

'Prohibiting the use of agricultural land for industries is ultimately self-defeating'

Nobel laureate Amartya Sen speaks to Sambit Saha of The Telegraph on land acquisition for industrialisation, one of the most important issues facing Bengal and large parts of the country.

Q: What are your views on farmland acquisition for industry and the Singur-Nandigram controversy?

Amartya Sen: That is a very complicated question and has many aspects. Let me separate them out.

First of all, the need for industrial priority in West Bengal, which is a big long-term question and an extremely important issue.

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It is sometimes underestimated the extent to which Bengal has been de-industrialised. Bengal was one of the major industrial centres in the world, not only in India. In European writings, Bengal has again and again come up as being one of the most prosperous areas in the world as an industrial base. The kind of reputation that some parts of Italy gained later.

It is often said that historically, Calcutta was founded 300 years ago by Job Charnock but it is also true that there was an urban settlement based on trade and industry, apart from agriculture, in this area. This we see not only from Indian records but also from the writings of Ptolemy and Pliny the Elder. The Europeans were aware of that.

Very near from Calcutta, there were industrial areas of huge prosperity. There is also mention in the writings of Fa Hien who came here in 401 and spent 10 years. He went back by boat. He took the boat from Tamralipta, which is very close to Calcutta. Effectively, it

was greater Calcutta. So this has been a trading and industrial area for a very long time.

When Charnock came and the Battle of Plassey happened, there was not only English but the French, the Portuguese, the Spanish, the Flemish and the Danish merchants. They were all interested in the industrial products of this area. Under the British, there was de-industrialisation of classical industry but new industries came in the form, for example, of jute. But gradually that went off after Independence and there was further de-industrialisation.

The policy of the Communist Party itself was not well thought-out. The industrial agitation may have given the workers a little bit more rights, but they lost many more rights by the industries withdrawing out of Calcutta.

Jyotibabu was aware of the problem and Buddhadeb Bhattacharjee has tried to carry the understanding forward by trying to make it possible to have a big industrial base here. And it is extremely important.

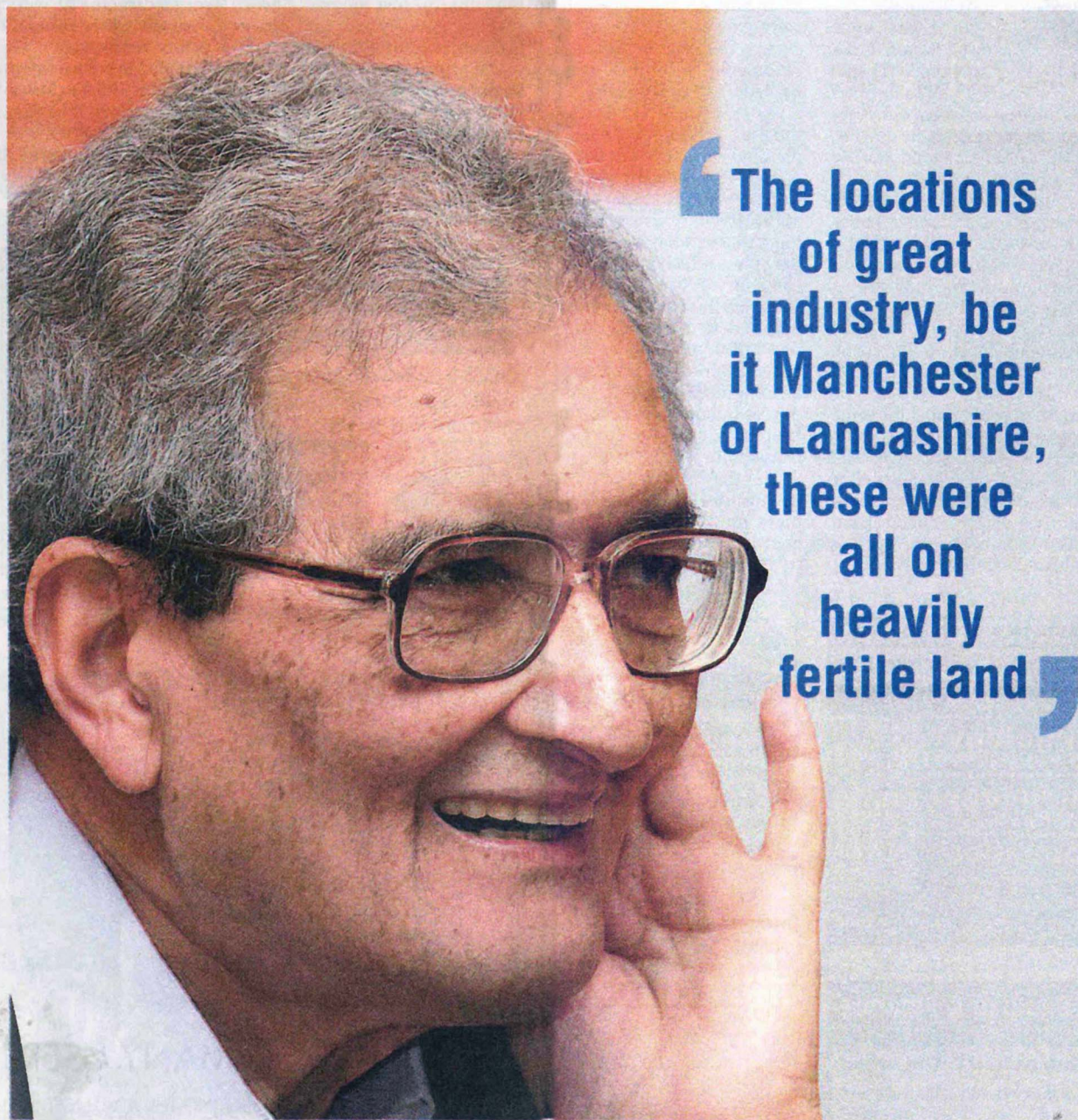
It is also very important to recognise that production of industrial goods was based on the banks of the Hooghly and the Ganges, which are fertile areas anyway. So to say that 'this is fertile agriculture land and you should not have industry here' not only goes against the policy of the West Bengal government but also against the 2,000-year history of Bengal.

