# A SOCIOLOGICAL ANALYSIS OF POVERTY IN BIHAR SINCE INDEPENDENCE

*Dissertation submitted to the Jawaharlal Nehru University*
*in partial fulfillment of the requirements*
*for the award of the degree of*

**MASTER OF PHILOSOPHY**



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# CERTIFICATE

Date: 28-7-05

This dissertation entitled "A Sociological Analysis of Poverty in Bihar since Independence" submitted by Kanihar Kant for the Master of Philosophy Degree has not been previously submitted for any other university and is my original work.

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*I would like to dedicate my dissertation to my grandparents (Baba and Dadi), who, I lost this year. They had been the most loving and caring grandparents and their loss has left a void forever.*

*I would also like to thank the Librarian and staff of Central Secretariat Library, J.N.U. Central library, ICSSR Library and A. N. Sinha Institute of Social Sciences, Patna, Library who assisted me in collecting my reference.*

**KANIHAR KANT**

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# INTRODUCTION

**I go in darkness, I return in darkness,**
**My whole life is full of darkness, There is no ray of light**

***- [Song of darkness of a hali (bounded labourer) in Gujarat]***

Development requires the removal of major sources of unfreedom; poverty as well as tyranny. Poor economic opportunities as well as social deprivation neglect of public facilities as well as intolerable or over activity of repressive states .... Freedom relates directly to economic poverty, which robs people of freedom to satisfy hunger, or to achieve sufficient nutrition, or to obtain remedies for treatable illness or the opportunity to be adequately clothed or sheltered, enjoy clean water or sanitary facilities. (Amartya Sen)

We stand at a time when the pace of globalization has accelerated dramatically in our country. A decade ago, globalization was considered for India as an opportunity and poverty as our challenge. Yet more than a decade of globalization has failed to have its impact on the poor.

Neither market alone nor is state without the help of the market capable of fighting poverty. The markets as well as the state have failed to find a suitable solution of poverty.

No doubt, poverty is about more than inadequate income or even low human development; it is also about lack of voice, lack of representation. It is about vulnerability to abuse and corruption. Despite the general trends of global economic expansion, liberalizing markets, and increased trade, poverty still restricts the choices, freedoms and longevity of millions of people in our country.

Economic growth without social justice has no relevance for socio economic political goals of India. An unequal and unbalanced socio economic policy cannot be content merely with the target of economic growth and increase in production. What is important is to ensure equitable distribution and alleviation of poverty. This is possible only by the state in a planned way. This needs a philosophy and development perspective,

this was indeed behind the thinking of both Gandhi and Nehru and the Indian Constitution. Today, no one seems to remember Gandhi's criteria for choice, viz., that while taking economic decisions, the planners or the administrator, must think in terms of giving priority to the helping the poor out of their poverty. The absence of philosophy of development in recent years is highly regrettable. Quantitative targets without regard for the distributional and implications are creating an environment within the country that has become allergic to growth as it does not involve either mass participation or fulfillment of mass - needs. (Sinha 2003).

At the dawn of Independence, the nation had many priorities and problems to tackle. Important among them were national integration, the role to be assigned to the people in the government and economic and social development. Although these problems are inter-linked in terms of solution, while they need to be tackled individually, they also needed to be dealt with in a coordinated and integrated manner. Unfortunately, the first two did not receive the attention they desired which has created many new problems today. National integration has been taken for granted, while the active role that people should play in government was not given much attention. Attention was concentrated only on economic development.

People in an independent country were expecting freedom to bring about a nationally oriented utilization of natural and human resources, a substantial increase in national product, a significant rise in their well-being and eradication of poverty and unemployment. To fulfill this aspiration, economic growth became the major goal. While selecting the strategy for growth, the leadership was much influenced by the existing world economic environment. Moreover, the economic growth become the yardstick for measuring national achievements and in the process the people's aspirations were either taken for granted or considered to be a by product (Sinha, 2003).

There was no malafide intention on the part of the ruling class in the country. Economic growth, they considered would be a diffusion process that would automatically spill over area and classes and would give the masses of the population as well as all the areas in the country a significant share of its dividends. In reality, this did not happen.

Oasis of affluence and economic well-being surrounded by Sahara's of poverty and economic backwardness appeared in India.

Not taking into consideration the socio-economic-politico environments of India and ignoring the hard reality of our own history, we derive the lesions from history of development in the western world. Soon after independence we opted for a model of growth that was based on capital intensive industry, neglect of agriculture and the masses who worked in the agriculture and rural areas, and failed to develop the human resource potential in their abundant labour supply. Naturally, this economic approach to development, based on model unsuited to our social, economic and resource conditions, led to the creation of highly unequal society, with pockets of affluence mainly confined to urban areas, rural stagnation, growing unemployment and continuing poverty among the masses.

Its not that our decision to go in for a mixed economy to secure economic growth with social justice was wrong but where we did go wrong was the choice of strategy of planning giving dominance to public sector in all economic activities. We forget the historical truth that the state agencies and the public sector at times tend to be monopolistic. In place of having a mixed economy, we mixed up everything when we gave commanding height of the economy to the public sector. Consequently, we failed to bring about the desired social transformation. The failure was further facilitated by the power structure of a mix economy functioning under parliamentary democracy.

What was wrong, therefore, was not as much the framework of the strategy as the neglect of its political economy. The missing link in the development strategy has been the absence of mobilization of the political, social, ethical and cultural forces needed for social transformation.

The case of Bihar is particularly unique. The present Bihar, which constitutes about 3 percent of the geographical area of India and about 8 percent of its population (8.29 crore as per 2001 census), is the third most popular state of the country and is frequently characterized as the 'most backward state of India'. After the division of the state in 2000 by carving out the southern plateau as Jharkhand, it is left only with a large stretch of plains with no industry worth the name and no major town except the state

capital of Patna. Bihar has lowest literacy rate and the highest percentage of people living below the poverty line, except that of Orissa, the state has the lowest per capita income among the major states of India.

Presently Bihar is the least urbanized state of India with an urban population of just 10 percent. The agricultural sector, employing about 73 per cent of the workforce in the state (same as the Indian average), is very backward with low productivity. The per capita agricultural income of Bihar is about half that of India as a whole and about one fifth that of Punjab. The productive employment in the non agricultural sector has not grown as much as in other states. Whatever few rural industries were there in the state such as sugar, jute, etc., have collapsed in recent years.

The socio economic and political institutions of the state too have shown considerable degeneration. The academic institutions have more or less collapsed and the administrative machinery, which was regarded as one of the best in the country during the 1950s, is in complete descry. Casteism has made in roads not only into politics and the bureaucracy but also permeated almost every institution (Sharma, 2005).

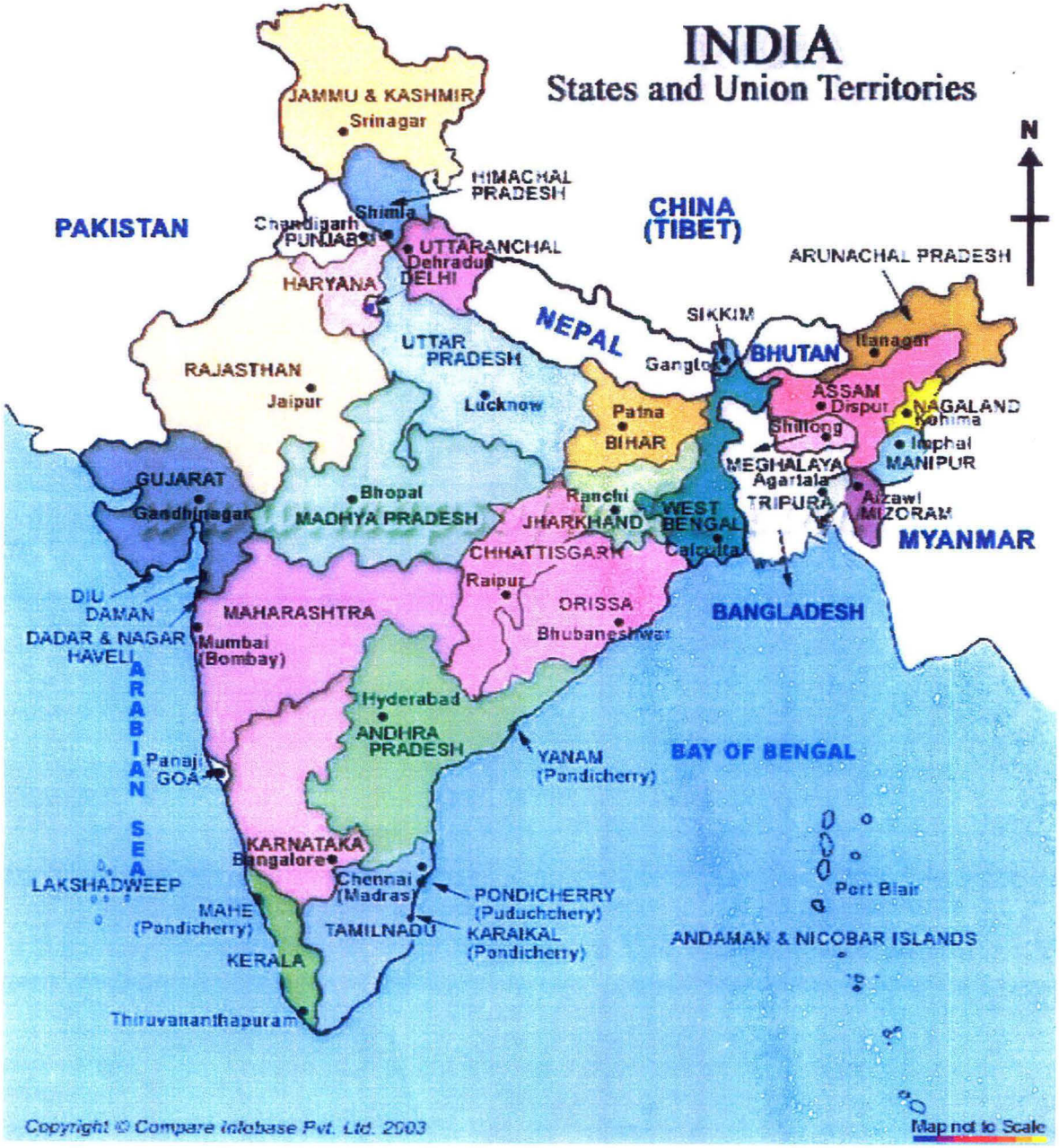
The post independence era has witnessed a diagonal failure of the state government in ushering in the necessary changes needed to accelerate economic development as well as bringing about a fair and equitable social structure. This can be traced to the very nature of the power structure of Bihar. Ownership of land and other assets, caste dominance, political power structure, and the oligarchies that control the state apparatus and their resources all overlap in a way which by no means unique to Bihar, but which takes a particularly entrenched from here. But this does not mean that the state has been static. There have been technological developments, which have had a significant impact, with parts of the state experiencing a modest sport in agricultural growth during the 1980s after a long period of stagnation. But in the absence of an effective transformation of the underlying structures, these changes do not appear to be sustainable. Observers have contrasted the tapering off of agricultural growth on the one hand with the immense opportunities availed by those with access to state power and patronage on the other and noted the 'rise of corruption and crime as the fastest modes of accumulation' (Das, 1983).

In the wake of widespread poverty on the one hand and the unbridled exploitation by the rich on the other, the state has witnessed movements of agricultural labourers and poor peasants directed at challenging the existing structures of power. Firstly, these movements have attempted to transform the relations of production in agriculture, which still underpin the power of dominant landowners, even when agriculture is no longer their main source of income. Secondly, they pose a challenge to the oppressive caste class relations. Thirdly, their entry into the electoral arena is an assertion and establishment of the right of the rural poor to exercise their franchise-a right which de facto was long denied to them by entrenched rural caste-class oligarchies. This has constituted a threat albeit a still weak one, to the hitherto unchallenged political power of the dominant landholders and the political parties who represent their interests. The threat to power of the dominant classes in recent years has evoked a sharp reprisal against the poor in terms of violence on a large scale. This has led to a confrontation between the low caste peasants on the one side and the land lords and big peasants on the other, which has resulted in widespread violence and massacres of the poor. Militant organizations of the poor peasants and agricultural labourers have also resorted to violent activities since the mid 1970s, which continue unabated even today.

Another response of the poor in the wake of acute improvishment has been in the form of widespread migration to far off places in search of work both short term and long term. Although Bihar has a long history of migration, the seasonal circulating migration of labour started in large numbers from the late 1960s and has increased over the years. This is a borne out by the growing presence of Bihari migrants as wage labourers in most parts of the country.

It is increasingly being recognized that while the crisis of governance and institutions has affected all the states of India, Bihar is considered to be among those states where this crisis is the most acute thereby leaving a large developmental gap (Sharma, 2005). All sections of the society in Bihar poor, middleclass or rich are more or less not happy with the current state of affairs. There has been a plight of capital, enterprise and talent (young boys and girls in the employment market) out of Bihar. The law and order has assumed unacceptable proportions. This becomes one of the major factors for minimal private sector investment. Confederation of Indian Industry's recent

# INDIA MAP


INDIA
States and Union Territories
N
JAMMU & KASHMIR
Srinagar
HIMACHAL PRADESH
Shimla
Chandigarh
PUNJAB
PAKISTAN
CHINA (TIBET)
UTTARANCHAL
Dehradun
DELHI
HARYANA
ARUNACHAL PRADESH
NEPAL
SIKKIM
Itanagar
BHUTAN
UTTAR PRADESH
RAJASTHAN
Jaipur
Lucknow
Patna
BIHAR
ASSAM
Dispur
NAGALAND
Kohima
Shillong
Imphal
MANIPUR
MEGHALAYA
Agartala
TRIPURA
Aizawl
MIZORAM
MYANMAR
GUJARAT
Gandhinagar
Bhopal
MADHYA PRADESH
Ranchi
JHARKHAND
WEST BENGAL
Calcutta
CHHATTISGARH
Raipur
ORISSA
Bhubaneshwar
BANGLADESH
DIU
DAMAN
DADAR & NAGAR HAVELI
MAHARASHTRA
Mumbai (Bombay)
ARABIAN SEA
Hyderabad
ANDHRA PRADESH
YANAM (Pondicherry)
BAY OF BENGAL
Panaji
GOA
KARNATAKA
Bangalore
Chennai (Madras)
PONDICHERRY (Puduchchery)
KARAIKAL (Pondicherry)
LAKSHADWEEP
MAHE (Pondicherry)
TAMILNADU
KERALA
Port Blair
ANDAMAN & NICOBAR ISLANDS
Thiruvananthapuram
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Map not to Scale

report chooses to call Bihar as the "least investment friendly state". Along with this the institutions in the realm of human development have miserably failed to deliver its due.

All these issues and much more needs to be tackled in an urgent and unbiased basis by competent and articulate authorities who have a dream and a vision for improving the alarming state of affairs in Bihar and for tackling the problem of poverty in Bihar.

**Basic Framework:**

> "Not only is the economy of Bihar stagnant, crime is completely out of control: 64,085 violent offenses (such as armed robbery, looting, rioting and murder) took place between January and June 1997. This figure includes 2,625 murders, 1,116 kidnappings, and 127 abductions, meaning that Bihar witnesses fourteen murders every day and a kidnapping every four hours. Whatever index of prosperity and development you choose, Bihar comes bottom. It has the lowest literacy, highest number of deaths in police custody, the worst roads, the highest crime. Its per capita income is less than half the Indian average. Not long ago it even had a major famine. The State has withered; Bihar is now nearing a situation of anarchy."
>
> (*The Age of Kali – William Dalrymple*)

> "Estimates vary as to how many die in caste related violence in Bihar each year. The policy say 2,000 but local reporters say the number is closer to 6,000. Meanwhile the administration of the State has all but collapsed. Development funds made available by central government cannot be spent because the bureaucracy in the State has decayed to the point at which it is impossible to disburse the money. Health provision is a farce and criminal cases take 15 years to work their way through the courts."
>
> (*Jason Burke.* The Observer, February 1999)

> "In Bihar poverty itself has developed its own culture of dehumanization. The State with the lowest per capita income, the largest number of people

below the poverty line and with millions of people edging out an existence on the margins of subsistence, is bound to have a situation where human beings are reduced to an animal existence."

(*The Republic of Bihar* – Arvind N. Das)

"Detachment is hardly possible for even the casual visitor to Bihar. The facts are too gross and the catalogue too long. This is the land where there is a caste of rat eaters, where medical colleges sell degrees and Doctors pull out transfusion tubes from the veins of their patients when they go on strike, where private caste armies regularly massacre Harijans in droves, where murderers and rapists become legislators through large scale election rigging, where rich landlords own private planes, where a landless Labourer owns nothing more than a scarf. This is the fourth world and declares their inadequacies before it."

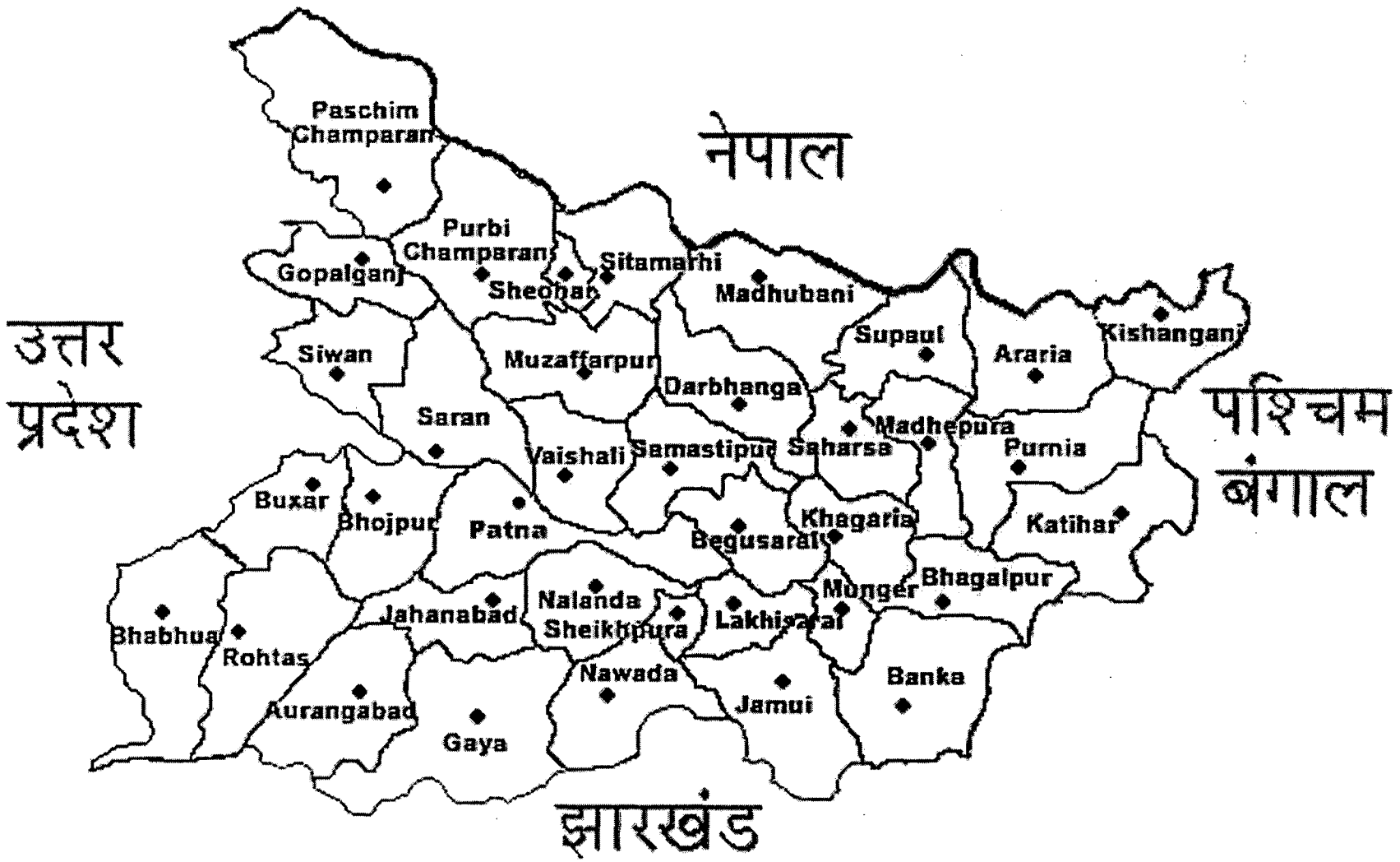
(*Butter Chicken in Ludhiana* – Pankaj Mishra)

Bihar has given India its best over centuries. The first region of the subcontinent to evolve a civilization after the Indus Valley cities had been destroyed, the republics, monarchies and urban centres of Bihar contributed THE Buddha, Mahavira, Chandragupta Maurya, Asoka, Sher Shah Suri, Sufi saints and Bhakti poets, Lokayata philosophers and social revolutionaries – all of whom contributed toward the making of the glorious variegated culture of India.

What has happened in the state to degrade it to the extent that death and despair are today its hallmark? Endemic violence and economic backwardness, gruelling poverty and exploitation characterize social existence in a region that is one of the most richly-endowed in the world. Is it that, tired after centuries of trying, Bihar has dropped out of the framework of civilization? Is Bihar the exception to India's rule? Or is it indeed, the trendsetter, showing the way to India's future now, as it did in the past?

Recent reports of horrific killings and kidnappings, murder and mayhem, civil unrest and uncivil turmoil in the state have once again turned the focus of public attention to Bihar.

# MAP OF BIHAR


नेपाल
उत्तर प्रदेश
पश्चिम बंगाल
झारखंड
Paschim Champaran
Purbi Champaran
Sitamarhi
Madhubani
Supaul
Araria
Kishanganj
Gopalganj
Sheohar
Siwan
Muzaffarpur
Darbhanga
Madhepura
Saharsa
Purnia
Saran
Vaishali
Samastipur
Buxar
Bhojpur
Patna
Begusarai
Khagaria
Katihar
Bhagalpur
Munger
Nalanda
Sheikhpura
Lakhisarai
Jahanabad
Bhabhua
Rohtas
Nawada
Banka
Jamui
Aurangabad
Gaya

A murder almost every two hours, a riot in an hour and eight kidnappings and three rapes a day. The crime scenario is truly alarming even by Bihar standards in 2004.

Of the 1,15,216 cognizable offences recorded between January and December, 2004, there were 3861 cases of murder, 1297 dacoities, 9199 riots, 2977 kidnappings, including 411 kidnappings for ransom, 1063 rapes, 2162 robberies on the road and dacoities and 57 cases of bank dacoities and robberies, an official report said.

Notwithstanding the daunting task faced by the law enforcing machinery, the police-public ratio is 0.65 per 1000 people, meaning there was not even one policeman per thousand population and only 6.5 policemen for a population of every 10,000 – one of the lowest in the country, state police headquarters sources said.

All this has happened while the leaders of various hues, the Congress, the Rastriya Janata Dal (RJD), the Bharatiya Janata Party (BJP) and the Janata Dal (U), continue to play their political games, often trading in the misery of the people. However, the cause of the malaise of Bihar is deeper than even communalism. The problem arises from the very nature of the state's political economy.

The criminalization of Bihar grows out of the distorted, 'lumpen capitalism' that has been imposed upon it and the internal and external exploitation to which it has been subjected. And this distorted capitalism inevitably leads to 'lumpen development', meaning the proliferation of non-productive and socially injurious activities geared to the interests of internal and external parasitic elements. It is a truism that it is the scum which floats to the top in a stagnant pond. (Das 1992).

Bihar's economy has been at a standstill for decades. While the immense mineral and manpower resources have been used by other parts of India to climb up the development ladder, its own progress has been hindered. The blatantly unfair system of freight equalization; the discriminatory nature of public and private investments; the

Green Revolution by passing the state principally on account of non-implementation of land reforms; the adverse deposit-credit ratios imposed by banking system; the gross neglect of the state's physical institutional social security system existed there- all these have pushed the people into poverty, the economy into backwardness, the society into violence and the culture into despair.

In a situation of economic stagnation, the sources of accumulation are necessarily primitive. When there is neither avenue for legitimate investment no remunerative returns on what little investment takes place, the alternative methods of accumulation are devised by those in power. Dacoity and kidnapping for ransom, loot and corruption have this economic rationale.

The process of such primitive accumulation is intensified when the State and society lose their social conscience. In a condition of gruelling poverty and inhuman exploitation, when yuppie 'liberalizers' gain the upper hand and turn social concern and welfare into dirty words, when agrarian reform is shelved in order to pander to the electorally powerful rural rich, when the baby of social equity is thrown out with the bathwater of bureaucratism, the economy further degenerates, society becomes increasingly violent, culture turns to barbarism and he State loses its legitimacy. It is this that has happened in Bihar.

**Table I:**

| Poverty level | States |
|---|---|
| upto 10% | Goa, Haryana, Himachal, J& K, Punjab, Daman/Diu, Delhi |
| upto 20% | Andhra, Gujarat, Karnataka, Kerala, Mizoram, Rajasthan, Lakshadweep, Dadra/Nagar Haveli, Andamans |
| upto 30% | Maharashtra, Manipur, Tamil Nadu, Bengal, Pondicherry |
| upto 40% | Arunachal, Assam, MP, Meghalaya, Nagaland, Sikkim, Tripura, UP |
| upto **50%** | **Bihar, Orissa** |

*Source: Planning Commission for 1999-2000*

The compounding of economic backwardness through the institutionalization of crime as the most paying proposition is illustrated by the flourishing arms trade in Bihar. There may be an overall technological paucity in the state but there exists a lively weapons industry which manufactures guns for as little as fifteen rupees a piece. In such a situation, the barrel of a gun does not merely symbolize power, it ensures survival. While those who can afford it adopt the trappings of the Kalashnikov culture, the poor make do with the cult of the country-made *katta.*

The frightening aspect, or course, is that guns know no boundaries. The trans-regionalization of violence has been demonstrated by the involvement of Amritsar outlaws in far-away Dhanbad. The emergence of an all-India network of violence is not inconceivable in a context where guns are procured in Bihar for booth capture in Ballia and beyond (Das, 1992).

**Table II: Selected Indicators of Human Development for Major States**

| Sl. No. | State | Life expectancy at birth (2001-06) | | Infant Mortality Rate (per 1000 live births) (2002) | | | Birth rate (per 1000) | Death rate (per 100) |
|---|---|---|---|---|---|---|---|---|
| | | Male | Female | Male | Female | Total | 2002* | 2002* |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 1 | Andhra Pradesh | 62.79 | 65.00 | 64 | 60 | 62 | 20.7 | 8.1 |
| 2 | Assam | 58.96 | 60.87 | 70 | 71 | 70 | 26.6 | 9.2 |
| **3** | **Bihar** | **65.66** | **64.79** | **56** | **66** | **61** | **30.9** | **7.9** |
| 4 | Gujarat | 63.12 | 64.10 | 55 | 66 | 60 | 24.7 | 7.7 |
| 5 | Haryana | 64.64 | 69.30 | 54 | 73 | 62 | 26.6 | 7.1 |
| 6 | Karnataka | 62.43 | 66.44 | 56 | 53 | 55 | 22.1 | 7.2 |
| 7 | Kerala | 71.67 | 75.00 | 9 | 12 | 10 | 16.9 | 6.4 |
| 8 | Madhya Pradesh | 59.19 | 58.01 | 81 | 88 | 85 | 30.4 | 9.8 |
| 9 | Maharashtra | 66.75 | 69.76 | 48 | 42 | 45 | 20.3 | 7.3 |
| 10 | Orissa | 60.05 | 59.71 | 98 | 79 | 87 | 23.2 | 9.8 |
| 11 | Punjab | 69.78 | 72.00 | 38 | 66 | 51 | 20.8 | 7.1 |
| 12 | Rajasthan | 62.17 | 62.80 | 75 | 80 | 78 | 30.6 | 7.7 |
| 13 | Tamil Nadu | 67.00 | 69.75 | 46 | 43 | 44 | 18.5 | 7.7 |
| 14 | Uttar Pradesh | 63.54 | 64.09 | 76 | 84 | 80 | 31.6 | 9.7 |
| 15 | West Bengal | 66.08 | 69.34 | 53 | 45 | 49 | 20.5 | 6.7 |
| | India | 63.87 | 66.91 | 62 | 65 | 63 | 25.0 | 8.1 |

**Table III: Bihar- Human Development Fact Sheet**

| INDICES | | | |
|---|---|---|---|
| **S.No.** | **Indices** | **State** | **India** |
| 1 | Human Development Index Value 200 (calculated only for fifteen major states | 0.367 | 0.472 |
| 2 | Human Development Index Rank 2001 (out of 15) | 15 | |
| 3 | Human Development Index Value 1991 | 0.308 | 0.381 |
| 4 | Human Development Index Rank (out of 32) | 32 | |
| 5 | Human Poverty Index 1991 | 52.34 | 39.36 |
| 6 | Human Poverty Index Rank (out of 32) | 32 | |
| 7 | Gender Disparity Index Value 1991 | 0.469 | 0.676 |
| 8 | Gender Disparity Index Rank (out of 32) | 32 | |

*Data Sources-*

- Indices – Government of India (2001), 'National Human Development Report', Planning Commission, New Delhi.

## INDICATORS

**Table III A: Demography**

| S.No. | Indicators | State | India |
|---|---|---|---|
| 1 | Total Population-2001 | 82,878,796 | 1,027,015,247 |
| 2 | Sex Ration -2001 | 921 | 933 |
| 3 | Dependency Ratio- 1991 | 12 | 1212 |
| 4 | Dependency Ratio Rural-1991 | 13 | 1313 |
| 5 | Dependency Ratio Urban- 1991 | 9 | 1010 |
| 6 | Sex Ration Children 0-6 years – 2001 | 938 | 927927 |

*Data Sources-*

- Demography – Total Population and Sex Ration –Registrar General of India (2001), 'Provisional Population Tables", Census of India, New Delhi", Dependency Ratio- National Human Development Report (NHDR)

**Table III B: Income**

| | | | |
|---|---|---|---|
| 7 | Per Capita Net State Domestic Product (at 1993-94 prices; Rs.), 1998-99 | 4,397 | 9,647 |
| 8 | Percentage of Persons in Labour Force, 1999-2000 | 57 | 62 |
| 9 | Percentage of Female in Labour Force, 1999-2000 | 26 | 39 |
| 10 | Percentage of Population Below Poverty Line-1999-2000 | 43 | 26 |

*Data Sources-*

- Income – PCNSDP- Planning Commission, Tenth Plan (2002-2007)', Vol III, Annex 3.1, Persons in Labour Force, % of Population living below poverty line- NHDR.

**Table III C: Education**

| | | | |
|---|---|---|---|
| 11 | Literacy Rate – 2001 (%) | 48 | 65 |
| 12 | Male Literacy Rate – 2001 (%) | 60 | 76 |
| 13 | Female Literacy Rate – 2001 (%) | 34 | 54 |
| 14 | Rural Literacy Rate- 2001 (%) | 44 | 59 |
| 15 | Rural Male Literacy Rate – 2001 (%) | 58 | 71 |
| 16 | Rural Female Literacy Rate – 2001(%) | 30 | 47 |
| 17 | Urban Literacy Rate – 2001(%) | 73 | 80 |
| 18 | Urban Male Literacy Rate – 2001(%) | 81 | 86 |
| 19 | Urban Female Literacy Rate – 2001(%) | 63 | 73 |
| 20 | Gross Enrolment Ratio Class I-V (6-11 years 1999-2000 | 79 | 95 |
| 21 | Boys-Gross Enrolment Ratio Class –I-V (6-11 years), 1999-2000. | 95 | 104 |
| 22 | Girls-Gross Enrolment Ratio Class I-V (6-11 years), 1999-2000 | 61 | 85 |
| 23 | Teacher-Pupil ration (Primary School), 1999-2000 | 63 | 43 |

*Data Sources-*

- Education – Literacy rate – Census (2001), Gross Enrolment Ratio and Teacher Pupil Ratio- Ministry of HRD, 'Selected Educational Statistics' 2001.

**Table III D: Health**

| | | | |
|---|---|---|---|
| 24 | Life Expectancy at Birth, 1992-96 (yrs.) | 59 | 61 |
| 25 | Life Expectancy at Birth (Rural), 1992-96 (yrs.) | 59 | 59 |
| 26 | Life Expectancy at Birth (Urban), 1992-96 (yrs.) | 66 | 66 |
| 27 | Infant Mortality Rate – 2000 | 62 | 68 |
| 28 | Under 5 Mortality Rate – 1991 | 89 | 94 |
| 29 | Under 5 Mortality Rate – Male- 1991 | 75 | 91 |
| 30 | Under 5 Mortality Rate –Female- 1991 | 104 | 101 |
| 31 | Material Mortality Rate – 1998 (per 100,000 live births) | 452 | 407 |
| 32 | Total Fertility Rate 1998 | 4 | 3 |
| 33 | Percentage of children underweight (-2SD), 1998-99 | 54 | 47 |
| 34 | Percentage of houses with access to safe drinking water – 1991 | 59 | 62 |
| 35 | Percentage of houses with access to toilet facilities – 1997 | 58 | 49 |

*Data Sources-*

- Health – IMR and TFR – Planning Commission, Tenth Plan (2003-2007), LEB , MMR, Children underweight, Under 5 Mortality Rate, % of houses with access to safe drinking water, % houses with toilet facilities – NHDR

**Table III E: Environment**

| | | | |
|---|---|---|---|
| 36 | Percentage of Recorded Forest Area to Total Geographical Area- 1996-98 | 17 | 23 |

*Data Sources-*

- Environment – Forest Survey of India, State of Forest Report (1999).

As can be interpreted from Table III Bihar ranks at the bottom in Human Development Index, Human Poverty Index, and Gender Disparity Index. The Dependency Ratio is 12 in year 1991 and sex ratio 938 (2001). (Table IV) The percentage below poverty line is 43% (1999-2000) (Table V). The literacy rate stands at 48% and female literacy rate dismally low 34% (2001) (Table VI). Infant mortality rate is 62 per 1000 and maternal mortality rate is high at 452 per 100,000 live births (2000) and (1998) (Table VIII). The percentage of recorded forest area to geographical area 17%-23% (1996-98) (Table VIII).

**Objective of the Study:**

The objective of the study is to delineate poverty in Bihar as has been persisting since era of colonialism to independent India. Poverty alleviation has been a matter of concern and action of the Indian State. Policies have been formulated and implemented with vigour. This is an attempt to understand the impact of various reformative measures, their evaluation and changing socio-economic scenario in Bihar. The era of globalisation and the Millennium Development goals formulated by UN (2000) have specific relevance and challenges for Bihar. My attempt is to understand the role of state, NGO's and mobilisation along with goals that are yet to be realised so that poverty is minimised in Bihar.

Today all that seems to emanate from this benighted state are stories of horror: economic backwardness, social inequity, electoral banditry, political asperity, caste riots and cultural degeneration. The tendency has become to declare Bihar as unchanging, boring and repetitive. It is relegated to the position of an intellectual basket case, a state so unique in its characteristics that its study holds little relevance to what is happening in the rest of India and even less to what is happening in the rest of the world.

And yet Bihar cannot be dismissed in such a cavalier manner. Not only is it the third-most popular state of India, having immense agricultural handicraft, irrigation, skilled human resource and other potentials, but also its very size and history make it crucial to political-economic development in India.

This study tries to track the case of Bihar as what has happened to a region. Subject to societal stagnation, economic exploitation and cultural degeneration under

condition of long and stifling feudalism, external happy experience of Bihar with the late capitalism that our country has witnessed.

Thus the objective of the study is four fold.

I) To map the development of Bihar from post independence period onwards in terms of land relations, economic activities and the incidence of poverty.

II) To highlight and understand the growing schism in Bihar's society on lines of caste and class perspective which his widened due to growing inequality, backwardness, lack of gainful employment and casteism pathetic state of Bihar state's affair.

III) To comprehend the role of the state in Bihar in its various dimensions and how far the state has been successful or has failed to tackle the problem of poverty, inequality employment and development from 1950's onwards and more 50 in the now changing economic scenario of opening up of the economy in the past 15 years.

IV) Role of political parties, Grass-root Movement and Extremist movement in the state of Bihar and how in their own unique way they have tried to shape the vision and influence the masses in the state, their achievements and their pitfalls.

**Chapter Scheme**

**Chapter I**

*Theories of Poverty*

This chapter deals with the various theories that help in comprehending the issue of poverty. Right from Oscar Lewis who gave the term of "culture of poverty" looking at poverty as a culture, where poverty is transmitted from generation to generation, to Gunnar Myrdal and the various class theories of poverty.

The focus is also on the classical sociologists like Marx and Weber who looked at social behaviour and poverty from the Market and social relationship point of view.

Parsons and Merton contribution is also important to analyse poverty. Parsons views poverty from the point of view of the particular stratification system prevalent in a given society and a person's given position in the hierarchy.

Merton on the other hand emphasizes the norms upheld by the society and how a particular society characterizes a person being a success or failure in context of the norm system.

This chapter also tries to define the various concepts and definitions of poverty and how poverty is defined in terms of the poverty line. The emphasis here is on the basic needs such as per capita income, consumption, Food ratio, health and nutritional status etc.

The 'social relationship' aspect of poverty is highlighted in the chapter in the definition of Chambers and Amartya Sen.

The chapter also analyses the changing discourse in understanding poverty in light of wide spread human poverty and particularly poverty as denial of human rights.

**Chapter II**

*Poverty in Bihar: From Colonial era to post-independence period.*

In this chapter we try to understand the prevalence of poverty in Bihar from the pre-independence to the recent times. In the pre-independence time Bihar was marked by a system of Land relations called 'permanent settlement' imposed by Lord Cornwallis the then Governor-General in India in 1793. Certain changes where made in the Act in 1859 and 1885 but more or less this brutal system of land-relation pauperized the tenants and agricultural labourers. The blight of tenants and agricultural labours in this system was pathetic due to the exploitation imposed upon them by the zamindars and their middle-men.

The above agrarian structure was clearly exploitative and detrimental to agricultural development, which produced an extremely exploitative agrarian structure in the countryside of Bihar.

At the time of independence Bihar's economy was predominantly agrarian, with large inequalities in the distribution of resource endowments among its population. Even after more than five decades of independence Bihar is marked as among the slowest growing regions of India. On the other hand the population growth rate of Bihar, which

was 23.4 per cent during 1980s, shot to 28.4 per cent during the 1990s, while in the case of India as a whole population growth declined from 23.9 per cent during , the 1980s to 21.3 per cent during the 1990s.

The post–independence era in Bihar has witnessed a dismal failure of the successive state governments in ushering in the necessary changes needed to accelerate economic development and reduce poverty. This can be traced to the very nature of the power structure in Bihar in terms of land and other assets, caste dominance, and political power structure.

The various poverty alleviation programmes in the state has also not shown much encouraging results and Bihar lags behind almost all major states of India in terms of education, health, per-capita income, literacy and other social indication.

The condition of the poor and agricultural labourers in Bihar is reflected in the rapid migration of the particular section of society to other industrially and agriculturally advanced states of India like Delhi, Punjab, Haryana, Gujarat among others in search of livelihood.

**Chapter III**

*The Nature of Caste – Class Relation and the Role of State in Bihar*

The chapter tries to understand the role the state has played in Bihar in the last five decades. From the time of land reforms which abolished the zamindari system and imposed ceilings on the size of land holdings. How far this measure has been effective in redistribution of land. Moreover we also like to explore that whether agricultural production increased or not due to the various legislative measures adopted in the field of land reforms and how the new consciousness generated among the peasantry led to a churning process in the hinterland of Bihar's villages both in socio, political and economic sphere.

The emerging class land relations with the empowerment of OBCs due to their numerical strength and redistribution of land has changed the nature and composition of state in Bihar substantially particularly after 1990.

The other feature economic stagnation and criminalization of politics in Bihar where politician –criminal nexus has emerged has had a very negative impact on the image and prospects from development.

We also look at the various poverty alleviation programmes and what impact it has had on poverty reduction in the state. Planning process is also an important component of any developmental strategy and the various five year plans are to be analysed to see their impact on poverty eradication in Bihar. The District profile of Bihar shows a curious mix of districts some of which are much better in terms of social indicator such as education, health, literacy and economic indication such as industry, condition of agriculture, income etc.

All this is to be kept into perspective to have a balanced view whether the state in Bihar has performed adequately o not in eradicating poverty in the past five decades and more.

**Chapter IV**

*Anti Poverty Mobilisation: The Role of Political Parties, Grass-root Movements and Extremist Movements in Bihar.*

The political parties have a very vital and pivotal role to play in any democratic set-up. Political parties are expected to uphold certain principles and values in public life. The tragedy being that most of the mainstream political parties in Bihar have long since forsaken all claims to principled action, even when their origin is often founded in principle. Parties are also means for mobilizing the masses for political activity and perform the function of political socialization. Political parties briny together different and varied groups of people with diverging interests and tries to take them together in the larger interest of the nation or state.

Bihar once considered one of the best governed state's in India in the 1950's have shown a steady decline in terms of governance. The nature of political parties and its composition has also changed fundamentally in the last five decades. Criminalisation of politics has occurred at a rapid pace and several legislators in the state face heinous changes of Murder, loot, rape, fraud etc. criminal syndicates and muscle men are employed to win elections in the state.

The role of grass-root as well as extremist movement is based on the same ground reality in the state that is, widespread poverty, illiteracy, exploitation on caste and class line, voice for the poor in determining their future but the mode of operation of these

movements to accomplish their goals are radically different. While the grass-root movements believe in mass mobilization and awakening among the depressed section of Bihar's society, the naxalities want to achieve their aim through violence, fear an intimidation. All this is a product of a complex socio-political economic and psychological transformation that is taking place in Bihar today.

## Chapter V

*Bihar's Poverty in the Era of Globalisation.*

Today globalisation affects every nation and state and all sections of society whether they are large or small. Globalisation and its discourse has a significant impact on the poor in every society. Globalisation has got its positive as well as negative impacts. As on the one hand it opens up markets and provides opportunity for free-trade and export of local products, it also makes obsolete diversities and uniqueness of any given market and society at large.

There is a significant impact of world prices on domestic prices, policies and development and Bihar is not immune to these developments in the 21$^{st}$ century.

