

## *The Marxist*

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### **PART II OF THE POLITICAL-ORGANISATIONAL REPORT OF THE 19TH CONGRESS OF THE CPI (M)**

#### *On Left-led Governments:*

#### *The Experience and their Role in the Present Situation*

1. The Left-led governments of West Bengal, Kerala and Tripura are an important part of the Left and democratic movement in the country. These governments are products of prolonged political struggles and movements in these three states. The Left Front in West Bengal emerged after seven years of semi-fascist terror directed against the Party. In Tripura, after the manipulated elections of 1988, the Party experienced a five-year period of semi-fascist terror. In Kerala, there has been periodic repression and attacks. All these governments have faced hostile and discriminatory attitudes from the Centre and the ruling party/alliance during various periods of time.

2. However, since the Party correctly implemented the understanding contained in the Party programme about our participation in and running state governments, we were able to beat back the various attacks and hostile manoeuvres and gained more and more support for the Left Front and the Left-led alliance which were translated into popular mandates for forming Left-led governments. The Party has gained rich experience of working in state governments within a parliamentary democratic system in which real State power resides at the Centre. When the Communist Party won a majority in the assembly elections in Kerala in 1957 for the first time and formed a government, we were confronted with a situation where an uncharted path faced us. The first Communist ministry took pioneering steps for land reforms; enhancing the minimum wages and initiating welfare measures for the working people; democratising the educational system; a pro-people police policy and decentralisation of powers. These measures attracted the ire of the ruling classes who organised an anti-communist so-called "liberation struggle" leading to the dismissal of the government under Article 356 of the Constitution. This experience of running the government for 28 months helped the CPI(M) to later formulate the tactical direction in the Party programme.

3. First, it is necessary to place the Party's role in state governments within the framework set out in the Party programme. How does it fit in with the strategy for People's Democratic Revolution and the tactical line of building a Left and democratic alternative? The Party programme sets out the goal of People's

Democracy to replace the existing bourgeois-landlord system. To proceed towards this aim it is necessary to build a People's Democratic Front of the working class, the peasantry and other allies at the all-India level through the development of a powerful movement. As an interim step towards developing the People's Democratic Front, the Party has put forward the slogan of a Left and democratic alternative. In the process of this struggle to build the Left and Democratic Front at the all India level, it is possible that the Party and the Left and democratic forces will become strong in some states to acquire a majority in the legislature. In such a situation, the Party programme sanctions the participation of the Party in such governments while keeping in mind that the states have very limited powers and it is the Centre which controls State power and its instruments. The understanding of the Party on our participation in governments was contained in Para 112 of the Party programme which was adopted in 1964.

4. This paragraph stated as follows:

“The Party will obviously have to work out various interim slogans in order to meet the requirements of a rapidly changing political situation. Even while keeping before the people the task of dislodging the present ruling classes and establishing a new democratic state and government based on the firm alliance of the working class and peasantry, the Party will utilise all the opportunities that present themselves of bringing into existence governments pledged to carry out a modest programme of giving immediate relief to the people. The formation of such governments will give great fillip to the revolutionary movement of the working people and thus help the process of building the democratic front. It, however, would not solve the economic and political problems of the nation in any fundamental manner. The party, therefore, will continue to educate the mass of the people on the need for replacing the present bourgeois-landlord state and government headed by the big bourgeoisie even while utilising all opportunities for forming such governments of a transitional character which give immediate relief to the people and thus strengthen the mass movement.”

5. This formulation clarifies that while working for the strategic goal of dislodging the present ruling classes and establishing a new People's Democratic State and government, interim slogans and tactics have to be worked out. This may require “bringing into existence governments pledged to carry out a modest programme of giving immediate relief to the people.” The formation of governments can provide a fillip to the revolutionary movement of the working people if they give relief to the people and strengthen the mass movements. At the same time there should be no illusion that they can solve the basic economic and political problems of the country in a fundamental manner. The formation of governments with CPI(M) participation should therefore help to develop the Left and democratic movement.

6. The provision in the Programme makes it clear that a state government run by the Party cannot fulfill the strategic goals. What the state governments can do is to advance the political-tactical line of the Party and, in the context of our programmatic understanding, work to strengthen the Left and democratic forces, so that a Left and democratic alternative emerges in the country.

7. In 1967, the Party was called upon to give concrete shape to this tactical direction given in the Party programme. In the 1967 general elections, the Congress lost its monopoly of power when it was defeated in nine states. This came in the background of mounting economic difficulties leading to popular discontent and widespread struggles. Non-Congress governments were formed in nine states. The Central Committee adopted a resolution "New Situation and Tasks" in April 1967 which elaborated the understanding of the Party regarding the United Front governments in which we were participating. The resolution characterized the various non-Congress state governments. The Party had decided to join the United Front governments in Kerala and West Bengal where the Left and democratic forces were in a strong position. Unlike the CPI, the Party refused to join state governments in Bihar, UP and Punjab where the Left and democratic forces did not have a decisive say. The resolution first spelt out the character of the state governments and their limitations. It stated: "A good and essential part of state power resides in the Union Centre and the Congress Central Government and whatever small share of power the state governments possess, under the provisions of the country's Constitution, will have to be exercised within the confines of this overall central power."

