



The
Bengal
Chamber

157th Annual General Meeting

Theme: West Bengal - Walking the Manifesto Talk

The Bengal Chamber of Commerce and Industry

Friday 23rd September 2011

At Williamson Magor Hall, Royal Exchange, 6, N. S. Road, Kolkata 700 001



*Key Recommendations of the Panel on
"West Bengal – Walking the Manifesto Talk"*

The Bengal Chamber of Commerce and Industry

'Royal Exchange', 6 Netaji Subhas Road, Kolkata 700 001

Tel: 91-33-2230 8396 / 3711 / 3733 / 3746 Fax: 91-33-22301289

Email: director_general@bengalchamber.com Website: www.bengalchamber.com

PROGRAMME

10.30 a.m. – 12.30 p.m.	Public Session	
10.30 a.m. – 10.40 a.m.	Address	Mr. Sandipan Chakravorty President The Bengal Chamber of Commerce and Industry
10.40 a.m. – 10.55 a.m.	Keynote Address	Shri Partha Chatterjee Hon'ble Minister-in-Charge, Commerce and Industries, Public Enterprises, Information Technology, Parliamentary Affairs & Industrial Reconstruction Government of West Bengal
10.55 a.m. – 11.00 a.m.	Felicitation to	Prof. S S Chakraborty Chairman-cum- Managing Director Consulting Engineering Services (India) Pvt. Ltd.
11.00 a.m. – 11.05 a.m.	Presentation of two reports to the Hon'ble Minister: 1. "A Report on Resurgent Bengal", on the aspirations of the people at the grassroots and Industry linkage	Report Presented by: Dr. Goutam Sengupta Chairperson, Resurgent Bengal Committee The Bengal Chamber Dr. R. P. Banerjee Co-Chairperson, Resurgent Bengal Committee The Bengal Chamber
	2. Report on "Paschimbanga beyond inflexion – The shape of things to come" by PwC	Mr. Ambarish Dasgupta Director PricewaterhouseCoopers Pvt. Ltd.
11.05 a.m. – 11.08 a.m.	Vote of Thanks	Mr. Harsh K Jha Senior Vice President The Bengal Chamber of Commerce and Industry
11. 08 a.m. – 11.10 a.m.	Changeover to Technical Session	
11.10 a.m. – 12.30 p.m.	Panel Discussion: Theme: West Bengal - Walking the Manifesto Talk	
	Moderator's Observations	Mr. Ambarish Dasgupta Director PricewaterhouseCoopers Pvt. Ltd.
	On Health	Prof. Bhabatos Biswas Professor & Head of the Department Cardiothoracic Vascular Surgery R G Kar Medical College & Hospital, Kolkata
	On Education	Prof. Swapan Chakravorty Director National Library, Kolkata
	On Agriculture	Prof. Anup Kumar Sinha Professor, Economics Indian Institute of Management, Calcutta
	On Knowledge based Industries	Mr. A Lahiri President The Chatterjee Group (TCG)
	On Knowledge based Industries	Mr. Bikram Dasgupta Chairman & CEO Globsyn Technologies Pvt. Ltd.
	On Land Reforms	Shri D N Mitra Senior Partner Victor Moses and Company
	On Manufacturing Industries	Mr. Sumit Mazumder Vice Chairman & Managing Director TIL Limited
	Moderator's Conclusions	

BACKGROUND

A Panel Discussion on “West Bengal - Walking the Manifesto Talk” was organized on the occasion of the 157th Annual General Meeting of The Bengal Chamber of Commerce and Industry on 23rd September 2011 in the Chamber premises. PricewaterhouseCoopers Pvt. Ltd. (PwC) was the Chamber’s Knowledge Partner for the AGM. Shri Partha Chatterjee, Hon’ble Minister-in-Charge, Commerce and Industries, Public Enterprises, Information Technology, Parliamentary Affairs and Industrial Reconstruction, Government of West Bengal was the Chief Guest.

The objective of the Panel Discussion was to discuss generating an agenda that would touch upon different key issues relating to the socio economic canvas of the State to help a much faster, balanced and inclusive growth path through a successful model of “Alternative Development”.

The distinguished panelists included **Prof. Bhabatos Biswas**, Professor and Head of the Department, Cardiothoracic Vascular Surgery, R G Kar Medical College & Hospital, Kolkata (**on Health**); **Prof. Swapan Chakravorty**, Director, National Library, Kolkata (**on Education**), **Prof. Anup Kumar Sinha**, Professor of Economics, Indian Institute of Management, Calcutta (**on Agriculture**); **Mr. A Lahiri**, President, The Chatterjee Group (TCG) and **Mr. Bikram Dasgupta**, Chairman & CEO, Globsyn Technologies Pvt. Ltd. (**on Knowledge based Industries**); **Shri D N Mitra**, Senior Partner, Victor Moses and Company (**on Land**) and **Mr. Sumit Mazumder**, Vice Chairman & Managing Director, TIL Limited (**on Manufacturing Industries**). **Mr. Ambarish Dasgupta**, Director, PricewaterhouseCoopers Pvt. Ltd was the moderator.