Even though Bihar has lagged for behind from rest of India in terms of co-opting the forces of globalisation for its own benefit, yet there has been significant changes particularly in the field of agriculture and cooperatives in Bihar during the last 15 years.

The main bottlenecks for growth in Bihar have been its poor infrastructure particularly in terms of road and power situation. The other factor that hinders Bihar growth in the globalised scenario has been the poor state of public finances and Public sector institutions, flight of Human capital from the state to outside, both skilled and unskilled and the alarming state of law and order situation in Bihar where no entrepreneur wants to invest money and many established businessman have rolled-up and moved out of the state due to law and order problem.

The situation to the situation is also not very difficult. All it needs is a determined state administration which does not indulges into political gimmickry and survival but has the vision and determination to transform the fortunes of the state for the betterment of its 10 crore inhabitants.

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## CHAPTER - I

## THEORIES OF POVERTY

According to Amartya Sen, poverty is a complex multi faceted world that requires a clear analysis in all of its many dimensions, "Human beings are thoroughly diverse, you cannot draw a poverty line and then apply across the board to everyone the same way without taking into account personal characteristics and circumstance. Being poor does not mean living below an imaginary line but having an income level that does not allow an individual to cover certain basic necessities taking into account social circumstances and requirements.

The poor are different -on this, there is consensus. It is beyond this agreement on the obvious that the critical issues in both our understanding and treatment of poverty arise: In what ways are the poor different? How do these differences arise, and how are they maintained?





The earlier, individualistic theories of poverty inevitably placed the blame on the poor themselves. Neither society, or societal groups were held accountable, the poor were poor because they were unable or unwilling to provide adequately for their own well being. Cultural theorists such as Oscar Lewis suggest that values such as fatalism, apathy and immediate gratification characteristic of the poor perpetuate their situation. In turn these norms are transmuted to each new generation creating a poverty stricken sub-culture independent of the rest of society. As a result, poor groups are unable to seek the benefits of increasing living standards because they are conditioned to accept their situation and unwilling to make the effort to change it. For example with regards to education, the poor are averse to seeking higher or even further education due to the delay of gratification. As a result they are condemned to the lower, unskilled echelons of the labour market.

However such claims are criticized as presenting only a middle class and value laden perspective. In particular, the specific observation of South American cultures

cannot be generalized to western industrial societies. Groups such as Marxists would condemn such studies as an excuse to blame the poor and exonerate the capitalist system which exploits the poor to the advantage of the economic elite. The poor are unable to seek the higher living standards of the privileged majority because the system is biased against them. Poverty stricken groups are subjugated by the bourgeoisie in order to glean extra profits and capital via labour exploitation.

Herbert Spencer was an advocate of individualistic theory and strong critic of the poor. He argued that usually a 'poor fellow' was also a 'bad fellow'. According to Spencer it was wrong to help or show sympathy for those who engaged in 'dissolute living', if an individual was too lazy to work then he deserved to starve. Critics would argue that Herbert Spencer presents an out-moded and ignorant attitude to the poor, in claiming that the poor do not take responsibility for themselves the bourgeoisie are in fact shirking responsibility for the capitalist system which disadvantages those in poverty. However such perspectives are still relevant today as they unwittingly reveal the ignorance of the privileged who are prepared to perpetuate a system which exploits those they consider to be inferior (Spencer, 1973).

In this respect, cultural theory of dependency is closely linked to individualistic theory in terms of explanations of poverty. Similarly it is used to blame the poor for their situation and negates the structural causes of poverty.

Poverty has many dimensions. It has to be examined through various indicators such as:

- Levels of income and consumption
- Social indicators
- Indicators of vulnerability to risks, and
- Socio-political access.

Sen stress that poverty is not just about deprivation; it is not just the impoverished state in which a person actually lives. Poverty is equally the lack of opportunity – as a result of both social constraints and personal circumstances – to choose a better life. The human potential of the poor must be seen against the hindrances and circumstances that circumscribe their lives (Sen, 1995).

This 'human development approach' marks a shift from the 'basic needs approach', which measured various indicators of the physical quality of life. It shifts the debate about poverty and human development from commodities to capabilities – from what people own or have to what they can actually be or do.

"The claim, "Sen writes, "is not only that human lives can go very much better and be much richer in terms of well-being and freedom, but also that human agency can deliberately bring about a radical change through improving societal organization and commitment."

That is, the hindrances that poor people face can be removed through the efforts and initiatives of people themselves, and through social commitment.

**A Brief review of the non-economic concepts of poverty:**

The name of Oscar Lewis became prominent when he propounded the cause of poverty rooted in the culture of a community. It came to be known as the "Culture of Poverty". It primarily implies a certain kind of worldview and mindset. In this worldview there is no urge and initiative to improve the condition of life. A relevant example could be a beggar. He is used to living on charity, he may not be hard working or interested in doing labour. With such drawbacks poverty is a natural consequence. Laziness is often considered as a factor of poverty in the concept of Oscar Lewis. When the culture is supportive of hard work social condition will automatically improve (Lewis, 1959).

However, Oscar Lewis does not pay attention to identifying a parameter that will help to express poverty. His focus is on the general standard of living of a community. In the theory of Oscar Lewis certain condition in culture is referred to as poverty. Not having ambition or dream is an expression of poverty. On the other hand, the consequence of not nurturing a dream is to be in poverty. The idea of Lewis came under strong attack. According to the critics poverty is not determined by the subjective condition. It also smacks of racism to claim that some culture is inherently unproductive. What matters are the resource endowment, educational level, and opportunities. One cannot create opportunity on her own. If it is there one can take the initiative to get access to it. For example, if there is a school, the children may be sent there. If there is money one can think of making investment. So scope has to be given to get access to money.

The critic prioritizes social structure in determining poverty in society. On the other hand whom we call poor is not indifferent to hard wok as is claimed by Lewis. Think of a small peasant in rural Bangladesh or an agricultural worker; he works from early morning to dusk with little break. Yet, with a lesser amount of labour the large peasant earns more than him. The difference in the ownership of assets explains the difference in their economic conditions, not the reluctance to work. In a recent analysis it is said that there is a condition called chronic poverty and the peasant culture may be a factor of the continuity of poverty (Wood, 2003).

The proponent of this view is Geoff Wood capitalistic profit motive does not operate in the logic of peasant economy; they are motivated by other factors, such as increasing need of the family or the necessity of leisure time. Wood has related peasant culture in the following manner. Long term investment or the desire for future receives less priority in a culture prevalent in peasant community. In a society where the influence of peasant culture is still strong, aspiration for future good may be found weak among the community members. For example, education seeks an investment that does not promise a quick return. It is a long-term investment. If someone does not express any interest for such long-term investment he won't be able to reap the expected benefit. Wood argued that when a poor person prefers spending in consumption to spending in education it implies that the priority is the immediate survival. In Wood's term the poor is a person who can't fight the process of poverty over a long period and prioritizes the immediate survival. One may not agree with the theory that in peasant culture there is little interest in a long-term investment, which is needed to come out of the poverty trap.

Any culture is an outcome of the response of the people to its environment. Meeting the subsistence need may be an important priority in the agenda of a peasant family but there are other factors that significantly influence the economic decision-making. For example, availability of a large surplus is not common or that agricultural goods do not bring return in a consistent manner. There is evidence that even among the peasants many gradually transform into a rich farmer or are inclined to regular market production. Giving emphasis to cultural factor is not new in economic analysis, in the writing of classical sociologist such as Weber this was reflected when he argued that a

particular religious ideology created the ground for the emergence of capitalistic spirit (Weber 1978).

The third view observes that the existing definition on poverty is not respectful of the human values. By giving exclusive emphasis on food in the definition of poverty other important elements are neglected. By confining human needs to food only the concept of poverty is dehumanized. It given the impression that the objective of human existence is only to survive physically. But there is also the need to live with dignity and respect. There is need for recognition, realization of the human potential. When the entire focus goes to meeting the 'basic need', primarily food, it is branded as the 'livestock concept'. It has the further implication that the above philosophy is mainly geared to the need of a materialist society that requires unhindered supply of human labour. There is an indication of exploitation underlying such an approach. It is the priority of the class commanding the main resources; the dependent class is engaged simply in responding to that priority. Such a view completely reverses the existing notion of 'basic need' and includes a wide range of socio-psychological elements. The lack of power is often identified as the main shortcoming of the poor. Thus empowerment becomes the primary objective of changing the condition of the poor. This view reflects important insight. There are different dimensions of the marginal status in society. It may be there in terms of the position in the power structure, rights to express opinion or accessing the resources. With the empowerment of the marginal people it is possible to reduce or eliminate these factors. The importance of power structure is manifold. Not only does it increase and decrease the position in society but it also helps to protect different rights (Miller, Roby, 1973).

As a result power structure is now primarily serving the interest of those who command economic resources. In the concept of empowerment the change is conceived not only in the increased access to material resources but also to the orbit of power structure. It may also include self-dependence, role in the decision making process and others. The absence of 'agency' or will to establish one's own rights is also seen as a mark of poverty. As we know 'agency' is posed against 'structure'. If by structure we mean something imposing from above 'agency' is the means for change. In a class divided society it is not possible for the poor to use own 'agency' to rise against the

'structure' that account for their deprivation. There is a need for social mobilization. Through mobilization it is possible for the poor to establish their rights. Thus in a simple categorization following the logic of mobilization the poor are those who accept the dictate of the structure generating deprivation passively and the non-poor are those who challenge the deprivation (RIB, 2002).

In its most extreme form, the position that maintains that the poor are qualitatively different is expressed in the claim that there s distinctive culture displayed by the poor- the culture of poverty.

The concept of "culture of poverty" is neither clear nor specific. Its popularity and its concomitant rapid diffusion into the rhetoric of the war on poverty have helped to make the concept more important, but not clearer.

Oscar Lewis (1966), who apparently coined the term, distinguishes between "poverty per se" and poverty as "a culture or, more accurately, as a subculture with its own structure and rationale, a way of life which is passed down from generation to generation along family lines" (Lewis, 1996).

It is not clear from this definition how distinctively different the poor must be in order to be characterize as living in the culture of poverty.

Several models of class differences that might fit this definition are as follows:

A. The "Great Difference" Model - The poor differ from other socio-economic groups by displaying proportionately more of the qualities and characteristics that increasingly characterize groups as one goes down the stratification ladder. Of all low socio-economic groups, the poor show the greatest differences from the central tendencies of the society in all critical respects.
B. The "Only Difference" Model - The poor are the only group in the society that displays a particular characteristic, other levels of the society stratification system showing only traces of such characteristics or no such signs at all (Miller, Roby, 1973).

From Lewis definition, it is not clear which of these two models of patterns of differences from the rest of society is meant by the phrase "a subculture with its own structure and rationale". It would seem that the concept would be of maximum utility as an explanatory tool if it had the meaning of the "only - difference" model. It can be said

that those is very little, if any, support for the culture of poverty concept if by that concept is meant that the poor show unique characteristics.

The traits used to define the culture of poverty are manifested by the extreme poor, with only somewhat greater frequency than is true of those immediately above them in socio- economic status. This is not to deny the importance of these characteristics in marking out a group that displays especially aggravated form and degrees of disabilities, but merely to state that the poor do not display characteristics qualitatively different from those immediately above them in the stratification hierarchy would not be entirely true.

The definition of the culture of poverty contains an additional crucial element which refers to the transmission of the culture across generations.

A similar position is taken by Walter Miller in City Gangs. Miller does not accept the concept of culture of poverty, preferring instead to refer to a "sub-culturally lower class style of life". The study that he has done in Roxbury, Massachusetts, he concludes that Roxbury has included, since the eighteenth century populations that pursued a sub-culturally lower class of life, along with other populations that did not, and that the subculture does not necessarily involve a group of specific families residing in that community for the period in question (Miller, Roby, 1973).

The most persuasive argument for intergenerational transmission of characteristics of poverty comes from studies of child-rearing practices. Children in many poor households are being reared in a culturally deprived environment that is linguistically and emotionally impoverished. It is hard to imagine that considerable proportions of such children will find their way into the professional and managerial occupations. But it is not inconceivable that despite handicaps of early childhood, a large proportion of them will find their way higher in the "blue-collar" occupations than did their parents. If the past is any indication, then some poverty is "inherited", but life chances are reshuffled sufficiently in each generation to allow a large proportion of the children of the poor to move out.

**Class Position and Poverty**

There is a lot of evidence from empirical social research that there is widespread consensus both on the general outlines of the stratification system and on one's own position in the hierarchy.

Parsons (1954) views the stratification system as expressing society wide evaluation of social positions, mainly occupational in character. To be at the bottom of the heap, then, is to be evaluated negatively. Merton (1957) emphasizes another evaluational aspect of social stratification. If the norm of the society express success in terms of the attainment of wealth (or high occupational position), then those who do not attained wealth (or high occupations) have failed. Low socio economic status is thus a position of failure, according to Merton (Encyclopedia of Social Sciences).

Closely related to this argument are the explanations given by Matza (1966) and Coser (1965) for the appearance of poverty as a social problem. Both author stresses that poverty, in an objective sense, is characteristic of some groups in almost every large scale society but only some societies is poverty regarded as a social problem. The process of creating the "problem poor" or poverty as a social problem is a process in which the poor are degraded by being labeled failures unworthy of full citizenship in the society. Oscar Lewis (1966) takes much the same position (at least by implication) when he states that culture of poverty can only arise in a society in which there is upward mobility and considerable unemployment, underemployment or intermittent employment among the unskilled or poorly skilled workers. Coser and Matza argue that a particular punishing evaluation of the poor in such societies is created through singling out his group for treatments that mark them as less than full citizens. (Encyclopedia of Social Sciences).

Some of the characteristics of the poor can be seen as reactions to the punishment of being judged negatively. Merton suggests that modes of reaction involve combinations of rejections of goals (mobility and wealth) and the means designated by society as legitimate ways in which such goals may be attained. Under this scheme, those who reject the goal of success but accept the means are reacting in a "ritualistic" fashion; those who accept the goal but reject the legitimate means are "deviants"; those who reject both

are characterized as "retreatists"; and, finally, those who reject both and substitute alternative goals and means are characterized as "rebels".

The attraction of Merton's paradigm lies in the obvious similarity between certain characteristic of the poor and the types of reactions Merton postulated in his paradigm. The apathy and apparent withdrawal of the poor from participation in the society resemble Merton's "retreatist" reaction. The "ritualistic" reaction resembles the quite desperation of the "poor but honest" who outwardly conform to the society while having given up any hope or desire to attains success. Perhaps the most attractive feature of the Mertonian paradigm is its explanation of "deviance" as a reaction to the structural position of the poor. The critical issues becomes ascertaining the conditions under which a deprived and negatively evaluated population shifts from a posture of apathy to rioting or violence. There is, furthermore, the question of the development of counter- ideologies (Merton, 1957).

The problem with Merton's paradigm arises from several sources. First, if the emphasis is on income and wealth, then entrepreneurial and managerial occupations ought to be those toward which everyone should aspire, but if the emphasis is on contributions to knowledge and culture, other occupations would be stressed. Second, Merton's paradigm remains a classificatory scheme at present, with little ability to predict the appearance of one or another type of reactions for groups or individuals in different circumstances. Third, by implication, Merton's paradigm is mainly directed toward explaining working class and lower class behaviour. It needs further theoretical propositions that will cover the reactions in the full range of socio-economic status.

When poverty is viewed within the stratification framework we have to view one of Max Weber's outstanding contributions as to untwine three components of stratification: class, status, and power. The Marxian analysis centered on the economic (or class) dimensions of stratification, but Weber believed that the prestige (social honour) and political dimensions of stratification were sometimes independently important. These other dimensions could change without alteration in the economic dimension, or they could remain stable despite changes in the economic dimension of stratification. Weber by his analysis sought not to overturn Marx's analysis but to go beyond it, to broaden its perspective (Bottomore, 1963), (Gerth and Mills, 1948).

**Class**

Weber's discussion of the class or economic dimension of stratification is built on Marx, but, Weber attempted to broaden the Marxian perspective. Marx's analysis was based on the material and social relationships to the production process. Weber shifted from the sphere of production to that of the market or exchange and defined class as:

"A number of people who have in common a specific causal component of their life chances insofar as this component is represented exclusively by economic interests in the possession of goods and opportunities for income, and is represented under the conditions of commodity or labour markets" (Bottomore, 1963).

Weber's notion of class must be widened beyond that of property and the market. In particular, in the welfare state, many important elements of the command over resources become available as public services. The distribution and quality of these public services affect the absolute and relative well being of individuals. Considerable inconsistency many exist between the income and basic services of persons or groups. While the two are fairly closely linked in a country like India, poor basic services are not associated with low income in Sweden (Gerth and Mills, 1948).

A larger issue is involved here. As Marshall has argued, the welfare state approach is to break the link between the market and well-being. The role of the government is tremendously increased. To a growing extent, the command over resources of the individual depends on his relation to government, whether in terms of income, tax, subsidies, licensing, or public services. The concept of property has therefore to be enlarged and altered to include the perspectives of time- in pension accumulation and of rights to governmental largesse and services, especially education. Property in the more conventional sense still remains important, but other forms of rights of determination are beginning to possess similar importance.

This broadened view of the command over resources has important political implications. If government plays a major role in affecting the command over resources, then organized action will be increasingly centered on the governmental arena. We have seen that low income persons in our country have been organizing to affect their rights to welfare and to other forms of government service rather than to affect the economic

market. In this context, the relationships to government bureaucracy have become important not only for the poor but for all segments of Indian society.

**Concepts and definitions of poverty**

There are wide variations in opinions about the concept and definition of poverty, but it is argued that 'knowledge about the poor is essential if governments are to adopt sound development strategies and effective policies for attracting poverty.

- Who are the poor?
- Where do they live?
- What are their precise economic circumstances?
- Why are they poor?

Answers to these questions are crucial to an understanding of the poor and the way they relate to and benefit from government policies and programmes. World Development Report 1990 defines poverty "as the inability to attain a minimal standard of living". The same report goes on to suggest that: (World Bank, 1990).

To make this definition useful, three questions must be answered, How do we measure the standard of living? And, having thus identified the poor how do we express the overall severity of poverty in a single measure or index?

Glewwe and Van der Gaag argue that poverty has traditionally been defined as a discrete characteristic – either one is poor or one is not. In the context of a particular indicator of welfare, a certain line or standard is drawn and an individual or household falls on one side or the other. Glewwe and Van der Gaag point out that an analysis of poverty is, as a matter of fact, undertaken at two levels: defining poverty and measuring poverty. Defining poverty is, as a matter of fact, undertaken at two levels: defining poverty and measuring poverty. Defining poverty consists of classifying the population into the poor and the non-poor. Measuring poverty seeks to aggregate the 'amount' of poverty into a single statistic (Glewwe and Van der Gaag, 1988).

Household income and expenditure per capita reflect quite well the standard of living. These social or collective aspects of living standard - indicators of poverty, do not include the accessibility to and/or the ability to consume social goods, such as health, education, transportation and clean drinking water. These social or collective aspects of

living standard indicators are often not accounted for within the income/expenditure measurement of poverty, and it is now widely believed that households with access to free public services and facilities are better off than those households than those households without access to these services, even though the income and expenditure of the latter may be the same or even higher. For these reasons the World Development Report for 1990 supplements a consumption based poverty measure with several other indicators such as nutrition, life expectancy, under five mortality and school enrolment rates. Some argue that, as it originates from a diverse range of conditions, poverty is indeed a multi-dimensional phenomenon; and it is a concept that has changed over the years.

**The poverty line**

Most measures of poverty are related to some set of norms, and these norms are compared with one another to describe conditions as 'being poor' and 'not being poor'. The choice of norms is particularly important in the case of consumption based measures of poverty. A consumption based poverty line is defined as:

Expenditure necessary to buy minimum standard of nutrition and other basic necessities and a further amount that varies from country to country, reflecting the cost of participating.

However, Mizoguchi (1990) suggests that basic needs can change over time, and that the determination of correct family size has ramifications for definitions of poverty. Mizoguchi, like the World Bank, also defines poverty in relative terms, as he observes that in some cases, people believe that they are poor not because their standard of living is low, but because their standard is lower than that of the other. This argument also reinforces the dynamic conception of the poverty line, meaning that the line 'shifts' with changes in the overall conditions of the economy (Blau, 1992).

Although under certain conditions poverty may only be a relative concept, there is no denying the fact that there are circumstances in which poverty is absolute, this being defined as a situation in which a family's consumption fails to meet minimum dietary standards. Such 'minimum dietary standards', provided the definition of 'standards' is constantly adjusted over time and across cultures. It is the measurement of relatively

poverty which is much more complex and which requires data concerning the income distribution, norms, values and attitudes of a society.

It is evident from the above discussion that there is no one particular definition of poverty. Glewwe and Van der Gaag (1988) reviewed the available literature on current definitions of poverty and grouped the definitions in seven broad categories:

1. Per capita income: Household income, especially per capita income, is commonly used by this school as a welfare indicator which indirectly defines poverty. However this approach is often criticized on the grounds that it obscures problems with measurement of household income involving seasonal variations and also with the measurement of the income of households with members who either are totally or partially self-employed.
2. Household consumption and per capita consumption: It was believed earlier that household consumption expenditure is a particularly useful welfare indicators. Despite some of its statistical inadequacies concerning calculations of a household equivalency scale, measurement of poverty through consumption indicators is widely accepted and indeed some of its inadequacies are considerably minimized by using either total consumption or per capita consumption as an indicator.
3. Per capita and consumption: Some economists (for example, Anand and Harris, 1985) propose per capita food consumption as a measure of welfare. This happens to be a more convenient measurement of poverty as it involves less, but more accessible data.
4. Food ratio: This measure was devised by Engel (1895) who noted that the food ratio, the fraction of household budget spent on food, was a good welfare indicator as it was inversely related to the size of a household's budget and that it increased with family size. Essentially, the argument inherent in the food ratio measurement of poverty is that the higher the family budget on food, the lower the economic status of that family. However, some recent studies (Thomas, 1986) have shown that the poorest households in developing countries do not always spend the bulk of their family budget on food. This finding has rendered Engel's hypothesis somewhat invalid.
5. Calories: Some have suggested that food consumption data should be used to directly focus on calorie intake rather than on food expenditure or the fraction of a household's budget spent on food. The calorie approach to welfare measurement

originates from nutritional studies (Jellife and Jellife, 1979). Although quite widely accepted, this definition of poverty has also been challenged for omitting the non-food components of economic welfare and also for being too data intensive for practical application.

6. Medical Data: The health and nutritional status of an individual is often regarded as a good measure of poverty, particularly for children. Indicators include anthropometric measures to determine the incidence of stunting (low height for age) and wasting (low weight for height), as well as medical tests. This information is particularly important for measuring adverse affects of poverty on children. However, medical data are quite difficult to obtain, although anthropometric measures are less difficult to collect. Again, although health indicators generally have a direct and positive correlation with the economic status of an individual or a household, this may not always be so.
7. Basic needs: Streeten (1981) and Stewart (1985) advocated the concept of 'basic needs' to measure poverty. Rather than determining the total consumption of a household or accepting a proxy measure for this concept, households are defined as poor if their food, clothing, medical, educational and other needs are not met. Such needs are exogenously defined, for example, by groups of experts on nutrition, healthcare, shelter, and other factors. The basic needs (BN) approach does not seem to attempt to put various aspects of BN into a single welfare indictors, which makes it difficult to classify people into 'poor' and 'non-poor' categories. This approach also involves some elements of subjectivity in determining 'satisfactory' levels of healthcare, housing, education, cultural amenities and other aspects.

Despite some of the methodological drawbacks in identifying the poor and in measuring the extent of their poverty, most of the definitions above are helpful. These definitions do not however explain why the poor are poor. According to some authors, understanding poverty requires that we find out why the poor are poor, as well as who the poor are (Chambers, 1983). Chambers, by dividing social inquiries into two broad categories of 'physical ecologists' (natural scientists and academics) and 'political economist' argues that while the former explain poverty in terms of physical and biological factors, the latter do it in terms of social relationships. According to Chambers, the 'physical ecologists' are more concerned with defining and identifying who the poor

are, while the 'political economists' are more interested in explaining the social processes that contribute to poverty. Therefore, Chambers argues that a balanced view of poverty may best be sought in a pluralism which combines both physical and social explanations of the phenomenon. Chambers further argues that 'the pre-eminence of income-poverty seems wrong... income-poverty parts a proxy or correlate for other deprivations, but then subsumes them' (Chambers, 1995).

Viewing the income measurement of poverty as a reductionist approach of rationalist economics, Chambers further cautions that such a strategy has the danger of subsuming the material over the experimental; of the physical over social; of the measured and measurable over the unmeasured and immeasurable; of economic over social values; of economics over disciplines concerned with people as people.

Chambers who attempted to define poverty by combining what he calls the 'physical ecologist' and 'political economist' perspectives of poverty, emphasizes that poverty is in fact an integrated and an interlinked concept involving 'cluster of disadvantage' which contribute to what he terms a 'deprivation trap'. He has identified the following elements constituting the 'clusters of disadvantage' that contribute to poverty.

(a) Poor households: households with poor physical facilities and insufficient access to means of production;
(b) Physically weak households: households with high dependant ratios, requiring more expenses on food, medicine, and shelter without immediate economic return;
(c) Isolated households: households removed from available facilities or which lack information about available facilities;
(d) Vulnerable households: households located in fringe areas, which are vulnerable in contingencies and whose vulnerability increases during lean seasons; and
(e) Powerless households: households politically and socially constrained in gaining access to employment and services, and households subjected to the need for protection by the powerful (Chambers, 1995).

The powerful aspect of Chambers' model is that the 'clusters of disadvantage' are not isolated from one another; rather these are interlinked to constitute 'deprivation' or the 'poverty trap'. He argues that poverty by itself contributes to a whole range of other

aspects of deprivation: physical weakness, vulnerability, powerlessness and isolation. Again, physical weakness by itself may constitute to isolation and powerlessness and vice versa and then to poverty, thus confirming the interlocking nature of the attributes of deprivation. This approach is somewhat reminiscent of the work of Oscar Lewis on the 'culture of poverty' in Mexico and other Latin American countries. However, Chambers does not necessarily share Lewis's view that constant poverty creates a feeling of defeatism and resignation which reduces the will of many poor communities to struggle to break out of poverty.

Amartya Sen (1981) attempted to combine these various perspectives in his seminal work on the definition and measurement of poverty in Asia. Sen argues that the conception of poverty must precede efforts to identify groups of people as poor (identification), and the aggregation of the characteristics of the set of poor people into an overall image of poverty (aggregation). Sen identifies three major approaches to the conceptualization and definition of poverty.

1. The Biological Approach: In its simplest form this relates to the ability of an individual or household to achieve a minimum daily nutritional requirement. This s also known as the 'subsistence definition' of poverty. This approach underlies the widely used 'standard of living' approach to the measurement of poverty.
2. The Inequality Approach: This approach examines the political and economic factors which perpetuate economic inequality and poverty; an implicit assumption is that the redistribution of wealth or the ownership of the means of production can significantly reduce the incident of poverty. While often considered more as an analysis of the causes of poverty, many political scientists also argue that the patterns of concentration and control of wealth, and the effects these have on the access of the poor to productive resources, should also be included in the definition and measurement of poverty.
3. The Relative Deprivation Approach: This approach emphasis that poverty has both an objective (quantifiable) and a culturally determined dimension. Conditions of deprivation may be described in objective terms like food, shelter and access to social services. However, perceptions of what constitute the basic necessities of life are socially determined, and what may be considered essential in a middle income

country may be considered a luxury in a poor country. Style of living has a direct relationship to the customs, attitudes and habits of any given society. For example, rice being the staple food in Bangladesh, citizens of that country may continue to feel 'deprived' and 'starving' if their level of income restricts their purchases of rice and limits them to eating chapatti, which is cheaper. 'Feeling', although a subjective phenomenon, is therefore no less serious an issue in defining poverty in the sense that it puts people in certain social groupings and strata and allocates people a psychologically defined lower or higher position in the society (Sen, 1981).

On a broader level, the meaning of poverty is also culturally determined. In a traditional rural society, a village may be considered as the organic whole in which the community is responsible for ensuring that available resources are distributed equitably (according to established criteria) and for ensuring that everyone is guaranteed a certain level of resources. Under these circumstances, the poor may not be identified as a distinct group and no stigma may be attached to low income. However, the growth of entitlement programs under the modern state means that the poor must be identified as a separate group in need of help from outside the local community. This defines the poor as a distinct category and can imply that there is something shameful about poverty.

Although considerable refinement has taken place over the past decade, these three models still underlie most of the current approaches to the definition and measurement of poverty.

According to Sen, poverty is a complex, multifaceted world that requires a clear analysis in all of its many dimensions. "Human beings are thoroughly diverse", the professor recently explained during a meeting of the Network of Policymakers for Poverty Reduction, an Inter-American Development Bank initiative. "You cannot draw a poverty line and then apply it across the board to everyone the same way, without taking into account personal characteristics and circumstances".

There are geographical, biological and social factors that amplify or reduce the impact of income on each individual. The poor generally lack a number of elements, such as education, access to land, health and longevity, justice, family and community support, credit and other productive resources, a voice in institutions, and access to opportunity.

According to Sen, being poor does not mean living below an imaginary poverty line, such as an income of two dollars a day or less. It means having an income level that does not allow an individual to cover certain basic necessities, taking into account the circumstances and social requirements of the environment. Furthermore, many of the factors are interconnected.

"There are systematic disparities in the freedoms that men and women enjoy in different societies", says Sen, "and these disparities are often not reducible to differences in income and resources". There are many other areas with gender disparities, such as the division of labour in the household, the extent of education received, and the liberties that the different members of the same household are permitted to enjoy. How people must look in order to be accepted in society – the clothes they wear and their physical traits – limits their economic options, a phenomenon Sen refers to as "social shame".

Rather than measuring poverty by income level, Sen recommends calculating how much an individual can achieve with that income, taking into account that such achievements will vary from one individual to another and from one place to another.

Otherwise, how could we explain the existence of pockets of poverty in rich countries among middle-income people? In the inner cities of the United States, because of inadequate services the quality of life (measured in terms of life expectancy, infant mortality, health, education and safety) of people who earn acceptable incomes and live in a rich society is comparable – and sometimes even inferior – to that of many poor countries in the rest of the world.

According to Sen, poverty analysis should focus on an individual's potential to function rather than the results the individual obtains from functioning.

Sen believes that inequality, like poverty, is a multifaceted problem. And in the course of a conversation laden with social commentary, the issue of globalization inevitably comes up. The protests against it, says Sen, have invigorated a very necessary debate on its impact. In his view, globalization can be neither rejected outright nor accepted without serious criticism. First, we have to see what percentage of the world is benefiting from it. Because it's one thing if education is 90 percent for the wealthy and 10 percent for the poor, and something very different if the proportion is 70/30 or 60/40.

Most of the earlier explanations of poverty emphasised income and expenditure aspects of welfare indicators, which in recent years have been extended to food, nutrition, medical, education and other basic needs requirements of human existence. However, it was not until Sen (1981) and Chambers (1983) that definitions of poverty were radically shifted to include social relationships as important explanations of poverty, and the works of these two authors have had considerable influence on politics and programs involving poverty alleviation.

## POVERTY DISCOURSE AT A TURNING POINT

### Poverty, Human Poverty and Poverty as denial of Human Rights

During the first phase the focus was on minimum food requirements for human subsistence; hence, the calorie based identification of the poor and the head count ratio which the Planning Commission has followed. Its use of minimum consumption expenditure anchored in an average (food) energy adequacy norm of 2400 and 2100 kilo calories for rural and urban people per capita per day has put the focus on income poverty. Thus, the concept of income poverty remains the norm for measurement of poverty in most policy documents.

In the second phase when the UNDP launched the discourse in Human Development in 1990 the concept of measurement of poverty underwent major re-conceptualization. Basic human requirements were now measured in term of life expectancy, literacy, and IMR to be further extended in a comprehensive perspective in the late 1990s. Mahbub ul Haq sharply distinguished between economic growth which focused exclusively on income on the one hand and human development which embraced "enlargement of human choices – economic, social, cultural or political. Amartya Sen's stress on 'capability building' based on the concept of development as freedom forcefully articulated this line of thinking (Sen, 2000).

Those human conditions, which resulted in positive achievements in this respect were now brought to the definition of poverty. Income poverty gave way to the concept of human poverty. This conceptual advance converged with another intellectual trend regarding the meaning of security. While traditional notion of security had emphasized on military aspects, new elements were added with equal seriousness, such as economic

and environmental security and all these leading towards a new concept of human security.

For guaranteeing human security, literacy, shelter and employment were considered as basic necessities. This is undoubtedly, an important extension of the understanding of poverty in terms of its original focus on food subsistence. A multi-dimensional notion of dignified human existence now entered the poverty discourse with three components composing it namely – material condition, political condition and cultural conditions of basic human life.

Even though human poverty became the reference point for policy- makers, income poverty remained the practical tool for identifying targets. The UNDP adopted those below US dollar 1 a day as being in absolute poverty and those with less than 2 dollars a day on being in poverty. At the time of the formulation of the Millennium Development Goals a priority was fixed to reduce by half in 15 years the number of people living in "absolute poverty". (UN 2000) Thus a distinction was made between absolute poverty and poverty. In fact, this showed the helplessness and the admission of defeat on the part of the policy makers worldwide to take poverty as one serious line, below which every- body needs to the helped to cross that line (U.N., 2000).

While the global discourse on poverty has helped national and local policy makers to relate income poverty to dimensions of human poverty, still, income poverty has dominated the thinking of the administrators and political elite at all levels. The concept of the poverty line has become the mythical "Lakshman Rekha" in reverse of all development policies in India. Below poverty line (BPL) has entered the common parlance of rural India in every language, besides being the standard policy marker for the central as well as the State government. Rural development policies, credit policies, housing and other employment related policies identify targets in terms of BPL and APL (Above Poverty Line).

However, the Planning Commission initiative to have a National Human Development Report for India and recently, also for a number of States has brought into focus a special endeavour to relate income poverty with human poverty. Attention is drawn to specific issues of health, education and 'governance' as well as some social indicators. In practice however, at the ground level they remain separate.

**Human Development perspective in locating poverty and the understanding of the state functionaries of India.**

At the onset of the 21st century, the poverty discourse necessarily got integrated not only with the human development discourse but also more importantly with human rights discourse. The UNESCO has declared that "Poverty is a violation of human rights". This reflected the discourse of the radical social movements all over the world hat poverty eradication has to be part of the fulfilment of human rights by every regime. As Pierre Sane declared, "As long as we consider poverty as a quantitative, natural deficit to be made up, the political will to reduce it will not be energized. Poverty will only cease when it is recognized as a violation of human rights and as such, abolished....Fundamentally, poverty is not a standard of living or even certain kinds of living conditions: it is at once the cause and the effect of the total or partial denial of human rights." (Sane 2003).

Much of the violence in third world countryside and tribal areas are connected with pursuit of such basic human rights as food security, shelter and land rights as well as rights over local resources and safeguards for cultural identity. To underline the expanding meaning of human rights it is common to find the use of the term people's right. (Mohanty 2002). The human rights approach represents the third phase of the poverty discourse which takes it to a new level. People's right perspective takes both individual and groups as its reference points. It comprises of civil liberties and as well as socio-economic and cultural rights within its preview. Above all, it defines rights as political affirmation in course of struggle and therefore proposes re-articulation of rights in reference to both state as well as the historical process of social struggle. The traditional liberal notion that defines rights as claims recognized by the state or law is considered too narrow in this context. From the peoples right vantage point the historical process and the socio-political causes of poverty arrive at the centre of the poverty discourse. What colonialism did to the process of disentitlement of local people to resources, and the role of class and caste structures in society in the issue of the landed and the landless become relevant to the study of poverty. Hence in the people's right perspective we take up issues of structure and politics. Politics because political power

defends existing structures and poverty eradication that involves changing the agrarian structure and other socio-economic structures necessarily involves alteration of power structures. That is how we arrive at the structural political perspective.

From a structural political perspective, poverty can be defined as a systemic deprivation of minimum human needs. The nature of deprivation itself is put in a historical and structural perspective. What is the basic minimum for living a dignified human life would always be a point of debate at a given moment of history. The certain number of calories, a definite quantum of annual or daily income, and ranking of economic needs in terms of food, shelter, education and employment will continue to be debated. The manner of linking and quantifying the economic with social, cultural, environmental and political needs will always be a point of discussion. But structural conditions such as landlessness, lack of access to various forms of capital have to be brought to the poverty discourse. While Sen's perspective on "Entitlement and capability building" came close to this formulation, it fell short of a structural political perspective. It was in the right direction in defining poverty as lack of entitlement or absence of right to certain conditions such as food, health and education. However, it did not lead us to investigate as to why such rights were absent or denied. The capacity building approach correctly highlights the basic significance of such human resources as health and education which are needed for employment, as well as increasing political participation. But there are instances where despite positive results in health and education, poverty and inequality persists hence, it is important for us to take up simultaneously issues of structure and issues of politics, the latter focusing on the affected people's political capacity for making demands through social movements, people's organizations and a variety of other means.

**Conclusion**

The present exercise is focused on assessing prevailing approaches to poverty eradication as they operate on the ground in three different areas of India. It takes into account the existing definitions underlying poverty eradication policies of the central and the State governments. It takes note of the prevailing method of preparing the lists of people Below Poverty Line. All this shows that high magnitude poverty persists in India

as a whole and in some State severely. When we take up an investigation into land right and other structural issues in the sphere of relations of production in a framework of class, caste, ethnicity and gender the differentiated picture becomes even more glaring. In what sections of society has poverty been concentrated and who have benefited more out of the anti-poverty programmes become serious questions to study. In our samples these issues have been given salience.

This shift of approach has important implications for alternative strategies of poverty eradication. We first moved from the era of poverty eradication as a matter of charity by kings and temple establishments and the wealthy performing missionary activities for helping the poor at the calling of god, to an era of welfare state. We are still in the era of welfare state where state performs an important role in reduction of poverty. During the last 100 years in world history and 50 years of the history of the post-colonial countries, the rulers of these states performed these roles primarily for gaining legitimacy in the eyes of the poor. This was considered necessary to maintain the system and continue to be in power.

But there was an economic reason as well. Unless the poor acquire purchasing power the economy cannot grow steadily. Their demand will energise the economy as a whole creating an expanding market for manufactured goods and services produced by the entrepreneurs. Currently the states of the third world are reconsidering the welfare framework under the pressures of the World Bank and IMF. On the one hand, the forces of globalization and liberalization insist that the states practice a strategy of fiscal discipline cutting down welfare functions of the state and reducing investment in education, health, housing and cutting down employment in public sector. On the other hand, the third world state confronts awakened masses of the poor, especially the agrarian and tribal poor who are more conscious of their human rights. They demand power to alter the present order so that they can overcome poverty and move in the direction of fuller human development. The coming years will see intense struggle over these two trends on the transformation of the welfare state. One – cutting the welfare functions of the state, another demanding the state to play an active role in poverty eradication in response to people's demands (Prabhat Patnaik, 1997).

While charity would continue to be relevant in any civilization in the form of social service and compassionate activity, it can never be a substitute for concrete policies by state, civil society groups and social movements. For the state there are many policy options. Welfare options today appear to be grossly inadequate. Often welfare policies have taken the form of relief measures in distress conditions, whether under natural calamity or routine distress. It should be noted that poverty eradication policies till today have been in the shape of relief policies. Most of the employment schemes and credit programmes and even the so called asset building schemes have the character of programmes to provide some immediate relief. A few of them may have been oriented towards capability building but on the ground their implementation has been meagre. At the current environment which demands focus on structural measures by the state, a strong force in the form of a techno – managerial state which is fast becoming the corporatist state is taking charge. This silicon leviathan armed with strong coercive tools seems to be less and less interested in land reforms or for that matter redistributive structural measure. This is likely to generate more tensions in society. To avert that we need a new approach.

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## CHAPTER -II

## POVERTY IN BIHAR:
## FROM COLONIAL ERA TO POST-INDEPENDENCE PERIOD

Poverty in Bihar persists even in the era of globalization. The historicity of agrarian economy that led to increasing inequality exploitation and pauperization of peasants needs to be located in the colonial era.

Bihar was one of the regions (along with some other areas of Bengal and some parts of Uttar Pradesh and Madras) where the permanent settlement was introduced in 1793 wherein the zamindars were made the intermediaries for collection of land revenue/ rent from peasants and in turn, they paid a fixed amount of land revenue to the state. Under the permanent settlement, the revenue demand was fixed at nine-tenths of the rent that the zamindars were assumed to collect from their tenants.

Thus, the permanent settlement produced an extremely exploitative agrarian structure in the countryside of Bihar, which in turn led to large scale alienation of the peasants form their lands, which, after becoming bakasht lands of the zamindars, continued to remain a source of tension, often erupting in violent outbursts. In the 1930s the tenants, hit as they were by the low prices of food grains due to depression and faced with exorbitant rental demand, resisted this forced alienation of land, and as a result the bakasht disputes became the focus of peasant unrest in Bihar.

At the time of independence in August 1947, India was faced with problems of rehabilitating the economy disturbed by the Second World War and partition of the country, and of achieving rapid economic growth to emancipate the vast millions of its population from poverty, hunger and malnutrition.

The Economy was predominantly agrarian, with large inequalities in the distribution of resources endowments among people and across geographical regions; unemployment and underemployment was prevalent; and saving, capital formation, income levels and hence living standards were all very low.

**Poverty in Colonial Era**

The right of land was vested in the landlords, but no protection was given to the class of actual cultivators. It was only through Act 19 of 1859 and more clearly through Act 8 of 1885 (formerly the Bengal Tenancy Act) that the right of the tenants got some legal recognition (Das 1983). In course of time, consequent upon the growing demand for land, the zamindars started extracting exorbitant rent from the tenants, though the land revenue payable by them had been fixed permanently. Often, the zamindars farmed out the right of rent collection to subordinate agents who imposed their own arbitrary assessment on the 'raiyats'. Usually the tenants paying low rents were evicted. After meeting the on-crop land revenue demand, the village community was left with bare subsistence, if at all; there was little to spare for effecting improvements in land cultivation and improving living conditions. On account of small and fragmented holdings, the generally low yields per acre and the limited scope for generating income from subsidiary activities due to the decline of handicrafts that were previously being produced in peasant homes, most the cultivators had very low incomes. A large proportion of them hardly managed to make both ends meet even in good crop years. In bad years, with no past savings, they were obliged to borrow for sheer subsistence. And, once the peasant fell into the trap of indebtedness, he found it difficult to extricate himself from the web of very high and mounting debt obligations, thanks to the excessively onerous terms of borrowing and exorbitantly high interest rates.