8. The resolution explained the way the ministry should function keeping in mind the direction given in Para 112.

"Finally, there is one point to be constantly borne in mind by our comrades working in the UF Cabinet. We cannot forecast the actual lifespan of these Governments and all the possible vicissitudes they will have to undergo during the tenure of their ministries. We cannot also definitely say how much relief can be given to the people and what actual possibilities are opened up for these Governments to do so. Our ministries, without either entertaining undue illusions about giving relief in a big way, or courting despair that nothing can be done under the present set-up, should always bear in mind that they as the Party's representatives, should strive to tender our bona fides to the people. Any failure on this score compromises the Party's political line in the eyes of the people; adversely affects the independent mobilisation of the people; and their activities, and all this in turn, will not help us to resist and overcome the vacillations, wobbings and sometimes even possible backsliding of some democratic parties in the UFs and their respective Governments. In a word, the UF governments that we have now are to be treated and understood as instruments of struggle in the hands of our people, more than as Governments that actually possess adequate power, that can materially and substantially give relief to the people. In clear class terms,

our Party's participation in such Governments is one specific form of struggle to win more and more people, and more and more allies for the cause of People's Democracy and at a later stage for Socialism."

9. The 1967-70 period of UF governments threw up a rich and varied experience for the Party on united front tactics and also on how to participate in and run governments. The Party's firm stand against the Central government's policies, seeing the formation of the Left-led governments as part of the class struggle and the steady expansion of its mass base alarmed the anti-Marxist forces and some of the partners of the United Front including the CPI. The Party's correct united front tactics and its creative approach to the state governments helped the Party to overcome the odds, though we paid a heavy price. For nearly a decade over two thousand of our cadres were killed in West Bengal and Kerala by the goons of the ruling class parties. This happened in a situation where Left unity was disrupted and the state machinery was utilized to repress the Party. But this period helped the Party establish the leadership role of the Party among the Left and democratic forces in West Bengal and Kerala.

10. Finally, after the Emergency in 1977, we were able to reforge Left unity (the CPI joined in 1980) and there was the experience of the correctness of our political line and united front tactics. The first Left Front government was formed in West Bengal in 1977 and we have been in government for the last 30 years, having won seven successive elections. In Tripura, the first Left Front government was formed after the elections in 1978 and the second Left Front government in 1983. After ten years of Left Front rule, the assembly elections of 1988 were violently rigged with the help of the Central government. After five years of terror, the Left Front government was re-elected in 1993 and it has now been reelected for the fourth successive term in March 2008. In Kerala, there have been alternate stints in office for the Left and Democratic Front which was formed in 1980. These were in 1980-82, 1987-1991, 1996-2001 and the LDF was again elected to office in the 2006 assembly elections.

11. From 1967 onwards the CPI(M)-led governments have taken the lead in implementing land reform laws. It is only these three states which have seriously undertaken land reforms within the existing constitutional limits. In all three states substantial steps were taken for vitalizing the panchayat system and decentralisation of powers. Left-led governments refused to let police be used against democratic movements and the struggles of the working class, peasantry and other democratic sections. These governments have stood out because of their firm stand against the communal forces, by preventing communal riots or by effectively tackling them if they did break out. The Left-led governments took significant steps to increase social welfare measures to expand the public educational and health systems and to strengthen the public distribution system. Under the Left-led governments, the democratic rights of different sections of people have been assured. In contrast to governments run by bourgeois parties, the Left-led ministries have

a record of being free from corruption. It is on this basis that the direction given in the programme that they should give a “fillip to the revolutionary movement of the working people” and “strengthen the mass movement” have been by and large fulfilled. Both the Party and the mass movements in the three states have grown steadily. The existence of the Left-led governments and their work have contributed to this. It may be recalled that in 1977 the Party membership in West Bengal was 33,720 and the total membership of the mass organisations 25 lakh. After 30 years of Left Front rule, the Party membership today stands at 3,21,682 and mass organisation membership at 3,43,24,754. In Kerala the Party membership in 1978 was 67,366 and the mass organisation membership 10,09,176. Today the Party membership is 3,36,644 and mass organisation membership 1,42,52,725. In Tripura in 1978 the Party membership was 3,970 and the mass organisation membership was 1,07,822. Today the Party membership is 67,764 and mass organisation membership is 19,52,485.

12. The Left-led governments' stand on ethnic and nationality issues has also been distinct from other state governments. The Left-led governments have protected the rights of the linguistic and ethnic minorities. In Tripura, the Left Front government struggled to set up the Tribal Autonomous District Council under the Sixth Schedule of the Constitution. This was part of the overall approach of strengthening tribal-non-tribal unity while looking after the special interests of the tribal people. In Darjeeling, as against the separatist demand, the Left Front government set up the Darjeeling Gorkhaland Hills Council. It is now striving to include this in the Sixth Schedule of the Constitution. The Left-led governments have created an atmosphere where chauvinism, linguistic or regional, is not tolerated.