RECOMMENDATIONS FROM THE PANEL DISCUSSION

➤ HEALTH

The focus should be on the **state of healthcare infrastructure** and what could be done to improve the same. The problem of **inadequate human resources** – doctors and paramedical staffers as well – was highlighted. The suggestions were:

- The **role of the Government should be dual** – running hospitals in the form of medical colleges, as well as running regulatory bodies.
- The Government’s strict regulatory control should assure primary healthcare, community health and prevention of diseases.
- The target has to be ensuring healthcare services for all – across the socio-economic demography.
- The **quality of healthcare should follow a uniform standard** whether the service is provided in a city hospital or a rural clinic.
- There is a **need to bring the standards of AIIMS** to all hospitals and healthcare centres, to create high quality health services in all district and sub-divisions. Each should have an **adequate number of doctors**, who should be able to **work in a proper set-up** in order to contribute to the well-being of people.

- **Private super-specialty hospitals should be created in the periphery too.** There should be some kind of policy or guideline which should allow such hospitals to provide their services to all those who require them.
- All **Government institutions** and colleges should also **train doctors**.
- **Public-private partnerships should be entered into**, and there should be **adequate leadership from the Government**.
- There are three main aspects of healthcare – reach, cost, and quality, and the **State Government should specifically look at reach and cost**.

➤ EDUCATION

The **executive part in education is extremely weak** not only in schools and colleges but also in the universities. The suggestions were:

- **A synergy and co-operation of experiences, knowledge and skills from various sectors** are needed in West Bengal.
- The **State should make a major investment in primary education** because private investment in primary education would be limited. There are almost 67,000 primary schools in the State. However, **many of these are schools without teachers, without blackboards, without toilets – some of them perhaps do not even have mid-day meals**.
- There are various models, across the world, which might inspire us and which we could try out, but which we have not done in the past because we always thought it was the duty of the State to run the sector of Education and to ensure compliance with rights and legislations. The possibility of citizens' initiatives has been little explored, although this was at the genesis of institutions such as Hindu College and Bangiya Sahitya Parishad.
- **Policy should not always be thought about from a State-run system or State-determined mechanism. Research institutions and universities should be open to talent from outside the State, and not shut its doors through limiting seats for outsiders. At the same time, incentives should be given to faculty recruited from outside the State. Great teachers should come in from outside as in the past.** Examples of Dr. C V Raman and Dr. S Radhakrishnan were cited.
- **Staff development skills, right from school-teachers to those working in research institutions should be implemented. Training on the job when the incumbent has limited tenure is likely to work better. Waiting for a Ph. D. and a post-doctoral stint would restrict the profession to those who can afford 12-15 years in higher education after school. Achievements on the job must be rewarded as part of the faculty incentive plan.**
- **Various pass courses in skill programmes in colleges, which do not have value in the job market, should be so evolved that the focus is on marketable skills.** Sudden closure is not possible as the human resources who are involved in this system will lose their jobs. **Objective should be to make these places / courses useful centres / sources for learning. Their curricula may be along the lines of those in centres of continuing education in India or Community Colleges in the United States.**

- **The model where research is completely divorced from teaching needs to be altered. Research needs to start at the undergraduate or even at the graduate level. This would help in developing a ‘talent pool’.**

➤ **AGRICULTURE**

The holdings of agricultural land are decreasing. There are alternatives which people are pursuing. These are, moving to industry (therefore leaving the sector altogether), and trying out more high-value options like dairy farming, horticulture, livestock. The suggestions were:

- The last measure mentioned in the manifesto in the realm of development of agriculture, i.e., to **create cooperatives (with the understanding that they could enlarge the scale of operations)** would be useful because agricultural operations in WB are very small, with the average holding being less than 1 acre, and there are pressures due to the population size.
- There are also other rural alternatives which are not necessarily agricultural (like handicrafts), for which, **developing roadways** is essential.
- To measure the Government’s achievements a tenure of 1000 days should be observed to identify the concrete and positive changes instead of 100 or 200 days.
- **Time-allocation** is important.
- ‘**Convergence**’ (a banking term) was suggested for the sector of agriculture – something that requires no public investment. This means that all **panchayats should be made accountable for the State Government schemes being implemented**, when the resources have been allocated accordingly.
- Focusing on **food processing** was also suggested – where **agriculture would be linked to industry. 3 or 4 districts should be chosen and focused on, and they could act as pilots and inspire future efforts, creating a value chain linking the farmer and the consumer.**
- **Extension of services which could help provide knowledge** should be encouraged. **Involving local farmers who could advise other farmers** on topics like how best to optimize their resources, water-conservation and the use of fertilizers should be planned.
- A **list of small, bankable, livelihood-based projects** should be created. **Financial inclusion** was very important.
- In the creation of **vertically-integrated food-processing chains, corporate investments** may be attracted – not in a big way but rather doing it as a pilot where success is guaranteed. An example could be **choosing 1 or 2 crops and 2 or 3 districts, which would create interest outside the State and result in a bigger flow of private investment. Existing schemes should be taken off the ground fully by employing proper administrative personnel.**
- **West Bengal’s situation should be assessed on a district by district basis, and creating special plans for each district based on this data. Whether it is prudent to go the whole distance on agriculture, or whether it would be advisable to start rural-based cottage industries should depend on the skill set and prevailing conditions in the particular district.**

- To increase productivity, **multi-cropping**, or using **multi-variety seeds** may be exercised.
- Technology and knowledge are also important.

➤ **KNOWLEDGE BASED INDUSTRY**

The discussions focused on the ways of utilizing IT in the overall development of the State.

- In **healthcare**, **IT services** should play a pivotal role in **connecting the bottom of the pyramid to the top of the pyramid**. This should result in bringing health services meaningfully to the masses. This can be done by **improving the performance of medical units and hospitals in terms of capacities of existing facilities, by streamlining processes and sharing information on a real-time basis across these institutions**. Thus better services would be delivered to the citizens at a far lower cost.
- IT has a big role to play in **infrastructure development**. This includes, in addition to improving the Kolkata airport, a **plan for an entire network of airports in tier-2 cities like Malda, Asansol, Durgapur, Medinipur, Sagar, Birbhum, etc.** This could be construed as a **vital opportunity for the IT industry – for investors in both hardware and software to be drawn to this**. IT automation for services is a crucial factor towards the running and performance of the concept of “city around an airport”.
- IT should also have a major role to play in **upgrading the quality of education** in the State. This would mean **quality teachers being able to reach out to a far greater number of students**. This would **reduce the need for campuses and buildings, as even those in remote areas could be reached out to**.
- IT may be used in the Government’s new initiatives in **tourism** in very strategic places – right from **making information available, to bookings, having websites and applications, offering a safe, smooth, hassle-free and secure user experience**.
- In the context of creating a new business paradigm, there is an opportunity for West Bengal to level the playing-field and come up to the level of other leading players. This must be done by creating services which enable us to move up the value chain – **N2N solutions, manufacturing hardware, creating products, so on and so forth**. This is important because the earlier model is fast becoming irrelevant, with the services at the lower end of the spectrum being gradually transferred to countries like Mexico, Vietnam, Philippines, etc.
- Growth of the knowledge based industry may be enhanced by **creating distribution points with Kolkata as the centre, and going down the value chain in districts**. The people who work in domestic BPOs actually come from the districts. Therefore, it made sense to shift the domestic BPOs to the districts. The city could retain the international BPOs which would definitely create better profits and better rates of employment.
- If larger companies sub-contract to smaller companies, then it would lead to creating a matrix of employment in the city and districts differently, and spreading the whole exercise to larger areas, attracting many more entrepreneurs. This would mean the creation of a “centre of excellence”.
- The majority of the IT work is essentially in storage and retrieval. One could do this anywhere, not necessarily from Kolkata. If one did it in the districts, and brought it for

final processing in the city, connected it up, while the larger company dealt with the customer-end, this would mean distributing the mix along the district level as much as possible. Thus the demand side would be created much more evenly and covered extensively.

- In the realm of IT education, it was recommended that the faculty members for subjects in technical education must be research oriented. **For a knowledge-based line, what needs change and training is the faculty. Faculty-development institutes are required.**
- **On the supply side, therefore, we must concentrate on faculty development, in knowledge, education as well as skills, and on the demand side, we must look at distribution mixes, within the inclusive part. We should link these two together into a complete framework.**