The agrarian structure – the intricately stratified system of relationship of people to land – as prevalent in the state during the period of the permanent settlement between 1793 and 1950 when the zamindari system was abolished, has been captured by (Jannuzi (1974) in the following order: the state (the 'super landlord'), the zamindar and the tenure-holder (an intermediary of the state for collection of rents), the occupancy raiyat (a rent paying holder of land having the occupancy on the land held by him), the non-occupancy raiyat (a rent paying holder of land not having the right of occupancy on land temporarily in his possession), the under-raiyat (a rent paying holder of land having temporary possession of a holding under a raiyat) and mazdoor (a wage labourer having no rights in land).

The permanent settlement was conceived by Lord Cornwallis as a means of providing incentives to zamindars to promote the development of agriculture and invest

accordingly or to lease out land to those who were interested in investing in agriculture. Either possibility would have contributed to the development of agriculture enabling landowners to increase the land revenue to be given to the government. Unfortunately, these objectives could not be realized. The Indian caste system simply precluded the recreation of English-type landlordism leading to capitalist agriculture. The hierarchy of land tenure that was stabilized by the permanent settlement simply reinforced the caste hierarchy, which proved inimical to agricultural revolution. This was basically because this hierarchy ascribed to a group, its status according to its distance from the plough or menial work in general. It is thus not surprising that the agrarian structure and its classes had a clear-cut caste dimension also. The four upper castes, i.e., bhumihar, brahmin, rajput and kayastha, had a heavy stake in land. 'There were princely houses belonging to each of these castes, and owing to the zamindari system, the zamindars belonging to these castes had established a complete political and economic control in the countryside, unparalleled in the 'ryotwari' areas of Madras and Karnataka'. The upper classes of society – zamindars as well as tenure holders – were almost exclusively drawn from the upper castes. However, a large number of the upper caste households were also tenants and peasants (these were the people – mostly bhumihars – who organized militant peasant movements in the 1920s and the 1930s against the zamindars). The upper middle castes were largely peasants, non-occupancy raiyats and to a lesser extent traders and agricultural labourers, while the lower middle castes were essentially agricultural labourers and to a lesser extent artisans and peasants. The scheduled castes were mainly agricultural labourers. Thus, caste stratification was almost identical to that based on the interests in land.

Clearly, the above agrarian structure was inherently exploitative and detrimental to agricultural development. Though the kind of rural scenario described above was not confined to only permanently settled areas, the situation in these areas, particularly in Bihar, was extremely bad. One reason for this was that the number of absentee zamindars was much lower in Bihar compared to Bengal and as such the intensity of exploitation in Bihar was far more severe. "Even discounting the contribution of the Bengal renaissance, the fact that the system of lease to a burgeoning class of rich peasants did not evolve in Bihar and there was an 'admittedly lower level of awareness on the part of the Bihar peasantry of their rights' did much to make the system even worse, the tenants even more

oppressed, the landlords even stronger and land even a more valuable asset in Bihar than in Bengal" (Das 1983). The zamindars not only made exorbitant exactions in the form of land rent, but also in other forms such as labour rent, produce rent, homage, etc. In sum, the 'pegging' of land revenue as compared to other taxes was reflected in the inflated value of land, the benefit from which flowed to the limited class of zamindars, which, by and large, either purchased more rent-receiving land with it or dissipated it in ostentatious consumption (ibid). The system of produce rent was mainly prevalent in Bihar. It was a vicious aspect of rent exaction from the largest group of peasants – the sharecroppers. Besides, the zamindars and their 'amlas' (subordinate rent collectors) extracted agricultural surplus in various other forms such as, 'abwabs' or various extra-legal exactions and a blatantly exploitative 'begar' system. Climaxing this whole edifice of exploitation was the physical maltreatment and oppression – 'zulum' – of agricultural workers in the exaction of labour rent through the unpaid forced labour called beggar. Legal provisions notwithstanding, the zamindar had the first claim on the tenants' labour which was exacted ruthlessly (Hauser 1961).

The exploitative agrarian structure did not lead to the emergence of the agrarian capitalist in the form of rich peasantry independent of landlords. There was almost complete stagnation in agricultural production in Bihar during the British period. The class that acquired the surplus used it on conspicuous consumption such as luxury goods, purchase of more zamindaris, etc, while the class of peasants, which could have invested in land, was hardly in a position to do so because of the prevalent practice of rack-renting. There was little investment by the government on infrastructure such as irrigation, which was undertaken on a large scale in states such as Punjab; this also contributed to the stagnation of agricultural production. In view of the policy of the government and partly due to the peasants' own monetary needs, the cultivation of some commercial crops like indigo, sugar cane, opium, etc, increased at the expense of food grains and as such, the per capita availability of food grains declined in the state.

The extreme exploitation, combined with the agricultural stagnation, led to pauperization of the peasantry on a large scale. A significant proportion of the tenants were unable to pay the rent and consequently they were evicted from land. Such land, appropriated in compliance with rent decrees, was known as 'bakasht' land. There was another class of even less fortunate tenants – tenants-at-will ('bataidars') – who were

mostly employed on zamindars' 'khas' and 'bakasht lands' and were merely share-croppers with no rightly on land. This was a distinctive feature of Bihar's agrarian system and its incidence was very pronounced here, particularly in the south Gangetic districts (in Patna and Gaya districts the incidence of such tenancy being 44 and 66 percent respectively) (Das 1983). And, perhaps the most vicious aspect of rent or 'bhaoli' system. Again, this produce rent is to be distinguished form the rent, also paid in produce by a numerous group of peasants like sharecroppers; the main point of distinction was the absence of any customary or legal rights of the latter group on the land that made them cultivate on a cultivate on a crop-sharing basis" (ibid). Apart form zamindars, the upper caste priests, teachers, doctors and lawyers had a tendency to turn their land into 'batai' cultivation. And since the 'bataidar' had no security of tenure the landlord could always evict him. The area of land transferred annually in Bihar (excluding Chotanagpur division and Santhal paraganas) between 1923 and 1935 varied from 1.4 lakh to 1.6-lakh acres. But land transfer increased form 1935 onwards and peasants, who lost their lands, either became labourers or were resettled on the zamindar's land as sharecroppers. The landlords started making exorbitant demands for a share of the produce as rent form these sharecroppers, which at times, amounted to even three-fourths of the gross produce. During the period, 1915-1933, landlords time and again ruined their tenants financially by systematically suing them for arrears of rent. The expropriation of owner-cultivators and the consequent proletarianisation led to the proliferation of agricultural labourers in the state.

The immiserisation of the peasantry due to rack-renting and 'abwabs' on the one hand and commercialization of agriculture without growth on the other, led to migration to different parts of the country and even abroad as a strategy of survival and in the absence of organized resistance. Later, as we will see, the peasants did resort to organized resistance against feudal exploitation. Since feudal exploitation was most vicious in Bihar, the state was also most migration-prone. The fact that during the close of 19$^{th}$ century, thousands of people migrated as indentured labour to various British colonies speaks for itself. In the early 20$^{th}$ century they also migrated to jute mills of Bengal, Calcutta and tea gardens of Assam in large numbers.

The pre-independence period was marked by economic stagnation, particularly in the agricultural sector. The growth rate of agriculture was around 0.3 per cent per annum

in the first half of this century. Aggregate real output increased at a rate of less than two per cent per annum during the period 1900-1950; in per capita terms, it was less than half a per cent. There was some growth in the large-scale manufacturing sector which was, however, nullified by the decline of traditional industries. Capital formation was only about six per cent of Net Domestic Product (NDP).

The colonial government was primarily concerned with the maintenance of law and order, defense and tax collection and lacked an explicit development policy. Public investment decisions were governed more by profitability considerations than by any concern for long-run growth or equity. The main areas of public investment were railways and irrigation. A railway network was set up to facilitate raw material transport and military movements. A limited amount of irrigation investment was undertaken in regions like western Uttar Pradesh, coastal Andhra and Tamil Nadu which were better endowed with resources. As a result, regional imbalances were marked. However, railways promoted markets got primary products and helped in evening out regional disparities in per capita availability of food grains. Severe famines were frequent in the $19^{th}$ century during bad harvests, but became seldom overtime.

Local enterprise was confined largely to trade and commerce which flourished mainly in and around port cities such as Bombay, Calcutta and Madras. Industrial centers also grew around these cities because of easy access to markets and availability of banking facilities, mainly through private entrepreneurship. Independent India inherited a small manufacturing sector consisting of two types of enterprises. There were many artisans and small-scale industries, some on decline, but still with a large share in national income. Large factories were less numerous, but were increasing faster. While they produced consumer goods such as textiles and sugar, and intermediates such as steel, cement and jute, machinery requirements were mostly imported. Large industries were initially heavily export oriented, but rapid growth of the sector began to occur in the 1930s when limited tariff protection induced import substitution in the home market.

Social indicators were indicative of the level of poverty. Illiteracy was about 84 per cent; public health services were inadequate to face epidemics such as influenza, malaria and cholera. While some efforts were made by the State to prevent epidemics like malaria, the morality rate remained high at around 27 per 1,000 in 1947 (CMIE 1989).

**Poverty in Post-Colonial Era**

The present Bihar, which constitutes about 3 per cent of the geographical area of India and about 8 per cent of its population (8.29 crore as per 2001 population), is the third most populous state of the country and is frequently characterized as the 'most backward state of India'. After the division of the state in 2000 by carving out the southern plateau as Jharkhand, it is left with only a large stretch of plains with no industry worth the name and no major town except the state capital of Patna. Bihar has lowest literacy rate and the highest percentage of people living below the poverty line, except that of Orissa, the state has the lowest per capita income among the major states of India.

The state ranks among the slowest growing regions of India and GDP growth rate during the 1990s has been very low – it was just 2.69 per cent per annum from 1991-92 to 1997-98 as against about 6 per cent for all the major states of the country (Ahluwalia 2000). On the other hand, the population growth rate of Bihar, which was 23.4 per cent during the 1980s, shot up to 28.4 per cent during the 1990s while in the case of India as a whole population declined from 23.9 per cent during the 1980s to 21.3 per cent during the 1990s. Consequently, the population density of Bihar stands at a phenomenally high level of 880 as against 234 for the country as a whole. The overall impact of the demographic situation, coupled with slow growth, has led to the economic retrogression of the state. Bihar's per capita income, which was about 60 per cent of the Indian average during early 1960s, declined to about 40 per cent in 1993-94 and further to 34 per cent in 1997-98. In respect of other social and economic indicators and in the people's state of well-being too, the state's performance has been dismal.

Presently Bihar is the least urbanized state of India with an urban population of just about 10 per cent. The agricultural sector, employing about 73 per cent of the workforce in the state (same as the Indian average), is very backward with low productivity. The per capita agricultural income of Bihar is about half that of India as a whole and about one-fifth that of Punjab. The productive employment in the non-agricultural sector has not grown as much as in other states. Whatever few rural industries were there in the state such as sugar, jute, etc., have collapsed in recent years.

The socio-economic and political institutions of the state too have shown considerable degeneration. The academic institutions have more or less collapsed and the

administrative machinery, which was regarded as one of the best in the country during the 1950s, is in complete disarray. Casteism has made inroads not only into politics and the bureaucracy but has also permeated almost every institution.

The post-independence era has witnessed a dismal failure of the state government in ushering in the necessary changes needed to accelerate economic development as well as bringing about a fair and equitable social structure. This can be traced to the very nature of the power structure in Bihar. Ownership of land and other assets, caste dominance, political power structure, and the oligarchies that control the state apparatus and their resources all overlap in a way which is by no means unique to Bihar, but which takes a particularly entrenched form here. But this does not mean that the state has been static. There have been technological developments, which have had a significant impact, with parts of the state experiencing a modest spurt in agricultural growth during the 1980s after a long period of stagnation. But in the absence of an effective transformation of the underlying structures, these changes do not appear to be sustainable. Observers have contrasted the tapering off of agricultural growth on the one hand with the immense opportunities availed by those with access to state power and patronage on the other and noted the 'rise of corruption and crime as the fastest modes of accumulation' (Das 1992).

In the wake of widespread poverty on the one hand and the unbridled exploitation by the rich on the other, the state has witnessed movements of agricultural labourers and poor peasants directed at challenging the existing structures of power. Firstly, these movements have attempted to transform the relations of production in agriculture, which still underpin the power of dominant landowners, even when agriculture is no longer their main source of income. Secondly, they pose a challenge to the oppressive caste-class relations. Thirdly, their entry into the electoral arena is an assertion and establishment of the right of the rural poor to exercise their franchise – a right which de facto was long denied to them by entrenched rural caste-class oligarchies. This has constituted a threat albeit a still weak one, to the hitherto unchallenged political power of the dominant landholders and the political parties who represent their interests. The threat to power of the dominant classes in recent years has evoked a sharp reprisal against the poor in terms of violence on a large scale. There are several organizations which are actively working among poor peasants and agricultural labourers in the state's countryside. At the same time, landlords, big peasants have formed their own armed gangs, mostly caste-based,

with a view to mobilize their caste-men. This has led to a confrontation between the low caste peasants on the one side and the landlords and big peasants on the other, which has resulted in widespread violence and massacres of the poor. Militant organizations of the poor peasants and agricultural labourers have also resorted to violent activities since the mid-1970s, which continue unabated even today. Peasant mobilization has gained momentum mainly in south Bihar, but in recent years it has even extended to a few districts in north Bihar and has been spreading to new areas.

Another response of the poor in the wake of acute impoverishment has been in the form of widespread migration to far-off places in search of work – both short-term and long-term. Although Bihar has a long history of migration, the seasonal circulating migration of labour started in large numbers from the late 1960s and has increased over the years. This is borne out by the growing presence of Bihari migrants as wage labour in most parts of the country.

**Land Reforms**

After independence, Bihar was the first state in the country to abolish the zamindari system – the much hated stratum of intermediaries between the actual tillers and the state was removed and the tillers came into direct contract with the state. However, though zamindari was abolished, the former zamindars were not deprived of their homesteads and private lands, which were quite large. Therefore the measure of zamindari abolition was complemented with the imposition of a ceiling on large holdings in order to redress the iniquitous distribution of land. After many hurdles, the first land ceiling act was passed in 1962 with subsequent amendments in 1972 and 1973. Some legislative measures to safeguard the interests of the tenants with regard to the fixation of rent and ejection of tenants were also undertaken. There were a few other agrarian legislations too – the Bihar Privileged Persons Homestead Tenancy Act, the Bihar Moneylenders Act, etc., - which were enacted for the benefit of rural labour and the poor.

But the implementation of these various legislative pro-poor agrarian measures has been rather dismal. The most glaring cases are those of the land ceiling and tenancy acts. Till 1990 only 192.1 thousand hectares of land had been declared surplus, of which only 152.2 thousand hectares have been taken possession of and 102.6 thousand hectares have been actually distributed (most of which are said to be low quality land). There is

large scale violation of ceiling laws in the state. The principal reason for non-implementation of the ceiling laws has been the lack of political will and collusion of the bureaucracy with landlords. Large scale 'benami' transfer in land has taken place. Landlords have resorted to litigation, which generally takes so much time that the very essence of the measure is defeated. A study conducted in 1986 in 15 sample villages spread over six districts of Bihar provides interesting facts regarding the implementation of land ceiling laws (Prasad 1986). According to this study only 1.53 per cent of the cultivable land was acquired and distributed, whereas the surplus land amounted to 20.51 per cent. The implementation was not uniform. In four villages where the study was conducted, the government did not initiate any action at all, not even a notice for submitting a return of surplus land was served to the owners. Further, the government functionaries showed favour to landowners in classification of land and areas so that the extent of surplus land shown remained lower than the actual. The study showed that the bigger landowners enjoyed better accommodation by the government functionaries than the smaller ones. There has been large-scale violation of ceiling laws by religious and charitable institutions also – they have held much more land than prescribed under the law, taking advantage of the exemptions given in the ceiling act (Pandey 1992).

Tenancy reform remains an important question in Bihar because the state has a fairly significant proportion of cultivated land reporting tenancy. Though the overall tenancy rate has been reported to be of the order of 10 per cent as per NSS data of 1980-81, several studies have shown that the plains of Bihar, particularly north-east Bihar, has a high incidence of tenancy. A study conducted in 1981-83 showed that about 28 per cent of the cultivated land in the plains of Bihar was under tenancy (Prasad 1987) (the tribal region of the state shows a very low level of tenancy). A recent study (LBSNAA 1991) in 15 villages spread over 12 districts reveals that the high incidence of tenancy is not only characteristic of unirrigated land. The tenants are usually labourers, poor peasants and marginal farmers, although under the demographic pressures and due to some other factors small cultivators have also started leasing in land. Many researchers have highlighted the inter-linkage between landholdings, sharecropping and bondage leads to the process of economic stagnation in the countryside and immiseration of the poor.

The study by LBSNAA (1991) showed that the principal form of tenancy in the state is sharecropping in which the majority of tenants equally share the gross produce

with landowners. However, there were important deviations from this principal pattern in many parts of the state – some cases there is prevalence of rack-renting in which the tenants bear the entire input cost and share the produce equally. In some other though the tenants share the input costs with landlords, the landowners receive between 50 and 75 per cent of the gross produce leading to a highly exploitative rent. In some parts of the state, particularly in the irrigated tracts, the system of fixed rent in kind or cash is also prevalent.

The statutory provision with regard to rent is 25 per cent of the gross produce, and the by-products are to remain entirely with the sharecroppers. Thus, except in some isolated cases, there is a large gap between what is statutorily provided and what the sharecroppers get. The system of tenancy is almost entirely concealed and informal and hence there is no security of tenure. The majority have their plots changed within a year or two thereby denying them the status of occupancy tenants, in spite of the fact that a very high proportion of tenants have worked as tenants for more than 10 years with the same landowner. The pitiable condition of the tenants, both with regard to rent and security of tenure, has hardly been the target of any intervention by the government machinery.

Thus, the implementation of the various land reform measures has been very slow and unsatisfactory. The main reasons for poor implementation are lack of political will, lack of organization and consciousness among the poor peasants and agricultural labourers, the indifferent attitudes and red-tapeism of the bureaucracy, lack of up-to-date land records, and legal obstacles in the land laws. Fortunately some parts of the state have shown some awakening among rural labourers and poor peasants and there has been effective mobilization of peasants in recent years.

In last few years, society has gone under a lot of changes and every where old feudal values are fast eroding and now the caste and class system are not necessarily co-terminus. In almost all the villages, it has been found that many upper caste people were ranked as the ultra-poor. So is the case with many dalits and lower backward class people who improved their economic condition to such an extent as some of them were ranked among the wealthiest few.

Agriculture is still main source of earning for villagers. Recently a large no. of people opted for off farm activities and thus improved their earning.

Improvement in road and education has contributed in establishing economic links with local towns. It accelerated the pace of migration, which consequently brought remittances and improved their living condition. In some cases, migrants have started their own business from the remittances.

There is enough evidence that jajmani system (Traditional patron and client system based on the caste system was prevalent in villages.) is eroding fast and attached labor is less common in comparison to casual labor that obviously got an edge over attached labor by way of having more freedom in negotiating higher wages from employer, despite the fact that they will lose credit facility, lands for cultivation and other traditional safety nets. Villagers do not appreciate working as attached labor as it is considered a form of exploitation like bonded labor wrought by feudal values and practices.

**Socio-Economic and Demographic Characteristics**

Whereas structural and institutional factors have been operating as a powerful barrier to the agrarian transformation, the technological factors such as poor development of infrastructure like irrigation and power, non-availability of modern inputs, low volume of credit and poor extension services, etc, have also contributed much to the dismal performance of the state's agricultural sector.

Floods in large parts of the plains of Bihar, especially in north Bihar, are recurring features and cause havoc destroying crops and the quality of land, and threatening the conditions of life and livestock due to large-scale displacement. Few flood control measures have been effectively implemented. Some of the districts in the south Bihar plains and plateau region are drought-prone with poor irrigation facilities. Though the overall percentage of net area irrigated in Bihar is about 38, irrigation is largely seasonal and protective. Water logging in substantial parts of the command area of north Bihar is a chronic problem.

About three-fourths of the operational holdings are marginal (less than one hectare) in which the average size is merely 0.31 hectare. But the population pressure on land in the region is not as acute as the population density would indicate. In contrast to some other poverty stricken and backward regions of the country, such as parts of central In contrast to some other poverty stricken and backward regions of the country, such as

parts of central India where the natural productivity of agricultural land is very low, Bihar has a large alluvial river valley area; moreover, the plateau region in the southern part of the state is extremely rich in minerals. In view of such generous natural resource endowment, it seems that the state's backwardness is probably more related to its socio-economic-political structures, unresponsive political leadership, and the nature of development strategies that the state has pursued so far. Apart from the exploitative social and agrarian structure, Bihar is also experiencing an acute crisis of political leadership, bureaucratic inefficiency, rampant corruption at all levels, and social disorder. The almost total collapse of the administrative machinery – once hailed by the British cabinet secretary in the Appleby report even after independence as the best organized in India – is matched by the calamitous condition of the educational institutions (Das 1992). There have been no panchayat elections for more than two decades. The division of society into castes has penetrated not only into politics but also in to the bureaucracy, academics and other professions, seriously affecting the efficiency and functioning of the entire system of governance, development machinery and other sectors. Caste tensions, and in some parts of the state even caste riots, have seriously eroded social harmony. The serious breakdown of the law and order machinery and the scenario of crimes, kidnapping, tensions and violence have prompted people to sarcastically remark that the 'state has withered away' in Bihar.

These conditions have created to an extent a socio-economic milieu of non-development. The era of planned economic development in the state has hardly cared for the masses, but only for organized sector workers, particularly the government/ semi-government employees, while the elites, including professionals, contractors, politicians and power brokers, have fattened themselves in the 'development' process. The prevailing socio-economic situation is so alarming that it is being described as the 'state without hope' and the 'graveyard of development projects that achieve success elsewhere'. In the wake of widespread poverty, a substantial number of poor people go outside the state in search of livelihood. In several parts of the state, the poor have become restive – in central Bihar poor peasant and agricultural labourers have launched a powerful movement against their oppression. Thus, Bihar is not only poor and economically backward but is also a state where institutional barrier of all types – socio-economic, political, cultural, etc. – quite strong. A sympathizer of the cause of Bihar even

goes to the extent of saying that the state is not only suffering from culture of poverty, but also from poverty of culture.

**Meeting the Millennium Development Goals**

The challenge of development in rural areas of Bihar is even more acute since the aggregate figures subsume large rural-urban gaps for most indicators. Since Bihar has a large rural population addressing rural challenges is pivotal to outcomes. The state is one of India's largest and most densely populated, with one-twelfth of the country's population. Hence, the extent to which the country as a whole can achieve significantly better poverty and human outcomes is linked to the level of development in Bihar. At current rates of progress, Bihar is projected to fall behind most of the MDG targets for 2015, thus adversely impacting the national prospect of achieving these targets.

**Table 2.1 Selected Millennium Development Goals (MDG) indicators for Bihar**

| | | 1993 | 1999 |
|---|---|---|---|
| 1. | Eradicate extreme poverty and hunger: Between 1990 and 2015, halve the proportion of people whose income is less than one dollar a day. Between 1990 and 2015, halve the proportion of people who suffer from hunger. | | |
| | Poverty headcount (%)* | 45.9 | 39.0 |
| | Poverty gap* | 0.10 | 0.08 |
| | Prevalence of child malnutrition/ underweight children below 5 (%) | 62.6 | 54.4 |
| 2. | Achieve universal primary education by 2015 | | |
| | Net primary enrollment ratio (%)* | 54 | 52 |
| 3. | Promote gender equality: eliminate gender disparity in primary and secondary education preferably by 2005 and to all levels of education no later than 2015. | | |
| | Ratio of female to male literacy** | 0.44 | 0.56 |
| 4. | Reduce child mortality: reduce by two-thirds, between 1990 and 2015, the under-five mortality rate | | |

| | | | |
|---|---|---|---|
| | Infant mortality rate (per 1000 live births) | 89.2 | 72.9 |
| | Child (under age 5) mortality rate (per 1000 live births) | 127.5 | 105.1 |
| | Immunization, measles (% of children under 12 months) | 10.7 | 11.0 |
| 5. | Improve maternal health: reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio | | |
| | Births attended by skilled health staff (%) | 19 | 23.4 |
| | Maternal mortality rate (per 100,000 live births)*** | | 451 |
| 6. | Combat HIV/AIDS, malaria and other diseases: Have halted by 2015, and begun to reverse, the incidence of malaria, TB etc. | | |
| | Contraceptive prevalence rate (%) | 23.1 | 24.5 |
| | Incidence of TB (per 100,000) | 595 | 989 |
| 7. | Halve, by 2015, the proportion of people without sustainable access of safe drinking water | | |
| | Access to improved water resources (%) | 63.6 | 75.4 |
| | Access to improved sanitation (%) (households with toilet facility) | 16.5 | 16.8 |

Note: * Numbers are for years 1993-94 and 1999-00 respectively;

** Number is for year 1997;

*** Number is for year 2001.

Source: Planning Commission, Millennium Development Goals.

Poverty in Bihar – the highest among – all states in India in terms of consumption measures – is intensified by the deficiencies reflected in key human development indicators. For most dimensions of human development – education, malnutrition and maternal mortality – Bihar's performance during the 1990s falls well short of what is needed to achieve the Millennium Development Goals (MDGs) by 2015 (Table 2.1).

**Table 2.2 Selected Indicators for Bihar and India**

| | 1993 | | 1999 | |
|---|---|---|---|---|
| | **India** | **Bihar** | **India** | **Bihar** |
| Poverty headcount (%)* | 36.0 | 45.9 | 28.6 | 39.0 |
| Poverty gap* | | 0.10 | | 0.08 |
| Prevalence of child malnutrition/ underweight children below 5 (%) | 53.4 | 62.6 | 47.0 | 54.4 |
| Net primary enrollment ratio (%)* | 71 | 54 | 77 | 52 |
| Literacy rate (male) | 64.1 | 52.5 | 76.0 | 60.3 |
| Literacy rate (female) | 39.3 | 22.9 | 54.3 | 33.6 |
| Ratio of female to male literacy | 0.61 | 0.44 | 0.71 | 0.56 |
| Infant mortality rate (per 1000 live births) | 78.5 | 89.2 | 67.6 | 72.9 |
| Child (under age 5) mortality rate (per 1000 live births) | 109.3 | 127.5 | 94.9 | 105.1 |
| Immunization, measles (% of children under 12 months) | 35.4 | 10.7 | 42.0 | 11.0 |
| Births attended by skilled health staff (%) | 34.2 | 19 | 42.3 | 23.4 |
| Maternal mortality rate (per 100,000 live births)** | | | 408 | 451 |
| Contraceptive prevalence rate (%) | 40.6 | 23.1 | 48.2 | 24.5 |
| Incidence of TB (per 100,000) | 467 | 595 | 544 | 989 |
| Access to improved water resources (%) | 68.2 | 63.6 | 77.9 | 75.4 |
| Access to improved sanitation (5) (households with toilet facility) | 30.3 | 16.5 | 36.0 | 16.8 |
| Households with electricity as source of lighting (%) | | | 55.8 | 10.3 |

Note: * Numbers are for years 1993-94 and 1999-00 respectively;

** Number is for year 1997.

Source: Planning Commission, 2001.

In comparison with the rest of the country, Bihar's progress in achieving the MDGs has been slow in relation to most indicators of human development (Table 2.2).

For some indicators, like infant and child mortality or child malnutrition, Bihar's rate is much higher than the rest of India, which is a grave concern.

**Geographical/ Economic Units**

We should remember that the state is far from homogeneous with regard to the distribution of its natural resources and growth patterns. It is divided into two distinct topographical units – the plains and the plateau. The plains region, which is almost flat and alluvial, slopes gently toward the east. This region is divided by the river Ganga into two unequal parts – north Bihar plains and south Bihar plains.

North Bihar plain is very fertile and constitutes about 31 per cent of the area of the state. It has a number of big rivers and is afflicted occasionally by heavy floods, causing huge damage to crops and property. The area is heavily populated – the density of population in this region is one of the highest in the country. The area is predominantly rural, the urban population being only about 6 percent. In recent decades, a few islands of industrial growth such as the Barauni complex have come up; otherwise, the economy lacks diversification. The infrastructural facilities are extremely meager. Large disparities in irrigation, power consumption, rail and road communications, etc., persist vis-à-vis the other regions of the state. It is no wonder; therefore, that north Bihar is an area of endemic poverty, backwardness and unemployment. Consequently, this region sends a large number of migrant labourers from its rural areas to places such as Punjab, Haryana and Delhi.

The South Bihar plains, constituting 21 per cent of the total area, is not subject to frequent floods, except for lands on the banks of rivers. This region is more diverse than the north Bihar plains. It has the lowest rainfall of the three regions. It is considerably more urbanized than the northern plains, the level of urbanization being about 15 per cent. The position in regard to infrastructure is also better. Though it is comparatively more industrialized than north Bihar, the level is still quite low. A large part of the rural area of this region is currently witnessing the radical peasant and labour movement leading to considerable violence and turmoil.

**Pattern of Poverty**

The estimate of poverty in Bihar discussed earlier is based on NSS expenditure data. However, there are many other dimensions of poverty like calorie intake, housing, health, education, household possessions, assets, etc. which can provide more comprehensive understanding of the problem. A survey conducted by the ANS Institute of Social Studies in collaboration with the ILO enables us to examine the issue in some details. This survey was conducted during 1981-82 in a stratified random sample of 12 villages in the plains of Bihar.(ILO-ANSISS 1981-82)

The analysis of survey data on food and nutrition indicators of poverty shows that calorie intake exhibits distinct variations across socio-economic groups, but appears to be less reliable than other measures of nutritional intake and anthropometric status. Nearly 50 to 70 per cent of landless wage labourers fall below recommended intake levels. Food quality indicators were more strongly associated with class, but only the richest groups have frequent intake of eggs, meat, fish and fruit. These food intake differences show up clearly in differences in anthropometric status. In particular, stunting is much more frequent among agricultural labourers than among other groups. Girls tended to be stunted more than boys.

The distribution of housing and domestic facilities was highly unequal among different social classes. Pucca houses are almost entirely absent among wage labourers, and the difference in house value between top and bottom groups is by a factor of 30. Electricity for lighting is rare (2 per cent of households). Treating kerosene lamps as an acceptable minimum, it was found that only around 10 per cent of agricultural labour households obtain this level, while for most other groups the figure reaches 40 per cent, only approaching 100 per cent for the top groups in the class and land hierarchies. The ownership of domestic assets is extremely low – over a quarter report on assets at all (other than cooking utensils, etc.). Only 15 per cent of the households own a mosquito net, 25 per cent a torch, 15 per cent a bicycle, and 10 per cent a radio.

Total expenditure is less unequally distributed. Clothing and medicine dominate expenditure by the poorest groups, who obtain credit on the worst terms, interest rates averaging 50 per cent. Landless agricultural labourers own less than 1.5 saris on average, i.e., the majority of women in landless labour households own only one. Another index which catches attention is the ownership of a blanket or quilt. Winters are cold in Bihar,

and some protection against cold is essential. In the bottom expenditure groups 60 per cent of households have no blanket at all, few households have better than a cotton quilt in lower expenditure groups, and only a quarter in the top groups.

Data on child mortality show a distinct decline with increasing economic status, and female death rates are over 50 per cent higher than that of males. The high mortality of agricultural labourers shows up clearly – about 20 per cent for boys and over 30 per cent for girls. The regional differences are also reflected in mortality. The advanced area of north-west Bihar has much lower mortality than average. It is worth nothing the very high mortality of scheduled caste children.

Schooling is almost completely lacking for women and averages a more respectable four years for men. In agricultural labour households, girls receive practically no schooling. Permanent labour households do particularly badly, no doubt reflecting the opportunities for early child labour in such households.

The distribution of total value of all assets (except grain) among various classes shows that agricultural labourers along with the non-agricultural class are not only at the bottom, but the difference between these classes and big peasants as well as landlords is extremely wide. As a matter of fact, the non-agricultural class is placed even worse than the agricultural labourers. The difference in the value of total assets between the non-agricultural class and landlords is about 16 times. It is also noticed that female-headed households have a lower value of assets compared to male headed households, pointing the vulnerability of such households. The survey has shown that assets have a very strong association with poverty.

Indebtedness from traditional sources is widely prevalent in rural Bihar, and the incidence is particularly high among agricultural labourers – about 85 per cent for casual labourers and 88 per cent for attached labourers. Labour households with high interest loans are seldom able to repay their debts. This often leads to debt bondage due to their current consumption, exceptional social expenditure and health expenditure. In regards to loans from institutional sources, the level is not only low in Bihar, but such loans have been mainly grabbed by the upper classes and big landowners.

Female headed households are found to be relatively poorer. Scheduled castes are invariably poor, followed by Muslims and backward castes. Attached labourers, who

constitute about one-third of total rural labour, are relatively poorer than casual wage labourers. Casual wage labourers are generally of scheduled castes.

The table 2.3 shows the class structure in rural Bihar. The population has been divided into three broad categories—Well-off, middle and poor. The criteria for dividing them into these 3 classes are mainly-type of housing, employment, education, land holding pattern, medical facilities and status of women in the family.

**Table 2.3: Class structure in Rural Bihar**

| Well-off | Middle | Poor |
|---|---|---|
| Some of the family members employed in urban areas | Mostly engaged in farming | Mostly working as agriculture labor |
| Having pucca house or semi-pucca house | Some of the family members are employed in private sector jobs in urban areas | Having Kuchha or thatched house |
| Having urban establishment | Having no permanent urban establishment | Having more children |
| Regular outside employment and business | Send their children to private/govt. schools | Many of them not at all sending their children to school |
| Sending their children to private schools | Mostly small and marginal farmers | For medical treatment depend upon quakes and RMPs (registered medical practitioners without any formal degree) |
| A large chunk of land in their possession | For medical treatment depend upon RMP doctors | Without any land, very few of them having a small piece of land |
| For medical treatment generally approach to private doctors, most of | Some of them lease-in lands from big farmers or absentee landlords | Women also work in the field |

| | | |
|---|---|---|
| them are absentee land lords and a larger parts of their lands are leased-out to marginal farmers | | |
| Generally comes from upper and middle castes | Generally coming from intermediary and upper castes having bank accounts engaged in cattle rearing (particularly mulching animals) | Alcoholism widely prevalent among them |
| Having bank balance | Women don't engage in outside work, some of | Some of them or their family members are suffering from deadly diseases like Kala Azar and TB. |
| Women don't involve in any work outside their home | them migrating to other advanced areas for employment | Take loan from landlords on a very high interest rate |

This table shows that there is a marked difference in the condition of all the 3 classes in Bihar's society on the given criteria for classification. This class differences also matches the differences in terms of caste stratification in Bihar's society as the well-off mostly belong to upper –castes, the middle from a large section of OBCs and the poor constitute an overwhelming majority of SCs and Muslims.

**Economic Mobility**

In almost all the study villages, the pace of economic mobility was remarkably very slow. Everywhere there was a common stereotyped reply from the villagers that their condition had hardly changed, although there were many visible changes, which reflected the improved condition of some of the villages. The pace of change was slow to be acknowledged.

With very high population density and nearly total dependence on agriculture that is almost stagnant for years, very few people were in a position to generate surplus from the agricultural lands. Those who generated some surplus from farming were not getting good return due to lack of proper marketing system. Farmers of Suhai got better returns from their horticultural products due to local market and presence of many middlemen who purchased their fruits and vegetables at competitive price from village itself. With very small landholdings many persons were leading better life in comparison to big landholders of central Bihar villages. Lack of permanent dependable irrigation facilities forced many farmers to mono cropping which consequently generated very few days of employment for agricultural labors. During lean period, agricultural labor's condition becomes more vulnerable. Some of the agricultural labors were even prepared to work on low wages compared to specified prevalent minimum wages.

**Migration and Poverty**

Migration proved an important vehicle for economic mobility in all the study villages. Most of the agriculture labors migrated to other developed states like Punjab and Haryana for gainful employment in agriculture sector while another set of migrants had either moved to different metropolis like Delhi and Bombay or to some industrial towns like Surat and Ludhiana. In most of the cases, they get instant employment. Some of the out migrant had moved to improve their earning by way of getting better employment opportunity but the larger section had migrated only as a part of survival strategy left at their disposal. Most of the agriculture labors are migrating during lean agriculture season at their native place. There is a wide difference in wages between the two places. Often more than double. If they get some work on contract basis, the return is more rewarding. The migrants after returning have sufficient saving for family members and their living condition is better than their other counterparts' who didn't opt for out migration. This seasonal migration is more among north Bihar villages where land – man ratio is very low and cropping pattern is less labor – intensive. The other notable feature is prevalence of low wages while for women, it is more discriminating and many a places they are paid half the wages of their male counterparts. The major visible impacts in all study villages were of permanent migrant income; most of them are employed in urban areas in more skilled jobs or some trades. Their remittances had a considerable bearing on the living

condition of their other family members living in villages. Some of them had started more extensive farming by acquiring new agricultural implements and other inputs like HYV seeds and as a result of this; their productivity had considerably increased. These out-migrants had invested their money in purchasing agricultural lands and construction of pucca houses, which are important indicators of being well off in rural society. Some of the villagers had taken lands on lease by paying advance rent from the remittances. (Chakravarty 2001, Jha 1997)

**Table 2.4: Percentage Distribution of Migrating and Non-migrating Households by Caste**

| | **Non-migrating Households** | **Migrating households** | **All** |
|---|---|---|---|
| *Caste group* | | | |
| Upper caste | 19.07 | 18.88 | 18.98 |
| OBC II (upper) | 8.93 | 7.28 | 8.08 |
| Other OBC II | 10.71 | 7.95 | 9.3 |
| OBC I | 22.05 | 24.94 | 23.52 |
| SC | 16.27 | 13.86 | 15.03 |
| Muslims | 22.97 | 27.1 | 25.09 |
| *Type of Family* | | | |
| Nuclear | 75.75 | 61.94 | 68.71 |
| Joint | 18.27 | 34.38 | 26.49 |
| Others | 5.97 | 3.68 | 4.8 |
| *Occupation of head of the household* | | | |
| Self employed in agriculture | 42.56 | 26.72 | 34.47 |
| Agricultural labour | 27.1 | 26.33 | 26.7 |
| Non-agricultural labour | 6.77 | 15.78 | 11.38 |
| Private service | 2.77 | 14.38 | 8.7 |
| Government service | 2 | 3.72 | 2.88 |
| Petty business | 8.37 | 5.06 | 6.68 |
| Other occupation | 1.81 | 1.46 | 1.63 |
| Non-workers | 8.62 | 6.55 | 7.56 |

| *Productive asset holding (in Rs.)* | | | |
|---|---|---|---|
| Upto 500 | 34.96 | 39.8 | 37.25 |
| 500 to 1500 | 7.4 | 9.53 | 8.49 |
| 1500 to 5000 | 26.69 | 22.53 | 24.76 |
| 5000 to 10000 | 17.73 | 16.57 | 17.13 |
| 10000 to 20000 | 8.9 | 7.13 | 7.99 |
| 20000 to 50000 | 3.08 | 3.47 | 3.28 |
| Above 50000 | 1.24 | 0.97 | 1.1 |
| **Total** | **100.00** | **100.00** | **100.00** |

Source:(Ghosh and Sharma, 1996: ANS institute of social studies, Patna).

During the last two decades the phenomenon of migration from rural Bihar has taken an alarming proportion. Presentation of socio-economic characteristics for migrants and non-migrants (Table 2.4) helps in understanding the difference in their socio-economic backgrounds. This also answers the question "who migrates?"

**Family type**

Although share of nuclear family is higher in all migrating households because of wide prevalence of nuclear family in the region, the proportion of migrating households in all households is much higher in case of joint families. In fact, in a joint family it is easier for the households to release some of their family members for migration. Table 1 gives the proportion of migrating households from nuclear and joint types of family structure. The percentage of joint family in all the households is 26 while among migrating households this percentage is more than 34.

**Land owned**

The land structure of the households shows that the proneness to migration is almost same among all the land classes. From all the land classes the proportion of migrating households is almost equal to their respective proportions in the total number of households. However, it is evident from the Table 3 that more than two third of the migrating households hail from either landless or very small size (up to 1 acre) of land

holding class. Moreover, once again we will see later in the next section that the nature of migration from the lower and the higher land classes are distinctly different.

**Occupation types**

One of the ways to determine the status of households is the type of main source of livelihood. For this purpose occupation of head of the household has been taken in to consideration. Although the occupation of the head of the household is not the sole occupation, which all the family members depend on, the same may determine the status of the household to a larger extent.

If head of a household is cultivator or engaged in some kind of non-farm petty business, there is little possibility for family members to migrate. This is evident from the fact that the proportion of cultivator households is much lower among migrating households in comparison to that among non-migrating households. The most prone to migration households are those, whose head of the households are either non-agricultural labourer or are involved in some private service.

**Asset holding**

The asset position of households shows that among the migrating households nearly half of the total number of households possesses very little assets.

Among the households where asset position is better the tendency to migrate is less. It can be seen from the table 5 that approximately 50 per cent of the households posses assets worth Rs.1500 or less, where intensity of migration is higher. In the lower asset value households the representation among migrating household is higher than that among the total households. It necessarily indicates that poor households are more prone to migrate.

**Individual features**

Age analysis of migrants in Table 2.4 shows that the major chunk of migrants, whether for short duration or long duration, hail from the age group of 15 to 39, which is a potentially most productive and creative age in the life span of the individuals.

The detailed analysis of age, in fact, shows that the maximum number of migrants hail from the two age categories, namely, 15-24 years and 25-39 years.