13. State power in India is expressed through the Constitution and the parliamentary system. The various instruments of State power like the higher judiciary and the civil services are not exercised by the state governments. While the legislature has limited powers in certain spheres, even these are circumscribed by the necessity to get assent from the central power. The judiciary in general has been hostile to the progressive measures adopted by the Left-led governments. Beginning with the striking down of vital clauses of the Agrarian Reforms Act passed by the first communist ministry to the latest interventions by the Kolkata High Court on the Nandigram events, the Left-led governments have had to contend with a conservative and status quoist judiciary. The Left-led governments have had to constantly face hostility and the partisan use of constitutional and legal provisions. These include partisan acts by Governors, use of the unbridled powers in Article 356 to dismiss governments, and discrimination by the Centre in allocation of resources. The Centre on various occasions has not hesitated to take steps such as cutting rice allocations for Kerala or licenses for industries in West Bengal as a weapon against Left-led governments. The Party and the Left-led governments had to consistently mobilize the people against the conspiracies and hostile measures against the Left-led governments.

14. While running state governments as set out in the programme, we have consistently campaigned and mobilized the people in movements to explain the class character and attitude of the Central government and make people conscious of the limitations of the state government in the present set up. One of the consistent themes of the Left-led governments has been the fight against the Central government's discriminatory attitude to the Left-run state governments. Connected to this was the struggle for more rights for the states and to restructure centre-state relations. Finally, the state governments headed by us have striven to implement the tactical line and formulate policies which can mobilize the people as distinct from the policies of other bourgeois-run state governments.

15. To sum up, it can be said that the Party's approach to state governments set out in Para 112 of the Party programme has been fruitful and it has increased the Party's mass base wherever we have had the opportunity of playing a leading role in the state governments.

16. The role of the CPI(M)-led state governments cannot be seen in isolation from the overall political situation in the country and the tactical line adopted by the Party. When the united front government was formed in 1967, three years after the adoption of the Party programme, the understanding about the international and national situation was as follows: (i) Internationally, socialism was considered the decisive force in shaping the correlation of forces. (ii) The national liberation movements were emerging victorious against imperialism. (iii) In the national situation, the economic crisis was seen to be developing into a political crisis. (iv) The formation of the UF governments were seen to be part of the rising tide of democratic forces. (v) Call was given for a national democratic alternative to Congress rule. In such a situation the CC directed that we should strive to make these Left-led governments instruments of struggle.

17. After the end of the Emergency and the 1977 elections a new situation emerged. This was assessed in the 10<sup>th</sup> Congress and a tactical line evolved. It was no more relevant to view the Left-led governments solely as instruments of struggle. It had to incorporate the aspect of running the government to meet the aspirations of the people, their developmental needs and mobilising them for alternative policies. This became all the more important in the context of the all-India movement and the Left not being able to develop substantially in other parts of the country. The people of the three Left bastions cannot be told to wait indefinitely for their problems to be addressed till a change takes place at the all-India level. Since the emergence of a Left and democratic alternative was going to be a protracted affair, the governance, administration and development issues which affected the lives of people cannot be relegated to a secondary factor. How to fulfill the commitments to the people and provide a government which is distinct from that of the bourgeois parties came to the fore.

18. In West Bengal, even before liberalisation, the issue of how to go about industrialisation came up. The issue of Haldia petro-chemical project being

set-up in the joint sector came up in 1984–85. The state government decided to go in for a joint venture with the private sector. Questions were raised whether this was permissible. At the 12<sup>th</sup> Congress of the Party in December 1985, the matter was discussed. B.T. Ranadive summed up the discussions by stating that West Bengal under Left Front rule has been facing an “economic blockade” from the Centre. West Bengal was discriminated against on a class basis because it is run by a Left-led government. It is in the class interests of the working class to break this blockade. Industrialisation is necessary for West Bengal to generate employment. Within the existing capitalist system and the parameters set out by the big bourgeois-led government at the Centre, it was not possible to develop industries in West Bengal with the limited resources of the state government. Neither was it possible to change the nature of the capitalist path of development in one state alone when all the powers are vested with the Centre. West Bengal government cannot by itself break from this bourgeois landlord system. So the petro-chemical project with private sector participation is a tactical necessity. The Haldia project was the first major industrial venture initiated by the state government after it assumed office in 1977.

19. The political situation changed by the end of the eighties. Internationally, the correlation of class forces changed after the setbacks to the socialist system. Throughout the 1990s there was a shift to the right with the rise of the BJP first as the major opposition party and later with its six years in office. The defence of secularism and isolation of communal forces also became a priority for the Left-led state governments. The second important change was the liberalisation and privatisation process which was initiated in 1991. The political resolutions of the Party Congresses from 1992 onwards pointed out that these economic policies are not just the policies of the Congress(I) but of the Indian ruling classes. There was no major difference between the economic policies of the Congress and the BJP.

20. The deregulation of the economy and delicensing of industries by the Centre; the curtailing of the public sector, and withdrawal of the State from certain spheres of the economy and the privatisation drive all brought about a sea change. With the cutbacks in public investment and the withdrawal of the state from its social responsibilities, the state governments were squeezed of resources even in the social sector. It became increasingly difficult for the state governments to maintain public services and raise resources for education, health, public transport and welfare measures. There was a change also in centre-state relations. The encroachment and conditionalities on the states came in new forms. The terms of reference of the Finance Commission for central grants and resource transfers, loans for sectoral development and Central government programmes like the JNNURM had conditionalities attached to push through neo-liberal reforms.

