

# Economic Development under Left Front: Perception versus Reality

## Abstract

During the thirty-four years of the Left Front rule in West Bengal, the state had initially performed commendably on the agricultural front and in the implementation of panchayat institutions which however leveled out afterwards. At the same time the State had fallen behind in other sectors – industry, higher education and State of public finances. The land distribution changed slightly in the same direction, during the last latter period of Left Front rule. The controversy regarding forcible acquisition of agricultural land for industrialisation spelt doom for the Left Front. This paper reviews the economic performance of the Left Front in these different sectors, especially upto the period of 2005, comparing the perception to reality; as after that time till its ultimate removal in 2009, the Left Front's policy of industrialisation failed miserably and it went into a policy and decision paralysis.

**Keywords:** NSDP, Agriculture, Land Reforms, Panchayat, Income, Consumption, Poverty.

## Introduction

'The external drain from Bengal could be put at about 3 to 4 percent of the gross domestic material product.'<sup>1</sup>

As the noted economist Professor Amiya Kumar Bagchi had opined, the Bengal Presidency which as the first area colonized by the British was also the worst hit economically, the brunt of which was borne by the poor peasants, more so after the Permanent Settlement. With hardly any expenditure on investment in the agrarian sector, there was a sharp decline in the food-grain production per capita in the first half of the twentieth century. After the travails of the Partition and an eventual Independence, a severe catastrophic famine occurred in which more than 3 million people died in the newly-formed West Bengal state of India. But, the product of the British rule – the parasitic landlords, *jotdars* and moneylenders- continued to exploit the poor peasantry in the village economy of West Bengal did not decline, which led to acute food shortage and the food movement in 1957. Also, with the Partition, the jute and tea industry suffered a huge setback. This was accompanied by a huge influx of refugees into West Bengal. The freight equalization policy had a negative impact on the industries of West Bengal. All these economic hardships in agricultural and industrial spheres led to a democratic movement which ushered in the Left Front Government under the stewardship of Jyoti Basu in 1977 which continued uninterrupted upto 2000, after which Buddhadeb Bhattacharjee was at the helm upto 2009. The 34 years of Left Front rule was ended with a change in the electoral mandate which ushered in a Trinamool led government for the next decade. But, the long Left Front regime left behind an indelible impact on the economy of the state. This paper has tried to analyse the economic performance of the Left Front governments, especially in the aftermath of the British rule, Partition and twenty-years of fledgling democracy.

## Aim of the Study

The basic objective of this paper is to depict and analyse the economic performance of the Left Front rule, born out of decades of popular struggle for democratic rights and socio-economic justice. The Left Front rule had evoked much curiosity as it was encumbered in a set-up where the real power lay with the Centre. But, within this set-up the state made some strides in the economic front. There is a need to analyse the economic performance of the Left Front rule in West Bengal, which bore the brunt of the exploitation of the colonial powers, suffered the gory and agony of Partition and afterwards the Naxalite movement, all of which acted as impediments to the economic prosperity of the society of the land. Moreover, there is a perception, some may term it as a propaganda, or a stereotype, or a general held belief or hypothesis that the West Bengal



**Surya Narayan Ray**

Assistant Professor,  
Deptt. of Commerce,  
Dinhata College,  
Dinhata, Cooch Behar,  
West Bengal

economy had suffered during the nearly three and a half decade rule of the Left Front which needs to be justified.

#### Methodology

The primary source of data is secondary, supplemented by some primary interviews and personal experience over the last few years. The data has been presented statistically in tabular form for easy and smooth inference. It is almost impossible to present all the relevant data within the limitation of a single paper, but nevertheless an attempt has been made.

#### The NSDP picture

The Net State Domestic Product (NSDP) is a measure, in monetary terms, of the volume of all goods and services produced within the boundaries of the State during a given period of time after deducting the wear and tear or depreciation, accounted without duplication.<sup>2</sup> It is an important indicator of the economic performance of the state. The data used is the average annual growth rates in per capita NSDP at Constant prices of the base year 1993-94. This period is the watershed period of the Left front rule as for the first time, this coalition government announced the New industrial Policy of the State. As seen in Table 1, the West Bengal's income grew during the Left Front rule, right from 1971. After 1977, there has been a steady increase in the income of the state. The question naturally arises as to whether it compares favourably with that of other states. This has been depicted in Table 2 where it is shown that the West Bengal economy recorded the highest growth rate amongst all the states in India in the period 1993-94 to 2002-03.