**Table 2.5: Percentage of Males, Females and Migrants in Different Age Groups**

| Age group | Male | Female | Total | Percentage of migrant |
|---|---|---|---|---|
| 0 to 4 | 49.03 | 50.97 | 100.00 | 0.82 |
| 5 to 14 | 54.31 | 45.69 | 100.00 | 2.67 |
| 15 to 24 | 55.06 | 44.94 | 100.00 | 25.95 |
| 25 to 39 | 51.44 | 48.56 | 100.00 | 26.04 |
| 40 to 59 | 52.39 | 47.61 | 100.00 | 13.15 |
| 60 & above | 54.06 | 45.94 | 100.00 | 2.50 |
| Total | 52.75 | 47.25 | 100.00 | 12.57 |

Source: (Ghosh and Sharma,1996 ANS institute of social studies, Patna).

If we analyse data on gender and migration, the effects of migration on gender distortion can clearly be seen. In rural Bihar there are more female children born than male children. By the time they reach 14 years males out number females, their respective percentages are 54.31 and 45.69. It means girl children, though naturally gifted with better survival potential, become victim of neglect due to various social reasons. This distortion in relative gender proportion continues till end. In rural Bihar the problem of gender becomes much more acute with the migration of male who are potentially capable of working elsewhere in India. In the age group of 5-14 only 2.67 per cent migrate. That is why even after out migration male children continue to dominate over female children in number, even though the gender gap is slightly reduced. However, in

the age group of 15-59, more than 95 per cent were male migrants. Consequently in the rural areas of Bihar, out of the population left behind in this age group of 15-59, only 40.5 per cent were males and the remaining 59.5 per cent were females. The absence of a large number of male populations is not without consequences both for women and children. In the long run it may result into serious socio-economic and psychological crisis in rural Bihar.

**Percentage of Households Reporting Migration and Persons Migrating (1982-83 and 1999-2000)**

There were 27.69 per cent households reporting migration in 1982-83. By 1999-2000, there is a steep increase in the number of households with at least one migrating family member (hereby referred to as migrating households) and their percentage jumped to 48.63. It means approximately every alternative household is effected by migration, whether for a short or long duration, depending upon the whole host of circumstances. Further, in 1982-83 the migrant population constituted 7.49 per cent of the total population, which steeply increased to 13.42 per cent by 1999-2000. This stark reality of rural Bihar clearly defies all speculation of declining trends of migration from Bihar. A more detailed comparison of the changes in the trend of migration from the three districts under study can be seen in terms of caste and class composition of migrants (Table 2.6).

Caste-wise break up of the migrating households shows that over the last 18 years there is increase in the percentage of migrating households across castes but the rate of increase is much higher among the OBC II, followed by SC, and Muslims (Table 2.6). As such, OBC I households migrate in highest proportion, that is, 53.12 per cent of the households are sending one or more of their family members out of the village of residence. Though the rate of increase of migration is the highest among the OBC II, but within this group of castes, Yadav, Koeri, and Kurmi are least interested in migration. In fact, these three castes of OBC II send the smallest percentage of migrants out of their village of origin. As far as percentage of persons migrating out of their own respective group of castes is concerned, upper castes constitute the highest proportion in 1982-83 (10.24% against the overall figure of 7.49%) and they have maintained their highest percentage even during 1999-2000 (15.20% against the overall figure of 13.42%). This only indicates that migration from Bihar is not simply of distressed masses; there are a

substantial proportion of migrants going out with the hope of upward mobility. However, the higher rate of increase in the proportion of migrants from the OBC II, SC and Muslim population shows that over the years there has been increasing tendency of migration also among relatively less mobile population groups.

**Table 2.6: Percentage of Migrating Households and Persons, 1982-83 and 1999-2000**

| | Migrating households | | | | Migrating persons | | | |
|---|---|---|---|---|---|---|---|---|
| | 1982-83 | | 1999-2000 | | 1982-83 | | 1999-2000 | |
| | N | % | N | % | N | % | N | % |
| *Caste* | | | | | | | | |
| UC | 35 | 35.35 | 89 | 48.90 | 72 | 10.24 | 174 | 15.20 |
| OBC II | 10 | 18.18 | 41 | 47.37 | 14 | 4.02 | 66 | 11.74 |
| OBC I | 18 | 31.03 | 58 | 53.21 | 33 | 8.97 | 73 | 12.33 |
| S.C. | 14 | 22.22 | 37 | 45.12 | 22 | 5.98 | 56 | 12.96 |
| Muslim | 13 | 26.00 | 42 | 50.00 | 17 | 5.26 | 62 | 12.42 |
| *Social Class** | | | | | | | | |
| AL | 32 | 23.53 | 105 | 48.08 | 51 | 5.99 | 137 | 11.39 |
| PMP | 5 | 19.23 | 6 | 37.50 | 6 | 3.77 | 9 | 10.98 |
| MP | 5 | 29.41 | 11 | 35.48 | 6 | 4.44 | 21 | 10.88 |
| BP | 21 | 33.33 | 38 | 40.00 | 42 | 8.86 | 87 | 13.02 |
| Landlord | 21 | 35.59 | 49 | 52.69 | 43 | 10.83 | 97 | 16.90 |
| NAG | 6 | 25.00 | 58 | 57.43 | 10 | 10.75 | 80 | 15.66 |
| *Land* (in acre.) | | | | | | | | |
| Landless | 32 | 25.00 | 125 | 51.23 | 50 | 6.82 | 172 | 13.67 |
| 0-1.0 | 21 | 24.14 | 81 | 49.69 | 35 | 6.45 | 146 | 14.99 |
| 1.0-2.5 | 19 | 46.34 | 33 | 41.77 | 32 | 11.47 | 57 | 11.20 |
| 2.5-5.0 | 8 | 27.59 | 14 | 35.00 | 20 | 9.62 | 32 | 9.67 |
| 5.0-10.0 | 3 | 18.75 | 11 | 61.11 | 7 | 5.38 | 23 | 15.03 |
| 10.0-20.0 | 7 | 26.32 | 3 | 60.00 | 14 | 6.47 | 4 | 14.29 |
| **Total** | **90** | **27.69** | **267** | **48.63** | **158** | **7.49** | **434** | **13.42** |

Source: (Sharma 2002, Institute of human development, New Delhi).

***Social Class:** This category has been introduced for making two sets of data (1982-83 and 1999-2000) comparable. The abbreviations used in the Table are: Al = Agriculture Labour; PMP = Poor Middle Peasant; MP = Middle Peasant; BP = Big Peasant; Landlord = Landlord; and NAG = Non Agriculture

Class analysis further brings out clearly the two different types of streams of migrants flowing out of Bihar. One is constituted of agricultural labourers and the other one of landlords and big peasants. Both labouring households and upper classes are trying to desert rural Bihar for their own set of reasons that are not same for both of them. It is clear from the data that in 1999-2000, 53 per cent of the landlord households are contributing at least one member to the stream of migration, and 17 per cent of the people belonging to this class are part of the migration exodus. At the other end of the economic hierarchy, 48 per cent of the agricultural labourers' households are sparing their members for migration. The land ownership status of the households also gives similar results. Migration is higher from among the lowest and the highest rungs.

In comparison to 1982-83, in the year 1999-2000, there is a major shift in the pattern of migration. The propensity to migration in the middle categories of land ownership (2.5 to 5 acres) has come down but the same has shifted to the extreme ends of the land ownership hierarchy. Half of the households who are either landless or owning one acre of land are sending at least one member out of the village of origin. It means among the land starved categories every second household is surviving by migration. Nearly 14-15 percent of the population, pertaining to above two categories, go out for making two ends meet. The categories owning land between 1-5 acres are trying hard to survive by staying out. However, the intensity of migration increases among the upper echelon of landed hierarchy. More than 60 per cent of the households and 14-15 per cent of their population is out-migrant.

**Access to land**

In the rural areas of Bihar, land is not only an important source of earning but a considerable amount of social prestige is attached with it. A large no. of marginal farmers and sharecroppers have purchased agricultural lands from their savings and consequently improved their earning by intensive farming. On the other hand, the poor mostly working

as agriculture labors hardly have any saving to purchase these lands, even though government is having a policy for distributing patta lands to poor which is not implemented everywhere. In many places, they got very sub standard land while in some places they are unable to get physical possession of the land they got on paper. In Suhai village, a private initiative has a remarkable impact on the life of the poor. Way back in late sixties, a Lutheran Missionary had distributed a large chunk of land among poor scheduled castes of the village. If not all, some of them have really improved their living conditions. Possession of land gives a leeway to credit market. They can have access to loan by mortgaging their lands.

**Education as means of mobility**

Education has proved an important source of upward mobility in every village during the course of the study. It has provided a lot of avenues in private and government sectors. Educated persons who got govt. jobs were found to be the most mobile section of the society. Govt. jobs are considered most secure, rewarding and prestigious. In some cases, corrupt officials have accumulated huge wealth in some cities in the form of big dwelling houses, vehicles and urban lands. In all the study villages, these people were considered as persons who attained high degree of economic mobility. In Kutubpur village, a Muslim family became one of the wealthiest only from the remittances he was getting from his sons working in middle-east countries. In last few years, he was found to have purchased a large chunk of land. In Suhai village, most well-off persons are working in government departments. Their other family members, who are living in the village, have purchased lands from the remittances. The ownership of land is not the only indicator of their well being. The pucca houses and ownership of tube wells and hand pumps are also index of their improved condition. There are rare examples of individuals who attained upward mobility through progressive farming. Agriculture sector appears to be stagnant and not capable of generating sufficient surplus. Contrary to the general belief that education opens the doors for economic mobility, a large no. of educated unemployed were sitting idle in every village. After getting higher education, they considered doing manual work beyond their dignity while white collared job was beyond their reach. Children of poor family who hardly completed their secondary level education had hardly any opportunity outside farm sector.

**Table 2.7 Primary School Completion Rates (%) for 12-Year Olds**

| | NSS (52nd round): 1995-96 | | NFHS-2: 1998-99 | |
|---|---|---|---|---|
| | **Rural** | **Urban** | **Rural** | **Urban** |
| Female | 27.50 | 54.56 | 23.75 | 58.07 |
| Male | 42.58 | 59.43 | 35.30 | 55.06 |
| Aggregate | 37.02 | 57.11 | 29.84 | 56.55 |

**Poverty and Education**

Education is a key indicator of human development – many desirable social and economic outcomes are linked to rising levels of education. A higher level of educational attainment facilities non-farm economic growth, resulting in economic diversity (Datt and Ravallion, 2002). According to NSSO data, there is a strong relationship between consumption poverty and educational attainment of the household head. In both urban and rural areas, average consumption levels of households whose heads had completed secondary education or higher education are significantly higher than those of households whose heads were illiterate. Nearly 80% of households whose heads in the bottom quintile in rural areas were seen in 1993-94 as having had no education, as compared to around half in urban areas. This pattern remained largely unchanged between the two surveys. Further, when the household head is illiterate, the household members are nearly eight times more likely to be engaged in agricultural labour than if he or she had attained secondary level education or higher education (Table 2.7). The results suggest that with an illiterate household head, the opportunities of household members tend to be restricted to low-wage employment.

**Poverty and Social Identity**

Numerous studies have revealed significant links between social identity and poverty in India. Social or caste characteristics are associated with constraints and lack of opportunities that cut across multiple dimensions: caste identity is a strong indicator of the poor, illiterate, low-paid, low-status agricultural labour, or those living in poorly constructed housing with limited access to basic services. In Bihar, despite decades of

effort on the part of successive governments, the SC/STs are likely to be around three times poorer than the upper castes, and appreciably poorer than other backward castes and Muslims. Consistent with this, per capita household expenditure and landownership of SC/STs is significantly lower than that from the non-SC/ST castes in both urban and rural areas in 1999-2000, and the gap has remained virtually unchanged since 1993-94. SC/ST households are almost three times more likely to be landless than others.

**Education outcomes**

The 2001 census shows Bihar's literacy level as India's lowest (48% and 65% for Bihar and India, respectively); the net primary enrollment rate for Bihar in 1999-2000 was 52%, compared to 77% nationally. Indicators for women are considerably worse than for men, with an enrollment gap of 14% (58% for men versus 44% for women) and a literacy gap of 26% (60% for men and 34% for women). Net primary enrollment and literacy rates among women in Bihar are much below the national averages of 73% and 54%, respectively.

Bihar is the only Indian state where primary enrollments have fallen. Between 1993-94 and 1999-2000, the fall was 2% (down 4% for boys and 1% for girls). Since enrollments are the base for the future stock of human capital – a key input to growth and poverty reduction – stagnant or falling enrollment threatens long-term growth, and Bihar's competitive position vis-à-vis other Indian states.

**Table 2.8 Age-Specific School Attendance Ratio (%)**

| | NSS (52nd round): 1995-96 | | | NFHS-2: 1998-99 | | |
|---|---|---|---|---|---|---|
| **Age Category** | **Rural** | **Urban** | **Total** | **Rural** | **Urban** | **Total** |
| 6-10 | 43.85 | 67.94 | 46.37 | 60.73 | 76.86 | 62.62 |
| 11-13 | 54.66 | 83.51 | 58.24 | 61.66 | 80.60 | 64.28 |
| 14-16 | 40.45 | 70.58 | 45.25 | 49.06 | 71.18 | 52.61 |
| 17-18 | 20.84 | 54.69 | 26.16 | | | |
| 19-24 | 10.85 | 34.49 | 14.74 | | | |
| Aggregate | 37.52 | 61.99 | 40.75 | 58.38 | 76.26 | 60.75 |

Source: (NSSO survey 1995-96 and NFHS survey 1998-99).

**Education indicators.**

Table 2.8 shows the enrollment rates in Bihar, disaggregated by urban and rural regions for different age categories (NFHS figures are included for comparison). Two distinct patterns emerge: first, the rural-urban gap is significant for all age groups. Second, the enrollment rates peak in both rural and urban gap is significant for all age groups. Second, the enrollment rates peak in both rural and urban areas for the age-group 11-13 years, indicating late entry into school, as well as high dropout rates for higher age categories. For children aged 12 years, only 37% in the rural areas and 57% in the urban areas completed primary school in 1995-96 (NSS data). A large rural-urban gap is also observed for primary school completion rate.

Low completion rates result from a combination of low rates of entry, late entry into school, and dropout rates. This is supported by the evidence that "transition" through the educational system is weak: in 2000-01, 24% of primary school students transited to the upper primary level; 12% from the upper primary level to the secondary level and 10% from secondary level to the higher secondary level. Transition rates are even lower for girls and SC/STs. Low education attainment among the youth is also evident, and the rural-urban divide is apparent in the distribution of education attainment by level: while around 59% of 20-24 year olds in urban areas had high school or higher secondary education, this was true for only 38% of those in rural areas.

**Differences across gender, economic and social group**

Stark differences are observed along a number of economic and social dimensions. First gender differences are large. The male-female gap in enrollments is substantially larger in rural areas than in urban areas, and tends to be larger for higher age groups. Gender gaps also characterize the primary completion rates of 12-year olds, shown in (Table 2.7). The overall patterns indicate that fewer girls, as a percentage of the cohort, start school than boys, and girls also drop out of school at a faster rate and/ or at an earlier age than boys.

Enrollments are also lower for SC/STs than for the rest of the population. The differences become larger for higher age categories, suggesting that as with the gender

gap, the initial gap in school entry is exacerbated by lower school retention rates among SC/STs.

Similar differences are observed across economic groups. In rural and urban areas alike, enrollments are higher for all age groups in the case of the higher consumption quintiles. While better enrollments are clearly associated with wealthier households, enrollment is far from universal for even the most well off in the rural areas. This is explained by a combination of factors, such as relatively late entry.

**Off Farm Activities**

A large no. of lower backward caste people who are considered economically mobile section, had improved their earning by opting for off farm activities. Many Yadavas who were engaged in dairy business, had considerably added to their earnings. In some villages, govt. had started dairy cooperatives for purchasing milk in the village itself. This had further boosted the earning of cattle rearing people. Marketing facilities provided a handsome return for the whole year in some villages. The economically mobile lower backward castes have also enhanced their earning by way of minimizing expenses on marriage and other social functions. Contrary to it, many upper caste people, under social compulsion, go on spending lavishly despite their low earning. Hefty dowry, expenses on death ceremony (shradh) are very common among them.

**Social Mobilization**

The central Bihar, where the ultra leftist movement has very strong roots, has mobilized agriculture laborers on a very large scale. As a result, wages have been enhanced and other social rights are restored. Now agriculture labors have important say in the fixation of daily wages particularly in Central Bihar villages where they have organized under the banner of different ultra-leftist organizations. In many places, laborers are now made custodian and users of common property resources. It has certainly improved their condition and made them feel socially empowered. In some places, lands encroached by dominant caste people have been freed and distributed among landless laborers. Now they can exercise their franchise during elections for long it has been denied to them. In some of the places they are working as a powerful presser group at the local level.

Despite some cases of upward mobility, a large contingent of rural population is still leading a subhuman life due to acute poverty.

Low wage rate, large no. of dependents, high land-man ratios, low productivity and absence of assured irrigation are the major factors of poverty at the village level.

Nevertheless, some other social factors also downgraded the life style of rural people. In Sakraurha village, Bhumihars consider ploughing and other manual work beyond their tradition and dignity. Even the wife of the poorest Bhumihar villager, Dhallo Singh doesn't come out from her house to take up some work to improve her family earning, only because of social tradition.

**Health**

The poor have less access to health services in rural areas. The main barriers are physical, financial, social and informational. Distance to health center is quite often more than five km and they are ill equipped. During group discussions in poor bastis, people reported that due to financial stringency, people approached for curative treatment to doctors very late. Many a times they kept consulting local quacks and witchcraft for treatment of tuberculosis and cancer. Due to a very high level of illiteracy, particularly among women, information about basic household hygiene and health practices are lacking among the poor which often lead to frequent illness.

Illness is one of the most widespread causes of human deprivation and economic insecurity. Heavy expenses incurred on treatment and on transport, informal payment cost of stay in urban areas, deplete the family's financial reserves and conversely poverty makes people prone to diseases. This syndrome of vicious cycle affects not only the actual patients but also those who depend on them for subsistence. In north Bihar villages, health has emerged as the sole reason for downward mobility of many residents. Prevalence of Kala-Azar, diarrhea, tuberculosis, typhoid, and malaria is very common. For them, there is no other option but to rely on quacks, easily available in the villages. After a long treatment when quacks find themselves unable to diagnose the disease, they refer the patients to city doctors who charge exorbitantly high and to arrange money they keep their land on bharana (mortgage) or take money from money lenders on a very high interest rate (varies from 6 to 10 percent per month). High mortality, morbidity, and

malnutrition are manifestations of different dimensions of poverty. Poor health, malnutrition, and high fertility contribute to people's poverty and poverty consequently makes people vulnerable to poor health and malnutrition by increasing the risk of health.

**Table 2.9: Key Health Indicators, Bihar and Selected States[2]**

| | Income (Rs. Per capita current 2001/02) | Poverty Headcount Ratio – (1999/00) | IMR (per 1,000) | MMR (per 100,000) | Immunized (% fully immunized) | Malnutrition (weight for age) |
|---|---|---|---|---|---|---|
| All India | 20,198 | 26.1 | 67.6 | 453 | 53.3 | 45.5 |
| Bihar* | 6,006 | 42.6 | 72.9 | 452 | 11.18 | 54.3 |
| Orissa | 11,093 | 47.2 | 90 | 367 | 44.0 | 54.1 |
| Uttar Pradesh | 12,038 | 33.0 | 82 | 707 | 44.0 | 51.7 |
| Punjab | 29,973 | 6.2 | 57.1 | 369 | 72.1 | 39.2 |
| Maharashtra | 29,873 | 25.0 | 43.78 | 336 | 78.4 | 39.9 |
| Kerala | 26,603 | 12.7 | 16.3 | 87 | 79.7 | 21.9 |
| Tamil Nadu | 23,414 | 21.1 | 48.2 | 376 | 88.8 | 29.4 |
| Karnataka | 22,816 | 20.0 | 51.5 | 450 | 60.0 | 36.6 |
| West Bengal | 20,039 | 27.0 | 48.7 | 389 | 43.8 | 41.5 |
| Andhra Pradesh | 20,112 | 15.8 | 65.8 | 436 | 59.0 | 38.6 |

Source: State GNP and poverty count: Punjab Economic Report; IMR, U5M, % children stunted: NFHS-2, 1998/99; MMR, The progress of India States, UNICEF, 1995.

* Includes Jharkhand

**Table 2.10: Bihar, Status of Health Programs, 2002-2003**

| Disease | Number of Cases |
|---|---|
| Filaria | 411,076 |
| T.B. | 53,804 |
| Kala-Azar (Leishmaniasis) | 101,129 |
| Malaria | 3,683 |
| Leprosy | 38,588 |
| HIV/Aids | 11.5% |

Source: Bihar State Health Profile at a Glance, 2003. Dr.Vishwa Ratan

1. The number of Government health facilities in Bihar falls far short of national norms. Publicly provided primary and secondary level care in Bihar as in other Indian states relies on a network of primary health centers (PHCs) and community health centers (CHCs). Bihar has 396 PHCs and 101 CHCs which means that each PHC caters for more than 200,000 patients while each CHC caters for more than 800,000. These figures should be compared to national targets to have one PHC cater for a population of 30,000 and one CHC to cater for a population of 100,000. It is reported that there are 15,426 beds in Bihar in both the public and private sectors less than one bed per 5,000 populations. Table 2.11 below presents current data on public health facilities in Bihar.

**Table 2.11: Bihar, Government Health Infrastructure 2002.**

| Facility | Bihar No. of Facilities | Bihar Population Covered | Indian average |
|---|---|---|---|
| Sub Center | 10,332 | 8,033 | 5,401 |
| Additional PHC | 1,247 | 66,560 | |
| PHC | 396 | 209,596 | 32,169 |
| CHC | 101 | 821,782 | 243,729 |
| Hospitals & Med. Coll. | 53 | | |
| Others | 140 | | |

Source: Department of Health, Government of Bihar.

1. Includes sub-division and district hospitals.
2. Includes TB centers, blood banks, filarial and leprosy centers and other facilities.

2. The number of health workers falls far short of national norms. (Table 2.11) There are 2,992 registered doctors in Bihar or about 1 per 28,000 of the population compared to the national average of one per 2,100. These disparities are repeated for all other types of health worker. In theory each PHC in Bihar is staffed with between two and four doctors. In practice, doctors rarely show up, especially in the rural areas. The government salary, although described as reasonable by government officials is only a third of what they could earn in the private sector. It is clear that the PHC could be managed with a single dedicated doctor rather than four absentee doctors. It would also make it easier to hold them accountable.
3. The quality of government health infrastructure is shocking. (Table 2.12) Our site visits to various PHCs and sub-centers in Bihar revealed that they are nothing more than dilapidated old buildings devoid of even the most basic medical equipment. PHCs are in theory meant to be six bedded facilities. Even our announced sites visits revealed that not only do many of the PHCs not have any beds they are completely dysfunctional. Most PHCs do not even have paper on which to write a prescription let alone any medical supplies, equipment, beds and other facilities.
4. Primary health care centers are ill-equipped and poorly utilized. The National Family Health Survey confirmed the unacceptable state of Bihar's primary health facilities. Less than a third of PHCs have electricity and more than a third have no running water. Only 1 percent has an operating theatre and only 15 percent have a labour room, while more than half of these had no normal delivery kit. Each PHC is supposed to have a female worker but only 6 percent do so. Given these statistics it is not surprising that primary health care is under utilized and outcomes are among the worst in the country with less than 11 percent of children fully immunized and government facilities accounting for less than 3 percent of total deliveries.
5. A 1999 study, showed that on average, only 27 patients attended a PHC per day. This low utilization could explain why few of the respondents knew the causes of

common diseases, such as diarrhea and TB, something that would have been provided by the PHC staff if more contact was made with the people.

**Table 2.12.: Staff and Facilities Survey**

| No. of Bihar PHCs surveyed (339) | Number | Percent |
|---|---|---|
| With Female staff (All HA) | 20 | 6% |
| With BP instruments | 136 | 40% |
| With water | 210 | 62% |
| With electricity | 105 | 31% |
| With labour room | 51 | 15% |
| With labour room equipment | 102 | 30% |
| With normal delivery kit | 27 | 8% |
| With auto clave/ sterilizer | 146 | 43% |
| With working vehicle | 92 | 27% |
| With operation theater | 2 | 1% |
| With mounted lamp | 3 | 1% |
| With generator | 1 | 0.3% |
| Supplies | | |
| With oral pills | 41 | 12% |
| With IUD insertion kit | 14 | 4% |
| With measles vaccines | 41 | 12% |

Source: Department of health, Government of Bihar.

**Credit**

People often take loans from moneylenders for multifarious needs right from subsistence to social expenditure on a very high interest rate. In some villages, it is well beyond 120 percent per annum. After some time, it becomes really impossible to repay it. Quite often, landowning farmers have to forgo their small lands to repay their old debts. Getting assistance from banks is not so easy the cumbersome process takes a lot of time for sanctioning the loan. With rampant corruption in banks and among officials of blocks, nearly thirty to forty percent of the sanctioned loan amount directly goes into the pockets

of the concerned officials. Suresh Pundit of Mohanpur Asli village narrated his pathetic story how he sold his house to repay IRDP loan when he got arrested on the charge of nonpayment of loan. He is also paying the interest on the bribes he paid to the local officials.

In some of the villages, new initiatives are coming up. In Kutubpur, recently, a credit society has helped many people. A group of seventy-five poor villagers have formed a credit society named as Dalit Samaj Sudhar Samiti. Almost all the members are from scheduled castes and from extremely backward castes. Regular meetings are held in the village where decisions are taken. The member's contribution is only @ five rupees per month. The rate of interest is only three percent monthly and repayment rate is ninety five percent. The samiti provides loans in case of emergency medical treatment, marriage, shradha, cremation, and for fertilizers and seeds. In case of death of any family member, certain amount is given as a donation. At the end of the year, profit is equally shared among its members.

Marriages of girls are an important reason for downward mobility of many persons. Dowry is widely prevalent custom in Hindus. A larger part of the earning is kept reserved for dowry of girl children. If the number of girls is more, the situation becomes really pathetic. In some cases, parents have sold lands for getting their daughters married.

**Alcoholism**

There are umpteen no. of stories of many well to do families becoming poor due to drinking and other bad habits although in every village there are some people who improved their earning considerably by selling liquor and toddy. Many poor despite of facing hardship spend a larger part of their earning on drinking which causes wife battering and family tension.

**Social security**

Traditional institution like jajmani system, once a powerful institution providing relief during catastrophic shocks is fast waning out in every village. Due to complete absence of any social security mechanism, a large no. of destitute poor consisting mainly of disabled, old and widows without any breadwinner in their families, become one of the most vulnerable and helpless lots in the village. Though there is a provision of old age

pension, it has been found that very few get the benefit of this program, that too, on a very irregular interval. Sometimes, it is paid after an interval of eight or ten months. The amount is so meager (@ Rs. 100 per month) that it hardly provides any major relief to destitute. Even among the villagers the awareness about some other govt. social security measures was almost absent among poor.

**Common Property Resources (C.P.R.) and Poor**

Depletion of common property resources further compounded their woes. Once this worked as important social security cushion for the deprived section. Wherever there is open access to such resources, it contributed substantially to the earnings of the poor. For example, in Kutubpur village, many people improved their earning by fishing in a nearby pond. On the other hand in Damuhan, Ismailpur and Sakraurha where there is strong mobilization of agriculture labor under the banner of different ultra-leftist organization like C.P.I. M.L (Liberation) and C.P.I. M.L (Party unity), laborers have taken control of many gair-majurua lands and got them distributed among poor. Some of them have improved their income by cultivating these lands.

In all the study villages, it was quite apparent that very few villagers have improved their living condition by farming alone. To make agriculture more remunerative, heavy public investment is required particularly in irrigation, road and for proper marketing. This will certainly have great impact on overall rural economy. Most of the govt. initiatives in the form of different anti-poverty programs largely failed to reach its target. Many a times it was diverted to non-poor. So, there is a need to consolidate and strengthen different local level institutions like Panchayati Raj Institutions (PRI) or NGOs and assign them many ongoing anti-poverty programs of Govt. Through them new initiatives should be taken to make the poor have access to health and education.

The attack on poverty in the state needs to be tackled at two levels. Any vision of poverty alleviation will have to accelerate the growth rate in the agricultural sector. Bihar, as we have seen, is a poor economy which subsists mainly on agriculture whose fortune fluctuates with the vagaries of nature. This is because irrigation exists only in limited area and much of it is "protective" in nature, rather than being aimed at production or growth. The poor are the worst victims of recurring floods in large parts of

the state. Public investment in irrigation, flood control, drainage, rural electrification and generation of rural power supply are the inescapable preconditions for development. Land reforms, including tenancy reform and consolidation of holdings, have to be emphasized in this context. There is a need to take up an ambitious scheme of rural industrialization also. Bihar has witnessed deterioration in the employment structure in recent years – the proportion of workers engaged in the primary sector has increased and that in the secondary sector has declined. This is really a matter of concern and therefore schemes of rural industrialization and other schemes of diversification of the economy in rural and semi-urban areas are urgently needed.

The direct intervention by the state in the form of poverty alleviation programmes should be simultaneously taken up to providing not only relief to the poor, but also the productive capabilities among them which otherwise might remain largely unutilized. We have seen earlier that the availability of different types of assets is not only very low but their distribution is extremely skewed among classes. In fact, the non-availability of productive assets is one of the main reasons of the persistence of poverty in rural Bihar – particularly among agricultural labourers, poor middle peasants and the non-agricultural class. Consequently, provision of assets, particularly productive assets, assumes importance in any comprehensive scheme for the eradication of poverty. It points to the desirability of government programmes like IRDP which would lead to the creation of productive assets and employment among poor households in rural areas. The prevention of large-scale out-migration of rural labour from the state calls not only for the creation of more wage employment but also its creation at reasonable wage employment programmes. Literacy programmes have to play an important role in the state which has the highest rate of illiteracy in the country.

Of course, the better execution of the programmes of infrastructural development and poverty alleviation ahs to be ensured if the state is to come out at all from the present rut. Much time and resources have already been wasted by now. Fortunately the poor are also ready to bear their share of the burden, thanks to their considerably heightened consciousness generated by acute impoverishment and other developments. In many places they have already shown potential. There are also a few examples of good and efficient elements in the bureaucratic machinery which have shown their metal. In the prevailing corruption – ridden milieu of Bihar, the story of NGOs is not very different,

but here again some instances of successful NGOs with missionary zeal are there. The need of the hour is to pick the good elements from both the bureaucracy and the NGOs and to involve them according to their suitable roles and capabilities. People's involvement at all levels, right from selection of schemes to implementation and monitoring, along with the bureaucracy and NGOs, will give good results, as has happened in Dumka in the "Jal Hai Jan Hai" scheme. The organized power of the poor should improve even the indifferent and corrupt bureaucracy and local government functionaries. The fact that the execution of JRY by the panchayats in Bihar is better than the execution of NREP and RLEGP by the bureaucracy earlier shows the potential of people's involvement in improving the management of poverty alleviation programmes.

**Conclusion**

Agriculture continues to be the main source of earning for villagers, though recently a large number o people have opted for off farm activities. Improvement in communication facilities has accelerated migration. This has led to increase in earnings, increasing links with urban areas, decline of the Jajmani system, and desire for freedom from bonded labour. Agriculture continues to suffer from socio-structural factors (Caste-Class nexus) alongwith lack of technological input, and dismal condition of infrastructure. Attaining (MDG) remains a distant dream for Bihar. The Chapter is an attempt to understand Bihar from its colonial era to the post colonial to the Bihar since 2000. The pattern of poverty and class structures continue to be closely synonymous to caste stratification. Economic mobility and migration has been alarming but the nature varies according to the land ownership structures of house holds. Gender also plays an important role. Along with accessibility to land, a tool to mobility. Bihar continues to have the lowest literacy levels in India with low enrollment and high drop out rates. There are again differences along gender lines and socio economic classes.

Health facilities in Bihar fall short of national norms. As far as credit is concerned people continue to depend upon moneylenders – Alcoholism remains a problem as also dowry. The chapter also throws light on steps that can be taken up for improvement in CPR, health and education, agricultural sector, infrastructural growth and an attack on poverty.

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## CHAPTER -III

# THE ROLE OF STATE AND THE NATURE OF CASTE-CLASS RELATIONS IN BIHAR

### Introduction

A critical aspect of poverty in Bihar is that of caste or social identity, whose impact cuts across all dimensions. SC/ST households, for instance, are not only significantly poorer than the rest of the population, but are also more likely to be marginal landholders, working as agricultural labour, and illiterate.

Though all these land reforms and agricultural development programmes largely proved to be a failure, they brought about a new consciousness among the peasantry of Bihar. These programmes, together with the penetration in rural areas by government officials, political workers, 'bhoodan' workers and relief workers, had exposed the poor peasants to the developments all over the country and provided a basis for comparative judgment. By the mid-1960s, they had become aware of their rights and the circumstances, which had denied them the same (Jannuzi 1974) Agricultural production had started declining since the mid-1960s and three years of crop failures had added fuel to the fire. The results of the 1967 elections were a striking proof of a newly conscious peasantry. The Congress dominated by the landowning upper castes was defeated because of the withdrawal of support by the awakened middle peasantry. The upper middle castes, particularly the three numerous dominant castes, yadav, koeri and kurmi, had significantly improved their economic position in the post-independence period. These three castes have been the important beneficiaries of the so-called Green Revolution in Bihar, in whatever small manner this might have happened in the state. These sturdy and hardy castes, traditionally engaged in cultivation, have managed to produce more from cultivation than their upper caste counterparts. They have cornered a significant portion of the institutional credit. These developments have also affected the pattern of land distribution in the countryside. Big peasants and landlords have been losing more land compared to other classes. The process of dispossession of land has

been much faster among upper castes compared to other castes. As a matter of fact, the three upper-middle castes are the major beneficiaries of the land-losses suffered by the upper caste landlords/big peasants and they have significantly strengthened their position in the rural society. Thus, there have been significant changes in the agrarian and rural class structure in Bihar in the post-independence period.

However, in spite of these changes in the fortunes of the backward castes, the fortunes of agricultural labourers and the poor peasants (comprising mostly scheduled and lower backward castes), who constitute about half the rural households, did not change; in several parts of the parts of the state it deteriorated. The three years of famine in the mid-1960s led to a further deterioration in their already miserable condition. More and more poor peasants were converted into agricultural labourers. There was no lessening of the social oppression and sexual abuse members of this class suffered; it increased as both the upper and middle castes perpetrated atrocities on them. The social, economic and cultural exploitation of the downtrodden prepared a fertile ground for a militant movement.

Due to the initial prevalence of caste-class nexus, upper castes even today dominate among the big peasants and landlords and lower backward castes among poor and middle peasants.

In 1938, a decade before Indian independence, the Indian National Congress constituted a National Planning Committee headed by Jawaharlal Nehru, and consisting of well-known industrialists, financiers, economists, professors, scientists and representatives from the Trade Union Congress and the Village Industries Association. The Committee declared that the social objective should be "to ensure an adequate standard of living for the masses, in other words, to get rid of the appalling poverty of the people". The Committee recognized that "there was lack of food, of clothing, of housing and of every other essential requirement of human existence. To remove this lack and ensure irreducible minimum standard for everybody, the national income had to be greatly increased, and in addition to the increased production there had to be a more equitable distribution of wealth" (Nehru 1946).

The Committee recommended a ten-year plan with the following objectives:

(i) improvement of nutrition – attaining a balanced diet of 2,400 to 2,800 calories per adult worker;

(ii) improvement in clothing, involving an increase in consumption from 15 yards of cloth to 30 yards per capita per annum; and

(iii) attainment of a standard housing of at least 100 sq ft per capita.

The progress in development was to be measured, inter alias, by changes in per capita income, in life expectancy and in the literacy rate.

**Development Strategy and Objectives**

India has opted planning as a specific strategy to surmount some of the structural constraints to economic growth. A major constraint was deficiency of capital formation caused by low capacity to save and low-income levels. Simultaneously, there was the problem of ensuring that available savings were channeled into desirable forms of investment. Left to market forces, increased savings, even if made possible by following a proper policy mix, might not be realized into investment in socially high priority areas. The problem was to avert a situation where the production pattern is determined by a demand pattern thrown up by the existing skewed income distribution. Thus, the problem of development, as perceived by the Indian planners, boiled down to the questions of how much to save, and where and in what form to invest.

**Planning in India**

Almost all the Five-Year Plans in India have had the objectives of economic growth, social justice, and self reliance, alleviation of poverty, industrialization and productivity improvement. The relative emphasis on different objectives has, however, varied between plans. In particular, the objective of poverty alleviation, associated with reduction in inequality, has received greater weight, especially since the Fifth Five-Year Plan (1973/74 to 1977/78). While the objectives have remained more or less the same through the successive Five-Year Plans, the strategies adopted have varied depending upon the planners' perception of constraints and opportunities. In addition, the short-run incompatibility between different objectives has necessitated varying emphasis on these

objectives. For instance, the first three Five-Year Plans attempted to improve the living standards of the people largely by reliance on the growth process. Radical instruments such as the redistribution of assets and wealth were not resorted to lest they should adversely affect saving and the incentive to invest. This was made explicit in the First Plan (Planning Commission 1951).

The First Five-Year Plan (1951-1956) was not really a plan, in the sense of a set of internally consistent investment decisions in relation to certain well-defined objectives. On the theoretical plane, it attempted to examine the growth potential of the economy by specifying a saving function within the framework provided by the Harrod-Domar model. In accordance with the spirit of this model, the Plan laid relatively heavy emphasis growth. Public investment was concentrated in the areas of infrastructure and agriculture.

A planning framework in India evolved during the formulation and implementation of the Second Five-Year Plan (1956-1961). This period saw a clear articulation of development strategy, planning methodology and policy instruments for realizing plan targets. The outlines of an industrial policy had already been drawn in the Industrial policy were: reduction of foreign dominance, building up of indigenous capacity, encouraging small-scale industry, bringing about balanced regional development, preventing the concentration of economic power and securing absolute control of the economy by the public sector. Given the critical conditions of developments, risks would be high, capital requirements large and returns very low. In view of this, it was thought that the public sector must provide the infrastructure and leadership for industrial development. Specific priorities and strategies were spelt out in successive Five-Year Plans. These objectives and priorities were to be implemented by:

(i) a system of licensing provided for by the Industries (Development & Regulations) Act, 1951 and

(ii) a system of import licensing and foreign trade policies meant to promote import-substituting industrialization.

While licensing has been an instrument to ensure that the physical targets for capacity creation set by the plans are realized the trade policies – particularly import control policies – laid considerable stress on protecting and promoting domestic industrialization by physical allocation of imports. This the basic logic of the whole

system has been that the planning mechanism perforce has to be concerned with physical planning and thus its subsequent evolution has been more on lines of perfecting this particular approach.

Operating within the framework described above, the Second Five-Year Plan developed a model of industrialization. The model assumed a closed economy by virtue of the twin premise of limited export possibility and strict import allocation. It suggested that maximizing long-run growth would necessitate an investment strategy, called the Mahlanobis Strategy, weighted in favor of the capital goods sector. To mitigate the adverse effects of such a strategy on employment, the Plan evolved a scheme for promoting growth in the consumer goods sector and employing labor-intensive techniques.

Towards the end of the Second Five-Year Plan, there was a sharp deterioration in the balance of payments resulting from stagnant exports and liberal imports. The Third Five-Year Plan (1961-1966) took explicit cognizance of the foreign exchange constraint on the growth process. At the same time, a mounting food shortage, inflation and unemployment, led planners to revise their priorities in favor of agriculture, laying emphasis on community development programs, national extension services and irrigation. On the demographic front, the Government formulated a policy to check the growth rate of population by organizing family planning programs.

The period of the first three Five-Year Plans constituted an important era in the development of India. The three Plans were very much similar in spirit and emphasis. The underlying strategy was based on a thesis similar to the (Lewis 1954) development model wherein the agricultural sector supports industrialization by providing cheap labor and food. The Plans laid uniform emphasis on growth by focusing on factors promoting savings and capital accumulation. But the possibility of increasing the size of the capital stock by redistributing consumption in the labor surplus context was overlooked. Little attention was paid to policies that would directly increase the access of the poor to wage goods. Policies for the promotion of economic equity included attempts during the 1950s to abolish landlordism, to distribute land through imposition of ceilings on holdings, to protect tenants and to consolidate landholdings. These measures were also intended to remove the institutional constraints on the growth process in the agricultural sector.

Other measures to promote equity consisted of discriminatory policies such as the provision of highly subsidized health facilities and scholarships and other forms of financial assistance to the economically backward and underprivileged classes. In addition, job reservation was also made available to these classes following the completion of education and training. Further, it was felt that a strategy of industrialization based on a progressive increase in the size of the public sector would eventually lead to a decrease in the proportion of property income accruing to the private sector and hence a reduction in the concentration of wealth and income. Simultaneously, measures to promote productivity and employment in the agricultural sector, and in small and village industries, were believed to gradually lead to a socialist pattern of society with sustained improvements in living standards.

During the Third Five-Year Plan period, the government became very concerned about the distribution of the benefits of growth. In 1962, a committee was established under the chairmanship of Professor P.C. Mahalanobis to examine changes in the levels of living as a result of planning. The committee could not reach unambiguous conclusions for want of data. Another working group set up by the Planning Commission looked into the question of raising the minimum level of living. They looked into the question of raising the minimum level of living. The group distinguished between private consumption and public consumption such as expenditure on health and education. It recommended a private consumption expenditure of Rs. 20 per capita per month at 1960/61 prices as the national minimum level of living. Against this background, a perspective study was made on development of the economy over the period 1961-1976. The study examined the various implications of planning for a minimum level of living. Under some plausible assumptions, the study showed that to ensure a nutritionally adequate diet for those in the bottom three deciles in the income distribution, national income would have to grow at the rate of seven percent per annum during 1965 to 1975.