21. Earlier the Left-led governments were consistently struggling against the discrimination by Central government in terms of licensing, investments and provision of financial resources to the Left-led states. With deregulation

and a market economy, this aspect receded and the question of how to attract investments for industry and infrastructure development came to the fore. The West Bengal government brought out an industrial policy in 1994. Since this raised various questions, the Central Committee adopted a resolution in 1994, "*On the Role of the West Bengal Left Front Government in the Context of the New Economic Policies*". This was the first document adopted by the Party to reappraise how the Left Front government can chalk out a path of development and formulate policies in a new situation.

22. The resolution stated: "The existence of the Left Front government over a long period in a stable manner after winning successive elections also posed the question of how this government must address the issue of economic and industrial development. While projecting alternative policies and mobilizing the people for the same, the Left Front government is also responsible to the people to provide them with the minimum needs with regard to their livelihood and standards of living. It has to deliver results as compared to other state governments working within the capitalist system. It cannot ignore the questions of development. But when we pursue policies for development/industrialization, the priorities set out by a Left-led government for serving the interests of the working people and the poorest sections must be evident in our implementation, whatever be the constraints. That shows the difference between governments run by us and other bourgeois party governments."

23. Taking stock of the new situation, the resolution stated: "Unlike in 1985, when the struggle was against the discrimination of the Centre, with its power of licensing and regulation of industry against West Bengal today with deregulation and delicensing it is up to the Left Front Government to initiate steps to attract capital investment in West Bengal. This can be done only by allowing greater investment of private capital in various sectors. This is the basis on which the Left Front government has to adjust its policies in West Bengal to meet the new situation brought about by the Centre's policy of liberalisation. While doing so, the CPI(M)-led government has to be conscious of not adopting any such terms or implementation which are only due to the unjustified pressure of foreign capital or big business. It should not go against available indigenous technology or lead to diversion of limited capital resources to inessential sectors. . . . While orienting the policies and regulations in the state to facilitate greater private investment, the people should constantly be told that such industrialization and expansion of the private sector cannot solve the basic problems and class exploitation will continue and increase with the overall liberalisation policy of the Centre."

24. The Party programme was updated in 2000. While updating the programme, the experience of running the state governments both in the pre-liberalisation phase and the post-liberalisation phase was taken into account. The Left-led governments formed after the 1964 programme was adopted could not serve their full term and had short tenures. Both the UF governments in West Bengal of 1967 and 1969 had a combined tenure of less than two



years. The Kerala UF government lasted a little over two years. The emphasis of such governments was to utilize the government to bring some immediate measures which can help unleash the mass movements and strengthen the Party's base like land reform measures and provide some immediate relief to the people as stated in Para 112. That situation changed. After the experience of the Left Front government in West Bengal for more than two decades and the full terms of such governments in Tripura and Kerala it was not sufficient to talk in terms of carrying out a "modest programme of giving immediate relief to the people." While the Left-led governments were successful in mobilizing more and more people around the platforms of the Left and democratic forces, the people expected these governments to also provide development and raise their living standards. Therefore, creating employment, public education and health facilities, provision of basic services had to be on the agenda of the state governments. While the Central government and the ruling classes push for the uncritical extension of the policies of liberalization and privatisation, the Left-led governments had to take into account the existing realities and limitations of the state government and work out policies and measures for economic and social development which provide better standards of living. This had to be done in a manner which showed that the Left-led governments have a pro-people approach and also strive to put in place some alternative policies which are part of the Left and democratic platform.

25. The updated programme had a revised formulation on state governments as para 7.17 which reads as follows:

"The Party will obviously have to work out various interim slogans in order to meet the requirements of a rapidly changing political situation. Even while keeping before the people the task of dislodging the present ruling classes and establishing a new democratic State and government based on the firm alliance of the working class and the peasantry, the Party will utilise the opportunities that present themselves of bringing into existence governments pledged to carry out a *programme of providing relief to the people and strive to project and implement alternative policies within the existing limitations*. The formation of such governments will strengthen the revolutionary movement of the working people and thus help the process of building the people's democratic front. It, however, would not solve the economic and political problems of the nation in any fundamental manner. The Party, therefore, will continue to educate the mass of the people on the need for replacing the present bourgeois-landlord State and government headed by the big bourgeoisie even while utilising opportunities for *forming such governments in the states or the Centre, depending on the concrete situation*, and thus strengthen the mass movement."

26. Instead of the governments aiming to carry out a "modest programme of giving immediate relief to the people," the updated programme provides for "governments pledged to carry out a programme of providing relief to the people and strive to project and implement alternative policies within the

existing limitations.” The governments cannot confine themselves to only providing immediate relief but something more substantial. They should also strive to implement within the existing limitations certain alternative policies. In fact even the implementation of land reforms is not just providing “immediate relief” but is part of the alternative platform of the Left and democratic forces.