Table 1

#### Growth rate of West Bengal's Income at Constant (1993-94) Prices

| Period    | Growth Rate of NSDP |
|-----------|---------------------|
| 1971-1980 | 3.1                 |
| 1981-1990 | 4.7                 |
| 1991-2006 | 6.2                 |
| 1971-2006 | 4.9                 |

Source: West Bengal Development Report (2010)<sup>3</sup>

Table 2

#### Growth Rate of NSDP at Constant Prices, 1993-94 to 2002-03

| States         | Growth |
|----------------|--------|
| Andhra Pradesh | 5.88   |
| Bihar          | 6.62   |
| Gujarat        | 6.72   |
| Karnataka      | 7.29   |
| Madhya Pradesh | 2.94   |
| Maharashtra    | 5.17   |
| Tamil Nadu     | 5.84   |
| West Bengal    | 8.55   |
| Orissa         | 3.50   |
| Rajasthan      | 6.10   |
| Uttar Pradesh  | 4.49   |
| Punjab         | 4.79   |
| India          | 6.87   |

Source: Mohan Guruswamy et.al. (2005)<sup>4</sup>

#### Agriculture, Land Reforms and Panchayat

'If the villages perish, India will perish too. It will be no more India. Her own mission in the world will get lost'<sup>5</sup>

As the Father of the Nation, Mohandas Karamchand Gandhi or Bapuji, as he was so endearingly called, had opined that real India lives in her villages and not in big cities. The general occupation of the Indian villages is agriculture. With the Left Front rule in the West Bengal, there was focus on improving the main livelihood of the villages, which is agriculture. During the Left front rule, there was significant increase in the food grain production of the state.

Table 3

#### Growth Rate of Food Grain Production in West Bengal

| Period  | Growth Rate of Food Grain Production |
|---------|--------------------------------------|
| 1951-60 | 0.79                                 |
| 1960-70 | 3.32                                 |
| 1970-80 | 0.96                                 |
| 1980-90 | 5.81                                 |
| 1990-95 | 2.13                                 |

Source: Rawal & Swaminathan (1998)<sup>6</sup>

In the period 1990 and 2005, West Bengal recorded 2.03% growth rate in rice production, which was much higher than Tamil Nadu (-2.56%), Andhra Pradesh (0.17%) or Uttar Pradesh (1.46%). Even in wheat production, the growth rate in West Bengal was 3.46% (in the same period) which was higher than Haryana (2.61%), Punjab (1.46%) and Uttar Pradesh (1.9%). Towards the end of the Left Front rule, West Bengal had emerged as the largest producer of rice in the country (148 million tons in 2009-10). The state was also currently the largest producer of vegetables and fishes.

Table 4

#### Distribution of Agricultural Land under Land Reform

| Particulars                                    | India   | West Bengal | %    |
|------------------------------------------------|---------|-------------|------|
| Area distributed under land reforms (in acres) | 4964995 | 1122116     | 22.6 |
| Number of beneficiaries                        | 5457522 | 2971857     | 54.5 |

Source: Government of West Bengal (2009)<sup>7</sup>

In table 4, all-India figures are as of September 2007 and the corresponding West Bengal figures are as of February 2008. The poor villagers of West Bengal had been suffering from the zamindari system handed down by the British. But the Left Front government undertook the most extensive land reforms activities than other states after independence. Having only 3.9% of the net sown area in the country, West Bengal undertook extensive land reforms exercise which resulted in 54.5% of the total beneficiaries of land redistribution in the country belonging to West Bengal as well as 22.6% of the total land area redistributed belonging to the state. These figures are exemplary and reflect the extent of land reforms under the Left Front rule.