This is where industry was based because even though the land may be very fertile, industrial production could generate many times more than the value of the product produced by agriculture. The locations of great industry, be it Manchester or Lancashire, these were all on heavily fertile land. Industry has always competed against agriculture because the shared land was convenient for industry for trade and transportation.

Q: What about land acquisition?

Sen: I think some mistakes were made and the government should admit it and to some extent the government has admitted it.

Singur's location could be questioned because there were some other locations one could have thought of like Kharagpur. But one of the difficulties is that Calcutta has such a huge attraction that it is very much easier to attract engineers and managers to an



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industrial base near Calcutta for the Tatas than in Kharagpur. And this is a dominant factor. Because Calcutta has such reputation.

I recently wrote in a book edited by Gopal Gandhi on Gandhi and Bengal about Gandhi's relationship with Bengal. Interestingly, the first day he arrived in Calcutta in 1896, he went to see a play. In his stay of six days, he went to see another play. So here is a Gujarati arriving here, but he is so interested in the cultural life of Calcutta that he goes to see two plays in six days. So you just can't say that because it is fertile land, you cannot allow managers and industrialists to be based in Calcutta and they have to be based in district towns. So the locational decision of Singur was probably not wrong.

Q: What are your views on the compensation paid for land?

Sen: The government paid much higher price than the value of the land in the free market. From that point of view, it was fair. Had there been no industry, they would have got the best value for the land. (Had the land not been taken for industry, the price they got would have been considered the best value, Sen explained.)

Where there is a mistake in the government's thinking, and I think it is a big mistake of a tactical kind, is not to recognise that if this land were available for industry in general, and not just for the Tatas, the value of the land would have been much greater. While the compensation paid is greater than the value of the land seen as agricultur-

al land, the compensation paid by the government is less than what the value would have been had it been free for competition with industries. If you are part of the market economy, then you have to take into account what the value of the land would have been had it been freely available for industry. So there is an issue to be addressed. I think it is a mistake, an honest mistake and it can be corrected in the future.

Nandigram is a much more complex issue. There is a question whether that kind of operation was needed, whether it was the right place. But I have not studied it in the way I have studied Singur. So I won't comment.

Q: What, according to you, are the other issues here?

Sen: It is now very important for both the government and the Opposition to avoid violence. There is never a case for violence. The government's policing has been in some cases over-strong. I understand that some Opposition parties have now created 'free regions' where they would not allow anyone to come in. That is also violent activity. It is not in line with Indian tradition of non-violence. The government and the Opposition have to recognise that. It is possible that in the past, the violence committed by the government was greater, but from what I hear, it is possible the opposite might be the case now.

Whichever way it may be, we don't have to judge. But it is extremely important that in a free country, any people can

come in and go out from any place they like and you cannot establish restriction of movement either by the government or the Opposition. This is a subject for rational discussion, which has become so impossible as everything is politicised now. Ultimately, those who want to prevent industrialisation of Bengal do not look enough at the interest of the people of the state. They may intend well, but they are not serving the interest of Bengal's working class or peasantry. The prosperity of the peasantry in the world always depends on the number of peasants going down. That is the standard experience in the world.

It is not that historically agricultural production goes up so much that they become hugely rich on that basis. Bengal has done very well in terms of agriculture compared to other states. But that has not made Bengal immensely prosperous. In countries like Australia, the US or Canada, where agriculture has prospered, only a very tiny population is involved in agriculture. Most people move out to industry. Industry has to be convenient, has to be absorbing.

When people move out of agriculture, total production does not go down. So per capita income increases. For the prosperity of industry, agriculture and the economy, you do need industrialisation. Those in effect preventing that, either by politically making it impossible for an industrialist to feel comfortable in Bengal or making it difficult to buy land for industry, do not serve the interest of the poor well.

The Communist Party made a mistake earlier when it drove industries out by union action, which was intended to create benefits for workers but ended up making the workers having no job. Second time it is happening now, not from the Communist Party but from the Opposition, preventing industrialisation, which is not in the interest of Bengal in general and the poor in particular. So if Bengal is to regain what it used to be — being one of the richest in the world — industrialisation has to happen.

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Q: Why not develop other areas in Bengal where land is less fertile and build infrastructure so that in-

dustry goes there?

Sen: You have to bring industry everywhere. But there is no way in which you will be able to avoid industrialisation around Calcutta, any more than you could have avoided it in London, Lancashire, Manchester, Berlin, Paris, Pittsburgh. You will find industry will come up where there are advantages of production, taking into account also the locational preferences of managers, engineers, technical experts as well as unskilled labour.

But we should not make the mistake of thinking that somehow while you are trying to attract business

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based on the market that the government can say: 'I want you to go to Siliguri and that is where you are going to be.' That is not the way the market economy works. The market economy has many imperfections, on which I have written extensively. But it also creates job and income and if the income goes up, government revenues go up, so there is money available for education and healthcare and other things.

So in order to do that, you have to give the market economy the operational rational of choosing one location over another, depending on their market-based calculation. You cannot be governed by the market but nor can you ignore the logic of the market if you want to use the market as one of the instruments in advancing the country. So the whole idea of thinking in highly bureaucratic terms that 'I want it in Siliguri and Bankura but not here', that is not going to work. That is not the way industry functions in a market economy.