students per teacher (Primary & Secondary) need to decrease from its present level of 47 to 20

- Capacity, infrastructure and teaching methodology of higher educational institutes are to be upgraded to meet next generation education demands
- A rapid & percolating strategy to develop vocational training skills is to be developed
- Special focus on continuous skill up gradation for industrial and commercial workers, teachers training and development as well as healthcare workers
- Need to provide support to underprivileged sections to enable them to send their children to schools. Increased coverage of mid-day meals for children to enable them to have better nutrition as well as enable them to come to schools required.

Healthcare as Pillars of Growth

- Preparation of a health and healthcare roadmap for the state – with due consideration for various areas and population groups is needed
- Lay emphasis on disaster management, preventive healthcare as well as maternal & pediatric health
- Facilitate greater penetration of quality healthcare in smaller cities & towns – reducing the need to come to Kolkata
- Facilitate greater coverage for health insurance through community schemes as well as distribution reach enhancement
- Encourage setting up of medical and healthcare facilities as well as technological up gradation – in the urban as well as rural areas

- Encourage setting up of world class facilities in Kolkata and then progressively spread into the other parts of the state
- Health awareness programs to reach out to entire state population. Special focus to be paid to reach out to rural and tribal people
- Maintain improved governance on quality of care and service standards
- A robust state-wide health policy acting as an umbrella for Health Insurance and Social Security frameworks is to be devised and implemented
- Special emphasis is to be laid on rural health insurance and social security schemes
- 30 world-class medical education institutes to be developed in the state. Existing medical colleges are to be upgraded to provide latest facilities to equip emerging doctors.
- Special thrust to be provided in the areas of remote diagnostics, bio-technology, and nanotechnology in the area of biosciences
- A state-wide medical facilities infrastructure roadmap is to be devised and implemented to ensure primary healthcare service to 100% of the population
- Immunization facilities to be present at all primary health clinics to ensure immunization for 100% of the population
- Propagation of health education schemes & awareness programs are to be devised and implemented so as to reach 100% of the population

- Reduction in the production of fake drugs is to be attained and stringent policies are to be devised and strictly enforced to ensure that the production and sales of counterfeit drugs is brought down to negligible proportions at the very least
- State expenditure on Health (as percentage of State 5 Year Budget) need to be increased

IT and ITES Opportunities from Across the Globe

- While a large number of people in West Bengal already engaged in the IT and ITES industry the world over, there is a need to view this industry as strategic to the socio-economic aspirations of its society
- Create multiple hubs across the state and each associated city to create an integrated, world class infrastructure – office and commercial spaces – including hotels, restaurants, shopping areas, entertainment options, and housing options across strata
- Infrastructure backup needs to be created for power, security of the workers commuting at any time of the day as well as highly adequate public and private vehicle transportation capacity
- Work with concerned service providers to have high quality communication infrastructure
- High quality, expat-sensitive infrastructure and facilities will be critical to build
- High quality connectivity across various centres in the state is the need of the hour
- Need to further the industry – academia partnership to develop more skilled workers for the sector
- With all such support and investments, the brand “West Bengal” needs to be marketed intensely – to that effect, there is a need to involve and leverage those sympathetic to the state’s cause – individuals and organizations

Boosting the Manufacturing Industry

- Manufacturing sector need to be paid special attention to for all round growth of the socio-economic environment. Sectors of particular importance and advantage to West Bengal are:

- Mining, Iron & Steel – leveraging the proximity to iron ore and coal reserves
- Metal working, foundries etc.
- Leather, apparel and footwear
- Jute and its value added products
- Engineering, auto components
- Build and consolidate position in gems & jewellery sector

- In particular, the MSME sector needs greater degree of attention

- To transform the output into high quality, innovative products meeting the evolving needs of the domestic market as well as foraying successfully in the global marketplace

- To leverage the power of MSME sector to spread development amongst tribals, rural as well as other economically underprivileged sections of society

- Support in terms of easy access to credit and capital as well as regulatory simplification

- Special emphasis is to be laid on cost-value assessment and building a niche for the manufacturing sector in the state

- Special thrust is to be given to moving industries up the value chain. Innovation and leadership programs are to be coupled to all sectors of industrial development to formulate and develop a roadmap of industrial sustenance and value addition