Exogenous shocks – the wars with China in 1962 and with Pakistan in 1965, and the successive monsoon failures in 1965 and 1967 – caused substantial changes in the Indian plan priorities and strategies. While the former involved a cut-back in public investment leading to excess capacity in the capital goods sector, the latter brought planners' attention to the emerging supply/demand imbalances in the food sector. Thus,

the three Annual Plans of 1966/67, 1967/68 and 1968/69 that followed the Third Five-Year Plan contained a new agricultural strategy that was carried over into the postponed Fourth Five-Year Plan (1969-1974).

The new strategy of agricultural development was based on a changed perception that it was technological rather than institutional constraints that were impeding agricultural growth. The new agricultural strategy popularly called the Green Revolution involved a shift in emphasis from major to minor irrigation, and changes in the input base of agriculture, involving the use of modern inputs such as fertilizer, power and fuel and high-yielding varieties of seeds.

The adoption of the new strategy in agriculture was, in the initial years, confined only to infrastructural better endowed regions like Punjab, Haryana and Andhra Pradesh. The new technology, though confined only to wheat in the early 1970s, broke the stagnation in agricultural output. Total cereals production increased from 62.4 million tones (mt) in 1965/66 to 96.6 mt in 1970/71; wheat production increased from 10.4 mt to 23.8 during the same period. (Bardhan 1970).

The Green Revolution was not an unalloyed blessing. The new technology was size neutral but not resource neutral. The benefits of increased output flowed largely to the rich farmer in the progressive regions such as Punjab, thus accentuating inter-regional and inter-personal income disparities. There were also fears that the new technology would result in the gradual displacement of labour which could not subsequently be accommodated in the non-primary sectors. These problems, coupled with the question of sustaining the increased marketable surplus generated by the new technology, led to reformulation of development strategy in the Fifth Five-Year Plan to emphasize redistribution.

The Fifth Five-Year Plan (1974-1979) aimed at achieving growth with redistribution and self-reliance. It sought to raise the average per capita consumption of the bottom 30 percent of the population to a pre-specified level. However, the oil crisis and the harvest failures in 1972/73 led to a dilution of the emphasis on redistribution objectives and policies.

The experience of the Fifth Five-Year Plan showed that the planning of production structure in accordance with a desirable income distribution is no guarantee

per se of a reduction in poverty. Rather, direct intervention is required to bring about desired changes in the living standards of the masses. Accordingly, the Sixth Five-Year Plan (1980-1985) which aimed at bringing down poverty to 30 percent of the population in both rural and urban sectors provided a number of measures for the eradication of poverty.

These were programs that augmented the income levels of the poor by enhancing their self-employment opportunities. These included programs like the Integrated Rural Development Program (IRDP), Training Rural Youth for Self Employment (TRYSEM) and the National Rural Employment Program (NREP). The Plan also provided for asset redistribution through some land reform programs. The Minimum Needs Programs launched in the mid-1970s received greater emphasis and became an important component of the anti-poverty strategy. This program sought to improve the quality of life among the poor, by providing elementary education, health, nutrition, housing, safe drinking water, roads and electrification.

The Seventh Five-Year Plan (1985-1990) aimed at bringing down the proportion of poorer people to less than 10 percent by 1994/95 by continuing the emphasis on target-oriented programs. By now, because of inter-regional disparities in growth patterns, poverty had assumed a regional dimension with large pockets of poverty concentrated in economically backward regions. In view of this, the Seventh Five-Year Plan attempted to integrate poverty alleviation programs with other developmental activities in rural areas. By this, it sought to ensure that the benefits accruing from all the schemes went selectively to the poorer groups.

The Eighth Five-Year Plan (1990-1995) approach paper formulated by the Janata Dal government seeks to correct some of the distortions observed in recent years in the development pattern of India. It seeks to reorient development policy by giving primacy to the immediate and urgent needs of the poor especially through the provision of employment opportunities to all at minimum wages and also access to adequate means of livelihood and skills, as also supplies of food, education, health and child care services and other basic necessities such as housing.

These objectives are sought to be achieved by (i) increasing the proportion of investment allocation to rural development; (ii) directing such investments to areas

having a relatively high concentration of poverty and employment; (iii) efficient utilization of such resources; and (iv) promoting labor-intensive and energy-saving and capital-saving techniques of production in all sectors of the economy.

The Ninth Plan emphasized the integral link between rapid economic growth and quality of life of the masses and the need to continue high growth policies with the pursuit of the ultimate objective of improving policies with the pursuit of the ultimate objective of improving policies which are pro-poor and are aimed at correction of historical inequalities. Thus as the Ninth Plan document puts it, "The focus of Ninth Plan can be described as "Growth with Social Justice and Equity." (Planning Commission, Ninth Five Year Plan, 1997-2002, Vol-1 1999).

The Tenth Plan (2002-07) has set a target of reduction in poverty ratio by five percentage points to 19.3% by 2007 and by 15% points by 2012. The targets for rural and urban poverty in 2007 are 21.7% and 15.1% respectively. (Economic Survey, 2004).

## LAND REFORM IN BIHAR

The close link between poverty and landlessness has been continuously discussed in India's political arena since independence, with rural land reform being placed high in the policy agenda. Land reforms in Bihar can be classified into three main categories according to their main purpose: abolition of intermediaries; ceilings on landholding; and tenancy reform to protect tenants in terms of rents and their legal status.

In 1950, Bihar abolished the intermediaries between landlords and cultivators who worked under feudal lords, who in turn extracted very high rent from tenants. The implementation of this act way very slow in Bihar, though the abolition of intermediaries has been proved to achieve limited and variable success in protecting small landholders if implemented properly (Besley and Burgess 2000).

The first land-ceiling act was passed in 1961 with subsequent amendments in 1973 and 1976. Under the ceiling act large landholders are required to distribute surplus plots of land to the landless. The imposition of a ceiling on land ownership achieved a certain level of success. For example, it increased the number of marginal and semi-medium farmers while decreasing the number of large landholders. However, the extent of success has been very limited. In Bihar, only 1.53 percent of cultivable land was

acquired and distributed in 1986, of which the surplus land accounted for 20 percent (Sharma 1995).

In order to enhance tenure security, tenancy reforms have been carried out since 1963. Nevertheless, the status of tenants in Bihar has been vulnerable in terms of rents and security of tenure despite the series of tenancy reform acts. Rural Bihar has a fairly significant proportion of cultivated land under tenancy arrangements (nearly 25 percent of cultivated land in 1998 (Srivastava 2003). The majority of tenants pay half the gross output to landowners although the statutory provision with regard to rent is 25 percent. Furthermore, the tenancy reforms appear to have worsened the security of tenants. After a series of ceiling acts and tenancy reform acts, the system of tenancy became almost entirely concealed and informal. Concealed tenancy reduces the scope of greater land access through rental markets; the tenant's bargaining position, and the ability to enforce contract terms.

As illustrated above, the implementation of the various land reforms measures has been very slow and unsatisfactory. Such poor implementation can be attributed to lack of political will, up-to-date and records, fair legal systems, and organizations representing the poor peasants and agricultural labor (e.g., Sharma 1995, Besley and Burgess 2000).

**Table 3.1: History of Land Reform in Bihar**

| Year | Title | Description | Class |
|---|---|---|---|
| 1950 | Land Reforms Act | Abolition of zamindari; implementation of this act very slow. | 2 |
| 1957 | Homestead Tenancy | Confers rights of permanent tenancy in homestead lands on persons holding less than one acre of land. | 1 |
| 1961 (amended 1973) | Land Reforms Act | Prohibits subletting, preventing sublettee from acquiring right of occupancy. | 1 |
| 1961 | Land Ceiling Act | Imposition of ceiling on landholdings of 9.71 – 29.14 hectares (1960-72) and of 6.07-18.21 hectares (after 1972). | 3 |

| | | | |
|---|---|---|---|
| 1973 (amended 1982) | Act 12 (Amendment to Land Reforms Act) | Introduced provisions relating to the voluntary surrender of surplus land. | 3 |
| 1976 | Act 55 | Provided for the substitution of legal heir; ceiling area shall be redetermined when classification of land changes; ordered that the landholder necessarily retain land transferred in contravention of the Act. | 3 |
| 1986 | Tenancy (Amendment Act) | Provides definition of personal cultivation; provides for acquisition of occupancy rights by under raiyats. | 1 |

*Source:* Besley and Burgess (2000) "Land Reform, Poverty Reduction, and Growth: Evidence from India", Quarterly Journal of Economics.

*Notes:* The extent of land reform acts are classified into three categories (1 = tenancy reform, 2 = abolition of intermediaries, 3 = ceilings on landholdings).

**THE ROLE OF STATE IN BIHAR**

Immediately after independence, Bihar was the first state in the country to do away with the zamindari system, whereby the much-hated system of intermediaries between the actual tillers and the state was abolished and the tillers came in direct contact with the state. However, though zamindari was abolished, the former zamindars were not deprived of their homestead and private lands, which were quite large. And, therefore, zamindari abolition was complemented by the imposition of a ceiling on large holdings in order to remove the inequitable distribution of land. After many hurdles, the first Land Ceiling Act was passed in 1962. Subsequently, some amendments in 1972 and 1973 effected in this act have removed many of the earlier loopholes, but it still had several defects. In the wake of zamindari abolition and land ceiling acts, several lakhs of sharecroppers were evicted illegally from the land in their possession.

Due to the government's apathy and lack of any serious effort in implementing the ceiling act, the landlords reacted by evicting a large number of tenants during the 1960s (Jannuzi 1974). Consequently, in order to provide additional protection to the under-raiyats and sharecroppers, the Bihar Tenancy Act of 1885 was amended in 1970 to safeguard the interests of the tenants with regard to ejection and also to ensure that lands were restored to those unlawfully ejected. Other pieces of agrarian legislation that were enacted by the government to safeguard the interests of the labourers and peasants were the Bihar Privileged Persons Homestead Tenancy Act, the Bihar Money Lender Act, etc.

Thus, a number of legislative measures were taken by the government with regard to the agrarian sector. However, the implementation of the various laws remains far from satisfactory. The most glaring cases of poor implementation are those of land ceiling and tenancy acts. Several studies have shown how the provisions of the ceiling laws have been grossly violated in various parts of the state.

In effect, the agrarian structure in Bihar, in spite of all the laws enacted, continued to be exploitative and detrimental to growth. However, there have been some important changes in the class status of the various sections of rural society over the years. The elimination of the revenue collection intermediaries considerably weakened the feudal structure without destroying it. All the upper caster tenure-holders, majority of the upper caste non-occupancy raiyats of the former zamindars and a significant section from the upper middle castes became big peasants having complete sway over the villages who exploited the peasantry through share-cropping and money leading. The biggest landholder in the village exercised an unchallenged authority over other villagers and continued to be consulted on issues like determination of local agricultural wages, rights in land and other matters relating to the conduct of community's business (Jannuzi 1974).

"In the early 1950s, the structure of power in Bihar seemed to be immutable. The traditional society of the village had only begun to be disrupted and the pattern of life (while in many respects unacceptable to the alien observer) had been so regularized that the Bihar peasant seemed prepared to accept his position in the social and economic hierarchy. His view of the world was very limited. His capacity to perceive change in his relationship with his superiors or inferiors was minimal. This expectation of a higher

standard of life was almost non-existent. A landless peasant could not conceive of himself as a holder of land. An agricultural labourer could not conceive of himself as having employment at wages above subsistence. A raiyat (or under-raiyat), tilling land without security of tenure subject the eviction at any time, could not conceive of himself as having occupancy right in land assured by law and circumstances".(Jannuzi 1974).

All these developments suggest that the agrarian structure in Bihar is not only exploitative, but also largely one that hampers the process of agrarian transformation. It was characterized as 'semi-feudal' (Prasad 1979). According to him, the vast majority of poor peasant households were 'deficit' ones, which forced them to take consumption loans from the land-owning class and which they were never able to return even in the long run, due to their being heavily in debt and deficit. This led to a system of informal bondage which assured the big land-owning class a number of benefits including availability of cheap labour, better terms for leasing out land, benefits obtained through distress sales and by acquiring poor peasant lands almost for nothing and the like. The other method of enforcing bondage was one of leasing out land to households which were economically weak and hence, incapable of maximizing output from based-in land. Though this reduced the direct gain accruing to landlord, it enabled them to have semi-serfs. Homestead lands are also doled out to the poor peasants to enforce informal bandage. The economic power which thus became concentrated the hands of the rural rich not only allowed them to have a prominent hold on the economic activities of the area, but also made them politically very powerful. On the other hand, they feared to lose most of these 'advantages' if there was rapid development in the area, which explained why the dominant class interests remained inimical to rapid growth. It needs to be emphasized here that the existence of a semi-feudal agrarian structure was not only exploitative, but also operated as a powerful on the diffusion of technology and the development of agriculture in Bihar.

However, in spite of all these handicaps, Bihar experienced relatively satisfactory expansion in agriculture production – rate of agricultural growth during the 1950s in Bihar was out 3 percent which was higher than in several other states. Apart from other factors, this agricultural expansion has been mainly attributed to various land reform measures, though inadequate in themselves. The first phase of land reforms, i.e.,

zamindari abolition, in spite of large scale eviction of erstwhile cultivators, had resulted in some relaxation of the stranglehold of semi-feudal relations of production – as is reflected in the fact that a fairly large number of substantial tenants having occupancy rights in land had got a title to the land and thus had become interested in striving for increasing production. This together with the reduced burden of land revenue and to some extent of debt, also due to the pre-independence inflation caused by Second World War, had resulted in some private investment in the agrarian economy (Prasad 1987). The 1950s and the early 1960s represented a phase marked by slackening of the peasant movement. The different sections of the peasantry were confused with regard to the different land reform legislations and to their impact. The activities of the earlier Kisan Sabha had stopped and Sahajanand Saraswati had died. The peasants were not enlightened enough to protect their interests also. Even then the large scale eviction of tenants in some parts of the state and the system of sharecropping led to a few struggles by the peasants in some pockets. The Communist Party of India (CPI) waged a few agrarian struggles in the 1960s, the most notable among them being the Sathi Farms Struggles in Champaran. Attempts were also made to launch a separate agricultural labourers' movement on wage demands as well as struggles for protecting the bataidar's rights and also over issues such as homestead tenancy, famine relief measures, 'taqavi' loans, irrigation rents, sugar cane prices, etc. The sharecroppers of Purnea district which comprised significantly of tribals also wages struggles against their eviction by the landlords from the tenanted lands which they had reclaimed, many of these were later recorded as occupancy raiyats after the struggle. However, the impact of these struggles was, at best, localized and they did not have any pronounced effect on the society and polity. The level of rural poverty in the state continued to be very high – it was around 64 percent in the late 1960s (Dutt, Ravallion 1990).

The agrarian structure also remained exploitative, although its form had changed with the abolition of the zamindari system.

**Table 3.2 Rural Poverty Incidence and Shares by Land Ownership**

| | 50th round (1993/94) | | | 55th round (1999/00) | | |
|---|---|---|---|---|---|---|
| **Land owned (ha)** | **% of rural population** | **Poverty incidence** | **% share of the poor** | **% of rural population** | **Poverty incidence** | **% share of the poor** |
| No land | 9 | 51 | 12 | 10 | 56 | 14 |
| 0<* <=0.4 ha | 43 | 51 | 55 | 53 | 46 | 61 |
| 0.4<* <=1 ha | 24 | 34 | 20 | 20 | 29 | 15 |
| 1<* <=2 ha | 14 | 28 | 10 | 10 | 30 | 7 |
| 2<* <=4 ha | 7 | 18 | 3 | 4 | 16 | 2 |
| >4 ha | 3 | 6 | 0 | 2 | 18 | 1 |
| Overall | 100 | 40 | 100 | 100 | 40 | 100 |

Note: Poverty is defined as per capita consumption rank <40%.

Source: The 50th and 55th round NSSO surveys (Schedules I & II).

Table 3.2 shows that the majority of landholding in Bihar, that is, 90 percent of the landholding is less than 2 hectare of size. The incidence of poverty is also highest among these groups. The incidence of poverty being highest among persons having no land or land less than 0.4 hectares, the rate being 51%. The poverty incidence is lowest among persons having land holding of more than 4 hectares, the rate being 6%. This goes on to show that the incidence of poverty is directly related to the size of landholding in Bihar, lesser the holding higher the poverty rate. Even the percentage of rural population who live on landholding of 2 hectares or less in Bihar constitute an over whelming 98 percent of the population.

The situation has some what changed from 50th round of NSSO survey to the 55th round of NSSO survey. The incidence of poverty among the group holding land size of 4 hectares and above has increased from 6 percent in 1993/94 to 18 percent in 1999/00. One of the reasons for this can be the falling return in agriculture and the lack of infrastructural support in terms of accessibility to markets, lack of scientific inputs in agriculture, etc.

**Table 3.3 Percentage of Population, Mean Consumption and Land Ownership by Social Group**

| | 50th round (1993-94) | | | 55th round (1999-2000) | | |
|---|---|---|---|---|---|---|
| | % of population | Median pc exp | Median land own (ha) | % of population | Median pc exp | Median land own (ha) |
| **Rural** | | | | | | |
| Majority | 70 | 206 | 0.42 | 72 | 368 | 0.25 |
| SC/ST | 30 | 175 | 0.04 | 28 | 312 | 0.03 |
| Total | 100 | 197 | 0.35 | 100 | 349 | 0.20 |
| **Urban** | | | | | | |
| Majority | 82 | 298 | | 82 | 495 | |
| SC/ST | 18 | 236 | | 18 | 384 | |
| Total | 100 | 281 | | 100 | 470 | |

Source: The 50th and 55th round NSSO surveys (Schedules I & II).

Table 3.3 shows the percentage of population, their mean composition, land ownership. It provides a comparative change in land ownership [median land owned] as observed in NSSO rounds 1993-1994, 1999-2000 among SC/ST and the rest of the population in Bihar.

A number of factors account for the gap in living standards between SC/STs and the majority of households. First, SC/STs are less likely to own much land or have much education. More than 70% of household heads from SC/STs were illiterate in 1999-2000, as compared to about half of the household heads from other social groups Second, the job opportunities for SC/STs tend to be restricted to low-paid jobs: around 60% of SC/STs were engaged in agricultural labour compared to only 30% in the case of other households. A sizeable occupational shift to casual non-farm labour is seen for SC/STs between 1993-94 and 1999-2000.

Addressing poverty remains an enormous challenge for policy makers in Bihar, especially in rural areas where almost 87% of the population and 90% of the poor live. According to recent estimates, despite some progress in poverty reduction over the years, 41% of the rural population remains below the poverty line. This section indicates that poverty in Bihar is a complex phenomenon arising out of a range of economic, social, cultural and political factors. Rural poverty in terms of low consumption or income, in particular, is closely associated with limited access to land, education and high-paid occupations, reflective of an underprivileged social group or caste.

**Land Ownership in Bihar Today**

Land has been lost by all classes, but the loss of landlords and big peasants has been steeper than that of other classes. Since the upper castes initially occupied a dominant position among the landlords and big peasant class, it is but natural that land had slipped out of the hands of these castes. The loss of land was biggest from the upper castes, the gainers being the backward castes, specially Kurmi and Yadav. Due to demographic pressures and sub-division of holdings the average size of landholdings has declined among all castes and classes.

**Table 3.4: Average Size of Owned Land in 1999-2000 and 1981-82 and Percentage Fall in Average Land Holding Across Caste and Class**

| Average Size of Owned Land (Acres) | | |
|---|---|---|
| | **1999-2000** | **1981-1982** |
| *Caste* | | |
| Brahmin+kayastha | 3.45 | 6.25 |
| Bhumihar+rajput | 2.78 | 5.43 |
| Backward I | 0.75 | 1.31 |
| Yadav | 1.17 | 1.60 |
| Koeri | 1.11 | 1.41 |
| Kurmi | 3.45 | 4.28 |
| Other backward II | 1.25 | 3.20 |
| Scheduled castes | 0.31 | 0.63 |
| Muslims | 1.14 | 2.19 |
| *Class* | | |

| | | |
|---|---|---|
| Agricultural labour | 0.45 | 1.06 |
| Poor middle peasants | 0.83 | 0.73 |
| Middle peasants | 1.02 | 1.48 |
| Big peasants | 2.99 | 4.78 |
| Landlords | 2.93 | 6.13 |
| Non-agriculturists | 0.31 | 1.40 |
| Total | 1.80 | 3.42 |

Soure: Sharma, A.N., EPW, March, 5 2002.

The proportion of households leasing in land has considerably declined from about 36 percent in 1981-82 to about 23 percent in 1999-2000, but the proportion of leased in area to total cultivated area has marginally increased from 24.5 percent in 1981-82 to 25.5 percent in 1999-2000 as shown in Table 3.4. This has resulted in an increase in the average size of leased in land in general. The extent of tenancy (proportion of households leasing in) across different land sizes and classes shows that the fall in the proportion of leasing in households has been largely contributed by a substantial fall in the proportion of leasing in households from lower to marginal land size and landless households. In the higher land size category, particularly those with more than 10 acres of land, there has been a phenomenal increase in the proportion of households leasing in as well as that of leased – in area. Earlier, no leasing in was reported by the households above 20 acres but during 1999-2000, the practice has started in this category also. This tendency towards reverse tenancy is the manifestation of capitalist growth in agriculture. 'Semi-feudalism' at last seems to be on the wane. Caste-wise, Yadav followed by backward I, report the highest incidence of leasing in land. In the case of scheduled castes although the percentage of leasing in households is much lower in comparison to Yadav, the proportion of leased in area to total cultivated area is the highest among them, as they have a poor land base and leasing in of land, for the purpose of cultivation, is an important coping mechanism for them. Kurmi and other backward II followed by forward castes show that tenancy forms an increasing proportion of leased in land over the years.

This provided fertile ground for some groups with revolutionary Maoist ideology to start working in some parts of the state. It first started with Bhojpur district and soon the flames of agrarian tension reached other districts. In the wake of these changes, the

Socialist Party and Communist Party also launched the 'land grab movement' in 1970-71 directed against the big landlords. It was clearly in response to the prevailing grim realities. With the mounting frustration of the poor peasants more and more areas came under the hold of the 'Naxalbari' type movement. The government responded by initiating some land reform measures in the mid-1970s. In spite of the armed resistance by the landlords and repressive measures by the government, the peasants formed several armed groups in many parts of the state and as a result the movement spread over to several districts. It is today strongest in the south Bihar, which, coincidently also happens to be the region where the Kisan Sabha movement of the pre-independence days was at its peak.

**Emerging Class and Land Relations**

The changes in the agrarian relations in post land reform era can be well analysed from conclusions drawn by two studies

(i) 1981-82 ILO-AN Sinha Institute of Social Studies Patna.

(ii) 1999-2000 Institute for Human Development.

The above-mentioned changes in the agrarian socio-economic structure are further corroborated by a survey of 12 villages carried out by the Institute for Human Development, New Delhi during 1999-2000 (the first survey was carried out during 1981-82 by ILO- A N Sinha Institute of Social Studies, Patna). The 1981-82 survey showed that the forward castes were largely big peasants and landlords, while scheduled castes were mostly agricultural labourers. The heterogeneous backward castes were spread across class groupings but each subgroup identified, tended to concentrate in one or more classes. Backward caste I (lower backwards) largely consisted of agricultural labourers and artisan groups. Yadavas and koeris were mainly peasants, especially poor-middle and middle peasants. Two-thirds of kurmis were big peasants and landlords, but 'other backward II' (upper backwards) were widely distributed with a relatively high proportion, largely of non-agriculturists. Muslims were spread across the classes, with the larges concentration (about half) being among non-attached agriculture labour. Thus the interrelationship between caste and class was strong, but it was by no means perfect. This was also true of the relationship between class and landownership as well as caste and the

ownership of land, particularly the former. The latter relationship, though strong, was more diffused with some of the middle castes such as Kurmis possessing large landholdings.

The survey showed that one-third of the agricultural labourers was attached and the rest of them were casual. It was also found that the middle castes, particularly the three numerous dominant castes-Yadav, Koeri and Kurmi – had significantly improved their economic position and had cornered a large portion of the institutional credit. These developments had also affected the pattern of land distribution in the countryside. The loss of land by big peasants and landlords, mostly belonging to upper castes, was largely in favour of the middle castes.

This survey conducted jointly by ILO and A.N.Sinha Institute of Social Sciences (1981-82) revealed that about 36 percent of the rural households leased-in land which was about one-fourth of the total cultivated land and 70 percent of the lease was on crop-sharing basis. About three-fifths of the rural households were indebted to the traditional sources of loan (moneylenders, employers, etc), the corresponding percentages for agricultural labourers and poor middle peasants being more than 80 and 60 respectively. Almost one-third of the agricultural labourers were attached to employers and almost invariably worked for them. Such features of the rural social structure had prompted Prasad to characterize it as 'semi-feudal'.

The results of the survey by Institute of Human Development, New Delhi (1999-2000) show that the trends exhibited by the first survey have intensified over the years more in form than substance. The forward castes are still mostly big peasants and landlords, while scheduled castes are mainly agricultural labourers. Even for other castes, class configurations remain more or less the same. Notwithstanding this broad picture, the agrarian structure and class composition has undergone a significant change. The upward mobility of the middle castes, particularly of the dominant ones, towards higher classes in the hierarchy is clearly evident. The lower middle castes (backward I) have also consolidated their position over the years and a good number of them have risen to the rank of middle peasants. On the other hand, the proportion of big peasants among upper castes has declined and their proportions among landlords and non-agriculturists have increased. A small number of them have also joined the ranks of agricultural

labourers, which did not appear the earlier survey. In general, the proportion of landlord households from other classes has increased in the period between the two surveys reflecting an increased tendency of leasing out of land. A significant increase in the proportion of non-agriculturists is also witnessed. The paradox off the increasing landlordism and an increase in the proportion of non-agriculturists show increasing tendency of 'dis-association' from agriculture in general.

While the accretion to the class of agriculture labour is a manifestation of land alienation from peasant classes, the accretion to the class of landlord is the outcome of land-loss and migration. The upper caste peasants, who have lost their land to the point where the land cannot produce a surplus, find themselves in a dilemma as a member of the upper caste. They can neither meet wage demands nor take to the plough for fear of caste opprobrium. However, in recent years, a significant trend towards ploughing and other menial agricultural activities on the part of poor upper caste males appears to be emerging (although the upper caste women even from very poor families do not venture to work outside the home in their own fields, leave aside in those of others for wages). Hence, they opt for renting out land and migrate. Even the non-cultivating backward castes and scheduled castes that have some land migrate in search of a better future, while educated landowners by and large migrate to seek jobs in urban centers.

The period between the two surveys has witnessed a drastic decline in the proportion of attached labour to less than 10 percent of the total wage labour. Thus, casualisation of wage labour is the dominant trend. The percentage of casual workers to total workforce has increased from 34 percent in 1981-82 to 52 percent in 1999-2000, the increase being mainly at the cost of self-employed and attached labour in agriculture. The casualisation of workers has been most acute among lower middle castes (backward I). In the light of the declining patron-client relationships of different kinds in the labour market, new forms of labour relations are emerging in different districts. Real wages have risen everywhere – from 50 percent to 100 percent in various villages or regions. This has happened mainly because of worker struggles or migration. Another change taking place in the wage system is that time rate payment is giving way to payment by work contract, which is equivalent to piece-rated wage system. In south Bihar this appears to have

emerged in response to wage struggles, while in north Bihar it is the impact of supply and demand factors because of migration.

Because of the emergence of surplus-hungry, rich peasants and landlords on the one hand and the larger proportion of those falling into the class of wage labour in each caste on the other, the political mobilization by the rich took the form of caste-mobilisation. This inevitably stalled to a large extent the mobilization of the wage labourers and poor peasants on the basis of economic interest groups. Since the only source of power of the proletariat and semi-proletariat is their collectivity, the vertical political mobilisation on the basis of caste disempowered them by dividing them and by implication empowered the rich peasants and landlords of each caste. The latter's source of power in money and wealth either remained intact or increased. This disjunction between political mobilization on the basis of class lies at the root of the politico-economic impasse in Bihar, which in turn is manifested in the crisis of governance.

Although in many villages productivity of land has increased and some new crops have also been introduced, by and large changes have been slow. Significantly, the increase in per acre productivity has not kept pace with the increase in population. This has happened mostly in the case of upper castes – their land holdings have increasingly become smaller and a significant proportion of them are facing acute economic hardships. As the local economy has not developed, a large number of them are migrating to other areas in search of any kind of job/employment.

Also, the educated youth, from the families of rich peasants and landlords, failing to find suitable employment in urban areas are forced to return home in the village. The traditional anti-labour ethos that permeates the permanent settlement area (zamindari system) becomes fortified by their education that is divorced from manual labour. Hence, confronted with marginal landholding that cannot generate adequate surplus, they tend to eat into the wages of agricultural labourers. In such a situation, they inevitably react sharply to any wage demands. And then if the workers get organised and militantly assert their rights, their voice is sought to be muzzled with mass killings and terror.

These unemployed educated young men seek to spice up their lives with alcohol and other criminal activities. They use their education in influencing the administration in favour of the villagers on the one hand and mediating with the peasants on behalf of the

politicians, especially during-election time. The latter function may involve booth capturing with the help of firearms. The politicians and administrators then help them with the award of petty contracts.

This development along with the growing agrarian unrest finally results in the development of a culture of crime as a mode of surplus appropriation without any link with production. Such appropriation, only apparently resembles the primitive recent years. It is reported that this has influenced the course of implementation of land reform laws in such areas.

**Most Backward Districts in Bihar**

Attempts to identify the poorest and most backward districts in the country have been made since 1960. One of the most elaborate exercises for the identification of backward districts was conducted in 1997 by a committee of the Government of India's Ministry of Rural Areas and Employment. Headed by EAS Sarma, who was then Principal Advisor to the Planning Commission used a composite method with different weights for parameters such as:

- incidence of poverty
- education
- health
- water supply
- transport and communications, and
- degree of industrialization

The Sarma Committee's list of 100 most backward districts included:

- 38 districts out of 54 from undivided Bihar
- 19 from undivided Madhya Pradesh
- 17 from undivided Uttar Pradesh
- 10 from Maharashtra, and
- a smaller number of districts from other states.

| State | District |
|---|---|
| Bihar | Nalanda |
| | Bhojpur |
| | Araria |

| | |
|---|---|
| | Aurangabad |
| | Jehanabad |
| | Gaya |
| | Nawada |
| | Saran |
| | Siwan |
| | Gopalganj |
| | Paschim Champaran |
| | Purba Champaran |
| | Sitamarhi |
| | Muzaffarpur |
| | Vaishali |
| | Begusarai |
| | Samastipur |
| | Darbhanga |
| | Madhubani |
| | Saharsa |
| | Madhepura |
| | Purnia |
| | Katihar |
| | Khagaria |
| | Munger |
| | Bhagalpur |
| | Kishanganj |
| **Jharkhand** | Godda |
| | Sahibganj |
| | Dumka |
| | Deoghar |
| | Giridh |
| | Hazaribag |
| | Palamu |
| | Lohardaga |
| | Gumla |
| | Pashmi Singhbum |
| | Ranchi |

Non-government experts and organization have also attempted to draw up lists of 'most backward' districts. One comprehensive estimation of district-level deprivation was recently made by Bibek Debroy of the Rajiv Gandhi Institute for Contemporary

Studies, New Delhi, and Laveesh Bhandari of Indicus Anaiytics in 2002. They used six indicators derived from the UN Millennium Development Goals:

- poverty
- hunger
- infant mortality
- immunization, and
- Literacy and elementary school enrolment.

They considered districts which figured in the bottom quarter under four of the six criteria as 'most backward' districts in the country.

The list has 69 districts. Most of them are located in the states of Bihar, Uttar Pradesh, Orissa, and Jharkhand. Other than these states, the 'most backward' only in Arunachal Pradesh, Karnataka, and Madhya Pradesh.

The following districts has been categorized by Debroy and Bhandari as the most backward in Bihar:

| State | District |
|---|---|
| Bihar | Araira |
| | Banka |
| | Begusarai |
| | Darbhangah |
| | Gopalganj |
| | Jamui |
| | Kaimur |
| | Khagaria |
| | Kishanganj |
| | Lakhisarai |
| | Madhepura |
| | Muzaffarpur |
| | Nalanda |
| | Nawada |
| | Paschim Champaran |
| | Purba Champaran |
| | Purnia |
| | Saharsa |
| | Samastipur |
| | Saran |
| | Sheikhpura |
| | Sheohar |

| | |
|---|---|
| | Sitamarhi |
| | Siwan |
| | Supaul |
| | Vaishali |
| **Jharkhand** | Chatra |
| | Dumka |
| | Garhwa |
| | Giridih |
| | Godda |
| | Gumla |
| | Kodarma |
| | Palamu |
| | Paschimi Singhbhum |
| | Sahibganj |

Out of the 69 districts marked by them as the most backward 26 falls in Bihar alone and if we take Bihar and Jharkhand together 36 out of 69 most backward districts will fall in the undivided Bihar.

**Poverty Alleviation Programmes**

The study conducted by ILO and the A N S Institute of Social Studies between 1981 and 1983 in the plains of Bihar throws considerable light on the unsatisfactory working of the poverty alleviation programmes (PAP). If one takes into account the fact that many households do not have an eligible older member, this implies quite a large coverage. However, there were a significant number of beneficiaries among the big peasants and landlords and landed classes who were outside its scope. So the targeting of the poor was far from perfect. About one out of eight of those who cultivate more than 10 acres of land also got the old age pension.

The employment schemes had much less impact, awareness was moderate (33 percent) and mainly concentrated in two districts and in larger peasant and landlord households. Benefits were concentrated in one backward district (about 12 percent) in one village and 5 percent in the second, and although beneficiaries were generally from the lower part of the class hierarchy including middle peasants as well as agricultural labour, they formed only a small part of the sample population as a whole. Its impact was thus almost negligible.

As a matter of fact JRY is the most visible rural development programme in the state. During the last few years the programme has seen expansion in several respects – in terms of funds allocated and utilized as well as mandays of employment generated (Table 6). In 1991-92, 837 lakh mandays of employment were generated, which increased to 1,036 lakh in 1992-93 and further to 1.474 lakh mandays in 1993-94. Achievement of employment generation to targeted employment was 100 percent in 1993-94. In spite of several defects, the programme has made an impact in rural areas in several ways by providing employment, however small; constructing houses for the poor under Indira Awas Yojana; and creating at least some social infrastructure like school building, drainage, etc.

**Govt. Initiatives in Poverty Reduction**

Keeping the magnitude and intensity of poverty, both the central and state governments have initiated many anti poverty programs. These programs can have been three broad categories.

- Rural works programs:

  This aims to ensure income to the poor by providing employment through the creation of new community assets. The largest of all the rural works programs are the Jawahar Rojgar Yojana and Employment Assurance Scheme (E.A.S.). In all the study villages of Bihar, impact of J.R.Y. was clearly visible. In every village, some work has been done. Particularly, in Central Bihar villages, pucca lane inside the village has been constructed on priority basis. Every where, villagers were of the opinion that it had provided employment with enhanced wages but for a very limited period of time and that, for a very small no. of poor living in the village. In some of the villages works have been left unfinished and quality of work is not up to the mark.

- Self- employment programs:

  It aims to provide the poor with income generating assets. The most well-known self-employment anti-poverty program is Integrated Rural Development Program (IRDP). Under this program, assistance is provided to the poor in the form of loan with a component of subsidy to finance assets. The Development of women and

children in rural areas (DWACRA) – a sub-plan of IRDP, specifically targets women. There is another sub plan of the IRDP known as TRYSEM (Training of Rural Youth for self-employment). It provides training in different technical skills to youth.

- Food subsidy/nutrition programs:

  It aims to provide poor with cheap food through the govt. program known as Public Distribution System (PDS). Through fair price shops, Govt. distributes essential commodities like rice wheat, sugar and kerosene. Due to poor delivery system, the poor hardly get any benefit out of it. However, it was found that in all the study villages, a large no. of people living below poverty line (red cardholders) got ten Kg. of foodgrains recently.

**IRDP in Bihar**

IRDP is the most important poverty alleviation programme in the state with a wide coverage; hence we attempt here to discuss its role in poverty alleviation in somewhat greater detail. Before we describe its working, we should note that a programme like IRDP which promotes self-employment as a strategy has relevance for Bihar where the land-man ratio is one of the lowest in the country. A poor land-man ratio will always imply that the scope of increasing wage employment in agriculture is very limited, and thus the promotion of self-employment plays a very crucial role in reducing rural poverty.

**Table 3.5 Result of Evaluation of IRDP in Bihar and Other States in Eastern India-Ministry of Rural Development (MRD) Survey**

| Items of Evaluation | Bihar | Orissa | West Bengal | Assam | India |
|---|---|---|---|---|---|
| 1. Social classification of beneficiaries (per cent) | | | | | |
| Scheduled castes | 29.7 | 20.6 | 23.5 | 8.4 | 28.5 |
| Scheduled Tribes | 13.6 | 26.6 | 4.3 | 23.0 | 16.5 |
| Others | 56.7 | 52.5 | 42.2 | 71.6 | 55.3 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

| | | | | | |
|---|---|---|---|---|---|
| 2. Sectoral Classification of Beneficiaries (Percent) | | | | | |
| Primary | 25.1 | 17.7 | 23.7 | 44.7 | 43.6 |
| Secondary | 15.38 | 28.5 | 34.3 | 10.4 | 11.5 |
| Tertiary | 49.6 | 54.8 | 42.0 | 44.9 | 44.9 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 3. Percentage of Beneficiaries selected through gram sabha | 0.9 | 94.7 | 100.0 | 21.7 | 65.4 |
| 4. Percentage of beneficiaries satisfied with quality of assets provided. | 46.7 | 88.8 | 84.0 | 87.7 | 80.0 |
| 5. Investment (subsidy/credit) per beneficiary (Rs.). | | | | | |
| Primary | 3375 | 3466 | 4383 | 5288 | 4276 |
| Secondary | 3338 | 2236 | 3299 | 5125 | 3631 |
| Tertiary | 4111 | 2833 | 4532 | 5785 | 4512 |
| 6. Percentage of beneficiaries who thought investment was sufficient | 90.3 | 99.2 | 97.3 | 90.3 | 82.9 |
| 7. Percentage of beneficiaries trained under TRYSEM. | 2.5 | 24.3 | 8.1 | 5.3 | 5.1 |
| 8. Percentage of beneficiaries who received Vikas Patrika. | 3.8 | 74.4 | 36.7 | 52.9 | 38.5 |
| 9. Percentage of beneficiaries who had undated Vikas Patrika. | 0.8 | 69.2 | 10.0 | 18.1 | 24.3 |
| 10. Percentage of beneficiaries who reported after care services. | 33.7 | 72.8 | 0.7 | 9.3 | 18.8 |
| 11. Percentage of beneficiaries whose assets are intact. | 67.4 | 72.5 | 72.1 | 75.2 | 71.0 |
| 12. Percentage of beneficiaries crossing poverty line of Rs. 3,500 | 91.3 | 63.9 | 95.7 | 88.3 | 81.0 |
| 13. Percentage of beneficiaries crossing poverty line of Rs. 6,400 | 42.6 | 11.5 | 18.3 | 39.1 | 27.0 |

IRDP was introduced in Bihar during 1978-79 in 310 out of a total of 587 blocks. Initially the concept of IRDP was quite new to both the block officials and the credit agencies; hence in 1978-79 the progress of IRDP was very poor. Out of the total allocation of Rs 1,024 lakh, a bare 19.1 percent of the budgeted amount was utilized. The geographical coverage of IRDP was extended the following year to another 15 blocks,

bringing the total number of covered block under IRDP to 325 in 1979-80. But even in its second year the programme was in its formative stage. A major change in its dimension and thrust was brought about in 1980-81 when under the Sixth Plan (a) its coverage was extended to all the blocks, and (b) financial allocations for the programmes were increased. Significant changes were made in the state development administration to ensure effective implementation of IRDP. The programme was carried over through the Seventh Plan period with even greater emphasis and, by now, it has been operating for about a decade and a half.

The central government (which has planned the whole programme and was bearing half of its cost) was able to impress right up to the district or even block level functionaries that IRDP is a very special programme, different from many other development programmes which had weaker objectives, limited durations or even insufficient financial allocations. It is further interesting to note that the programme has expanded with higher and higher yearly physical targets. As a result the quantum of assistance per capita shows a steady upward trend from Rs.1,090 in 1980-81 to Rs.8,276 in 1997-98.

During 1980-81, when IRDP was extended to all the blocks in Bihar and was made an important part of the Sixth Plan, there were major changes in the development administration in the state, geared to the needs of IRDP. To begin with, the state government announced the formation of District Rural Development Agencies (DRDA) in all the districts. The DRDAs were now made the model agencies for coordinating the activities of all the development departments in the implementation of IRDP. To make the DRDAs powerful and effective, a senior civil service officer (to be called deputy development officer or DDC) was posted who was to relieve the hard pressed district collector of the burden of development administration. The problem of district collectors being overburdened with law and order problems or regular administrative duties is probably even more serious in Bihar, and this bifurcation of routine and development administration was thus a very positive change.

This apart, the planning from below and association of credit agencies in the planning process were two of the most vital strengths of IRDP and were designed to ensure the smooth flow of funds to the programme. The district level agencies assisted by

block level agencies were to identify those portions of the plan which required credit support.

A second important change in the development administration was the expansion of the banking system in the state. Bihar has been one of the most poorly banked states in the country. There has taken place significant branch expansion in rural areas since and mid-1970s. Although there is a considerable gap between Bihar and the national average in banking facilities, the gap has become narrower. This expansion of banks was very crucial because, as mentioned before, the most important factor which placed the IRDP on an improved footing compared to earlier programmes was the well defined role of credit agencies in its implementation.

Two important defects of the implementation of IRDP in Bihar are reflected in the process of selection and quality of assets. In spite of pointed instructions of select beneficiaries through the gram sabhas, officials themselves have selected nearly all the beneficiaries in Bihar. It would, however, be wrong to infer from this that officials had ignored the gram sabhas in Bihar or that they are so thoroughly dominated by the local landlords that officials found it wiser to bypass them. The fact that officials themselves are not efficient or honest is indicated by the quality of assets supplied in Bihar.