27. It is flowing from this understanding that the Party has been addressing issues and policy matters arising out of our running the three state governments. The 18<sup>th</sup> Party Congress adopted as part of the Political Organisational Report a document on “*Certain Policy Issues*”. Some of the policy issues had a direct relevance to the Left-led state governments such as (i) taking loans and grants from foreign and multilateral agencies; (ii) approach to public sector; and (iii) foreign direct investment in the Left-led states. It was based on the programmatic formulation and certain policy issues that have come up in West Bengal and Kerala in the recent period. Based on the guidelines provided in the document “**Certain Policy Issues**,” in the last three years, we have been tackling issues concerning FDI, the public sector and foreign loans in the states where we are in government. In Kerala, the Polit Bureau gave its opinion on the ADB loan to be taken for urban infrastructure in the five city corporations. This was an issue on which there were differences within the state committee. Regarding the Smart City project, where FDI was involved, the LDF government was able to work out the terms for renegotiation which were more favourable than the one signed by the previous UDF government. This was based on the discussion of the terms in the state secretariat. The PB also gave its opinion on some aspects. Regarding taking up a World Bank loan the secretariat referred the matter to the PB. The PB has given its opinion that the loan may be taken provided there are no such conditionalities which are objectionable as stated in the policy document. Earlier, in West Bengal, the DFID pilot project for rehabilitation and compensation for restructured state PSUs was discussed and approved by the Polit Bureau after referring it to expert opinion. The Polit Bureau asked the West Bengal secretariat to examine some of the Salim-related projects with regard to land acquisition requirements and the real estate development aspects.

28. The entire Party has to understand the role played by the CPI(M)-led governments and the constraints they face. Failure to do so leads to exaggerated expectations. In a situation where the three states are advanced outposts and where the Party and the Left have been unable to advance forward building the Left and Democratic Front, it is unrealistic to expect the Left-led governments to initiate any basic changes. With the neo-liberal framework and the liberalization offensive our governments have been defensively responding to protect whatever gains we have made and to bring about some development and provide relief to the people. While running state governments, the policies and steps taken must be viewed in the light of the all-India tactical line and policies that we advocate.

29. While at the all India level the Party puts out alternative policies and seeks to mobilize people in their sphere, it does not follow that all these alternative policies can be put into operation in the three states where we run state governments. In fact the movements in the three states have made a big contribution towards the all India movement which fights for these alternative policies. In the struggles launched against economic policies of the Centre, the Left-led states are the mainstay and have made the biggest contribution. This must be kept in mind when we are projecting alternative policies.

30. In the recent period, the UPA government's push for Special Economic Zones has been controversial and has met with widespread opposition. Our Party stand in this matter has been set out in great detail in the note submitted to the UPA-Left Coordination Committee and in the Political Resolution of the 19<sup>th</sup> Congress. We are in the struggle to get the concept and the rules of the SEZ changed. So far only some minor changes have been accepted by the UPA government. This is a policy which is already being implemented and the bulk of the SEZs sanctioned so far have been in five states. But while opposing the SEZ Act and rules, we cannot expect the Left-led states not to have SEZs. Some SEZs have already been sanctioned in West Bengal. The Smart City project will also have a SEZ status. We can limit the size of the land to be given and insist on land use in such a manner where it cannot be used for real estate purposes and speculation. But the tax concessions are in the hands of the Central government. It is for these tax sops that IT companies and others are setting up SEZs. It will not be possible for the Left-led states to prohibit SEZs till the time basic changes can be accomplished at the all India level. The West Bengal conference document states the following:

31. "There is debate regarding the setting up of SEZs. We have opposed the unbridled proliferation of SEZs across the country resulting from the en masse approvals granted by the Central government. The Party has categorically conveyed its opposition to the current SEZ policy to the Central government, with regard to the total number of SEZs, minimum and maximum area under SEZs, land-use within SEZs and the exorbitant tax concessions that have been granted. However, no change in the Central policy has occurred so far. In this backdrop, if we are not able to set up SEZs in our State, not only would we lose out in the cut-throat competition to attract investments in export-oriented industries, but also suffer in terms of the eventual sickness and closure of the existing export-oriented industries in the State. This cannot be allowed to happen. Therefore, within the compulsions arising out of the present situation, we have to set up 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. However, at least 50% of the land must be used for industrial purposes in those SEZs." When SEZs are set up where we have Left-led governments, we should ensure that there is no restriction on trade unions and the rights of the working class to organise.

32. In West Bengal, from the 20<sup>th</sup> state conference of the Party in 2002, there has been an emphasis on thrust given for industrialisation and the need to

increase investment in industries in order to generate employment. This drive for industrialization is now being contested and criticized by some of the parties in the Left Front like RSP and Forward Bloc. In the light of the Singur and Nandigram episodes, there is also a charge that land is being taken from the peasantry to be handed over to the capitalists. There are some critics who oppose industrialisation stating that it is against the interests of the peasantry. Fears are raised that the gains of the land reforms will be undermined. The issue is not industries versus agriculture. After three decades of development of agriculture based on land reforms and the three-tier panchayat system, it is necessary to develop industry on the basis of this agricultural growth. Industrialisation is necessary for the balanced growth of the primary, secondary and tertiary sectors which will be in the interests of the peasantry and agriculture in West Bengal. West Bengal has an agriculture based on small peasant ownership of land. Small and marginal households have ownership holdings which cover 84 per cent of the area owned. They account for 97.8 per cent of the households. West Bengal has had an agricultural growth of 3.2 per cent when the entire country has been undergoing an agrarian crisis. West Bengal is the highest producer of rice and vegetables in the country.