- High Thrust Sectors are to be identified and facilitation in terms of funding, incubation setups, infrastructure and land requirements, as well as special packages need to be provided
- Industrial cluster partnerships and collaborations are to be developed across the state with emphasis on creating a marketable niche for these clusters
- Thrust in terms of technology penetration, brand definition, design and moving up the value chain is to be provided for development of clusters
- Marketability of cluster products has to be paid special attention towards
- A roadmap integrating the education system with the Industrial needs is to be devised, and stress is to be laid on high skills, thought leadership and innovation to provide sufficient as well as value added human capital to the industries
- There is a need of support in terms of:
 - Suitable land acquisition and infrastructural support – like industrial parks, effluent treatment plants, Training, Testing & QC labs, adequate availability of power, water etc.
 - Support for progressive labor orientation – as partners in progress
- The state needs to develop the New Engineering Policy keeping in mind the enhanced opportunities that the sector will unleash over the next decade
- There is an urgent need to avoid strikes and lockouts. Things need to be sorted out through dialogues

Simplify Land Acquisition Process for Sustained Development

The structure of the land holdings in West Bengal is a key driver for growing problems of land acquisition for industrial and infrastructural projects. While non-productive land in the whole of India stands at 17 per cent, in West Bengal it is very low.

Thus, in other states non-agricultural land can be easily available for setting up of industries, but in West Bengal, it is difficult to do so and there is no alternative but to look for agricultural land.

While in states like Punjab and Uttar Pradesh, the landowners have huge plots of land, in West Bengal a majority of the landowners have small land holdings. This leads to multiple negotiations when a proposal for setting up new industry comes up.

The following needs to be done:

- Land is scarce and thus the state needs to emphasize on a set of land-efficient priority sectors to provide economic growth. Moreover, ways to make the urbanised land more productive should be explored with emphasis
- There is a need to ensure better rehabilitation package for the land-losers
- A rehabilitation fund with contribution from the state exchequer and the industries and formulate a rehabilitation package for the displaced is needed
- Innovative ways to maintain the involvement of the land losers in the new economic scenario – co-ownership, up skilling, alternative and ancillary service opportunities etc. need to be explored
- Repeal the Urban Land restrictions and enhance sustainability through project design

Facilitate Investors through Investment Promotion Campaigns

- Organize investment promotion events for branding government initiatives and attracting potential investors
 - ✓ Promotion of new industrial estates, SIRs, IAs and SEZs
 - ✓ Preparation of Investment Promotion Roadmap
 - ✓ Creating knowledge content
 - ✓ Preparing Marketing Collaterals

- Strategic Initiatives in terms of Identifying potential investors, Meetings with industry and associations, One to one business meetings, Participating in industry events, trade fairs, conferences & seminars, Updation of Investment Profiles and MIS regarding investment leads and Follow up with potential investors

- Create a Roadmap for detailed investment promotion

Improved Governance and Public Administration in the State

- There is a need for improvement & up gradation of facilities and infrastructure for a future pointing towards higher decentralization of availability of government services

- Capacity building and appropriate infrastructure expenditure need to be well planned out and implemented

- An overhaul of the work ethic of government offices is to be done. Citizens should be able to demand stellar "customer service" from government offices.

- Policies and procedures for various citizen services should be radically simplified and streamlined to enable high accessibility, usability and simplification of the services
- A radical overhaul of law enforcement mechanisms is to be thought out and implemented. All facets of law enforcement are to be interlinked and upgraded to meet 21st century society requirements
- Conscientious law enforcement principles need to be applied and implemented with rigor
- Investment is an act of faith, improved law and order would facilitate boosting confidence of the investors. Good law & order situation will foster a lot more development and bring prosperity
- There is a need to institute suitable regulatory as well as police infrastructure related reforms
- A mechanism to decrease transaction costs and improve efficiency of all facets of government policies, procedures and areas of work is to be formulated and rigorously implemented
- Red tape is to be minimized and eventually removed from all levels and facets of government work
- Suitable technology upgradation leveraging IT and communications, forensics, training as well as physical infrastructure is needed for the implementation of right measures
- West Bengal is to be at the forefront of Governance by embracing technological innovations in providing services and governance. Innovative governance mechanisms (advanced e-Governance solutions) need to be proposed and implemented.

Creating the Foundation for the Future

What are investors looking for?

There is a need to step up a coordinated activity to make and also be perceived as one of the most attractive destinations for investments.

To attract more investment the following are needed:

- ✓ Invest in major infrastructure and urban projects
- ✓ Improve transport connectivity
- ✓ Provide a stable political and regulatory environment
- ✓ Encourage anti corruption packages
- ✓ Support Hi-tech industries and innovation
- ✓ Adopt a proactive approach to attract investors
- ✓ Access to highly skilled labour force
- ✓ Improve the legal framework
- ✓ Enhance Security
- ✓ Ease purchasing of land
- ✓ Support small and medium enterprises
- ✓ Lower state taxation on companies
- ✓ A better social climate
- ✓ Easier Access to credit
- ✓ Promote CSR practices

Infrastructure Growth

Building next-generation, world class infrastructure, in tune with the 21st century standards, is the most important wave of change that India is experiencing. There is a need to address the infrastructural bottlenecks on a war footing. It needs progress and measures on the following:

- Improving hinterland connectivity through the right mix of national highways, urban and rural roads
- Particular attention to be paid to long and short distance public transportation of high quality
- In power generation, add and contract capacity to meet the growing needs of commerce as well as living standards
- Focused approach to improve urban and rural living conditions – urban renewal as well as rural development. Special focus needed for urban area redevelopment as well as new urban areas coming up to get 21st century class quality for the people
- Logistics – for goods as well as people needs to be taken up on priority. The requirements need to be identified in an integrated and holistic manner with due attention to:
 - Port infrastructure in particular needs special attention – increasing the cargo handling and feasible vessel capacities
 - Inland waterways to be developed to de-stress the roads & railroads as well as economic mode of freight
- The state needs a comprehensive disaster management framework and cell to coordinate all preparatory and relief activities. The government should enlist the participation of private entities as well to be highly effective

- Special attention should be paid to significantly backward areas as well as the state should develop a list of priority zones where infrastructure push would be much higher to generate maximal impact for the population

Clean Technologies

- World over, it is the need of the hour that further progress is not made at a high environmental cost. West Bengal needs to develop a comprehensive sustainability roadmap and action agenda

- The state needs to significantly emphasise on pollution control and mitigation – through mix of regulatory, fiscal and technical interventions

- More initiative in terms of tapping non-conventional energy sources is required

- There is a need to make West Bengal a pioneering and leading state in the area of sustainable development

- ✓ Sustainable agricultural practices
- ✓ Sustainable energy – growing its share in the overall energy landscape
- ✓ Green architecture and buildings with usage of high degree of locally sourced and recycled materials
- ✓ High degree of conservation, right utilisation as well as recycling of freshwater supplies
- ✓ Solid waste recycling – Metal, electronics and plastic waste
- ✓ Making green zones a part of the overall development roadmap
- ✓ High focus on affordable and quality public transportation so as to minimize the carbon footprint

- A special focus needs to be paid on tapping and leveraging natural gas, coal bed methane, coal gasification, city gas distribution – using cleaner fuel for our growing energy requirement

- Important transformational initiatives like management of waste water, urban solid waste and pollution control need to be taken up on a war footing to make the state a greener and a benchmark of sustainable growth
- Forest cover as percentage of total land need to be increased
- Population served by renewable energy sources need to be increased

Distributed, Inclusive Growth

- This is one of the state's special responsibilities – to bring greater equality as well as prosperity to the masses even as it needs to encourage adoption of fair principles of free market, competition as well as openness
- Building infrastructure in the hinterland, providing livelihood to the poor, improving their skill sets as well as enhancing food and water security will be critical measures needed. In this regard, accelerating the development of District HQs and smaller cities with quality infrastructure will stem migration tides as well as build greater levels of welfare at lower cost
- Particular attention to be paid to those affected by political unrest or dissatisfaction. Special focus needs to be paid to support programs for upliftment of the economically under-privileged sections through self-help groups, self-employment schemes etc
- The state need to explore opportunities for leveraging the UID project for enhancing the reach of the services to the target population, improve governance of various projects as well as increase financial inclusion of the weaker sections of society

Modalities to be Leveraged

Leveraging PPP Models

India is one of the pioneering countries in leveraging PPP models to direct development and investments. This route needs to be leveraged more and more, to create socially and economically viable projects where market principles guide the day to day functioning with policy direction and establishment support from the government.

Given the current condition of the global financial markets, the inflationary concerns and tight monetary policy as well as globally scarce capital, West Bengal will have to try very hard to get its needed share. This will necessitate the creation of the right PPP projects, in collaboration with various stakeholders in order to design practicality as well as attractiveness into the schemes and projects before they are launched. Coordinated action across government departments in due consultation with locals and industry members is absolutely necessary and the focus of the initiative should start from the critical bottlenecks and progress to creating the supporting platform for sustained growth and inclusiveness.

Such projects should adequately leverage FDI opportunities rather than remain focussed on Indian investments alone.

Focus on Generating Self-Employment and Improving Employability

More focus is needed to develop the MSME sector. Instead of providing jobs alone, the government needs to focus on self-employment generation and self-sustenance. This will give greater freedom to the people to implement changes in their lives and environments as well as ensure greater free market, sustainable development.

In this regard, the state has to improve the employability of its people. Improvement of quality of training and emphasis on high-demand vocational skills is critical. Emphasis need to be laid upon high degree of connect of training infrastructure with changing industry needs. Special focus needs to be given to underprivileged groups like women, Below Poverty Line, tribals, land losers, physically handicapped etc.