**Growth Performance and Poverty Alleviation Programmes**

The very low growth rate in agriculture has been the main factor behind the persistence of poverty on a large scale. Due to the sluggish rate of growth in agriculture, the state, in spite of having some big industries that were established in the 1950s and 1960s, did not experience their spread effects. Bihar, which had achieved an average annual rate of growth of 18 per cent in industrial employment during 1951-61, slid down to 0.7 per cent per year during 1961-81. As discussed earlier, there has been a further retrogression in employment structure since then, particularly since the early 1980s – there has been an absolute decline in secondary sector employment. The primary sector has absorbed this displacement of workers from the secondary sector, and consequently the percentage of workers employed in the primary sector has increased during 1981-91.

There are many factors behind economic stagnation in the state – the exploitative agrarian structure, lack of consolidation of landholdings, poor irrigation and water

management, inadequate credit and extension services, lack of industrial culture, etc. Often, inadequate assistance by the central government and various agencies like banks and other financial institutions are also cited as reasons for the continuing backwardness of Bihar. However, it appears that most of the factors behind the state's backwardness are rooted in the failure of its political leadership and administrative apparatus to take the state along the path of social and economic development. Bihar was able to develop moderately up to the 1960s because the quality of the political leadership and administrative efficiency was reasonably good. It is a widely shared view that the quality of political leadership and administration has deteriorated since then, and at present it is probably at the lowest ebb in the country. No doubt, the state has an acute shortage of investable resources like every poor economy, but the utilization of even these meager resources has been utterly disappointing. In fact, it is widely believed that there has been a plunder of the meager resources of the state on a large scale, affecting its interests much more than other states of India. Though there has been no systematic and detailed documentation of this phenomenon in Bihar, many of the facts clearly point to this.

In Bihar a peculiar brand of political class emerged. These political 'buccaneers' had only one agenda, i.e. to grab political power and corner the maximum funds meant for development. One of the essentials to rise up the political pyramid in the quickest time was to forge links with the crime syndicate. With the passage of time this process has accelerated – the criminalization of politics, politicization of crime and politicization of the bureaucracy have taken place at an alarming rate. The venom of casteism has spread to every walk of life. Almost invariably postings in bureaucracy are done on a caste and money basis, which has seriously affected its moral and efficiency. Almost all the co-operative credit institutions of the state were captured by vested interests, and they were twice superseded by the government. Not to talk of the provision of extension services by co-operative and other institutions, spurious inputs were distributed to the farmers. Many research studies have shown that there is growth of misutilisation and malfunctioning in the distribution of credit, and the marginal and small farmers have been grossly discriminated against. The co-operative movement has served the interests of the strong only (Nilkant and Das) A major section of the bureaucracy is an active collaborator of this loot and political corruption.

This and practice of popular and sectarian politics have led the state to a state of financial bankruptcy. Huge funds are spent on the salaries of the big army of government and semi-government employees. Not only this, due to the inability and inefficiency of the political and bureaucratic system for the last several years, the state has not been able to utilize all the funds allocated to it in the annual plans. Now, for the last three years the State's financial position has been so precarious that even the salaries of the university teachers and other semi-government employees have not been paid for the last several months. The state has been spending without caring to raise enough resources. Consequently, it has witnessed massive reductions in the plan outlays during the last few years. The annual plan of Rs.2,200 crore during 1992-93 was almost halved; the plan outlay during 1993-94 would not be more than Rs.1,200 crore, and it is feared that in 1994-95 it would be further curtailed. Though the lower per capita plan assistance, meager disbursement of funds by financial institutions, irrational royalty policies and other federal transfers are also responsible for the state's financial crisis, the major share of the blame lies with the state government.

Further, there is an acute power crisis in the state. Except Patna, all other places are without power for the major part of the day, seriously affecting agricultural and industrial activities. Capacity utilization of the thermal power plants has been extremely low and losses of the Bihar state electricity board are enormous.

Due to the acute financial crisis and wrong policies and priorities, the development activities in the state, at least so far as the state's development expenditure is concerned, have come almost to a halt.

**Table3.6 Performance of Jawahar Rojgar Yojana**

| | **1991-92** | **92-93** | **93-94** |
|---|---|---|---|
| Funds allocated (Rs. crore) | 335.4 | 446.9 | 482.9 |
| Funds utilized (Rs. crore) | 341.0 | 412.6 | 604.5 |
| *Employment generation (lakh mandays)* | | | |
| Target | 894 | 938 | 1468 |
| Achievement | 837 | 1036 | 1474 |
| Achievement Rate (%) | 93.6 | 110.4 | 100.4 |

Source: CMIE (1994)

Even the funds meant for the central government poverty alleviation schemes like Jawahar Rojgar Yojna (Table 3.6) have been reported to have been diverted temporarily to meet the salaries of its employees, affecting the implementation, in the prevailing acute financial crisis, it is mostly the poverty alleviation programmes like the Integrated Rural Development Programme and Jawahar Rojgar Yojna (JRY) which are somewhat visible in the name of development activities in present day Bihar. Ironically, even such a big financial crisis does not deter the government from setting up new universities and administrative centres (like district, sub-division, block, etc.), which are mainly done due to political and caste considerations. The state has failed on almost all fronts to deliver the goods to the people, particularly the poor.

In the wake of acute poverty and immiseration, the poor of the state, particularly the rural poor, have adopted their own survival strategies and responses. One response is the substantial out-migration of the rural poor to other areas – both rural and urban and inside and outside the state in search of livelihood. As yet another response, the state has witnessed a relatively powerful movement (the so-called extremist or naxalite movement) by the rural poor during the last two decades or so, generating violence and tension.

Such a vulgarization of politics and administration, and the nexus between corrupt politicians, bureaucrats, contractors and criminals, have played havoc with not only the development programmes in general, but also with programmes specifically meant for the benefit of the poor.

**Table 3.7 Awareness of and Benefits from Various Government Policies by Classes**

| | Pension | | Employment Scheme | | Antyodaya | | Schooling Subsidies | | Nutrition Programme | | Land Reform | | Homestead Land | | Maternal and child Health Programme | | Drinking water | | Flood and Drought Relief. | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | H | B | H | B | H | B | H | B | H | B | H | B | H | B | H | B | H | B | H | B |
| ALNT | 94.0 | 26.8 | 31.9 | 1.9 | 6.4 | 0.4 | 20.7 | 4.3 | 20.5 | 2.5 | 21.0 | 0.7 | 30.9 | 3.7 | 8.0 | 0.6 | 42.4 | 33.2 | 40.9 | 6.5 |
| ALT | 89.4 | 25.1 | 36.0 | 5.9 | 8.9 | 0.8 | 19.4 | 0.0 | 17.8 | 0.0 | 19.7 | 3.5 | 21.2 | 1.0 | 0.7 | 0.0 | 40.2 | 30.0 | 30.8 | 3.8 |
| PMP | 83.9 | 27.5 | 22.8 | 2.3 | 6.1 | 0.0 | 17.7 | 0.0 | 12.3 | 0.0 | 11.3 | 0.0 | 12.3 | 0.0 | 1.3 | 0.0 | 27.5 | 9.3 | 27.9 | 0.0 |
| MP | 80.3 | 17.6 | 24.3 | 3.1 | 18.0 | 2.0 | 34.3 | 7.6 | 26.6 | 0.0 | 15.7 | 0.0 | 23.8 | 0.0 | 5.6 | 0.0 | 30.2 | 14.3 | 49.4 | 2.0 |
| BP | 87.3 | 8.1 | 40.8 | 1.0 | 35.0 | 1.7 | 39.8 | 2.5 | 23.8 | 3.0 | 19.6 | 2.9 | 24.8 | 1.0 | 11.7 | 1.0 | 39.9 | 6.4 | 45.0 | 3.4 |
| LLORD | 89.6 | 13.2 | 34.7 | 0.0 | 31.0 | 1.4 | 37.2 | 7.8 | 34.0 | 1.4 | 38.4 | 1.4 | 30.1 | 0.0 | 16.5 | 0.0 | 44.6 | 3.0 | 48.5 | 1.4 |
| MONAG | 79.3 | 25.4 | 28.2 | 0.0 | 11.5 | 0.0 | 22.2 | 1.5 | 20.2 | 0.0 | 23.5 | 0.0 | 21.7 | 0.0 | 8.2 | 0.0 | 28.3 | 5.5 | 30.7 | 0.0 |
| TOTAL | 89.0 | 21.0 | 66.5 | 2.4 | 15.7 | 0.9 | 26.4 | 3.1 | 21.5 | 1.6 | 23.0 | 1.6 | 25.5 | 1.7 | 7.4 | 0.4 | 39.5 | 20.53 | 9.5 | 3.8 |

Notes: H= Heard about the scheme; B= Benefited from the Scheme; ALNT = Agricultural labour, not tied; ALT = Agricultural Labour, tied; PMP = Poor-middle-Peasants; BP = Big Presents; LLORD = Landlords and gentlemen farmers; MONAG = Non-Agricultural, MP= Middle Peasants

Source: Prasad et al (1989).

Table 3.7 shows the awareness about the benefits of various poverty alleviation programmes among various groups in Bihar. The table goes on to show that the actual benefits derived is directly proportional to the size of land holding even though the awareness is high among groups having less land.

There are many factors behind economic stagnation in the state-the exploitative agrarian structure, lack of consolidation of landholdings, poor irrigation and water management, inadequate credit and extension services, lack of industrial culture, etc. Often, inadequate assistance by the central government and various agencies like banks and other financial institutions are also cited as reasons for the continuing backwardness of Bihar. However, it appears that most of the factors behind the state's backwardness are rooted in the failure of its political leadership and administrative apparatus to take the state along the path of social and economic development. Bihar was able to develop moderately up to the 1960s because the quality of the political leadership and administrative efficiency was reasonably good. It is a widely shared view that the quality of political leadership and administration has deteriorated since then, and at present it is probably at the lowest ebb in the country. No doubt, the state has an acute shortage of investable resources like every poor economy, but the utilization of even these meager resources has been utterly disappointing. In fact, it is widely believed that there has been a plunder of the meager resources of the state on a large scale, affecting its interest much more than other states of India. Though there has been of systematic and detailed documentation of this phenomenon in Bihar, many of the facts clearly points to this.

In Bihar a peculiar brand of political class emerged. These political 'buccaneers' had only one agenda, i.e. to grab political power and corner the maximum funds meant for development. One of the essentials to rise up the political pyramid in the quickest time was to forge links with the crime syndicate. With the passage of time this process has accelerated- the criminalization of politics, politicization of crime and politicization of the bureaucracy have taken place at an alarming rate. The venom of casteism has spread to every walk of life. Almost invariably postings in bureaucracy are done on a caste and money basis, which has seriously affected its moral and efficiency. Almost all the co-operative credit institutions of the state were captured by vested interests and they

were twice superseded by the government. Not to talk of the provision of extension services by co-operative and other institutions, spurious inputs were distributed to the farmers. Many research studies have shown that there is gross misutilisation and malfunctioning in the distribution of credit, and the marginal and small farmers have been grossly discriminated against. The co-operative movement has served the interests of the strong only (Nilkant and Das 1979). A major section of the bureaucracy is an active collaborator of this loot and political corruption.

This and practice of popular and sectarian politics have led the state to a state of financial bankruptcy. Huge finds are spent on the salaries of the big army of government and semi-government employees. Not only this, due to the inability and inefficiency of the political and bureaucratic system of the last several years, the state has not been able to utilize all the funds allocated to it in the annual plans. Now, for the last three years the States financial position has been so precarious that even the salaries of the university teachers and other semi-government employees have not been paid for the last several months. The state has been spending without caring to raise enough resources. Consequently, it has witnessed massive reductions in the plan outlays during the last few years. The annual plan of the Rs. 2,200 crore during 1992-93 was almost halved; the plan outlay during the 1993-94 would not be more than Rs. 1,200 crore, and it is feared that in 1994-95 it would be further curtailed. Though the lower per capita plan assistance, meagre disbursement of funds by financial institutions, irrational royalty policies and other federal transfers are also responsible for the state's financial crisis, the major share of the blame lies with the state government.

Further, there is an acute power crisis in the state. Except, Patna, all other places are without power for the major part of the day, seriously affecting agricultural and industrial activities. Capacity utilization of the thermal power plants has been extremely low, and losses of the Bihar state electricity board and enormous.

**Table 3.8: Awareness of and Benefits from various Government Policies by Operational Holding:**

| | Pension | | Employment Scheme | | Antyo-daya | | Schooling Subsidies | | Nutrition Program-me | | Land Reform | | Homestead Land | | Maternal and child Health Program-me | | Drinking water | | Flood and Drought Relief. | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | H | B | H | B | H | B | H | B | H | B | H | B | H | B | H | B | H | B | H | B |
| 1Acre | 89.3 | 26.7 | 33.7 | 3.5 | 8.6 | 0.6 | 19.7 | 2.2 | 18.1 | 1.6 | 18.7 | 1.8 | 25.6 | 2.8 | 5.4 | 0.0 | 40.5 | 27.2 | 36.5 | 5.1 |
| Up to 1 acre | 93.3 | 17.8 | 27.6 | 0.8 | 17.1 | 0.1 | 32.1 | 4.9 | 24.8 | 0.7 | 22.3 | 0.7 | 23.0 | 0.0 | 7.5 | 1.2 | 33.3 | 19.5 | 44.0 | 2.7 |
| Up to 2 acre | 92.3 | 15.9 | 27.1 | 0.0 | 17.6 | 0.0 | 20.9 | 1.2 | 16.9 | 2.7 | 18.1 | 2.7 | 13.3 | 0.0 | 5.6 | 0.0 | 41.4 | 19.7 | 30.7 | 1.4 |
| Up to 5 acre | 85.4 | 14.7 | 41.2 | 2.2 | 29.9 | 0.0 | 38.1 | 3.5 | 26.3 | 1.3 | 32.2 | 0.0 | 28.0 | 0.0 | 11.8 | 0.0 | 41.9 | 8.5 | 49.0 | 1.6 |
| Up to 10 acre | 77.5 | 5.4 | 46.5 | 1.6 | 27.5 | 3.9 | 50.7 | 10.9 | 37.8 | 4.8 | 37.6 | 4.8 | 43.2 | 4.8 | 17.3 | 4.8 | 44.3 | 7.0 | 42.8 | 4.8 |
| More than 10 acre | 79.3 | 11.8 | 22.1 | 0.0 | 28.4 | 4.7 | 24.2 | 1.5 | 23.4 | 0.0 | 38.9 | 4.7 | 21.1 | 0.0 | 7.5 | 0.0 | 33.0 | 0.0 | 32.5 | 4.8 |
| TOTAL | 89.0 | 21.0 | 33.5 | 2.4 | 15.7 | 0.9 | 26.4 | 3.1 | 21.5 | 1.6 | 23.0 | 1.6 | 25.5 | 1.7 | 7.4 | 0.4 | 29.5 | 20.5 | 39.5 | 3.8 |

Source and Index: As in Table 3.8

Table 3.8 shows the benefits derived of various Governmental policies by operational holding. The awareness about various schemes is high among almost all groups of different sizes of operational holding. The actual benefits also differ according to various schemes. The pension scheme is benefited most by persons having less than 1 acre of land. The benefits of Antyodaya scheme is derived most by persons in the land holding size of 10 acres and more. Again drinking water scheme is benefited by persons having less land but the benefits of other schemes such as Schooling subsidies, land reform, flood and drought relief have gone mostly to persons having more than 5 acres of land.

Due to the acute financial crisis and wrong policies and priorities, the development activities in the state, at least so far as the state's development expenditure is concerned, have come almost to a halt. Even the funds meant for the central government poverty alleviation schemes like Jawahar Rojgar Yojana have been reported to have been diverted temporarily to meet the salaries of its employees, affecting the implementation of these schemes. However, with all their defects in design and implementation, in the prevailing acute financial crisis, it is mostly the poverty alleviation programmes like the Integrated Rural Development Programme and Jawahar Rojgar Yojana (JRY) which are somewhat visible in the name of development activities in present day Bihar. Ironically, even such a big financial crisis does not deter the government from setting up new universities and administrative centers (like district, sub-division, block, etc.) which are mainly due to political and caste considerations. The state has failed to almost all fronts to deliver the goods to the people, particularly the poor.

In the wake of acute poverty and misery, the poor of the state, particularly the rural poor, have adopted their own survival strategies and responses. One response is the substantial out-migration of the rural poor to other areas-both rural and urban and inside and outside the state in search of livelihood. As yet another response, the state has witnessed a relatively powerful movement (the so-called extremist or naxalite movement) by the rural; poor during the two decades or so, generating violence and tension.

Such a vulgarization of politics and administration, and the nexus between corrupt politicians, bureaucrats, contractors and criminals, have played havoc with not only the

development programmes in general, but also with programmes specifically meant for the benefit of the poor, Immediately after independence, no major programme for poverty alleviation was launched in the state as such except a few minor welfare programmes for the poor like the old age pension scheme in the mid-1970s. As in other states, schemes like Food for Work, NREP, etc. were also launched. The public distribution system was operative earlier but it coverage was increased since the 1970s. At present the central government-sponsored Integrated Rural Development Programme (IRDP) and JRY are the two most important direct poverty alleviation programmes in the state. But the programmes of old age pension and a few minor welfare programmes are still in operation. There are other programmes like land reforms, public distribution system (PDS), etc., which is not, targeted specifically to t he poor but have relevance for them. It will be interesting to see the overall impact of some programmes and their implications for the poor.

**Islands of Hope**

The overall situation that emerges from the above description is that the efforts of the state towards eradication of poverty have largely failed. In the absence of economic growth, both in agriculture and industry, and unsatisfactory working of various anti-poverty welfare programmes, the plight of the poor has not improved as a whole. The efforts towards poverty alleviation have largely been wasted and gains have been substantially cornered by the non-poor, even in programmes specifically addressed to the poor. However, to be fair, even amidst the general non-performance, the poverty alleviation programmes have had some positive impact. In terms of direct economic gains to the poor also, at least there has been some marginal impact. We had seen earlier that at least two of the policies in the early 1980s – old age pension and drinking water – had reached their targets rather well, albeit with leakages and loopholes. Though JRY and IRDP could have been implemented in a much better way, particularly with regard to the selection of beneficiaries and after care support, at least some marginal gains have accrued to the poor. For the first time, the poor in significant numbers are having banking experiences. These programmes have also indirectly helped the poor by influencing the poor by influencing the rural labour market. Employment generation from IRDP, NREP,

and RLEGP made some contribution to the significant rise of rural wages in the state since the early 1980s. The non-economic gains of these programmes have not been less important. These poverty alleviation programmes, notably JRY and IRDP, have become well known to the rural poor, and their exccution and management have created considerable consciousness among them. The poor have been mobilized in a large number of areas on some issues concerning the programmes like bribe-taking by officials, proper allocations of funds, etc. The rising consciousness and mobilization of the poor have not only contributed to the better execution of these programmes, albeit marginally, but have also created pressures on state policy about the poor. The poor are probably being talked about more in the realm of state policies.

As a matter of fact, the mobilization of the poor on several issues is a significant development and offers some hope amidst the general climate of despair. In the context of the acutely exploitative agrarian structure and impoverishment of the poor, a significant part of the state, particularly the central districts, has been experiencing powerful movements by poor peasants and agricultural labourers, which have led to much bloodshed. Several types of organizations, right from Gandhian to extreme Maoist, are working in the state, and they have been able to mobilize the poor on a large scale not only on such economic issues as minimum wages, land reforms, fishing rights in village ponds, etc, but also on such social rights as the dignity of women. This substantially heightened consciousness of the poor for their cause has partly been aroused by the unsuccessful implementation of the various programmes for bettering their conditions. The accumulated frustrations and anger generated by the gap between their aroused hopes and reality has been an important factor behind the massive mobilization of the poor in a large part of the state.

There are several achievements to the credit of the movements. Undoubtedly they have been able to raise agricultural wages in the areas of their influence. The government machinery has hardly played any positive role in this respect because of collusion between the labour administration and the rich farmers. In about 900 villages in the districts of Bhojpur, Patna, Nalanda, Rohtas, Jehanabad, Aurangabad, Gaya, Siwan, and east and west Champaran, successful wage struggles were launched by the Bihar Pradesh Kisan Sabha (one of the most powerful organizations of poor peasants and agricultural

labourers in Bihar at present), leading to substantial rise in wages. In fact wage struggle has been one of the most important instruments of mobilization of these organizations. Sometimes they have even been mature enough to take into account the element of land productivity while agitating for increased wages. Land reform has been yet another issue on which they have mobilised the poor. If a substantial portion of the surplus land was acquired in Bihar in the mid-1970s, it was largely due to the pressure generated by the movement launched by these organisations. Though the movement to capture "gairma zarua" (common land) and surplus land above the ceiling has led to occasional violence in the countryside, it has also aroused the government from slumber. In many cases not only have these organizations have captured gairma zarua land hitherto occupied by the rural rich, and distributed it among the poor, they have also made provision for irrigation and co-operative farming and in some villages they have produced good results. It is well documented that the sharecroppers organized movement in Madhubani and Champaran, particularly in the former, has done much to give them security of tenure and to raise the tillers share of the produce. Though the better implementation of direct poverty alleviation programmes like IRDP and JRY has not been on the agenda of these organizations, some isolated gains in this direction are also encouraging.

In regard to the role of the administration, it has already been mentioned that the general orientation towards the poor is not one just of indifference but of active opposition. A part of this active opposition is largely dictated by the local land-based vested interests and politicized criminal and lumpen elements; the vulnerability of the administration to corruption makes them even more active opponents of the poor. That the bureaucracy is not handicapped organizationally or in terms of required manpower and the real reason behind its ineffectiveness lies in its social composition and the social milieu within which it functions, is demonstrated by a few of its highly localized success stories. Such successes are generally caused by ultra-enthusiasm on the part of a small group of administrators who decide to implement a programme on a 'mission basis' in rather small area. Mobilization of the rest of the bureaucracy is done by pressure as well as persuasion, and the small size of the project area enables the group to closely monitor the programme. As is expected, even one small positive step by the administration enthuses the expected beneficiaries to take two steps forward and thus it generates a

momentum, ensuring the success of the programme. In recent times, one such successful programme was the digging of several thousand irrigation wells in district Dumka, known as "Jal Hain Jan Hai", changing the agricultural economy to some extent. So massive was the participation of the beneficiaries in the implementation of the programme that they had completely eliminated the middle men or contractors, the most important channel of "leakage" in such programmes. The district administration had launched this scheme after judging the people's perceptions about their needs – the demand for water was made by almost everyone in this dry district. The scheme has been found to be so successful that there has been a tremendous increase in the vegetable production of the district, causing a somewhat significant rise in the incomes and employment opportunities of the poor. It has been claimed that there has been a substantial reduction in the out-migration of labour from the district after launching the scheme. Vested interests like middlemen have tried their best to sabotage the scheme by imposing many hurdles, but an alert administration has been able to surmount many of them. Of course, this scheme pertains to only a limited area, but the potentialities thrown up by it have immense implications and lessons for other parts of the state.

Though the positive impact of the poor peasant and agricultural labourers' movement in improving the lots of the poor and towards better execution of poverty alleviation programmes is limited, it has at least shown the potentialities which may be utilized. In a state where the bureaucracy is inefficient and corrupt, village panchayats were without elections for more than two decades and dominated by the rich and vested interests, and good NGOs are rare, organizations of the prospective beneficiaries may be the only hope for the future.

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**Explanatory Notes**

1. The approach in respective plans and their aim has been derived from Perspective Planning Division (1960-61), (1975-76), publications of the Planning Commission in its Technical note, Reports of the Committee on Distribution of Income and Levels of Living (1969) and Evaluation Report on IRDP by Programme Evaluation Organisation (1985).
2. Survey by ILO and ANS Institute, Patna.
3. The evaluation of IRDP in Bihar has been drawn from a survey covering selected blocks in different districts in Bihar sponsored by Ministry of Rural Development, published as part of the article in EPW Oct.14-21, 1995.

## CHAPTER -IV

# ANTI-POVERTY MOBILISATION: THE ROLE OF POLITICAL PARTIES, GRASS-ROOT MOVEMENTS AND EXTREMIST MOVEMENTS IN BIHAR

Political parties are the arbiters of politics and the nation's fate in a true sense. They exercise enormous influence on public discourse. They drown all other voices literally by the noise levels they generate. They occupy endless newspaper space and radio and television time. They have a direct impact on public policy affecting millions of lives. Their espousal of causes, and as is seen more often, their opposition to policies affects almost all state actions. There may be many organizations espousing causes, contributing to public discourse, or promoting public awareness. But the essential difference between all such organizations and a political party is the absence of desire and effort to acquire power. Organizations other than political parties may seek, and sometimes acquire, influence, but only parties seek, compete for, and acquire power over state apparatus and control over public funds, government bureaucracy and legislative mechanism.(Bal Gopal, 1988).It is unimaginable to think of a liberal democratic society without influential political parties. There is no genuine democracy in which parties do not play a dominant and decisive role in both elections and governance. The well-meaning but somewhat naive attempts of idealists to promote party less democracy have floundered in all countries, including in India.

**The Role of Political Parties**

The heroic efforts and advocacy of Lok Nayak Jayaprakash Narayan for party less democracy is a telling illustration of such an idealistic vision of a democratic society based on free will of individual citizens without the intermediation of political parties. However, such idealism could not withstand the power of organized political parties, and ultimately failed to take off as can be seen from a less-than-happy glimpse of the malaise afflicting our polity, the sickness of political parties has a lot to do with our governance crisis, and the near-collapse of the Indian state. To be fair to Indian political parties, they are not dissimilar to parties elsewhere as far as their basic pursuit of power is concerned.

As Max Weber printed out, "modern forms of party organization are the children of democracy, of mass franchise, of the necessity to woo and to organize the masses, and develop the utmost unity of direction".(Bottomore 1973) Though it is difficult to believe, parties are expected to uphold certain principles and values in public life. Though most of our mainstream political parties have long since forsaken all claims to principled action, their origins are often founded in principle. Parties are also meant to draw the masses into political activity and perform the function of political socialization. The American presidential election campaign and the national conventions of major parties, for instance, seem more like carnivals for political socialization and nation-building, rather than campaign events in the election of public officials. Parties also bring together disparate groups of people and a variety of interests, and perform the function of aggregation of groups and interests. However, Indian political parties are more like 'electoral mechanisms', conforming to Schumpeter's description as a group whose members propose to act in concert in the competitive struggle for political power.(Galbraith 1979). As Anthony Downs described, most members join parties "solely in order to attain the income, prestige and power which come from being in office. They treat policies purely as a means to attainment of their private ends, which they can reach only by being elected."(Rogers and Rogers 2002). In this mercantile approach to politics party labels are merely incidental, and there is little to distinguish most of the mainstream parties. A few parties indeed have been exceptions to this norm, and have steadfastly stood for their principles and goals. However, increasingly the lure of pelf, privilege, and patronage is too strong to resist even for some communists, as witnessed in States like Bihar, and the Bharatiya Janata Party, as witnessed increasingly in many States, most notably in Uttar Pradesh.

We as a people have an abiding and legitimate interest in the affairs of parties. As we have seen, parties are by no means private clubs looking after their personal interest. they are the engines of democracy and instruments of governance in society. They seek and acquire power over us, and in reality have effective and unbreakable monopoly over power. The power of the party cartels cannot be checked by forming new parties. Experience everywhere shows that the hope of new parties emerging and spawning a new culture rejuvenating the political process is a pipe dream. From this bird's eye view of

Indian political parties it is clear that we, as a people, have stakes in their functioning and future. The moment they seek power over us, and control over state apparatus, they forfeit their claim to immunity from public scrutiny and state regulation based on reasonable restraints. This is particularly true in a climate in which they have proved to be utterly irresponsible, unaccountable and autocratic, perpetuating individual control over levers of power and political organization, entirely for personal aggrandizement, pelf and privilege. Therefore, in a deep sense, the crisis in political parties is a national crisis, and has to be resolved by a national effort. At the macro level, when we examine a whole State or the country, the electoral verdicts broadly reflect public opinion. More often than not, this verdict is a reflection of people's anger and frustration, and is manifested in the rejection vote, rather than their support to a platform. However, at the local level, caste, sub-caste, money, muscle power and crime have become the new determinants of power. All parties are compelled to put up candidates who can muster these resources in abundance in order to have a realistic chance of success. While political waves are perceived around the time of election, or often in hind sight after the polls, at the time of nomination of candidates all parties are uncertain of victory, and would naturally try to maximize their chances of success at the hustings by nominating those candidates who can somehow manipulate or coerce the voters. As a net result, the elections are rigged by the parties well in advance of polls, even by the time of nomination of candidates. No matter which party wins in the fraudulent and farcical elections that follow, the people end up being the real losers. This is followed by another rejection vote in the next election, and the vicious cycle keeps repeating. Where the candidate cannot muster money and muscle power, he stands little change of getting elected irrespective of his party's electoral fortunes. Increasingly in several pockets of the country, people are spared even the bother of having to go to the polling station. Organised booth-capturing and rigging are ensuring victory without people's involvement.

**Historical Process of Emergence of Elites in Bihar**

The initial emergence of the elites owed its origin to the patterns of landholding as they were settled during the British period. The colonial rulers introduced several patterns

of land settlements across India keeping in view the prevailing local conditions. In the Permanent Settlement areas, the dominant classes in the rural areas known as the *zamindars* were recognized as the intermediary between the state and the vast majority of the peasantry and given the right to collect revenue on behalf of the state. For them to act as efficient revenue collectors, *zamindars* were also invested with quasi-judicial powers. n the *Ryotwari* areas, the *Ryots* (tenant cultivators) were in direct relationship with the state. The pattern of land settlement in Bihar was less complicated, since the entire region was covered by the Permanent Settlement.

In an already caste - divided society, the stratification of the peasantry also ran along caste lines, further reinforcing cast contradictions. The *zamindars* in Bihar and *Jagirdars* and other rural notables invariably belonged to the upper castes and majority of the small farmers came from the intermediate caste groups. Bulk of the marginal and landless labourers came from the lowest caste groups. There were mainly two groups that used to monopolise the agrarian society in most parts of North India. The first group comprised the big landowners who were also in amicable terms with the colonial state and ruled over rest of the agrarian society in a resolute manner. The other group, the *baniyas*, constituted of the people who were concerned with the commercial aspects of agriculture — grain trading and rural credit market.

The power of *zamindars* in Bihar to collect revenue also enabled them to function as moneylenders. The *baniyas* as a result could never emerge as a strong class in the countryside of Bihar. This had important repercussion for the future. The landholding class in Bihar, primarily comprising of the upper castes, increased its hold over the Congress and the *baniyas* were practically absent as an elite component.

In spite of the iron-fist hold of the status-quoits power, Indian society has always been a transforming one. The non-Brahmin movement of the South India was the earliest indicator of this transformation. Such transformations also meant emergence of new social groups, whose aspirations varied from countering the hegemony of the erstwhile dominant groups to getting inducted in the existing power structure. The Congress party, as Myron Weiner has convincingly shown, had instituted very early an 'open elite system', permitting 'aspiring social groups to gain a share of power within the party'. The Congress leaders accommodated the demand for power by aspiring groups because of the

party's endemic factionalism: the groups which were locked in such struggles willingly included emergent leaders from rising social groups in order to reinforce their own position.(Prasad 1983). But this political pattern was true of south India. In North India, on the other hand, as Jeffrelot has argued, this tendency of inclusion of new groups in the political system has been noticeably weak because of three factors. First, the high concentration of upper castes in North India in contrast to South India.

Secondly, the greater proximity of caste system in the Hindi belt to the *varna* model; in the South, the twice born are seldom 'complete' since the warrior and merchant castes are often absent or poorly represented.

Thirdly, the North-South contrast is also attributable to the kind of land settlement that the British had introduced in these two areas. As indicated above, while the *zamindari* system prevailed in North India, the *Rayatwari* system was more systematically implemented in the South. The former ossified the social hierarchy, whereas the latter was more conducive to some form of social equality. The two phenomena — the policy of land settlement and the caste structure — had a cumulative effect in the North since the *zamindars* were often people of higher caste. This agrarian elite's dominant role was also reinforced because the British thought of its members as forming 'natural leaders', considered them to be their most reliable supporters. Jaffrelot thus argues that the demographic weight of the upper castes and their role in the local power structure prepared the ground for the development of conservative ideologies and the establishment of the Congress's clientalistic politics.(Das 2002). The above thesis of Jeffrelot and the innumerable examples he has cited to substantiate it, undoubtedly provide useful insights in the politics of North India. Impetus for change in this part of India has primarily come from the affirmative actions of the state through the policy of reservations for the backward classes; over the years, this has resulted in a process of what he calls 'silent revolution'. His treatment of the entire Hindi belt as a single category, however, obscures the variations within the region which are often significant. Dalits have been exercising power in UP first in alliance and subsequently, alternatively. The process itself has resulted in transforming the very nature of 'main contradiction' in the society.

From the conflict between the upper and backward castes, the social attention is now centered on a conflict between the affluent OBCs and the Dalits. On the other hand, because of the strong tradition of Socialist and Communist movement associated with the upsurge of the backward caste-classes right from the stage of its inception in the first place, and later due to the emergence of Naxalism (radical left) which enjoys the support of the lower caste-classes, Bihar has managed to retain some degree of cohesion between the OBCs and the Dalits. A look at the 'chronology of massacres' in the rural south Bihar shows (as has been pointed out by Gail Omvedt) that only a few incidents show the 'backward castes' or 'upper backwards' being involved in attacks on SCs —11 out of 90 incidents (plus another 8 cases including those of party cadres) which clearly indicate retaliation against the higher castes. This means that roughly only about 10 percent of attacks, involved the 'upper backwards' attacking Dalits. These data contradict an argument frequently heard now that the 'main contradiction' is necessarily now between 'affluent OBCs' and the dalits. It may appear so in some places it is not true in Bihar. The ML (Marxist Leninist) movement in Bihar seems, whatever its other flaws, to have achieved some unity among ex- Shudras and Dalits."(Das 2002).

**Elites in Bihar**

To comprehend fully what lies behind this relative cohesion between the backwards and the Dalits in Bihar as compared to other parts of North India, one has to focus on historical features of a predominantly agrarian society. First, as mentioned above, Bihar was part of the Permanent Settlement area where *Zamindars* were invested with the power of revenue collection by the colonial state. In the initial stages, the *zamindars* also functioned as the judiciary in the rural areas. For dispensing the two functions, the *zamindars* maintained a huge retinue of armed people. Stories of their past atrocities are still abounding in the rural areas, as are the instances of atrocities by them in the present times. As far back as 1930s, the Bihar Pradesh Kisan Sabha, the premier radical left organizations of the peasants, had listed more than forty types of atrocities and levies that zamindars would unleash on the mass of the peasantry. The conditions of extreme oppression that the *zamindars* had unleashed in the countryside created a fertile ground for the tenant section of the peasantry to retaliate. Bulk of the section of the

peasantry who rebelled comprised of the OBCs It is an irony that the man who first led the organized struggle of the peasants in Bihar, Swami Shahjanand, himself belonged to the Bhumihar caste, a powerful component of the upper castes in Bihar.

The struggle of the peasants finally led to abolition of *zamindari*; however, what is noteworthy in this entire process is that, while on the economic front a broad coalition was formed between the tenant section of the Bhumihars and the OBCs, this coalition could not persist for long when the social aspirations of the OBCs cropped up. Airing of social aspirations by the OBCs finally led to the formation of Triveni Sangh — the political platform of the Kurmi, Koeris and the Yadavs, the main upper middle caste of Bihar. This departure was actually the beginning of an era of politics based on social identity.[8] It provided an alternative political platform, independent of the Congress and the Hindu Mahasabha, both of which were dominated by the erstwhile landlord section and other upper caste rural and urban gentry. Thus whereas the vernacular elite, (the social group mainly from OBCs who spearheaded the green revolution) in other parts of North India rose within the parameters of Congress or the Mahasabha, in Bihar they were able to carve out an independent niche for themselves from a very early stage.

The other significant factor associated with the upsurge of OBCs in Bihar is that their relative independence from upper caste-class hegemony had clear underpinnings of socialist movement. During crucial moments of their struggle against the upper caste-class, this factor has enabled them to put aside their caste feeling to forge a coalition with lower backwards and Dalits. Broad contours of this coalition had started appearing during the Chief Ministership of Karpoori Thakur who belonged to Nai (barber) caste, an extremely backward one. He is still remembered for implementing the Mungeri Lal Commission Report in 1978 that provided reservation for the backward castes in general and lower backwards in particular in government jobs. It, however, finally fructified during the time of Laloo Prasad Yadav.

The left radical movement in south Bihar, in spite of its several limitations, greatly assisted in the rise of the backwards in the political arena, by mobilizing people belonging to the lower caste-classes cutting across the caste barrier at the middle and lower end of the society, in their struggle against the atrocities by erstwhile *zamindars* and other landholders. In this sense of the presence of a strong component of class

identity in anti – feudal social mobilization, Bihar is distinct from rest of the areas in the Hindi belt.

The initial rise of the vernacular elite and its subsequent transition to the emergence of the 'cockney' elite are also attributable to this class identity. (Gupta 2000). The term 'cockney' can thus be defined as a convergence point of the 'vernacular' and the 'subaltern'. Both in Bihar as elsewhere in the Hindi Heartland, there are a number of contradictions between the two segments; however, a tradition of struggle within the general purview of class contradictions has enabled them to forge a political alliance to counter and sometimes even to marginalize the upper caste-class discourse. It is not a coincidence then that inspite of belonging to the Yadav caste; Laloo Prasad does not enjoy the political support of the better off section of the vernacular elites, some of whom are indeed Yadavs. In contrast to the 'vernacular' or the agro-capitalist backward castes who became upwardly mobile in the post Green Revolution period, Laloo Prasad is the leader of groups who are at the fringe or even outside the market structure. For all these people, security of life and livelihood is the prime issue; development as understood by the rest of the society (including the vernacular elite or the emerging agro - capitalist) is mere rhetoric for them. It is they who form the social base of radical movements in South Bihar.

The noticeable feature about the emergence of the 'cockney elite' in Bihar is that their rise is not due to economic leap like that of Kammas in Andhra Pradesh or Jats in north-west India; their preeminent position is because of their numerical strength which has been (i.e., after the emergence of Laloo Prasad) translated into electoral strength. The political developments in Bihar since the nineties, therefore, actually indicate how social issues combined with electoral empowerment can create an unprecedented power structure. No where in the country, other than Bihar, could this new social segment is imagined to be on the helm of power vis-à-vis democracy. The threat of a crisis or the problem of governance here seems to be that this new political mobilization has not taken up multi-class/caste sub-national agenda of economic development. But singling out the cockney element represented by Laloo Prasad for non-development in the state however would be an unfair criticism. Economic development or more precisely the development of urban economy was never in the agenda of the traditional elites in Bihar because of the

quasi-feudal set-up in which they operated. The size of the market in Bihar was and remains much smaller as compared to other areas in the Hindi heartland. (Gupta 2000) Consequently, some section of the traditional elite, like the banaiyas (traders), who had the option of raising their economic status through operating in the urban economy, never really burgeon in Bihar.

Moreover, the political emergence of the 'cockney' as the holder of the political power, with their social agenda completely overshadowing the usual goals of economic development, created a wide disjuncture between the legislature and the bureaucracy. While there is no dearth of politicians from this segment, the bureaucracy is still controlled by the traditional elites. This disjuncture between the legislature and the bureaucracy is no less responsible for the absence of 'good governance' in the state.

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It is unimaginable to think of a liberal democratic society without influential political parties. There is no genuine democracy in which parties do not play a dominant and decisive role in both elections and governance. The well-meaning but somewhat naive attempts of idealists to promote party less democracy have floundered in all countries, including in India. The heroic efforts and advocacy of Lok Nayak Jayaprakash Narayan for party less democracy are a telling illustration of such an idealistic vision of a democratic society based on free will of individual citizens without the intermediation of political parties. However, such idealism could not withstand the power of organized

political parties, and ultimately failed to take off as can be seen from a less-than-happy glimpse of the malaise afflicting our polity; the sickness of political parties has a lot to do with our governance crisis, and the near-collapse of the Indian state.

To be fair to Indian political parties, they are not dissimilar to parties elsewhere as far as their basic pursuit of power is concerned. As Max Weber printed out, "modern forms of party organization are the children of democracy, of mass franchise, of the necessity to woo and to organize the masses, and develop the utmost unity of direction." Though it is difficult to believe, parties are expected to uphold certain principles and values in public life. Though most of our mainstream political parties have long since forsaken all claims to principled action, their origins are often founded in principle. Parties are also meant to draw the masses into political activity and perform the function of political socialization. Parties also bring together disparate groups of people and a variety of interests, and perform the function of aggregation of groups and interests.

From this bird's eye view of Indian political parties, it is clear that we, as a people, have stakes in their functioning and future. The moment they seek power over us, and control over state apparatus, they forfeit their claim to immunity from public scrutiny and state regulation based on reasonable restraints. This is particularly true in a climate in which they have proved to be utterly irresponsible, unaccountable and autocratic, perpetuating individual control over levers of power and political organization, entirely for personal aggrandizement, pelf and privilege. Therefore, in a deep sense, the crisis in political parties is a national crisis, and has to be resolved by a national effort.

Gramsci saw political parties essentially as vehicles of class interests; often in the case of formations representing the bourgeoisie, the interests of different fractions of the same class. In India the mass of the peasantry and the rural proletariat along with the unorganized industrial working class has never been represented by *any political* formation in spite the rhetoric deployed by the main political parties. They have been affiliated in one way or the other to these parties, true; but they have not been *represented* by them if representation is defined as a programmatic expression of class interests articulated wherever and whenever possible in action. The organized left, the CPI and the CPI (M), represented these sections briefly in two different corners of the country before adapting to the roomy cage of liberal democracy. The parties and movements of the

extreme left are small and scattered, occupying no more than enclaves that they've succeeded in maintaining. Frequently their struggles, as in Bihar, represent the only organized resistance by the rural proletariat to the grinding oppression of the social structure; but sectarianism, a policy of destructive and random violence and overwhelming state power precludes any linking up or establishment of a truly radical, truly national party.