33. At the same time the small peasant-based agricultural economy is subject to increasing capitalist exploitation along with the remnants of pre-capitalist relations. The agrarian crisis is having an adverse impact on the peasantry, though there are no suicides of farmers, as in some other states. Since there is constant fragmentation and division of land holdings and a high proportion of rural population dependent on agriculture along with a high proportion of landlessness, it is essential that this population dependent on agriculture finds avenues for employment which will be mainly provided by industrial development. West Bengal has a significant share of small and tiny enterprises in the country. According to the latest data, the number of unorganized small manufacturing units in the state is 27,50,000 which is the highest in the country and accounts for over 15 per cent of the total number of such units nationwide. Many of these enterprises cannot sustain and become sick or close down. It is necessary for the state to develop large and medium manufacturing enterprises. Due to the thrust given by the government West Bengal has begun to attract large-scale investment for various industries. According to one report the state has received proposals worth Rs 2,13,882 crores between January and November 2007. New industries are increasing the demand for land and infrastructure.

34. On the demand for land for industry and infrastructure the recent West Bengal state conference in its resolution "*Left Front Government, Panchayats, Municipalities & Our Tasks*" has stated:

"New proposals for establishing large industries have naturally increased the demand for land and infrastructure. Because of the high population density in West Bengal, per capita endowment of land happens to be low. Most of the land is under agricultural use and as a result of the progress in

agriculture intensity of cultivation is also relatively high. Since small, marginal and middle peasants in the State own 84% of the land, the process of acquisition of land for industry and infrastructure is a complex as well as sensitive issue. In the recent past, the opposition has consistently tried to isolate the LF government, especially the CPI (M), from the peasantry, using this sensitive issue. Land acquisition for building industry, infrastructure, etc., has happened in the past. But never did we face such resistance to development on the question of land. In order to carry forward the programme of development, this issue should be satisfactorily resolved. The fear among the peasantry of losing their land has to be addressed in a serious manner. Although the amount of land required for industries and infrastructure is meager compared to the total amount of land and cultivated area in the State, the matter needs to be considered with seriousness. Besides ensuring adequate compensation, specific planning is required for alternative sources of income for families whose land is being acquired. The local people need to be involved in the process of land acquisition and fixing the compensation amount. Confidence has to be generated among the local people regarding the positive economic and social benefits of the projects for which land is being acquired. These tasks are not only administrative but also political.”

35. “Caution is also required in changing land use for the purpose of industry. Priority should be given to setting up of industries in relatively less fertile land. LF government has already taken steps in this regard. Large industries are mainly being set up in relatively less fertile land inappropriate for agriculture, in the regions of West Midnapore, Bankura, Purulia, Asansol, Durgapur and Birbhum. However, all types of industries cannot be built in those regions. The Haldia industrial region needs to be expanded in order to take advantage of the port facility. Similarly, there are possibilities to build a large industrial region in and around Siliguri and Jalpaiguri in North Bengal. Large areas in and around Kolkata, North and South 24-Parganas, Howrah and Hooghly are traditional industrial belts. These areas are most suitable for technology intensive manufacturing and IT industries. Urbanization is also high in these areas. Large-scale transfer of agricultural land is taking place in these areas in response to market forces. The government has to take planned measures in this regard. Besides, initiatives are underway to develop industries centering Kalyani in the Nadia district. Overall, besides the development of 6 large industrial regions in the State, initiatives need to be taken in order to develop at least one industrial zone in every district, which will provide all facilities for setting up small and medium enterprises.”

36. After the experience of Nandigram where a chemical hub was proposed to be set up and the political and administrative mistakes made, we must be all the more careful on large-scale land acquisition. The land use policy decided by the West Bengal government should be implemented. While attracting corporate investment, we should be careful to see that they do not extract unreasonable concessions that go against public interest. While pushing for

greater industrialization with private investment, we should also tell the people that such private sector industries cannot solve the basic problems associated with the liberalized capitalist system. We should organise the working class to fight class exploitation that will continue and increase with the neo-liberal policies of the Centre. The Left-led governments, while fostering more investments and industries, will firmly continue to defend the interests of the workers and trade union rights.

37. In the industrialization policy, our governments must provide for the defence of the public sector and its strengthening. In West Bengal, in the recent period, important steps have been taken. In Central PSUs, the modernization plan for IISCO under SAIL, costing Rs 10,000 crores, is being implemented. Kulti Iron Co, Burn and Braithwaite, Bengal Chemicals, and Glucanate, which were sick, are being revived. The restructuring of state public sector undertakings should result in viable units, some in the joint sector, apart from those which will be revived as private enterprises. In Kerala, significant success has been achieved in turning around some of the loss making state PSUs due to the restructuring packages steps to improve productivity and strategic tie-ups with central PSUs. Out of the 42 state enterprises 22 units made profits in 2006–07 against 12 in 2005–06. By the end of 2007–08 it is expected that 29 units will be made profitable.

