

The CHANGE that Bengal needs

Burdened with huge expectations and equally weighty problems, Mamata Banerjee's real test lies ahead. **MIHIR S. SHARMA** traces the challenges in Bengal that need immediate attention

DAWN broke on Bengal on Friday with, for the first time in 34 years, a non-Communist in Writers' Buildings. Mamata Banerjee is faced with problems unique in Indian politics, she is burdened with expectations unmatched in Indian history. *Poriborton*, for her voters, will have meant far more than the content-free call for "change" that has marked other election campaigns elsewhere. Here, they hope for fundamental alterations in what Bengal has become.

No other state in India, perhaps no other province in the free world, has had its fortunes as inextricably meshed with the programmes and ideologies of a single political platform as West Bengal's has been with that of the Left. Everything was about ideology, because the Left made it so; and they have been defeated now by personality, for Mamata Banerjee made it so. "She has a golden heart," says A K Chakravarty, a businessman near Dalhousie Square in Kolkata, "and is a very humble and caring person. She does not differentiate among people. Under CPM rule, though, industry collapsed, the business and economy were ruined."

You hear it everywhere: after 34 years in power, the Left left Bengal "broken". Is that true, though? A question that needs to be asked: this is a government that has ridden

ECONOMY

GSDP at constant prices, 2007-8, Rs lakh

West Bengal: 21,354,840

Gujarat: 19,888,669

Maharashtra: 38,024,752

Tamil Nadu: 20,369,431

All India state median: 5,484,035

SOURCE: CSO

to power on Not Being The CPM. Will that, in itself, be a start in fixing Bengal's breaks, as some think?

Bengal has been broken, say some. Dilip Mookherjee, an economist at Boston University, says that in spite of its early achievements, the Left palpably mishandled land acquisition issues and was unable to control its own party cadres. "More broadly, it has failed to provide a successful transition out of a rural, agriculture-based economy to high growth in the non-agricultural sector in urban and semi-urban areas, adequate improvements in education, health and good governance. It has a culture of rising corruption and political connections that over-ride any considerations of merit, genuine need, fairness or due process."

Others don't think so. Abhijit Banerjee, an economist at the Massachusetts Institute of Technology (MIT), says it is important not to caricature the situation: "There are a lot of problems, but there is nothing irretrievably broken. And of those many problems, some predate the Left Front, some are their handiwork, and some are actually the consequence of the strategy the Opposition adopted to unseat the Left Front."

Mookherjee's typology of Bengal's problems, while they may or may not be the Left's fault, is a close approximation of what voters expect. Surjit Porey, the owner of a dhaba in Dalhousie Square, says the new government had raised expectations, particularly from the lower middle class. It isn't tough to see why.

There are no jobs

Here's a shocking statistic. Bengal has the highest proportion of skilled unemployed in the country, as registered at employment exchanges. (Kerala, incidentally, is number two.) The official figure is that 24 per cent of urban workers are looking for jobs, as opposed to around 15 per cent nationwide. Self-employment figures are close to the highest in the nation, another sign of disguised unemployment.

It isn't at all clear what the Trinamool Congress plans to do about this. Mamata Banerjee said several times during the campaign that her government will focus on promoting small and medium-scale enterprises—which require less land—and on labour-intensive sectors.

The educated unemployed who swung Mamata's way this time probably don't imagine their future in labour-intensive sectors. And, of course, SME is a catch-all phrase that could cover tiny plastic bag manufacturers, back-office data chop-shops, and your neighbourhood dhaba. They have different requirements.

But one thing that any job-creation programme will need is a workforce with skills, and with education. Which is Bengal's second great problem.



JOBS

Average annual growth rate in employment in per cent, 1998-2005

West Bengal: 0.9

Tamil Nadu: 4.6

Kerala: 5.4

Maharashtra: 1.8

India: 2.5

Source: Economic Census, 2005

EDUCATION

Number of teachers per 100 students in primary schools, 2004-5

West Bengal: 1.9

Gujarat: 2.7

Maharashtra: 2.7

Kerala: 4.1

India: 3.5

Source: NSSO

INVESTMENT

Industrial investment*, April 1991 to March '08,

West Bengal: 171,839

Gujarat: 504,297

Maharashtra: 411,159

All India: 108,441

* Figures in Rs crore are of value of proposed IEM, which are filed with govt to show intent of production

Source: SIADIPP, GOI, SIA Statistics, April 2008

The schools don't work

Of all the inter-state comparisons in the recently-released Annual Survey of Education Report, one figure stands out. The number of middle-school students in West Bengal attending tuition classes is estimated at around 76 per cent. That's more than twice the national average. It's a complete outlier, the second-highest in the country. (The highest is Tripura.) The nearest competition comes from Bihar—and that's around 50 per cent.

Bengal's schools have failed, killed by a toxic cocktail of teacher activism, lax regulation, and heavy-handed politicisation—a cocktail that, garnished with ideological stagnation, has been served to its colleges, too. Reforming this won't be easy. "The best people do not want to be professors or teachers in the government because it's not rewarding enough. West Bengal should be the first state to make the Right to Education a reality. Open the door for private education (including for-profit colleges) but make them really reserve a large fraction of seats for the poor," says Abhijit Banerjee.