Improving the educational content in various programs to make the students ready for employment is the need of the hour. Greater focus need to be on continuing education and upskilling. Attitudinal and soft skills training need to be enhanced in various curricula to make the students ready to face the multi-dimensional challenges of life. There need to be higher partnership with industry on keeping the skills of the population current and valuable.

Making the Regulatory Environment upto date with Current Needs and Trends

- It is well understood that the Indian regulatory framework needs significant improvement to bring it upto speed with global realities. In particular, state level improvements are very much the critical need in states like West Bengal
- The government will need to enact a comprehensive regulatory reform in conjunction with the industry in order to make the state more attractive to operate from. A Regulatory reform roadmap needs to be developed in consensus with the people and industry
- Special attention needs to be paid to laws restricting Urban land ceiling, Free market access to farm produce and efficient supply chains, contract farming etc, Re-development of existing, poor quality urban areas into class-leading facilities, Procedural ease for doing business in West Bengal
- The best way to begin is to make small and critical changes and then develop the momentum and confidence for the larger changes. Upcoming changes in the tax regime – like GST etc. provide the state the opportunity to streamline its procedures to make them ready for the needs of today and the future

State Finances

State Finances

- There is a need to manage state finances and take actions to rationalise costs
- Greater leverage of PPP and private party mechanisms to undertake initiatives. Enhancing commercial reasonableness in future initiatives
- Reducing the active role of government in things that are better left to the industry
- Streamlining process and procedures to reduce people cost. Investment in IT enablement to deliver better service at lower costs
- Rationalise administrative infrastructure and remove redundancies with a view to generate more bang for the buck
- Restructure non-profitable PSU's and state undertakings, rationalise multiple entities providing similar services and offerings
- The state also needs to undertake critical revenue enhancing activities to improve the top line. Plugging revenue leakages is the need of the hour
- Identify non-essential activities for governmental participation which can be divested or privatised
- Streamlining taxes such that they induce greater compliance with lower cost of administration
- Prioritise projects that will increase revenue generation for the government even as they would also serve the economy and society

Prioritisation for Industrial Growth

Proposed priority areas for the Government are:

- Lay emphasis on improving agricultural productivity with sustainable practices. Enhance the quantum of food produce being processed
- Improve quality of education and healthcare – with special emphasis on quality, governance and reaching the under-privileged
- Fast track execution of planned infrastructure projects and also plan new ones with a holistic, longer term roadmap. Special focus needs to be paid to quality and efficient execution of plans, schemes and projects. Also, initiate investment promotion campaigns like “Resurgent Bengal”. Special focus should be paid to involve NRIs and other sympathisers outside West Bengal
- Strengthen cross-departmental, integrated planning for infrastructure and other developmental projects – with special focus on developing the smaller cities and towns rapidly
- Leverage PPP Model, including FDI participation, to boost delivery of service and improve efficiencies
- Adopt cluster-centric approach – industry parks, SME clusters, educational and healthcare centres etc. which will overcome infrastructural bottlenecks efficiently as well as bring scale and support to individual units. Expand urban quality infrastructure to multiple cities and towns
- Secure law and order in the state. Encourage positive work culture, reduce working day losses and encourage higher productivity

The above should be achieved together with greater fiscal responsibility and improvement of state finances.

About CII

The Confederation of Indian Industry (CII) works to create and sustain an environment conducive to the growth of industry in India, partnering industry and government alike through advisory and consultative processes.

CII is a non-government, not-for-profit, industry led and industry managed organisation, playing a proactive role in India's development process. Founded over 115 years ago, it is India's premier business association, with a direct membership of over 8100 organisations from the private as well as public sectors, including SMEs and MNCs, and an indirect membership of over 90,000 companies from around 400 national and regional sectoral associations.

CII catalyses change by working closely with government on policy issues, enhancing efficiency, competitiveness and expanding business opportunities for industry through a range of specialised services and global linkages. It also provides a platform for sectoral consensus building and networking. Major emphasis is laid on projecting a positive image of business, assisting industry to identify and execute corporate citizenship programmes. Partnerships with over 120 NGOs across the country carry forward our initiatives in integrated and inclusive development, which include health, education, livelihood, diversity management, skill development and environment, to name a few.

CII has taken up the agenda of "Business for Livelihood" for the year 2010-11. Businesses are part of civil society and creating livelihoods is the best act of corporate social responsibility. Looking ahead, the focus for 2010-11 would be on the four key Enablers for Sustainable Enterprises: Education, Employability, Innovation and Entrepreneurship. While Education and Employability help create a qualified and skilled workforce, Innovation and Entrepreneurship would drive growth and employment generation.

With 64 offices and 7 Centres of Excellence in India, and 7 overseas in Australia, China, France, Singapore, South Africa, UK, and USA, and institutional partnerships with 223 counterpart organisations in 90 countries, CII serves as a reference point for Indian industry and the international business community.



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