38. A serious problem faced by our state governments is the financial crunch which affects public expenditure and developmental expenditure in the plan. West Bengal had faced a serious financial crunch a few years ago which had led to cuts in plan outlay and expenditure. In Kerala, during the LDF government of 1996–2001, a similar financial crunch had an adverse affect on our implementation of welfare measures which had a political fallout. The Central government's policies have led to further erosion of states' autonomy and capacity to raise resources. The debt burden is mounting. The highly unequal share of resources between the Centre and the states and the squeeze imposed on public investment and allocation of resources had an adverse impact on our state governments. It is important that we take up centre-state relations in a more concerted and comprehensive manner in the coming days.

39. The 18<sup>th</sup> Congress Political Resolution stated: "Faced with the neo-liberal policies of the Centre, the Left-led governments have to struggle hard to pursue policies which ensure pro-people and balanced development. While promoting private investment, the Left Front governments defend the public sector in key areas, protect and, if possible, expand public expenditure in the social sector and project alternative policies to protect the poorer sections who are the worst affected by the policies pursued by the Central government."

40. In the present situation, the reality is that the state governments are severely handicapped as far as social sector expenditure and welfare measures are concerned. In West Bengal we are struggling to provide adequate resources for expansion and upgrading of educational and health

systems. In Kerala, we are fighting to maintain the strong public distribution system built up over decades. The public educational school system is languishing with more and more private enterprises at all levels of education. In both West Bengal and Kerala, serious efforts should be made by the state governments to mobilize more resources by improving the tax-GSDP (Gross State Domestic Product) ratio.

41. In spite of limitations, Left-led state governments have taken measures to reduce poverty, create new welfare measures and improve living conditions. As a result, there has been a distinct improvement in the living conditions of the people. The infant mortality rate measured per 1,000 live births in 2006 was 38 in West Bengal, 31 in Tripura and 15 in Kerala which has the best record in the country. The all India rate is 57. As far as life expectancy is concerned, it has improved considerably in West Bengal to 64.5 years for males and 67.2 for females. Kerala has life expectancy of 70.7 for males and 75 for females. In Tripura, life expectancy is 71 for males and 74 for females. The all India average is 61 for males and 62.5 for females. In the sphere of literacy, as per the 2001 census, West Bengal had a literacy rate of 69.2 per cent, Kerala 90.09 per cent and Tripura 73.2 per cent. According to studies in Tripura, the literacy rate is now 80.14. The all-India average is 63.4.

42. In West Bengal, steps have been taken for the welfare of the working class. Rs 750 per month is given to workers in factories and tea gardens which were shut for more than a year. A provident fund scheme for unorganized sector workers has more than 12 lakh workers, and another provident fund scheme for agricultural labourers has more than nine lakh workers enrolled. In Kerala after the LDF government assumed office, arrears of agricultural welfare pensions have been cleared. Social welfare pensions are being enhanced. SC/ST student allowances have been increased. To tackle agrarian distress, an agriculture debt relief commission has been constituted. Farmers in distress can apply to the commission for relief. Since then, there were no suicide cases of farmers in Wayanad district in 2007. West Bengal has conducted a successful rural sanitation programme under Nirmal; 80 per cent of rural families have toilets now. The number of Self Help Groups is over 7.3 lakhs and the SHGs formed under panchayats are the second highest in the country. In Tripura, significant progress has been made in scheduled caste areas in providing schools, power connectivity, roads and other facilities due to the 33-point cluster programme. A similar 37 point programme is being undertaken in the tribal areas. The rural sanitation programme is also progressing well.

43. Despite all the constraints, we have to continue to take measures for the amelioration of poverty, provision of social welfare to weaker sections and welfare measures for the working class, rural poor, women, minorities, scheduled castes and tribes. In West Bengal, the literacy rate which was 69.2 per cent (2001 census) has to be taken forward towards total literacy. There should be steps to reduce drop out rate in the primary and secondary stage and upgradation of schools upto standard VIII. Rural electrification has to be

stepped up and health services improved. For this, the delivery system has also to be streamlined. In Kerala, we have to struggle to maintain the strong public distribution system build up over decades. While upgrading the public school system, steps to exercise social control over private sector education have to be taken. In Kerala, the traditional industries are crisis-ridden and the government has constantly to pay attention to the welfare of the workers in this sector. In Tripura, because of the prolonged period of extremist activity, development in the tribal areas have lagged behind. Now with the improving security situation, special attention has to be paid to development in the remote tribal areas and making the autonomous district council a living instrument for socio-economic upliftment of the tribal people.

44. The Left-led government in the three states are coalition governments. Though the CPI(M) is the biggest party, there are partners with diverse views and character. The nature of the coalition results in limitations on what can be done through the various ministries.