Is the Trinamool prepared to go that far, enraging government-run schools? In 2008, Mamata Banerjee won over teachers' unions by protesting against a decision to derecognise some badly-governed training institutes. That was a necessary step for her, politically. For a long time, the Left had papered over problems with employment by putting the educated on the state's payroll, as teachers and clerks—who then, grateful, formed a solid base that allowed the Party to seize greater and greater control. In Bengal, opportunities weren't that equal.

Your politics is personal

In a one-party state, the Party and the state blur. In urban Bengal, teachers were promoted or transferred or protected according to whether they were party members or not. That happened across service professions in which the government had a strong presence. "Differentiating among people," in businessman A K Chakravarty's words, was part of how the Party did things.

And in rural Bengal, the effects could be even stronger.

The Left's revolutionary devolution of powers to gram panchayats, for example, had pluses and minuses. One big plus was that it escaped the dangers of panchayati raj elsewhere: several surveys have shown that local government in West Bengal shows no sign of the capture by already-powerful elites that has happened elsewhere in India. The distribution of public goods is therefore remarkably better targeted and more efficient: even the World Bank, in a report released this week on social-sector programmes, noted that West Bengal was a standout performer in preventing the diversion and leakage of PDS grain meant for poor households—indeed, the best-performing state in the country, with a leakage rate just half the national average.

But the negatives were that you needed to go through the Party, not just the state. One interesting set of data: West Bengal had very high rates of political participation, and the more you participated, the more you got out of the government. That catches the master-suppliant relationship between citizens and the Party that was all-pervasive in rural areas.

Unsurprisingly, those that administered this extra-institutional largesse weren't popular people.

The threat of violence

Half-a-dozen local CPM enforcers have already been murdered or attacked since the poll results, and there is every possibility that this will spread. For a Bengal searching for greater investment, a further deterioration in law and order would be disastrous. The new government will struggle to ensure that any de-Leftification programme is carried out without revenge attacks taking up news space. The Trinamool's leaders, such as MP Dinesh Trivedi, have repeatedly said that the party doesn't have "the DNA of violence".

There is also, of course, the looming Maoist menace in the west of the state. The West Bengal police became highly politicised under the Left, and found it difficult to patrol areas where the elements in the local population had turned against them—whether as symbols of the state, or as symbols of the Party.

The number of those dead in violence has jumped tenfold since 2008. Mamata Banerjee—who has blown hot and cold about the Maoists—will be tested first by this, above all.

STRIKES AND LOCKOUTS, 2005

	Strikes	Lockouts
West Bengal:	26	182
Maharashtra	6	2
Gujarat	28	6
Kerala:	15	2
All India average	11	19

Source: Labour Bureau

There is no money

But repairing education, fixing health services, luring private investment back to the state, will all take time. Look how long it's taking in Bihar. Quick results might be difficult to achieve; but will that satisfy Mamata or her voters? The problem is this: any turn to state-funded populism, of the sort that the Left tried in order to ameliorate Bengal's industrial stagnation, is doomed by the state of Bengal's finances.

Most of India's states have worked on reducing their deficits. Bengal did the least. The 13th Finance Commission named West Bengal, Kerala and Punjab in particular as requiring a "special adjustment path". That fiscal prudence is a straitjacket that Trinamool policy will have to wear. How can its grip be loosened slightly?

"Tax collection can be improved," suggests Abhijit Banerjee, "for example, evasion of stamp duty is widespread and can be fought." Indeed, West Bengal has the lowest tax collection ratio among major states—even though value-added tax has been introduced, which has caused revenue buoyancy elsewhere.

"Much depends on the implementation of VAT," agrees Dilip Mookherjee, "especially with respect to taxation of the service sector." Mookherjee also recommends "reforms in taxation of urban property, which strengthen finances of local governments in urban areas."

In the long term, however, nothing substitutes getting people, and companies, back to Bengal. "The core problem," argues Abhijit Banerjee, "is that the kinds of firms and people who pay a lot of taxes do not live in Bengal. The best bet in terms of social spending will be to be more energetic and creative in making use of GOI schemes."

Dealing with high hopes

"Something good should happen," says Vimal Basu, a bank employee, "after 34 years of CPM misrule. Nothing is right in the state now, from economy to business to education to health."

Satisfying people like Basu won't be easy—or quick. The troubles have built up over decades; solving them will take more than just weeks. Abhijit Banerjee suggests that the first step should be to show that the paralysis of government, the undermining of the state, is at an end: "Signal that the top priority of this government is governance: people doing their job, people getting what they are supposed to get, rather than what their connections to the local power brokers gets them."

After being sworn in on Friday at Raj Bhavan, Chief Minister Mamata Banerjee walked to Writers' Buildings, flashes whirring and supporters cheering. It was a short walk. Her government has a longer, harder road ahead.