The internal divisions in Indian society, however permeable in different contexts, (and not just those of caste) have maintained the political equilibrium that was built up during the course of the anti colonial struggle and fructified in the decades after independence. For in the political framework of liberal democracy based on universal suffrage their consent had in some measure to be won and, more importantly, mobilized into votes in the electoral arena. The political field was, and is, divided into parties that taken together express the interests of the bourgeoisie. This is even more obvious now than in the fifties and sixties that all the major political parties, whether national or regional, adhere to a roughly identical economic programme – the Congress initiated the economic 'liberalization' of the 1990s; the BJP, supported by parties like the TDP and the BJD, is carried it forward.

The consent, willing and unwilling, of sections of lower castes and tribal groups to this arrangement, and their electoral mobilization, was won by two methods. One was the contradiction between rhetoric and program which is a more or less essential feature of political discourse in the framework of *any* bourgeois democracy. The Congress rhetoric of land reform before and after 1947 is an outstanding example; so were such inchoate but potent slogans as Garibi Hatao. This tactic developed in sophistication till nowadays it nearly approaches the European model: generalizations and promises emptied of any programmatic content. Nationalism, always an effectively vague hot button, has now been yoked to religion by the BJP producing a cocktail designed to drown out alternative political discourse. This effectiveness of this tactic is only partly explainable by the lack of alternative representations: the historic weakness of the Indian left is due less to objective factors (the fissions of caste society which as we shall see make purely class organization difficult) than to its ideological and organizational weaknesses. But it was also aided by concrete events.

## BACKGROUND OF AGRARIAN UNREST IN RURAL BIHAR

The agricultural sector of the economy, by and large, is characterized by the semi-feudal aspect of the existing mode of production, wherein the direct producer's households can be categorized in three classes as follows. There are those who either cultivate land mainly with the help of their family labour to the other cultivating classes or merely supply labour to the other cultivating classes. These are the poor peasants (inclusive of the landless ones). Another category consists of those who are self-employed in agriculture, cultivating land mainly with the help of their family labour. They are middle peasants. The third category is that of rich peasants who are self-employed in agriculture, cultivating land mainly with the help of labour from outside their own family but also supplying manual labour to their own agriculture. Some of the poor peasants own some cultivable land. Quite a significant number lease-in land mostly on crop-sharing basis, but in some cases on terms requiring payment in cash or labour services or both. But there are others who do not own even homestead land. A sizeable section is landless.

The bulk of the poor peasant households are deficit ones in the sense that their bare minimum consumption expenditures exceed their incomes. This forces them to take consumption loans from the land-lords and the rich peasants. The stipulated rates of interest on these loans are sometimes very high. Leave aside the principle, even the full payment of interest is beyond their means. The creditors, however, do not always insist on full payment even in the long run. More often they force the debtors to sell their assets (mostly land) to them but rarely for complete discharge of the debt obligation. They use this debt obligation to force upon the poor peasants an informal bondage and, therefore, a system of unequal exchanges thereby deriving enormous economic benefits such as cheap and assured labour, better terms for leasing-out land, acquiring poor peasants' land at a very cheap rate, benefits obtained through what is commonly known as "distress sales". The informal bondage is also enforced by leasing-out tiny bits of land and providing homestead lands to the poor peasants.

The enormous economic power which gets concentrated in the process in the hands of the landlords and the rich peasants makes them politically powerful and thus

allows them to dominate over the social and economic activities in the area. They claim the bulk of the benefits that flows in the area in the name of developmental activities of the government. They pay less to the poor peasants than what is legally due to them It is so clearly reflected in the poor peasants invariably earning less at the place of the person from whom he regularly gets consumption loans or from whom he leases-in land or obtains some dwelling space, than at other places for the same kind of work, even when at the latter place the rate of payment remains less than the legally stipulated rates. It is no wonder that landlord and the rich peasant classes shun rapid development in the area because it is likely to improve the economic condition of the poor peasants who can thereby free themselves from the bondage.

It was against this objective condition of coercive set-up of semi-slave living for the vast mass of people, when the social consciousness of the poor peasants was aroused, one found the eruption of movements by the poor peasants after the mid-sixties of this century in some parts of rural Bihar. Though as a class they were altogether different than the peasant movements of earlier days in Bihar, amongst themselves also they were not all alike. They did not always follow the same strategy and tactics. They generated different levels of spontaneity and people's participation and, therefore, they progressed differently. Militancy however was common to all such struggles.

## HISTORY OF AGRARIAN MOBILISATION

In colonial India, the dominant form of the agrarian struggle was launched by the 'Kisan Sabha'. The organisation acquired all Bihar status in 1929 Bihar Pradesh Kisan Sabha (B.P.K.S.) and all India body by 1936 All India Kisan Sabha (A.I.K.S.). Swami Sahajanand Saraswati emerged as an undisputed leader of Sabha. The permanent settlement and its consequences created fertile ground, and the tenants provided explosive manpower which was channelised by the Kisan Sabha.

In Bihar, the BPKS from its inception was deeply involved in mass movements. Its very formation in 1929 was marked by the dropping of the proposed tenancy amendment. Some of the famous struggles of the BPKS were the agitation it launched against the Tenancy Bill in 1933, the joint peasant-worker struggle against the Dalmia Sugar factory at Bihta in 1938-39, and the Bakasht movement during 1936-38.

Agrarian struggle, under the Kisan Sabha was at its peak in the couple of years before and after 1947. Taccavi loan issue, minimum wage struggles and canal-rent, were some of the issues which rocked the post-independence agrarian society. 'Canal-rate anti-enhancement movement' led to the formation of United Kisan Sabha (UKS) which included different peasant organizations under its fold. Their effort was one step forward, but only to be followed by two steps back.

Political scenario of independent India was not only changing very fast, but Zamindari abolition, impending land reforms and planned economic development offered new opportunities. The CPI came overground to participate in 1952 General Election. Jai Prakash Narayan and his associates got involved in social uplifitment programmes. Lohiaites retained their militant posture, but only in the electoral politics. Most of the militant and agrarian movements came to an end by 1955. The AIKS rank-and-file got involved in electoral politics and withdrew themselves from the original field. Membership of the AIKS came down drastically from more than a lac in 1955 to mere 5000 by 1957. The peasants were completely demoralized. Even Sahajanad Saraswati later confessed that the Sabha was being used by the middle and big cultivators for their own selfish ends.

However, the Kisan Sabha did not take note of the contradiction between Kisans (Sudra peasants) and Mazdoors (Dalit field workers). The demand was 'land to the tenants' rather that 'land to the tillers'. Thus, the Mazdoors did not derive benefit from the Zamindari abolition. However, due to narrow end and partial demand, the Kisan Sabha sank into stagnation after Zamindari abolition.

The period between 1969-70 witnessed the emergence of guerrilla actions and individual annihilations. The Maoist advocated that guerrilla warfare alone can unleash the explosive revolutionary energy and initiative of the Indian people and can expand the area of the struggle. They equated individual annihilation with that of class struggle. Further, there was hardly any place for united front, mass organization and struggle on economic issues in the programme of the CPI (ML). However, excessive dependence on annihilation was easy to implement, even two people could do it. But no mass base could be created through this strategy. Hence, due to above strategical mistakes and naked state repression the Girijan movement came to its shattering point by the middle of 1970.

The Communist revolutionaries extended their sway in north Bihar and Chotanagpur region, under the guidance of the All India Coordination Committee of Communist Revolutionaries (AICCCR). Under the banner of the Kisan Sangram Samiti (KSS), the first Maoist activism was reported at a village called Ganpur in Musahari block of Muzaffarpur district in April 1968. This was followed by a phase of intense organization and preparation by the Communist activists for future armed clashes. When the state directly intervened with force, the leaders changed their tactics of the movement from open confrontation to 'guerilla warfare'. With the change in tactics the struggle assumed some sort of sharpness and uniformity. In response to the police attacks, the revolutionaries stepped up their 'annihilation campaign.' The landlords and moneylenders continued to be the targets of this campaign.

The seeds of the Naxalite movement in Bihar was sown as early as 1967 in village Ekwari in the Sahar Block of the Bhojpur district. During the last thirty five years, the movement has engulfed large number of districts in Bihar and Jharkhand. The area most affected by the movement is the region known as central Bihar which is flanked by the Ganges in the north and the Chotanagpur plateau in the south. Some districts in northern Jharkhand have also been troubled by Naxalite activity in a big way. The hills and the forests of the old Hazaribag and Palamu districts provide a safe haven for Naxalite outfits. In many areas the writ of these outfits supercedes that of the state government and these are hailed as liberated zones.

Central Bihar in which Naxalism grew very fast is the home of 2.70 crores of people comprising 33% of the state's population. It has a population density of nearly 780 persons per square kilometer. The area comprises 14 districts viz Patna, Gaya, Nalanda, Jahanabad, Aurangabad, Nawada, Rohtas, Bhojpur, Buxar, Munger, Jamui, Shaikhpura and Lakhisarai. Its literacy percentage is 54.66 which is higher than that of the state average of 47.53. This is largely an agricultural area as about 80% of the workers are engaged in agriculture. There is a strong persistence of feudal production relations. Part of this area is irrigated by the old Sone canal system, which is in a partially dilapidated condition. The area also covers six drought prone districts of the state. The rate of growth of agricultural production has remained lower than that of the population resulting in falling per capita income in the rural areas. This has led to the intensification

of exploitation. The crisis of no development and stagnation in the agricultural economy has generated the poor peasants movement and violent conflict in the late sixties. In some pockets small groups of middle and rich farmers have begun using the new agricultural technology after the introduction of intensive agricultural development strategy in early sixties. This has accelerated income disparities and adds fuel to the fire in strife-torn society.

**Socio-economic and Cultural Roots of Agrarian Conflicts**

The origin of agrarian conflict in colonial India can be traced back to the consequences of the Permanent settlement of 1793. The impoverishment of agriculturists and the increase in usury and exploitation by the Zamindars gave rise to rising tension and discontent. In the thirties the peasant mobilization against landlordism had started. Central Bihar was the main area of activity of the Kisan Sabha. The Condition of poor peasants did not improve visibly after the abolition of Zamindari. Agrarian crisis deepened on account of Bihar famine of 1966 - 67. This was accompanied by the intensification of socio-economic exploitation.

Central Bihar provided a fertile ground as it has a long history of peasant mobilization, peasant movement and political awakening. The movement began in village Ekwari. It was promoted by a simple school teacher who was deeply influenced by the Naxalite ideology. The movement was based on the understanding that peasantry comprising rural labourers and sub tenants including share croppers are in antagonistic contradiction with the ruling class consisting of landlord cum rich peasants. Naxalism believed that India, being a predominantly agrarian society, agrarian revolution can be a vanguard of total liberation.

The movement in central Bihar has witnessed many ups and downs but has been expanded. Different groups of Naxalites have faced repression which has resulted in doctrinaire controversies and debates and sometimes splits. There have also been attempts to bring about some unity. There are now three big groups operating in the area namely CPI(ML) Party Unity with Mazdoor Kisan Sangram Samiti (M.K.S.S.) on their agrarian organization, CPI(ML) - Liberation and Maoist Coordination Centre (M.C.C.). The MCC was an attempt to forge unity among numerous groups, some open, some semi-

open and secret. Compared to other parts of Bihar, the performance of central Bihar is better on the basis of some agricultural indicators. Land distribution is far less skewed; sharecropping is much lower, distribution of surplus land is better than other parts of the state. The problems of indebtedness and bondage are relatively less. The percentage of gross irrigated area to gross cropped area is 51% in central Bihar compared to 26% in north Bihar. However, the percentage of Scheduled castes in this region is considerably higher than in other parts of the state. The higher rate of literacy has accentuated the feeling of comparative deprivation. Added to this is the legacy of peasant resistance accompanied by higher consciousness on the part of the poor peasantry for their rights.

Caste identity like other primordial identities has operated as a drag on the emergence of Class-consciousness and Class struggle. In Central Bihar Caste was an important rallying point in the context of feudal contests and conflicts. However, in certain situations there is class-caste convergence. In this area, the bulk of the poor middle peasants and a significant portion of the poor peasants are share-croppers. One third of the rural population is dominated by upper castes followed by upper backward castes like Yadav, Kurmi and Koeri. It is not surprising that the class struggle looks like a caste struggle. Sometimes the conflict is between the forward and the backward caste and sometimes between backward and scheduled caste.

The increase in land values and the rising population pressure on land motivated rich peasants to evict tenants from the occupancy holdings on one pretext or the other and settle with other tenants at higher rent. Such social oppression of the agricultural labourers and poor peasants also contributed a great deal to the growth of Naxalism in this area. The problem of social exploitation forced the tenant cultivators of the backward castes to float Triveni Sangh in the thirties for taking vengeance against upper caste tyranny like rape and social ostracism. It is significant that Kisan Sabha under the leadership of Swami Sahajanand Saraswati could not assume the character of a multi-caste socio-cultural movement. All the different Naxalite groups treat the question of social emancipation with utmost importance.

In contrast to the soft culture of north Bihar, Central Bihar is distinguished by a touch of brashness in its culture. It is deeply associated with physical prowess and manliness. This is expressed through social behaviour and language. Even in Moghul

times Bhojpur was one of the important centres for recruitment in the army. In East India Company large number of sepoys hailed from Bhojpur. It is no wonder that most of the private armies for defending the rights of landlords were floated in this area.

A survey carried out by the A. N. Sinha Institute of Social Studies, Patna in six villages of Bhojpur district revealed that the emergence of Naxalism in this area could be attributed to the brutal oppression of low caste landless agricultural labourers and sexual exploitation of women folk by upper caste landholders. Before the onset of Naxalism rape of lower caste women used to cause much anguish among the lower castes. But they could not do anything about it. The Chamars and the Mushars were the victims of such atrocities. Gross poverty, humiliation and oppression inflicted upon half of the rural population by a minority of rich landowners and moneylenders caused them to join the ranks of Naxalites. This question came to be raised through the grave concern about '*Izzat*'(dignity) of the oppressed people. By joining the ranks of left wing extremists the anguished poor peasants had an opportunity of retaliating against the wrongs done to them by the oppressor.

This region has been known for the existence of bonded labour known as 'kamiya'. As observed by Lal : "*the position of a bondsmen is lower than those that are only provided the minimum necessity of life like food and clothing. Their position is worse than that of the medieval serf who on accepting servile status was entitled to a fixed quantity of food grain which would have kept him alive. His condition is precarious when the master has no work for him. The bondsman lives on starvation diet."(Lal 1994).* The bonded labour is treated as a commodity. As late as in 1974 there is evidence of their sale and purchase in Gaya district. The price of bonded labour is determined by his age and his reputation for steady work. The life of the *Banihar* (landless agricultural labourer) is controlled both on the agricultural field and outside. He is not permitted to sit on charpoys outside his house in the presence of high caste landlords. In the eyes of the employer, this Dalit labourer is an object, a pair of hands that will tirelessly plough the land, an outsider to the civilized order who is condemned to inhabit the fringes of the village. The fact that his wife and daughters are not his own is brought home to him by the sexual tyranny of the goons of the landlord or the debauched scions of the family. One of the main reasons for the emergence of extremism is the erosion of dignity of the

down trodden. The suppressed sexual hunger of the dominant class often finds unrestricted outlet among the women from the poor lower caste notably Chamars and Musahars.(Das 1992).

The agrarian structure in most parts of central Bihar just before the zamindari abolition was characterised by landlords from two militant upper castes - Bhumihars and Rajputs followed by occupancy *ryots* and new land holders mainly from Muslim castes and non-occupancy *ryots* from backward castes. The Harijan and poor backward castes comprise the agricultural labourer class. With the abolition of Zamindari, most of the cultivating peasantry got titles to the land. This led to the emergence of middle and rich peasantry from backward castes. The increasing assertion of backward caste tenants after zamindari abolition led to a considerable decline in '*begar*' or unpaid labour and also in the wage rate of this region. The emergence of backward caste peasantry as a dominant force and militant mass mobilization of the poor led many of the higher caste landholders to quit rural areas and settle in towns. In many cases lands were bought by middle and rich backward caste peasants. In most areas, the Kurmi and the Yadav replaced the high caste. This emerging agrarian class was more exploiting and reactionary. Class was pushed back and caste alliances emerged. The radical mass mobilization of rich peasantry both from upper and backward castes on the one hand and poor peasants drawn from sharecroppers and farm labourers was brought to a state of confrontation. This mobilisation has made an assault on the oppressive system and class and gender in central Bihar. The struggle over the years raised the level of consciousness of lower caste poor, both men and women. Poor women have gained not only in economic terms but have been liberated from the exploitative character of the patriarchal society.

A look at the record of some prominent incidents between 1976 and 1998 reveals a clear picture of the groups who organised this violence and their victims. Out of 44 cases, in 38 the violence was unleashed by upper landlord or upper backward caste against poor peasants belonging to the scheduled castes or extremely backward lower castes. It was not the higher castes who have perpetrated the violence in majority of these cases. Actually in 25 of these the upper backward castes were responsible for the violence, as they constituted the landholding class. In 26 incidents the Dalits were at the

receiving end. Only in 5 cases the violence was initiated by poor peasant's ostensibly, a reprisal for some injustice or wrong done in the neighborhood against them.

**Record of Some Prominent Incidents Of Caste Violence In Bihar**

| 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|
| **Year** | **District** | **Name of Place** | **Perpetrators of Violence Caste (Class)** | **Victims of Violence Caste (Class)** | **No. of Deaths** |
| 1976 | Bhojpur | Akodhi | Upper Backward (Land Lord) | Scheduled Caste (Poor Peasant) | 3 |
| 1977 | Patna | Belchi | Upper Backward (Land Lord) | Scheduled Caste(Poor Peasant) | 14 |
| 1980 | Patna | Pipra | Upper Backward (Land Lord) | Scheduled caste (Poor Peasant) | 14 |
| 1980 | Jahanabad | Parasbigha | Upper Caste (Land Lord) | Scheduled Caste (Poor Peasant) | 11 |
| 1982 | Rohtas | Gaini | Scheduled Caste (Poor Peasant) | Upper Caste (Landlord) | 6 |
| 1984 | Rohtas | Gaganbigha | Upper Caste (Land Lord) | Scheduled Caste (Poor Peasant) | 5 |
| 1985 | Munger | Laxmipur | Upper Backward (Middle Peasant) | Lower Backward (Poor Peasant) | 12 |
| 1986 | Aurangabad | Gaini | Upper Caste (Land Lord) | Scheduled Caste (Poor Peasant) | 12 |
| 1986 | Jahanabad | Kansara (II) | Upper Caste (Land Lord) | Scheduled Caste (Poor Peasant) | 11 |
| 1986 | Rohtas | Parasdiha | Upper Caste (Landlord) | Upper Backward (Merchants) | 17 |

| | | | | | |
|---|---|---|---|---|---|
| 1986 | Aurangabad | Darmian | Upper Backward (Middle Peasant) | Upper Caste (Landlord) | 11 |
| 1987 | Aurangabad | Chotki-Chhechani | Upper Caste (Landlord) | Upper Backward (Middle Peasant) | 7 |
| 1987 | Aurangabad | Dalelchak-Baghaura | Upper Backward (Middle Peasant) | Upper Caste (Middle Peasant) | 52 |
| 1988 | Jahanabad | Nonhi Nagwan | Upper Caste (Landlord) | Scheduled Caste Upper Backward (Poor Peasant) | 19 |
| 1988 | Jahanabad | Damuha-Khagri | Upper Backward (Landlord) | Scheduled Caste (Poor Peasant) | 11 |
| 1988 | Jahanabad | Koeria-chatar | Upper Backward (Landlord) | Scheduled Caste (Poor Peasant) | 7 |
| 1989 | Rohtas | Tirojpur | Scheduled Caste (Gang of Dacoits) | Upper Caste (Gang of Dacoits) | 6 |
| 1997 | Laxmanpur Bathe | Bhojpur | Upper Caste Militia | Backward and Scheduled Caste Peasant | 62 |
| 1997 | Senari | Jahanabad | Backward and SC Naxals | Upper Caste Villagers | 35 |
| 1998 | Miapur | Jahanabad | Upper Caste Militia | Backward and Scheduled Caste Villagers | 32 |

Source: Sachchidanand, 1998.

**Context of the Movements**

The emergence of the new surplus-hungry landlords and big peasants went hand-in-hand with the pauperization and proletarianisation of a large number of peasants inundating the rural labour market. The emergence of these landlords and rich peasants acquiring more and more surplus without making investments for raising productivity and production levels inevitable led to exploitation of the agricultural labourers and poor peasants. On the other hand, the increasing marginalization of landholdings led to the emergence of a class of poor landlords among the traditionally non-cultivating castes. The caste taboo against manual work in land was further accentuated by the spread of education divorced from manual labour. The landholdings became too small to produce surplus and as a result the nominal surplus appropriated by the poor landlords cut into the necessary produce to be appropriated as wages. This is what manifested as the incapacity of these landowners to pay even the statutory minimum wages. When the workers demanded their due wage, these masters unable to pay, had to militantly suppress the workers movement for higher wages. The resistance of the working poor to their excessive exploitation along with social oppression invited reprisals from the landlords and rich peasants. When this exploitation in the form of depression of wages and other means became acute, the resistance of the labouring poor strengthened further. This sparked off atrocities in the form of even mass killings of agricultural labourers – who are mostly dalits – by the rich peasants and landlords of the middle and upper castes. By the mid – 1960s, the labouring poor were forced to take to organized militancy, leading to the emergence of militant movements of the poor peasants and agricultural workers, popularly known as Naxalite movement. In a large number of areas, the rural labour now are in direct conflict with the dominant classes, belonging to upper and dominant middle castes and they have even imposed 'extra-economic sanctions against the latter in the same way as they had historically experienced at the hands of upper castes. They are now increasingly able to assert what they perceive to be their rights.

**Caste Militias**

Starting in the late 1960s, various upper-caste senas began to emerge in Bihar with the reported aim of containing Naxalite groups and protecting and belonging to

upper castes. A look at their history reveals their political patronage. In 1969 the upper-caste Rajputs formed a militia named the Kuer Sena. In 1979 the Kunwar Sena of Rajputs was formed; it disintegrated in 1986. The Sunlight Sena, also dominated by Rajputs, came into being in 1988. One of its founders was a former governor of the state of Tamil Nadu. The Brahmarshi Sena, which represented Bhumihars before the creation of the Ranvir Sena, was launched at a conference in Patna, Bihar's capital, in 1981. The Samajwadi Krantikari Sena, formed of Rajputs, was founded by a member of the state legislative assembly. The Bhumihar-dominated Savarna Liberation Front came into existence in 1990. Also known as the Diamond Sena, the militia was responsible for many massacres. On September 27, 1991, the sena beheaded seven Dalit and tribal laborers in Sawanbigha village in Jehanabad district. Soon thereafter, strongmen hired by landlords of Teendiha village in Gaya district beheaded nine laborers for their refusal to work as farm-hands for paltry wages.

Social oppression and erosion of dignity of the poor peasants was fairly widespread and acute in central Bihar. Landless agricultural labourers are considered as an 'object' that are outside the 'civilised order'. They are forced to reside in the dingy hovels where they are condemned to live. But due to rising level of literacy in general, and among lower castes in particular, together with modern exposure to the world outside Bihar, a new spirit of confidence and social awareness emerged in the region. They started demanding their own dignity and social position which soon became a bone of contention between the upper caste and lower caste people. That is why the question of social oppression and restoration of dignity of the lower caste people is one of the major issues of the current peasant struggle. It is interesting to note that most of the cadres of the current Naxalite movement are drawn from these poor, low caste peasant ranks.

The great enthusiasm created by JP movement, especially among the youth and students, and the utter failure of the 'total revolution' added a new dimension to the ongoing peasant struggle in central Bihar. The catchy slogan like 'total revolution' attracted the sensible, educated urban middle class. But very soon the limitations of the movement were exposed. Thus, soon after the dissolution of Bihar Assembly, the movement lost its momentum and became totally insignificant. After the formation of Janta Government the activists of the JP movement were left in a state of confusion and

frustration. During the same period, the Naxalites too were trying to consolidate their hold in central Bihar. Naturally, the ongoing peasant struggle attracted the Sarvodayaists' imagination, for here was another alternative to achieve 'total revolution'. Thus, the Naxalite movement received a boost from disgruntled JP adherents and grew in magnitude in the early nineteen eighties. This fact is recorded by the CPI (ML) document too. (Prasad 1996)

Due to widespread access to irrigation and higher soil fertility in central Bihar, the IADP had been launched as early as 1960 in this region. Bhojpur was the first district where agriculture was modernized through the construction of the 'Sone-Canal' system in the late nineteen century. Modernisation and commercialisation of agriculture in this region led to two consequences – increasing differentiation among the peasantry, and the de-peasantisation at the lowest levels. Some of these displaced peasants were absorbed in the primary sector itself, but the bulk of them were forced into the process of external proletarianisation, which in turn not only assured them economic security to some extent, but also led to self-confidence and sense of dignity, largely due to modern exposure. Later the restoration and preservation of dignity of the lower castes people became one of the main issues of the Naxalite movement. Further, rising prosperity of the 'junkers' and 'kulaks', the declining socio-economic status of the poor peasantry, higher levels of urbanization, and exposure to a more modern non-rural world, together with increasing level of literacy, posed the question of distributive justice and relative deprivation sharply. The above factors gradually weakened the traditional bonds between the employers and employees. Traditional 'patron-client' relationship had been gradually replaced by contractual relationship. This phenomenon produced a contradictory situation in the agrarian structure of this region. The rising capitalist farmers were more interested in rational calculations and in the profit motive. They largely ignored the economic and extra-economic obligations which used to form an organic link between farmers and agricultural labourers in the past. But this capitalist class had tasted the benefits of landlordism. Hence they wanted to maintain the status quo in the social realms at any cost. It appears that Zamindari as an institution was abolished but it was very much alive at the ideational level. On the other hand, the landless labourers and peasant-cultivators

were not ready to accept the hegemonic position of the dominant peasantry largely due to the dissolution of the traditional ties.

So, the modern market forces not only weakened the organic line between 'Malik' and 'Mazdoor', but also released the latter to be exposed to the revolutionary culture under the Maoist groups, more easily. Thus, on the one hand, the rural poor are fighting for the change in the existing social order. On the other, landed gentry still having strong feudal ethos at cognitive level trying to maintain the status quo and to continue with their feudal life-style. This contradictory situation has forced the landed gentry to launch their caste Senas, so as to arrest the revolutionary assertion of the rural poor and to maintain their domination in the countryside of central Bihar region.

Statutory minimum wage, redistribution of surplus and gair mazarua land, and prestige of rural poor and toiling masses are three most important issues of the current phase of the Naxalite movement in the region.

However, in many parts of central Bihar wages are as low as 1 kg of rice, albeit it varies from place to place. This variation depends upon the organized strength of the dominant caste (s) of the area. On the other side, the Naxalite groups affectively organized the poor peasants and landless labourers around the issues of fair wage and bataidari. The Maoist groups have not only exposed the limitations of legislative measures, but are also contesting the basis of rural power and oppression. It is interesting to note that most of the dominant caste Senas was launched in the early 1980s, the phase when most of the mass fronts of the Naxalite groups were formed.

Money as well as real wages has started rising since late seventies. The rise in real wages has been more pronounced since the early eighties. The Maoist organizations have played a decisive role in this direction. Due to higher wages and other contentious issues like Panja, Malguzari tax, etc., the big landowners are shifting to bataidari system. Area where the peoples' movement is strong enough, the maliks find it more difficult to get bataidars. In the area of the Maoist Communist centre, South Gaya, the system of Bataidari is not recognized.

However, apart from the limited impact of Green Revolution, the central Bihar region has not experienced any significant growth rate in secondary and service sectors. Agriculture is the main economic activity in the region. Here 82 percent of the working

population depends upon the primary sector. Although large landowners are rare in central Bihar, 90 percent of the rural households own less than 5 acres of land or are landless. With the impact of Green Revolution, dominant castes have brought more and more common and waste lands under their plough. On the other side, land hungry poor peasants and landless labourers have launched powerful struggles to seize illegal possession of 'gair-mazarua' land hitherto controlled by powerful maliks. Under the banner of the Jan Mukti Morcha, a Maoist front, the rural poor seized 616 acres of 'gair-mazarua' land between 28 June to 5 July, 1993 in Panki block of Palamau district alone. The Maoist Communist Centre has seized 4,500 acres of land in Gaya district. In fact, monthly official periodicals of the dominant Naxalite parties are full of such cases.

Therefore, the Naxalite groups are actively engaged in the seizure of surplus and 'gair-mazarua' lands at substantial level. On the other hand, the maliks with their Senas have been trying to brutally thwart these struggles.

However, the substance of oppression is not explicable only in the economist terms. The exercise of power crucially revolves around the assertion of social status, by the dominant category, and the denial of self-respect and dignity to others. The propensity to oppress does not depend upon the large land holdings alone in this region.

The complex nature of rural power relations in central Bihar can be viewed through the actual perception of those who are at the receiving end. According to poor peasants and Dalit agricultural workers, oppressors are those who deny them access to land, forced them to work for low wages and subjugate them to humiliating treatments. Employers who possess the above personality traits are termed as zamindars or *samants*. This personality type is not linearly related to the size of the holdings, but possession of a sort of aggressive mentality, characterized as 'feudal mentality' or *samant vichar*.

It is this 'samant vichar' which has been effectively contested by the Dalits under the guidance of the Maoist parties, which resulted in number of killings and counter-killings by both the Naxalites and the Senas of landed gentry. Both Laxmanpur Bathe where poor peasants mostly from scheduled caste and lower backward castes were killed by upper caste militia and Senari where upper caste villagers were killed by Maoist Communist Centre activists belonging mostly to lower and scheduled castes are classic example of this mindset.

The highly vulnerable economic condition of the Dalits has been further accentuated by the social oppression perpetuated by the maliks. To trample upon the dignity of the agricultural labourers formed the part of everyday interaction between *maliks* and *mazdoors.* This ranges from Dalits not wearing shirt, watch, or live in pucca houses, to abduction, rape and inhumane customs like *Dola,* which makes obligatory for Dalit brides to spend their wedding night with the local malik.

However, in the areas where the Naxalite movement is strong, the above forms of social oppression and exploitation have become an extinct issue. The resistance is a political act that questions the arbitrary exercise of power by the maliks. Senior officials of the district administration of Gaya and Jehanabad have admitted that the Maoist communist centre has virtually put an end to raping and molestation of Dalit women by instilling the fear that the penalty for rape is death itself.

Changes in socio-economic spheres have made deep impact on the political structure of this region. Political sovereignty of the dominant castes has come under serious threat due to rising political consciousness of the traditionally marginalized masses, especially after the entry of the Indian People's Front (IPF) and CPI (ML) in the domain of electoral politics.

Radical assertion of the traditionally marginalized people has challenged the long political domination of the dominant caste/class people.

Mobilization of the Dalits and poor peasants by the various Naxalite groups has brought about sea change in the life of hitherto marginal population in central Bihar.

However, rising intensity and magnitude of the Maoist movement was a matter of serious concern even for the upper caste landed gentry of the region. Although the Brahmrishi Sena of Bhumihar landed elite, criminals, contractors and politicians were active in certain pockets of Jehanabad, Gaya, Patna and Nalanda districts. But it was quite unorganized and sporadic. The Sena men used to quickly disintegrate after marauder actions they took. The Sena was not only dominated by dacoits and other professional criminals, but it was also without formal leadership structure. They were mobilized through economic and extra-economic benefits, *e.g.,* political patronages. However, the Brahmrishi Sena could never emerge as an organized armed band, and became quite weak after the formation of the Ranvir Sena - another Sena of mostly

Bhumihar landed gentry and the most dreaded till date for the gruesome manner in which the Sena men kill innocent people and try to perpetuate terror.

All the above Senas have emerged in reaction to the rising intensity and magnitude of the radical agrarian movement, which has threatened the unquestioned domination in the socio-economic and political realms of the dominant castes/class. Many of these Senas got weakened due to two factors. *Internal factors* – most of the Senas are dominated by professional criminals and lumpens. In the absence of normative commitment, effective recruitment channel, socialization mechanism and sound organistional pattern, etc., the cadres treat the Senas as a means to amass wealth, power and personal glory. Their actions often culminate into criminal behaviours even with their fellow caste people. With their gradual alienation, the prominent Maoist groups apply fine combination of 'armed' and 'political' actions against them. They target only one dominant caste of the area; thereby scuttle the scope of sharp class formation among the dominant castes. Even within the dominant castes, their action is directed against the tyrant upper class people. This coupled with incessant political propaganda about the nature and actions of the *Senas* weakened them *from outside.*

Finally, the Senas are product of a complex socio-politico-economic and psychological transformation that the central Bihar plain has witnessed largely due to the rising intensity and magnitude of the democratic people's movement as well as Naxal movement in the region.

**Naxalite Agenda in Action**

The Naxalite movement was led by Communist Party of India (Marxist-Leninist). The liberation of all natural resources, particularly land from private hand and its redistribution among the actual cultivators was its most important objective. Their programme threatened confiscation of all lands if the landholders do not surrender them and annihilation of those who take recourse to violence and repressive measures to resist the activists. Strongly motivated bands of poor peasants began capturing of standing crops of large landholders. The demonstrators demanded the implementation of land reforms. By August 1969, 346 such incidents of land grabbing took place in the state. A large number of these were reported from Gaya district alone. This phase of mobilisation

was brutally suppressed by the government. One result of this phase was the realisation by the government that ceiling laws should be implemented effectively and poverty eradication in rural areas should be pursued seriously.

The parliamentary election of 1977 led to some change in the strategy of the Naxalite movement. Some of the leaders came to believe that they could make practical use of the elections for implementing their own agenda. In the late eighties the Naxalite movement realized the importance of addressing gender issue through their women's organizations. In course of time, with the expansion of the area of operation and the experience gained through this movement, there was constant rethinking on their strategy. The differences among the leaders were based on key strategic positions, participation in elections and organizational structure. The CPI (ML), the MCC and the Peoples War Group (PWG) represented the hardliners in the Naxalite movement. The CPI-ML (Liberation) represented the soft line. The CPI-ML (Unity) worked as centrist force attempting a synthesis of the other streams. The hardliners feel it necessary to take on the corrupt bureaucrats who are mainly responsible for non-development. The role of the bureaucracy has been christened as 'bureaucratic feudalism'.

This concept has been crafted by Arun Sinha (1996). He argues that semi-feudalism, which inspired Naxalites in the first phase, had to retreat from land and upper caste hegemony as a result of changing social scenario. This was replaced by bureaucratic feudalism, which is characterized by expropriation of public money, development fund in particular from the state, exchanges through a nexus of politicians, bureaucrats, contractors, criminals and the mafia. This new class of bureaucrat feudals expropriates public money meant for development using their status and power by dubious means. It is thriving on the culture of corruption, which has engulfed the whole society. The ruling class has full knowledge of the phenomenon and in some cases act as collaborators.

The hard-liners are prepared to take the issue of agricultural development not only notionally but do their best to implement some development work on their own initiative, defying intervention of government and landlords. They should also determine minimum wage rate, ensure better conditions of work and oppose and eradicate various forms of extra market coercion of agricultural labour and the rural poor. The hard-liners are also keen to mobilise against corrupt forest contractors and development bureaucracy while

reiterating their programme for armed struggle against the state for breaking the stagnation of the peasantry.

The interest of the Naxalite movements in the gender issue is evinced by the setting of women's organization by all the factions of the extreme left wing. The CPI (ML) Liberation set up the All India Progressive Women's Organization in 1989. In the same year, the MCC set up the Nari Mukti Sangh. The CPI (ML) Peoples War Group came up with the Nari Mukti Sangharsh Committee in 1947. These organizations worked through Village Committee which the decision is making body at the grassroots level, not only for women issues but for all the issues related to the village.

The mobilisation of the peasantry led to a rise in agricultural wages but the problem was that of low productivity. Landholders were not finding it possible to pay the hiked wages. Large tracts of land were left uncultivated by land holders resulting in the loss of employment. The Naxalites have now realised that efforts should be made to raise productivity and for this the thrust is now on ensuring the implementation of development schemes of the government. The false promises made by politicians and the claims of the government regarding achievement of the development target should be exposed to the public. The concept of bureaucratic feudalism has now received acceptance within the Naxalite movement.

**Operative Strategies**

Naxalite activities in a village or a region start with making the rural poor aware of the iniquitous social order in which they are doomed to suffer. They are keen to dispel from the consciousness of the poor that they can improve their lifestyle by repudiating the doctrine of 'Karma'. They impress on the people that if they make efforts, they can be liberated from their oppressors by concerted action under the direction of the extreme left wing ideology. This is done discretely in meetings held at night at remote places where the activists who develop close rapport with the people. For the large mass of the poor who are illiterate, these ideas are impressed upon them by the word of mouth. For the small fraction of literate and semi-educated people, the activists distribute literature prepared in simple Hindi. The indoctrination leaves a deep impact on the mind of the rural poor who see a new ray of hope in their life. Interviews with such people who were

jailed for participating in Naxalite activities have revealed that even after years of suffering in the jail, they are unrepentant and have resolved to go back to their earlier activities with greater enthusiasm after release. Some of these young men become whole time workers. They are helpful in spreading the Naxalite message in the entire region. Besides these new recruit activists, they have a large number of sympathizers with whose help the cadres are maintained. They contribute funds as well as provide hospitality to the cadres when they make a round of their villages.

It is also learnt that most of the cadres are in the regular pay roll of the party. They receive monthly salary as they devote their full time for party work. In case of their capture, arrest or death, the Party takes care of their families. This sense of security for the person and the family encourages him to put his whole heart in the work allotted to him by leaders at higher level. The discipline is so strong that they do not question the decision of the higher leaders. The entire region is divided into small pockets, each under the control of a squad or '*dasta*'. A number of these '*dastas*' are in charge of an Area Commander who supervises their work and to whom they report everyday. The cadres keep a strict vigil over the entire area and see to it that a new person entering that area is thoroughly scanned both physically and ideologically. The newcomer, after questioning is taken to Area Commander and it is he who decides whether the newcomer will be allowed entry or not. The Area commander from time to time, holds organizational meetings at different places in the area. The sites of these meetings are known only to the activists and the sympathizers of the party.

The funding for their activities is derived from various sources. Many affluent people, petty businessmen middle and rich peasants make regular contribution to the Party as protection money. Levies are also imposed on government officials and contractors working in the area. There have been cases in which NGOs working in the area have to contribute to their coffers. If they refuse to do so, they cannot carry on their programmes in the area.

One of the important instruments of the Naxalite movement at the village level is the *Jan Adalat.* (Peoples' Court). It hears complaints of injustice or torture meted out to the rural poor by the established order. It is an alternative instrument of justice and saves people from the delayed, complex and expensive judicial system maintained by the

government. As a matter of fact, any person in the village can approach it in quest of justice. It ensures people's participation in the process of justice. It largely deals with family disputes, matrimonial conflicts, intra-family property disputes, desertion of the wife after marriage, dowry harassment, drunkenness, rape and molestation of women. The main approach of the Jan Adalats is to deliver natural justice. They also see that the punishment has a reformative impact on the culprit. It is also keen to see that the action taken is effective. In meeting out punishment, the tolerance capacity of the culprit is taken into consideration. The entire process is conceived in six stages. The first is serving notice to the culprit and to the village people for the meeting of the Jan Adalat. In the meeting the proceeding starts with negotiation between the two parties. If the culprit fails to abide by the decision of the Jan-Adalat, he is subjected to social boycott. If this does not succeed, recourse is taken to agricultural blockade followed by total economic blockade. If this too fails, his farm produce is seized. Crimes against women are punished by beating up of the culprit by the victim or other women, shaving of hair and moustache and parading him on the back of a donkey in the village.

All the Naxalite outfits believe in violence and are convinced that political power can only be achieved through the barrel of the gun. In all their operations arms are used. Such arms are purchased by their own funds or are captured from the local police. They also get arms and ammunition from Naxal unity in Andhra Pradesh. In many of their operations they use police uniform so that their targets mistake them for policemen.

In central Bihar, for the last two decades there has been a running feud between the landlords and the poor peasants supported by Naxalite groups. Besides this violent incidents have also been attributed to the conflict between the MCC and Peoples War Group activists for establishing their dominance in a particular area. From time to time, individuals such as deserters from their ranks, informers and declared people's enemies are also annihilated by Naxalites

**The Landlord Backlash**

As a reaction to Naxalite activities and the rising aspirations and assertiveness of the poor peasants, the landlords tried to organize themselves through private armies to counter the activities of the Naxalite and frustrate the efforts of the poor peasants for

liberation. The first such organization was the 'Kunwar Sena' which came into existence in 1969 and was active in the districts of Bhojpur and Buxar. This was followed by Bhoomi Sena, which was set up in 1982 and operated in Nalanda and Patna districts. The 'Lal Sena' was organized in Jehanabad district in 1986-87. This was followed by the 'Lorik Sena' which operated in the same area in 1986-89. The Sunlight Sena was active in Gaya district between 1990-92. The Savarna Liberation Front operated in Jehanabad during 1991-92. The most enduring and powerful of such private armies of the landlords is the Rashtrawadi Kisan Mahasangh or Ranvir Sena which was founded in 1994 but became active in 1995. It has been operating since then in the districts of Bhojpur, Buxar, Rohtas, Aurangabad, Jehanabad, Patna and Gaya. The core group consists of 20 persons who are committed and disciplined to the core. A large number of bachelors from the higher castes are working for this outfit. The Sena works through 18 squads each in charge of an efficient activist. The Ranvir Sena was outlawed by the state government following the killing of six Musahars at village Sarsthua in Bhojpur district in 1995. However, the Sena enjoyed the support of political leaders of different Parties. It actually helped some candidates win parliamentary election in 1996. The Sena shot into prominence after the Laxmanpur - Bathe carnage in Jahanabad district in 1997 in which 60 lives, mostly women and children, were lost in what turned out to be the biggest massacre in the state. Besides this incident the Sena was also involved in a number of killings at Shankarbigha (16), Narayanpur(12), Mianpur (36), Bathani Tola (20), Sandani (12), Sarathua (8), and Haibalpur(10). The head of the organization who carried a reward of Rs. 5,00000/- on his head has been recently arrested. . However, the Ranvir Sena activists see that its stand as justified and felt that its efforts are the only way to save them from the depredation of the Naxalite outfits. They hold that their entire existence is at stake and unless they take up arms themselves they will be wiped out since the government has lost its capacity to ensure the safety of human life in the state.