**Table 5**  
**Spread of Disadvantaged Sections after Panchayat Election, 2008**

| Categories             | %     |
|------------------------|-------|
| Scheduled Caste        | 35.76 |
| Scheduled tribe        | 8.47  |
| Other Backward Classes | 5.70  |
| Muslims                | 23.17 |
| Women                  | 39.18 |

**Source:** Government of West Bengal (2010) <sup>8</sup>

Before 1977, in West Bengal nearly 70% of the Panchayat members hailed from the affluent landowning families. The Panchayat scenario in West Bengal slowly changed in the Left Front rule as more and more poor peasant folk started entering the Panchayat arena. By 1988, 58% of the Panchayat members were poor peasants or agricultural labourers. By 2008, this figure had increased by leaps and bounds. As shown in Table 4, even women representatives were nearly 40%. This showed women empowerment and political empowerment of the poor peasants increased during the Left Front rule.

#### Income, Consumption and Poverty

**Table 6**  
**Per-Capita Income of West Bengal and India at 1993-94 prices**

| Year    | West Bengal | Growth Rate | India | Growth Rate |
|---------|-------------|-------------|-------|-------------|
| 1993-94 | 6755.95     | -           | 7690  | -           |
| 1995-96 | 7491.86     | 10.89       | 8489  | 10.39       |
| 1996-76 | 978407.58   | 12.22       | 9244  | 8.89        |
| 1997-98 | 8813.76     | 4.83        | 9650  | 4.39        |
| 1999-00 | 9319.70     | 5.74        | 10071 | 4.36        |
| 2000-01 | 9796.33     | 5.11        | 10308 | 2.35        |
| 2001-02 | 10380.20    | 5.96        | 10754 | 4.33        |
| 2002-03 | 10950.95    | 5.50        | 11013 | 2.41        |
| 2003-04 | 11611.70    | 6.03        | 11799 | 7.14        |
| 2004-05 | 12294.54    | 5.88        | 12414 | 5.21        |

**Source:** Ratan Khasnobis (2008) <sup>9</sup>

As the noted economist, Professor Rata Khasnobis had so meticulously pointed out; the growth rate of per-capita income of West Bengal was consistently higher in the period 1993-2005, as compared to the country. This data is again against the stereotype that the income of West Bengal suffered during the Left Front rule. It is true that the growth rate decreased somewhat, but it is in sync with the trend of per-capita income of the rest of the country.

According to the noted economist Eugene Smolensky, there is a considerable linkage between income and expenditure or consumption <sup>10</sup> In the case of West Bengal too, there is a common belief that consumption-wise the state lagged behind the rest of the country. But, Table 7 reveals that the Real-Monthly Per-Capita Expenditure in both rural and urban West Bengal caught up with the rest of the country by 2004-05 towards the end of the Left Front rule. On comparison to Table 6, is seen that with rise in per-capita income, there was rise in consumption during the Left Front rule.

**Table 7**  
**Real Monthly Per-Capita Expenditure (MPCE) of West Bengal and India**

| Particulars                    | 1993-94 | 1999-00 | 2004-05 |
|--------------------------------|---------|---------|---------|
| West Bengal: Real MPCE (Rural) | 279     | 290     | 326     |
| India: Real MPCE (Rural)       | 281     | 306     | 318     |
| West Bengal: Real MPCE (Urban) | 474     | 504     | 600     |
| India: Real MPCE (Urban)       | 458     | 526     | 548     |

**Source:** Ratan Khasnobis (2008) <sup>11</sup>

Another variant while discussing the economic development is poverty. Poverty can be defined objectively and applied consistently only in terms of the concept of relative deprivation. <sup>12</sup> During the Left Front rule, there was reduction in the poverty level, as shown in Table 8. On comparison to Table 6, is seen that with rise in per-capita income, there was reduction in poverty during the Left Front rule.