45. While there are common problems faced by all the three states regarding the resource crunch and Central government's policies, it is important to keep in mind the different conditions in the three states. In West Bengal there has been significant agricultural development in the 1970s and 1980s. The industrial decline of Bengal has to be seen in the context that historically it was an industrialized state at the time of independence. In Kerala, agriculture, particularly food production, has been on the decline. The nature of industrial-ization in Kerala also cannot be on the same pattern as in West Bengal. Kerala is one of the most advanced states as far as social sector indicators are concerned. In order to maintain the social gains in Kerala, priority needs to be given for industrial and agricultural growth. In Tripura, which is a backward border state surrounded on three sides by Bangladesh, with 30 per cent tribal population and the problem of extremism, the development priorities will be different from the other two states. But in all the three states, it is necessary to periodically review the implementation of policies, the priorities set and gear up the Party for fresh tasks.

46. An important dimension in all the three states is the role of the panchayats, municipalities and local bodies. In West Bengal much of the advances made have been through the work of the three-tier panchayat system. As the state conference resolution pointed out: "In five years work and allocation have both increased, along with an increase in spending and speed in target implementation. The Party has been providing the guidance, supervision and check up of the work in the panchayats which has been a major source of strength for the implementation of the government's programmes and schemes. A significant role has been played by the panchayats in the setting up of Self Help Groups." In Tripura too our work in the panchayats has contributed to the development programmes of the government. In Kerala, various initiatives were taken up by the Party in the past including the People's Planning. Under the present government too, though with some delay, the government is going to take follow up measures on decentralization



programme. The problems of the urban areas are growing. Despite our reservations about some of the JNNURM conditionalities, the Party decided that we should accept the JNNURM funds for urban development in Kerala. West Bengal has also taken up the scheme. We should tell the people about the conditionalities that we do not approve.

47. At the all-India level, the Party will oppose the whole gamut of neo-liberal policies and continuously strive to project alternative policies. Both in terms of the macro level policies and on specific issues, the Party will suggest alternative policies. It must be understood that what is being advocated at the all India level to change the general economic policies and specific sectoral and issue based measures cannot be automatically implemented by the Left-led state governments. We have already cited the example of the SEZ policy. There are other policies too. The all-India stand and what can be done at the state level has to be discussed and a policy evolved for the state governments keeping in mind the all-India position. We have taken a stand of outright opposition to FDI in retail trade. But with the big Indian companies entering retail trade, the displacement of small shopkeepers and traders is a growing threat. The Polit Bureau had worked out a comprehensive policy for regulating the entry of corporate and organised sector into the retail trade. Our stand would be to demand that the Central government introduce licensing and regulation norms. But since this is not being done, corporate entry into retail is expanding in a big way. What can be done in such a situation is that the state governments can get regulations framed and implemented through the municipal corporations. Both in West Bengal and Kerala this needs to be done. In the case of private universities some state governments have passed legislations setting up private universities. There is no central law providing for private universities. The Supreme Court had struck down the Chattisgarh law in which scores of private universities were set up. In the three Left-led states, private universities should not be sanctioned. The point to be made is that between the all-India position which opposes the existing policy or advocates an alternative policy, in the states we should see issue by issue and policy by policy how we can implement them. In some cases we may refuse outright to implement certain measures, in certain other cases it may not be possible to do that. Then we must devise a via media in which some aspects of our position and alternative are included.

48. On the issue of Centre-State relations, in the past, the West Bengal government took many initiatives. The statement of the Srinagar conclave of opposition parties on centre-state relations in October 1983 was due to the initiative of the Party leadership and the Chief Minister of West Bengal. On financial matters also, the West Bengal Finance Minister brought together finance ministers of different states to take a common stand. An important dimension currently is the changed situation in centre-state relations. We have to formulate a platform of policies regarding the restructuring of centre-state relations. As pointed out in the political resolution we have not been able to take this up after the 18<sup>th</sup> Congress. To stop the new type of encroachment

on state powers and to ensure a just share in the devolution of resources we must be able to build a broad platform consisting of other regional parties and democratic forces.

49. While running state governments the policies and steps that we take should be viewed in the light of the all India tactical line and policies that we advocate. While working within serious constraints, the Party and the leadership of the state governments have to be conscious that any policy or measures taken will have their impact at the all-India level and all over the country. We have to constantly discuss and formulate policy measures which will balance the needs of the government with that of projecting the alternative policies that we are advocating. Just as the achievement of the Left-led governments in land reforms, panchayat system, defence of secularism, welfare measures for the people have had a positive impact in the rest of the country and help the Party in its campaign and projection of alternative policies, similarly any weaknesses or wrong steps has also a negative impact. In the recent period, we saw how the Nandigram events were used by the ruling classes and the big business media to defame and slander the Party. It is an important weapon in the anti-CPI(M) propaganda. That is why it is important that the entire party has a unified understanding about the role the state governments can play in the present situation and what type of policies and measures they can adopt.

50. The Left-led governments have played an important role in expanding the influence and base of the Party in West Bengal, Kerala and Tripura. It is this base which has contributed to the projection of the Party's policies and the Left's politics at the national level. The movements in these three states have strengthened the all-India movement. The Left-led governments are functioning within severe constraints after the phase of liberalization. The Party has to constantly devise ways by which the government can pursue pro-people policies and undertake measures which can meet the minimum needs of the people while also helping the Party to project alternative policies at the national level. The defence of the Left-led governments is an intrinsic part of the national agenda of the Party and the Left and democratic forces.