➤ LAND REFORMS

- **The Government should have a role in price negotiations, otherwise land-brokers and land-speculators would come in, creating a messy situation. The industrialists would not directly purchase land, they would rely on somebody, and a different class would be created.**
- As far as existing land-laws are concerned, firstly the **West Bengal Estate Acquisition Act needs to be scrapped.** This Act had been brought in to abolish the zamindari system. This was followed by the Land Reforms Act of 1955. **With the zamindari system mostly obsolete now, and land having been settled, the use of having such an Act in existence becomes irrelevant.**
- **The Government utilizes only Section 6 of this Act, which means that it wants to have control over the land owned by industry, tea-gardens, and other commercial entrepreneurs. This provision can be brought in the Land Reforms Act itself, and the 1953 Act should go altogether.**
- **Different permissions related to land acquisition, mutation, excess holding, conversion of ownership, etc should be brought together under one single authority,** which would be much less time-consuming, saving people the effort of running around from department to department.
- **The Land Reforms Act can be better utilized, forming an authority (maybe at the District, Block or State level), to deal with all these approvals and permissions. This one-window clearance would be really helpful.**
- **Land records are in an appalling state;** one cannot get information or required documents. **Unless these are digitized / computerized, reforms that are made would be impossible to implement because of the non-existence of proper records. The records should be digitized / computerized, perhaps even made available on the Internet.**
- The State Government should publish the Land Use Plan, by which the **Government should be able to demarcate definite roles or uses for particular pieces of land. Once this Plan is published, there shouldn't be any requirement for conversion of land, it would be automatic.** When an industrialist or entrepreneur knows that the land acquired is earmarked for a specific purpose and no conversion is needed – it can start the acquisition process of the required land for its particular purpose.

- **It is well-known how Dharavi in Mumbai is reducing over the years. The same formula can be adopted here so far as the Thika lands are concerned.** The Government would benefit, the litigations regarding Thika lands would go, the land-owners would get paid, and the basti-dwellers would ultimately benefit. Above all, the Government would earn a large amount of revenue.

➤ MANUFACTURING

The manufacturing industry is the fundamental key to a strong economy.

- Traditionally, India was known as the source of cheap labour, but now it is known for providing people with knowledge to the IT industry, and this has definitely helped bring India into the forefront of the global arena. **But in terms of value created, or value added, it was quite low for the manufacturing industry. As a result of falling behind the services sector, West Bengal has lagged behind. The services sector, being a very knowledge-intensive sector, could also have created some urban inequality in WB.**
- Because of the glamour and the opportunities in the IT sector, there has been a lot of emphasis on it. The previous Government had put manufacturing on the backburner, except for very large industries – manufacturing was never given much focus. Even with the current Government, the focus does not seem to be quite there.
- **The Manifesto mostly focuses on MSMEs – jute, tea, etc – those are the areas that have been emphasized. No mention has been made of the engineering sector or the big industrial outfits, which is worrying.** The Manifesto also goes through facts and figures in comparison to other States – for example, how many factories there are in West Bengal, how much employment is there in the manufacturing sector, etc. This information is indeed quite dismal. **The data indicates that there is a need to revive the manufacturing sector – but there is no mention of the plans regarding this.**
- The Government needs to realize how important the manufacturing sector is. With no concrete plans, what is happening to this sector in the state? The manufacturing strength is fast dwindling.
- **Over the developing stages of manufacturing and competitiveness, there has been a large-scale shift of manufacturing excellence from the UK to the US, Japan, Korea and now to China and India. Other States in India have hopped on to the bandwagon, but West Bengal seems to be blissfully unaware of the urgency in our State that something needs to be done.** The Government needs to bring the focus back and create an enabling environment, which would attract industry.
- Without doubt, the manufacturing sector provides the largest amount of employment, employing people from all walks of life, not necessarily needing graduates or post-graduates. 70 percent of the country's population lives in rural areas – what about these people, who want to move away from agriculture and get jobs in industry? **The manufacturing sector is the only sector that can provide employment in large numbers. When a large industry is set up, there are a huge number of ancillary industries which are set up – either downstream or upstream. The direct and indirect employment generated by manufacturing industries would greatly alleviate the State's poverty.** It would improve the standard of living for the masses, and this is obvious when we travel within India – we see it when we go to Gujarat, or Punjab, or even down South.

- **MSMEs cannot be solely banked upon. MSMEs don't have the wherewithal, either in terms of managerial talent or marketing ability, and of course, finance is always a challenge. MSMEs have huge potential as add-ons for a large manufacturing project, whether it is upstream or downstream. This means they would be getting the technology from the main mother factory, finances are resolved to a great extent, and that is how MSME growth is guaranteed. On their own, they cannot prosper.**
- **The State's per capita income has fallen way behind the all-India average although a rapid rise has been seen in the services sector's employment. The inefficiency of the unorganized sectors has prevented the growth of employment within the State. With more and more large manufacturing units, the number of the unorganized sectors would go into becoming Medium, or Small, or Micro Enterprises, which are then tagged onto a large industry, thereby removing this deficiency.**
- **Manufacturing needs focus, and we need to bring in investment from other States or abroad, and we need to bring in serious players as well as local industries to invest in West Bengal (because a lot of them have, over the years, invested in other states). If we can get manufacturing back into our State as a major activity, it would go a long way in our most cherished and desired wish of inclusive growth.**