**Table 8**  
**Decadal Poverty-Levels of West Bengal and India**

| Particulars         | 1983  | 1993-94 | 2004-05 |
|---------------------|-------|---------|---------|
| West Bengal: Rural  | 61.56 | 37.35   | 28.49   |
| India: Rural        | 45.76 | 37.26   | 29.18   |
| West Bengal: Urban  | 31.5  | 23.24   | 18.5    |
| India: Urban        | 42.27 | 31.56   | 26.02   |
| West Bengal (Total) | 53.60 | 33.45   | 25.67   |
| India (Total)       | 44.93 | 36.02   | 28.27   |

**Source:** Ratan Khasnobis (2008) <sup>13</sup>

#### Singur and Nandigram

'The future of the industrialisation agenda of the Left Front government in West Bengal hangs uncertain...We are a group of economists... unambiguously condemn the brutal assault on, and killing of, farmers resisting land acquisition by the police and cadres of the ruling party in Nandigram on March 14, 2007.' <sup>14</sup>

The Left Front government's plan to expropriate 10,000 acres (4,000 ha) of land for setting up a chemical hub under the Special Economic Zone (SEZ) to be developed by the Indonesian-based Salim Group for the industrialisation had met with stiff resistance from the land owners. A number of villagers were killed and wounded in the police firing on March 14, 2007 and the chaos and mayhem that resulted from this hasty decision, along with the stoppage of all construction work at the Singur factory of Tata Motors Limited in August, 2008 ultimately spelt the doom for the Left Front at the electoral hustings in 2009.

#### Conclusion

'Bengal was the economic and intellectual leader of India till it discovered Marxism. It discovered Marxism and like poor Russia in 1917, committed suicide. The economic lead of Bengal has vanished and so has the cultural lead.' <sup>15</sup>

While delivering a lecture at the India Today on 'India Tomorrow: Perception versus Reality' the Nobel laureate Sir Vidya S. Naipaul was only iterating a common belief or a stereotype of the economic and intellectual performance of West Bengal under the Left Front rule. While it is true that cultural

development cannot be quantified, but on the other hand, economic growth can be and the data presented in the paper suggests that Sir Vidya's opinion takes more than just poetic licence with the facts. The facts are that after 1993-94, West Bengal had the second highest growth rate with 7.2 per cent with only Karnataka (8.1 per cent) ahead of it. It would also seem that the Marxist rate of growth has been better than the Hindu rate of growth since India only grew at 6.3 per cent during this period.<sup>16</sup> India Today had in 2006 awarded Punjab the prize of being the "best-managed State in India", when its decadal growth was just 3.8 per cent, just ahead of India's lowest performer Madhya Pradesh (2.9 per cent).

The country's chosen political system affords no possibility for a dictatorship of the proletariat. Admittedly there is a somewhat greater flexibility in choice of economic system, but even this is circumscribed by constitutionally guaranteed freedoms and the rule of law. Even in terms of growth of per capita income West Bengal has fared much better than all other States during the post-reforms era of 1993-94. It achieved an average growth of 5.5 per cent after 1993-94 upto 2006, as opposed to the nationwide growth of 4.3 per cent. This is even more commendable given the fact that during the said period West Bengal was also racking up an average annual population growth of 1.78 per cent between 1991-2001, which is much higher than the rate of the high achievers such as Tamil Nadu (1.11 percent). The per capita incomes of West Bengal and Maharashtra, after excluding the two great metros of Mumbai and Kolkata are fairly close. Despite the low intensity of irrigation West Bengal had the third highest average yield in India during the later period of Left Front rule.

The true significance of the West Bengal economic performance under the Left Front rule was underlined in Tables 6, 7 and 8 where the income, consumption and poverty levels were shown in comparison to the rest of the country. With food grain security and political empowerment of the peasants, there was also political empowerment for the disadvantaged portion of the society. Women found more significant representation in the Panchayats. Thus the perception or the propaganda or the stereotype or the general held belief or the hypothesis that the West Bengal economy had suffered during the nearly three and a half decade rule of the Left Front cannot be justified. In fact in the light of the presented information in the paper, it can be said that the economic development in West Bengal during the Left Front rule was real; whether be it in increasing food grain production or in redistributing agricultural land among the peasants or in empowering the women folk and other disadvantaged groups

through Panchayats or in increasing the income and consumption levels or in decreasing poverty. In fact the Net State Domestic Product of West Bengal was high during the Left Front rule in comparison to most of the other states of the country.

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