**Fruits of the Struggle**

The mobilisation by the various Naxalite outfits in central Bihar has produced some tangible results. A large number of fields liberated during the first phase of the struggle were allotted to poor peasants. There were attempts to introduce co-operative

farming but it did not succeed. The struggle succeeded in the implementation of government fixed minimum wages in the struggle zones. In Jahanabad district it was enforced in 138 out of 923 villages. In 628 villages wage rate rose to little below the minimum wage rate while in the rest it remained much lower. In many cases, the wage rates were negotiated between the labourers and the landlords. In Gaya district, the percentage of *gairmazarua* land encroached by the landlords was the highest. The mobilization succeeded in setting aside the encroachment on a substantial part of such lands. Majority of the allottees who got land as a result of mass action have got actual possession. Many fishing ponds, grazing lands and other common property resources have been liberated from private ownership and put under community management and collective use. In the event of large scale fishing, each family in the village gets the share irrespective of their participation in the fishing operations.

Poor peasant women who were mobilized on a large scale in central Bihar have been liberated from sex-exploitation, gained from wage enhancement and effective implementation of minimum wages. Gender parity in wages, in voting and in the settling of gairmazarua land has been achieved. Many notorious landlords who sexually oppressed poor women were annihilated. The social dignity of the poor peasant women especially Dalit women have been established. All these have led to a rise in women's status. She has gained a significant decision making role within the family. In many cases 'izzat (dignity of women) initially sparked off local movement. After the gender issue was resolved wage or land struggle started. In many cases, women became the joint owners of property. The gender agenda was an integral part of the process of mobilization. Thus the rural poor have substantially gained in economic, social and cultural terms in central Bihar. The Dalit can no longer be made bonded, their women are free from sex exploitation and no sharecroppers could be deprived of his appropriate share of the produce. Violence from the rich is met by retaliation from the poor. The upper castes are now always on the defensive. The poor peasants feel that they are on the threshold of a new social order. They have struggled for social dignity and got it.

**Vision for the Future**

On a review of their past activities in 1995 Naxalite strategies are undergoing some change. It is felt that economic issues like land and wages are not so important now. The class and caste bases of gender exploitation have more or less been sorted out. There is greater need for mobilization against no development and forging unity with middle peasantry. The leaders feel that movement should now be organised to secure irrigation, electricity and other inputs for agriculture at reasonable rates, rural credit and issues like democratic rights, corruption and work through grass-root village committees should be expanded by the activists.

The initial reaction of the state to Naxalite activities was to treat it as a law and order problem. Sometime later it was realised that other steps have to be taken to tackle the problem. These included opening up the area by creating new communication facilities, improving irrigation and education, enforcement of minimum wages and speedy settlement of land disputes etc. Fast implementation of land reforms was also necessary. More efficient policing of the area was also provided. However, the pace of development has not been accelerated. With growing awareness and assertiveness of the poor peasants, the opportunities for confrontation have multiplied. In central Bihar, the private armies of landlords are fighting for their survival. Each time there is a violent incident precious human lives are lost. Leaders of political parties make a beeline for the village, console people, blame the government and return to their headquarters. People continue to suffer and the problem persists as a bleeding sore. In recent years, Naxalite activities have spread to many districts in north Bihar. Stray incidents of killings are reported in the newspapers almost every day and the government and the people do not seem to take them seriously. Only when large-scale massacres take place serious but fleeting attention is riveted on the problem. No effort seems to have been made to address the issues raised time and again by a multi- pronged action programme bearing on all social, economic and political dimensions.

**Consequence of Grass-Root Movements**

In a comparative study of peasant mobilization in three pockets of rural Bihar namely Musahari Block Turkaulia Block and Tundi Block, the following consequences

were noticed:- in spite of the fact that some technological improvement came about and some so-called 'right' were made available to the rural poor in Musahari as a residue of the measures undertaken to suppress and subvert the poor peasant movement, by any reasonable standards, it cannot be said that the Sarvodaya movement is even remotely leading to anywhere near social and economic justice. The power balance has once again been titled against the rural poor. On the other hand, the rural rich, who have again grown economically and politically powerful, have pocketed the bulk of the benefits arising out of the development work in the villages of Musahari under the overall guidance of the Sarvodaya movement. Whatever little benefit that accrued to the poor peasant and non-agricultural households was made available to them under the express direction of the overlords, thereby giving an impression that the overlords were their saviours. The power of the rural rich is so overwhelming that none of the laws meant for the benefit of the poor peasant (such as the Minimum Wages Act and the Land Ceilings Act) could be enforced as yet. The landlords even today deny legal rights to sharecroppers. The approach of "conversion by gently persuasion" and of "resolution of conflicts and problems by mutual adjustment leading to a just and better social order" has failed in Musahari.

On the other hand, in the villages of Turkaulia the semi-feudal bondage is less in evidence. Turkaulia is now on a relatively higher wage level than its nearby areas. Cases of discrimination in the context of payment of wages are few and far between. But as the movement remains by and large within the bounds of the petty bourgeoisie, it has failed to bring about any significant change in land distribution in the area and hence is not able to provide sufficient dynamism in the agriculture sector so as to wipe out the deficit from the poor households. Leasing-out land in small bits to those who are economically very weak is still in practice. Even then the movement has a future. With each successive struggle the consciousness of the poor peasants is increased. They realize the unjust and oppressive character of state power. Class consciousness and class antagonism are developed.

The poor peasant movement at Tundi is a stage ahead of the movement at Turkaulia. It has successfully defied state power so far. It has not only retrieved the illegally alienated land and redistributed it among the poor peasants but has launched

joint cultivation and community irrigation programmes thereby expanding the gross area sown and raising agricultural production. Until the agricultural year 1973-74, they were having only one crop, i.e., kharif paddy, in the village. In 1993 they jointly cultivated and harvested wheat on 15 acres of land and there was standing summer paddy on 75 acres of land. The area sown more than once was 15 percent of the net area sown. The activists in the movement now propose to go ahead with the reclamation of land for cultivation. The various measures which have been undertaken have not only improved the economic condition of the poor peasants and transformed them to the category of poor-middle peasants but have given them something more – a fresh and free air to breathe. The jungles are being preserved. Livestock is being raised with enthusiasm and devotion. They now know what freedom and democracy really means. It is now an area which knows no scarcity – though it knows no peace either. State power continues to mount pressure.

**Impact of Anti-Poverty Mobilisation**

This peasant mobilization in the state has important implications for the rural labour and the socio-economic and political structure of the state in general. One obvious impact of this massive mobilization has been the increased consciousness among the poor peasants and agricultural labourers about their socio-economic and political conditions. This growing consciousness has also had an impact on the state. Although the state is far from becoming sympathetic to the cause of the poor peasants and rural labourers, in the face of the growing unrest among them, it has had to initiate some measures with regard to their welfare. The drive for the acquisition of surplus land over the ceiling limits in the mid – 1970s was essentially a response of the state to the violent outbreak and unrest among poor peasants and labourers in some districts of south Bihar. The occasional pronouncements of the government, giving the assurance that it would take effective steps to safeguard the interests of the tenants was largely prompted by the peasant mobilization and their increasing political importance as a pressure group

An important achievement of these peasant movements is that agricultural wages has risen in the areas of their influence. They have also contributed in keeping the land reforms agenda alive and in some cases have also proved effective in bringing in desired

results. Indeed, if a substantial portion of the surplus land was acquired in Bihar in the mid – 1970s, it was largely due to the pressure generated by the movement launched by poor peasant organizations. It is well documented that the sharecroppers' organized movement in Madhubani and Champaran, particularly in the former, has done much to give them security of tenure and raise their share of the produce.

The movements have greatly contributed to the elimination of several forms of exploitation in the rural labour markets. Notably, there has been a significant reduction and in most cases even elimination of beggar and atrocities on women, in areas that are under the influence of radical peasant organizations.

The most important gain of the movements has been the weakening of the semi-feudal system in the rural areas. The 'semi-feudal' forces are not only on the defensive but have suffered considerable decline. In several areas upper caste men have started ploughing their land themselves, which was unheard of some years ago. This is to some extent because of the economic compulsion of small/marginal farmers – who are unable to afford payment of the prevailing wages. It is also attributable to the fact that now they cannot intimidate poor labourers to accept low wages. Accordingly the process of substitution of hired labour by family labour can be observed in many parts of south Bihar. Of course, to some extent this has affected wage employment for agricultural labourers. However, women belonging to these families are not yet permitted to go out and do productive work. Quite often, extreme poverty in which they live has force them to cut down their own food intake to feed the children. There is a distinct change in the pattern of landownership: the upper castes have lost substantial lands and the purchasers are generally from intermediate castes – Yadavs, Koeris, Kurmis- and in some cases even from lower backward castes and scheduled castes.

The increased migration of labour from the state has contributed its own share to changing the rural labour markets and social structure. It has not only helped the migrants and their families in meeting a part of their consumption needs, but has helped to raise the agricultural wages because of the withdrawal of surplus labour by way of migration, particularly in most parts of north Bihar. It is noteworthy that remittances from migration contribute significantly to the household income. It is significant that even the upper

castes, in the wake of stagnation in agriculture, have migrated in large numbers in search of employment.

These two developments – mobilization of the poor peasants and increased migration – appear to be the most important agents of change in rural Bihar during the last three decades or so. Now, a striking feature of the poor in Bihar is that they show a high degree of sensitivity with regard to their economic and social condition and access to basic amenities. In particular, they resent the indifference of the government for failing to provide adequate educational and health facilities. Schooling is increasingly being viewed by parent as an opportunity for upward mobility. The demand for basic amenities forms part of the rising aspirations of the poor for a better tomorrow. They dare to challenge traditional practices, which underpin the social and economic authority of both the older ant the newly emerging dominant classes. An important aspect of this change has been the struggle of the rural poor to exercise their franchise. Thus, they aspire to achieve not just economic empowerment but to acquire wider political, social and human rights – an objective, which they have succeeded in realizing to some extent.

In this situation, the surplus-hungry landlords and rich peasants confronted the militant movement of the poor peasants and agricultural workers with their political mobilization on the basis of castes. Identity politics on the basis of class failed. This inevitably stalled to a large extent the mobilization of the poor on the basis of their class. Since the only source of the power of the working poor is their collectivity, the vertical caste-based political mobilization inevitably disempowered them economically as well as politically.

The sources of power of the landlords and rich peasants lying in money/wealth remained intact. This disjunction between the political mobilization on the basis of caste and economic mobilization on the basis of class lies at the root of the crisis of governance of the one hand and the impasse of the militant movement of the labouring poor of rural Bihar on the other. The movement of the labouring poor, however, also suffers from some internal drawbacks. Confronted with the successful caste-based mobilization by the exploiting classes against the backdrop of a strong caste-call nexus, some of these organizations leading the movement, such as MCC, have been lured into identifying class with caste. It is this that lies at the root of indiscriminate violence and even inter-groups

killings among the militants. Overemphasis on the wage issue, too, has led to the alienation of some sections of the poor and middle peasants from the movement. If the movement of the rural proletariat and semi-proletariat has to succeed in realizing from the assumed identity of caste and class while taking on the reality of caste-class nexus.

The socio-political impasse of Bihar is thus clearly rooted in its failure to effect an agrarian transition through the 'landlord path'. The Gandhian path of 'land to the tiller' recommended by Kumarappa Committee to effect the abolition of tenancy still remains the only viable way to do away with the feudalistic constraints on social development. Once tenancy is abolished, the development of the agricultural infrastructure with stress on irrigation will have to be given priority because capitalist growth of agriculture is critically dependent on assured perennial irrigation. Rural roads and electrification are crucial for both agricultural as well as non-agricultural diversification. Needless to say, other infrastructural investments will further help in boosting agricultural growth which has witness's stagnation in the last three decades except for a part of the 1980s. it is puzzling to find that neither the ruling elites or peasant leaders have paid attention to such obvious needs of development. As such per capita agricultural income has been either stagnant or have declined due to the increasing sub-division of landholdings, stagnant production and unfavorable price environment, etc. All these necessitate heavy public investment. The availability of cheap institutional credit to the farmers for productive purposes is another critical need. It is unfortunate that militant peasant and agricultural movements are perceived by the state more as a law and order problem than a development issue. Class contradictions in the industrial or agrarian sectors, remain dormant in a situation of growth and become militantly manifest in periods of stagnation. This worldwide experience needs to be internalized by the policy-makers in Bihar.

However, certain socio-political developments of the last several decades militate against these desirable options. The contradictions of agrarian relations have been aggravated by the emergence of 'non-labouring' educated unemployed youth who have taken to alcoholism and act as brokers between people on the one hand and the administrators and politicians on the other. This has inevitably resulted in the criminalization of the civil society with the concomitant insidious fall-outs such as a culture of appropriation without production manifested most blatantly in the

misappropriation of development funds by the ruling elites (administrators and contractors-cum-politicians). This anti-development nexus among bureaucrats, contractors, landowners and politicians will have to be broken before Bihar can launch on a sustained growth path. And this may well be one of the major strategies of the workers and peasant movements in the state in the near future.

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# CHAPTER V

## BIHAR'S POVERTY IN THE ERA OF GLOBALIZATION

### The Relevance of Global Economic Environment

Whether a country is large or small, the global economic setting within which it operates affects its policy options. The policy it chooses to pursue can have a significant impact on the poor in the country. World markets provide an opportunity to export products in which it has a comparative advantage and import those which have a comparatively high resource cost to exploit the country's resource endowments better. A country that chooses to exploit this opportunity benefits in many ways. Its resources are allocated more efficiently and hence it attains faster growth. It also exposes its domestic manufacturers to competition from trade, making them more efficient in the use of resources. Competition or potential competition from imports helps induce even domestic monopolists to behave as competitive firms.

However, the prospects for trade depend not only on the world market prices but also on the willingness to trade with other countries who may restrict the trade through quotas, tariffs or other non-tariff barriers. Thus other countries' policies affect a country's policy options. Even when a country is nearly self-sufficient in a product and when trade is but a small part of its domestic disappearance, it is affected by world prices. If the country trades freely, then domestic price is the world market price. If it does not, then it will have to adjust its tariff or trade levels to maintain a particular domestic price when the world price has changed.

The significant impact of world prices on domestic prices, policies and development can be seen from an examination of cereal prices. Developed countries like the United States and those of the European Community have protected their domestic agricultural producers. This has led to subsidized exports and lower prices on the world market. Many developing countries have used the low price of cereals on the world market to import more cereals and to keep domestic food prices to a low level. This has served as a disincentive to the farmers in these countries but of course has provided

cheaper food to the consumers including the poor. But whether the poor have, in the overall, gained or lost is not immediately obvious.

Since the global environment affects a country and this environment is the outcome of policies of different countries, it follows that a sudden change in a country's policy can give a shock to the global environment. This shock gets transmitted to other countries through the global markets for goods and services including financial services and migrant labor. The sudden change in Soviet grain trade policy in the early 1970s and the various oil price shocks are some recent examples.

**Global Environment and Rural Poor In India: The Past Experience**

India has by and large followed inward-looking, import-substituting, trade-restricting development strategy and had tried to insulate itself from the global environment. Earlier, some comments were made about the cost of this strategy in terms of lost opportunity for growth and employment and its adverse impact on the poor. Nevertheless, India has not been immune to the global environment and major events have influenced its policy and development and major events have influenced its policy and development. In fact, the strategy of discouraging exports and restricting imports to the most essential goods has made India more vulnerable to changes in world prices of critical bulk imports such as oil. The availability of foodgrains under the United States PL 480 scheme, and the oil shocks in the early and late 1970s, for example, have had significant effects on the Indian economy.

The global economic environment can in important ways affect a country's domestic policy options in its preoccupation to guard itself against adverse influences from the global economy. India had chosen to insulate itself to a considerable extent from the global economy and in the process denied itself the possible gains from trade. In the process the Indian economy has been less capable to withstand global shocks. Thus the general environment of the global economy cannot be held too responsible for the state of the poor in India. Nevertheless specific influences from the global economy have affected the poor.

The availability of cheap foodgrain imports against Rupee payment from the USA, under its PL 480 program in the 1960s, helped India manage two severe droughts so that the impact of these on the poor were not too adverse. The PL 480 imports lowered agricultural and food prices and they provided budgetary support to the Government – part of which led to higher gross domestic capital formation including irrigation. The net impact on the rural poor of the loss of income due to a decline in the terms of trade for agriculture and the gain in income due to a decline in the terms of trade for agriculture and the gain income due to a decline in the terms of trade for agriculture and the gain in income due to a decline in the terms of trade for agriculture and the gain in income due to additional employment opportunity created by a faster growth of irrigation is difficult to assess but is most likely to have been small. The persistence of poverty in rural India cannot be easily blamed on the temptation offered by the availability of cheap foodgrain imports under the PL 480 program.

Given the small freedom India had to adjust critical imports, the two oil shocks of 1973 and 1979 would have been disastrous. The growth process was disrupted and it is reasonable to assume that the poor became worse off. Fortunately, these adverse impacts were somewhat moderated by the suddenly expanded opportunities for employment for Indian workers in the Middle East and the remittances that they sent to their families in India. Thus the second oil shock was less disruptive thanks to the resilience provided by export of labor.

The prospective changes in the global economy and the possible formation of trading blocs will make it harder for India to expand its exports. To the extent this restricts the growth rate of the Indian economy, the process of poverty alleviation would be slowed down. The Indian economy and the poor in India need a free trading global economy.

While these changes can restrict India's export opportunities, an outward orientation is still the best policy for India as it will increase efficiency and promote a faster growth of employment. Also, since India's share of the global merchandise trade is a minuscule 0.6 percent, it should be able to expand it even if a restrictive trade environment emerges. A free trading would, of course, be preferable.

Finally, the emerging global concern for the effects of global warming should not be allowed to impose unfair burdens on developing countries to tackle a problem created by the industrial nations and to support the unsustainable lifestyles of these countries. If India is given its fair share of carrying capacity of the earth's atmosphere, then India will be free to pursue its own priority on the environmental front. In resource allocation, improvement of the local environment in urban slums and restoration of rural commons, supply of clean water and provision of sanitary facilities should get a higher priority than greenhouse gas emission control. The quality of life of the rural poor in India can then improve.

In the post-economic reform period, there has been a debate about the impact of reform policies on important indicators such as economic growth and other macro variables, poverty, inequality, human development and employment. There have been improvements in some indicators such as the balance of payments, higher growth in services, higher accumulation of foreign exchange reserves, IT revolution, improvement in telecommunications, recent stock market boom higher growth of exports, etc. It is, however, important to assess the impact of economic reforms on rural areas as more than 70 percent of India's population live in these areas. (Dev, 2004)

**Agriculture Sector**

Agriculture is the most important sector in rural areas. The growth rate in foodgrains production declined from 2.81 percent in the 1980s to 1.98 percent in the 1990s. Yield growth also declined drastically for foodgrains and all crops. This could have implications for farmers incomes and employment. The main factors for the deceleration in agricultural growth include "(i) inadequate irrigation cover; (ii) improper adoption of technology; (iii) unbalanced use of inputs; (iv) decline in public investment; (v) and weakness in credit delivery system'. (RBI, 2003)

The availability of credit for farmers is important for working capital and investment purposes in agriculture. (i) Despite having a wide network of rural branches

and many schemes and programmes for the expansion of credit for agriculture and rural development, a large number of very poor people still continue to remain outside the fold of the formal banking system. The credit system should reach marginal and small farmers. In fact, the growth rate of agricultural credit for small and marginal farmers declined in the 1990s as compared with the 1980s. (RBI, 2003)

In recent years, farmers' suicides seem to have increased in some states. This is particularly so in Andhra Pradesh and Karnataka and is one of the darker sides of Indian agriculture [Sainath 2004]. A study on liberalization and suicides of farmers in India shows that crop failure and indebtedness emerge as the main and causative factors also contribute to the problem [Rao 2003]. According to the study, "sharper decline in absolute productivity, price uncertainty due to trade liberalization and rise in costs due to domestic liberalization, decline in credit and non-farm work intensified the crisis".

To conclude, official estimates show a 10 percentage points decline for rural poverty during 1993-94 to 1999-2000. Deaton and Dreze (2002) show a decline of 6.7 percentage points, while Sundaram and Tendulkar (2003a) show 5.3 percentage points decline of only around 3 percentage points in the 1990s. Thus, the decline in rural poverty during 1993-2000 varies between 10 percentage points (unadjusted official estimates) and 3 percentage points of Sen and Himanshu (2003). Changes in the number of rural poor also varies from a 50 million decline (official estimates) to an increase of 1.5 million during 1993-2000.

**Poverty Profile:**

The vision of India attaining a growth rate of 10% in the years to come can be feasible only when per capita income grows at an annual rate of 8 percent.

**Table 5.1: Projections for Per Capita Income with the Goal of Bihar Equaling National Average in 2019-20**

| Item | Per Capita Income in 2000-01 (Rs.) | Decade of 2000-01 to 2009-10 | | Decade of 2010-11 to 2019-20 | |
|---|---|---|---|---|---|
| | | Assumed/ required growth rate of per capita income | Per capita income 2009-10 (Rs.) | Assumed/ required growth rate of per capita income | Per capita income 2019-20 (Rs.) |
| India | 12985 | 8.0 (assumed) | 28045 | 8.0 (assumed) | 60570 |
| Bihar | | | | | |
| Scenario-I | 3707 | 15.0 (required) | 14970 | 15.0 (required) | 60570 |
| Scenario-II | 3707 | 10.0 (required) | 9615 | 20.0 (required) | 60570 |

Source: ADRI, Patna, 2002.

Note:

1. Per Capita Income figures are at constant (1993-94) prices
2. Per Capita Income figures for 2000-01 are triennium averages around the mentioned year.

For India to emerge as prosperous and equitable with lessened regional disparities, Bihar has to attain a SDP (State Domestic Product) higher than 10 percent to reach at national average by 2019-20. (Table 5.1) To catch up with national per capita income level of Rs.60570 in 2019-20. Bihari SDP has to grow at a rate of 15 percent per annum till 2019-20. Assuming that it is not possible to enhance the growth rate that sharply in short term, one may plan for a growth rate of 10 percent during 2000-01 to 2009-10; in that case, the required growth rate during the next decade of 2010-11 to 2019-20 will be as high as 20 percent. The above table presents the projections.

**Table 5.2: Percentage Distribution of Rural Poor in 1993-94 and 1999-2000**

| | 1993-94 | 1999-2000 |
|---|---|---|
| *By Occupation* | | |
| Self-employed in agriculture | 32.33 | 28.25 |
| Self-employed in non-agriculture | 11.16 | 11.53 |
| Agricultural labour | 42.62 | 48.01 |
| Other labour | 7.84 | 7.12 |
| Others | 6.04 | 5.09 |
| Total | 100.0 | 100.0 |
| *By Caste* | | |
| Scheduled castes | 28.19 | 27.10 |
| Schedules tribes | 15.46 | 17.41 |
| Others | 56.35 | 55.49 |
| Total | 100.0 | 100.0 |

Source: Sundaram and Tendulkar (2003).

As interpreted from Table 5.2 the percentage of rural poor is maximum among agricultural labourers. By caste figures SC/ST stand most deprived.

**Table 5.3: Percentage Distribution of Rural Poor by States: 1993-94 and 1999-00**

| States | Share in All-India Rural Poor 1993-94 | Share in All-India Rural Poor 1999-2000 |
|---|---|---|
| Bihar | 20.4 | 20.6 |
| Uttar Pradesh | 21.3 | 21.9 |
| Madhya Pradesh | 8.5 | 11.3 |
| West Bengal | 8.8 | 8.9 |
| Orissa | 6.2 | 7.2 |
| Assam | 3.4 | 4.5 |
| **Total of above six states** | **68.8** | **74.4** |
| Andhra Pradesh | 3.0 | 2.9 |
| Gujarat | 2.3 | 1.9 |

| | | |
|---|---|---|
| Haryana | 1.4 | 0.6 |
| Karnataka | 3.4 | 3.2 |
| Kerala | 2.3 | 1.2 |
| Maharashtra | 7.5 | 6.5 |
| Punjab | 0.6 | 0.6 |
| Rajasthan | 3.4 | 2.9 |
| Tamil Nadu | 4.9 | 3.9 |
| Other states and UT | 2.4 | 1.9 |
| Total of above nine states and other states and UT | 31.2 | 25.6 |
| All-India | 100.0 | 100.0 |

Source: Estimated from data on the number of poor in Sen and Himanshu (2003).

**Regional Disparities in Poverty:**

Poverty is concentrated in some states. The share of six states (Bihar, UP, MP, West Bengal, Orissa and Assam), in all-India rural poor increased between 1993-94 and 1999-2000. In 1993-94, their share was 68.8 percent but increased to 74.4 percent in 1999-2000. In fact 54 percent of India's rural poor live in three states, viz, Bihar, Uttar Pradesh and Madhya Pradesh. As shown in Table 5.3, the total share of nine major states and others declined from 31.2 percent in 1993-94 to 25.6 percent in 1999-2000.

**Employment and Real Wages**

The growth rate of rural employment was around 0.5 percent per annum between 1993-94 and 1999-2000, as compared to 1.7 percent per annum between 1983 and 1993-94. Much of the decline in growth was in two sectors, viz, agriculture and community, social and personal services. These two sectors, which account for 70 percent of total employment have not shown any growth during the 1990s.

Another indicator of purchasing power in agricultural wages. At the all India level, the growth of real agricultural wages declined from about 5 percent per annum in the 1980s to 2.5 percent per annum in the 1990s. Deaton and Dreze (2002) say that the healthy growth of real agricultural wages appears to be a sufficient condition for significant reduction in poverty in rural area. In all the states where real wages have

grown more than 2.5 percent (Gujarat, Karnataka, Kerala, Tamil Nadu), sharp reductions in rural poverty have been experienced. On the other hand, the entire eastern region (Assam, Orissa, West Bengal and Bihar), Andhra Pradesh and Madhya Pradesh, experienced low growth in agricultural wages and lower reduction in poverty.

**Public Distribution System**

The public distribution system (PDS) is considered an important social safety net for the poor. Targeting was introduced in PDS in 1997. The ratio for rural poor at all-India level increased from 6.8 percent in 1993-94 to 8.8 percent in 1999-2000. At the state level, a significant increase was noticed for Assam, Karnataka, Kerala, Orissa, Tamil Nadu and West Bengal. Regarding dependence of the rural poor on PDS, Kerala has the highest percentage (72.3 percent) followed by Tamil Nadu (44.2 percent) and Karnataka (42 percent) in 1999-2000. There was a significant increase in the ratio in the case of Orissa. However, in three states (Bihar, UP and MP) where more than 50 percent of India's rural poor live, the ratio was less than 5 percent for the poor; it was less than 10 percent in Assam, J and K, Rajasthan and West Bengal. Thus, targeting has improved access to PDS in some states. However, poor states have not benefited significantly from targeted PDS.

**Health and Education**

Jawaharlal Nehru at the time of independence reminded the country that the task ahead: was of ending of poverty, ignorance, disease and the inequality of opportunity. That dream is largely unaccomplished, although this is not to deny the considerable progress in human development.

India's overall literacy rate increased from around 17 percent 1951 to 65 percent in 2001.

There are significant interstate disparities in literacy and education. Poverty has declined but there is a debate on the rate of decline. Literacy also improved in the 1990s but there are many dark areas such as low employment growth, problems in health status, low agriculture growth, farmers' suicides, etc. There are more than 200 million rural poor in India.

**Table 5.4: Per capita Capital Flows to States: 1999-2001 (in Rs)**

| Major States | Per Capita NSDP 1999-2000 | Per Capita Public and Private Investment | Per Capita Plan Outlay | Per Capita Institutional Investment | Per Capita Total Credit Utilisation | Per Capita Per Annum Externally Aided Projects (Average 1997-02) |
|---|---|---|---|---|---|---|
| Andhra Pradesh | 14715 | 21447 | 1032 | 910 | 4668 | 221 |
| **Bihar** | **6328** | **2852** | **319** | **546** | **669** | **11** |
| Chhattisgarh | NA | 12209 | 631 | 32 | 1803 | Na |
| Goa | NA | 56057 | 3423 | 1821 | 14489 | 25 |
| Gujarat | 18685 | 33875 | 1285 | 720 | 5827 | 138 |
| Haryana | 21551 | 9201 | 861 | 827 | 5098 | 106 |
| Jharkhand | NA | 9105 | 836 | 37 | 1759 | Na |
| Karnataka | 16343 | 24775 | 1499 | 688 | 6420 | 125 |
| Kerala | 18262 | 12235 | 710 | 1173 | 5872 | 19 |
| Madhya Pradesh | 10907 | 7287 | 652 | 725 | 2528 | 62 |
| Maharashtra | 23398 | 17556 | 1120 | 660 | 14890 | 52 |
| Orissa | 9162 | 25525 | 627 | 1049 | 1706 | 118 |
| Punjab | 23040 | 12688 | 1244 | 1078 | 7707 | 68 |
| Rajasthan | 12533 | 6763 | 822 | 914 | 2419 | 35 |
| Tamil Nadu | 19141 | 26292 | 837 | 709 | 9194 | 83 |
| Uttar Pradesh | 9765 | 3304 | 293 | 619 | 1638 | 47 |
| West Bengal | 15569 | 7113 | 710 | 662 | 3674 | 89 |

Source: Economic Survey, Ministry of Finance, 2003.

**Regional Disparities: Investment and Capital Flows**

Regional disparities have increased significantly in the post-reform period. (Table5.4) This could be partly due to the disparities in investment and capital flows in the 1990s. Per capita public and private investment in Gujarat (Rs 33,875) was more than

10 times that of Bihar (Rs 2,852) and UP (Rs 3,304). If we take only per capita plan outlay, the disparities are lower than those for total investment. In the case of institutional investment also the disparities are lower than for total investment. Per capita total credit utilization in Maharashtra was more than 20 times that of Bihar and nine times that of UP.

**Bihar: Investment and Growth in the Era of Globalisation**

Economic growth is the most powerful force for reducing income poverty. Linkages between growth and poverty reduction, and the role of the government in promoting growth, are complex and depend on a range of institutional, cultural, historical and physical parameters. Bihar has, in general, grown slower than the rest of India, with less robust links between growth and poverty reduction as compared to other states. Accelerating growth and strengthening these linkages will be critical for improving Bihar's capability to reduce poverty and attaining the MDG targets, in particular the goals of halving the proportion of those living on incomes of less than one dollar a day and the proportion of people suffering from hunger. Given the dependence of Bihar's economy on agriculture and the large percentage of the state's poor that are dependent of Bihar's economy on agriculture and the large percentage of the state's poor that are dependent on rural incomes, improving agricultural performance is particularly important for growth and poverty reduction.

**Growth Performance in Bihar**

Bihar's Gross State Domestic Product (GSDP) data indicates that growth performance has been quite weak, averaging barely 5% during the 1980s, which was below the national trend rate of 5.6%, and then turning flat in the first half of the 1990s when the national growth rate remained above 5%. (Table 5.1) Post bifurcation, Bihar continues to lag seriously behind other states in India. Over the period 1994-95 to 2001-02, when data for the new well as the physical constraints to economic activity.

## Bihar Since 2000[1]

### 1. Agricultural Growth

The bifurcation of Bihar has increased the importance of agriculture in its economy. Nearly 90% of the population lives in rural areas and depends directly or indirectly on agriculture. Fortunately, Bihar is well endowed with land resources. The soils are predominantly thick alluvial (Gangetic) deposits, or swamp and Terai soils, rich in nutrients, such as nitrogen, potash and phosphorous. The state has surplus water resources with potential for double and multiple cropping. However, though productivity on demonstration plots is comparable with the best in the country, there are some drought prone areas with lower production potential. The state thus presents an overall picture of abundant natural resources with the potential to achieve growth equivalent to, or even better than, the more developed agrarian states in the country. Indeed, Bihar is self sufficient in foodgrains, and has surplus capacity for export. It is a leading producer of spices and ranks third in fruit production and second in vegetable production in India.

**Table 5.5 Growth Performance of Bihar: 1981-82 to 2001-02**

| | **Former Bihar** | **Former Bihar** | **Divided Bihar** |
|---|---|---|---|
| | **1981-82 to 1990-91** | **1991-92 to 1995-96** | **1994-95 to 2001-02** |
| GDP | 4.9 | 0.0 | 3.8 |
| Agriculture | 4.6 | -2.0 | 0.8 |
| Industry | 5.2 | 0.5 | 10.5 |
| Services | 5.6 | 2.2 | 6.4 |
| | **India** | | |
| | **1981-82 to 1990-91** | **1991-92 to 1995-96** | **1994-95 to 2001-02** |
| GSP | 5.6 | 5.4 | 6.1 |
| Agriculture | 3.6 | 2.3 | 3.0 |
| Industry | 7.1 | 6.3 | 6.4 |
| Services | 6.5 | 7.0 | 8.0 |

Note: Period growth rate is the average of annual growth rates over the period.

Source: Central Statistical Organisation, GoI.

As seen in Table 5.5, Bihar's agricultural performance has been far below its potential, as is evident from the decline in per capita output over the past decade. The growth of agriculture has also been highly volatile, with annual output swings between minus 20% and plus 30%, which has had significant implications for poverty alleviation and income security of the poor. Bihar's gross sown crop area is also relatively low, and productivity is constrained by the general lack of infrastructure, land holding patterns, and other environmental factors.

Bihar's agricultural yield as compared with potential yield (estimated by yield achieved in national and state-specific demonstration plots) reveals a large yield gap across several crops. The gap is particularly large in the case of rice and maize, where Bihar's current yield is less than half the potential yield. Wheat yields in Bihar show a much lower gap, as do many non-cereal crops such as gram, rapeseed, sugarcane, etc. It is also noteworthy that productivity levels of maize and several non-cereal crops rose above the national average, although still falling short of their potential.

Though Bihar has a significant yield gap in crops like potato, sugarcane and rice, this could be construed as encouraging for the state's future growth potential. Currently horticultural crops account for around 4% of cropped area and show strong promise for growth in several districts. It is clear from cropping patterns that a shift towards non-foodgrain crops is already taking place. Litchi cultivation is one such success story. There is potential for further expansion if the right investment climate for agro-business is established. Bihar produces 70% of India's litchi crop, which is high in terms of both quality and yield per acre. In addition to litchis, the production of mangoes, pomegranates, lotus seeds (makhana), spices, and other crops show great promise.

Exploiting Bihar's growth potential requires a comprehensive development strategy, and there is also need for national-level attention in problematic areas that go beyond the state's fiscal and institutional management capacity. For example, Bihar's massive long-term annual flooding problem needs investment in infrastructure and cross-border agreements backed by central government intervention. The effort so far has been piecemeal and inadequate promising results are yet to be harnessed.

Many of these measures also fall under the broad aspect of investment climate improvement, which is as pertinent to agriculture and agro-business as it is to improving the growth performance of industry and services.

**2. Banking and Financial Institutions**

Since nationalization, the commercial banking sector in the state has expanded manifold without bringing commensurate benefit to the state. The nationalization of banks was expected to usher in an era in which commercial credit would be easily available to the backward regions and disadvantaged groups. But this never happened and the State's CD ratio declined from 40 percent in 1990-91 to 23.2 percent in the year 2002-03, which calculates to much less than half of the national average of 58 percent. In fact, commercial banks became conduit for flight of scarce capital from the state. The State has also not been able to secure adequate benefit from non-banking financial organizations. As on March, 2003, there were 31 registered Non Banking Financial Organisations (NBFOs) (Category A-2 & Category B-29) in the State; most of the NBFOs siphoning away money from the State. Earlier, unscrupulous NBFOs have deprived millions of customers of their hard earned savings. Even the benefits of all-India Financial Institutions comprising six all India Development Banks, two specialized financial institutions and three Investment Institutions in terms of providing term lending too did not accrue to State. In 2001, the All India Financial Institutions sanctioned Rs.103437.90 crore but the share of truncated Bihar remained only 0.14 percent.

**3. Central Assistance:** The slow growth of SDP and per capita income in the State is attributable to a large extent to the low level of per capita plan expenditure, inadequate central assistance and inadequate flow of institutional finance. These have been totally inadequate considering the vast population of the state. For example, in the First Plan, the per capita plan expenditure for the state was Rs. 25 and per capita central assistance was Rs. 14 as against Rs. 33 and Rs. 23 respectively for all India. During the Seventh Plan too, the same trend continued and per capita plan expenditure for the state and all India worked out to Rs. 733 and Rs. 1076 respectively. Similarly, per capita central assistance during this period calculated to Rs. 340 and Rs. 375 for the state and all India respectively. The picture emerging out of per capita plan outlay for Seventh and Eighth

Plans is even more revealing. During the Seventh plan, the per capita plan outlay for Bihar was only Rs.653; whereas for Punjab and Haryana it was Rs.1775 and Rs.1779 respectively. Similarly, during Eighth Plan, the per capita outlay for Bihar worked out to only Rs.1506 as against Rs.3252 and Rs.3497 for Punjab and Haryana respectively. This was despite the fact that massive investments were made to build Chandigarh. In fact both the States of Punjab and Haryana have the benefit of the proximity of the National Capital at Delhi, integrated economically with these two State. With the international airport and a dry port at New Delhi, the disadvantage of being landlocked for both the states also gets negated.

Public expenditures have played an important role in India's income poverty reduction. The period from the mid 1970s to the end of the 1980s when income poverty showed a marked reduction was also a decade when public expenditures rose phenomenally. This also corresponded to a period when Government introduced several new poverty alleviation programmes. There was an increased political commitment to poverty eradication which was backed by an increased allocation of resources and by a set of new pro-poor policies. Nationalized commercial banks were required to assign 40% of their lending to priority sectors – small farmers, small businesses, and artisans. New employment-creation and asset generation programmes for income poverty reduction were introduced. As a result, rural non-agricultural employment increased substantially, and real wages went up sharply. But most important, between 1976 and 1990, real per capital development expenditure increased at an annual rate of 6% per annum compared with only a 3% growth in real GDP per capita. In fact, the steep rise in government spending contributed to the fiscal crisis that necessitated economic reforms in 1991. On the other hand, after economic reforms were introduced, real government expenditure per capita fell 15% during 1990-93, but increased again by 6% in 1993-94. Income poverty too worsened in the initial years of the reforms, but since 1994 it has improved.

4. **Investment:** A low and declining level of investment in central sector also contributed to the backwardness of Bihar. The share of Bihar in the gross investment fund of the central public sector undertakings has been declining rapidly-while in 1975-76, the percentage of Bihar was 30.6, it declined merely to 8.24 percent in 1990-91. The

investment in private projects in 1995-96 in the State was also the lowest (2.68). As a result, the present Bihar is left with only Barauni Oil Refinery and a Thermal Power Station at Kahalgaon. The state has no central university, IIT or IIM. However, it is a matter of great pleasure, that Bihar Engineering College, Patna has recently been declared to be the National Institute of Technology, which would greatly improve the academic ambience of technical education in the state. Due to acute shortage of technical institutions in the state, students of Bihar are spending about Rs. 5000-6000 crore each year on their education outside the state. Similarly, there are very few central government installations like cantonments (only one at Patna, Gaya cantonment is being shifted), etc., though Bihar happens to be a bordering State.

5. **Poverty and Unemployment:** The problems of poverty and unemployment in the state continue to be serious. The incidence of both rural and urban poverty is far higher in Bihar than the average for India as a whole. During 1999-00, 42.60 percent of state population was below poverty line. Though, it is a decline from 54.96 percentage point in 1993-94, in absolute term, the population living below poverty line was much higher. In 1993-94, based on the usual status unemployment rate in rural and urban areas was higher in erstwhile Bihar than for all India. The unemployment rate in Bihar was 8.3 percent more than all-India for rural areas and 28.9 percent in urban areas. In 1999-00, however, the unemployment rate in rural Bihar was lower than in all-India; but he urban situation had further worsened, recording an unemployment rate which was 53.2 percent more than all-India. After the division of the State the incidence of unemployment has increased. The poverty reduction in the state like Bihar requires rapid growth of GSDP, which is capable of generating a broad based expansion in employment and income levels. Hence the development strategy must ensure accelerating the respectable growth of GSDP of Bihar.

6. **Public Investment in Agriculture:** The declining public investments in agriculture over the last decade resulted in erosion of productivity potential of the States.

**Table 5.6: Public Investment Per Acre of Net Sown Area at Current Prices**

| Plan period | Bihar | India | Rank of Bihar |
|---|---|---|---|
| Fifth Plan (1974-79) | 196 | 311 | 18th |
| Sixth Plan (1980-85) | 232 | 258 | 15th |
| Seventh Plan (1985-90) | 227 | 197 | 15th |
| 1990-91 and 1991-92 | 139 | 187 | 17th |
| Eighth Plan (1992-97) | 79 | 188 | 23rd |

Source: Planning Commission, 1999.

Thus it is clear that, since mid-seventies, (Table 5.6) the public investment in agriculture sector too has been quite meager, despite the fact that Bihar has had predominantly an agricultural economy. The recommendation of the constituted by the Planning Commission, Commission headed by Dr. S.R. Sen on improving agriculture in Eastern India, was not implemented. While developed agricultural state like Punjab is talking of diversification of agricultural production after reaching the plateau of land productivity, Bihar is, yet to reach the plateau of agricultural productivity in the traditional sphere. Its agriculture gets further disadvantaged by non-procurement of the product by FCI, whereas in Punjab and Haryana, there has been over-procurement. In the process Bihar farmers are annually disadvantaged by about Rs. 3500 crores.

## 7. Relative Infrastructure Development Index (RIDF)

**Table 5.7: Relative Infrastructure Development Index**

| S.No. | State | 1980-81 | 1991-92 | 1996-97 |
|---|---|---|---|---|
| 1. | **Bihar** | **83.5** | **81.7** | **77.8** |
| 2. | Rajasthan | 74.4 | 82.6 | 83.9 |
| 3. | Uttar Pradesh | 97.7 | 102.3 | 103.8 |
| 4. | Orissa | 81.5 | 95.0 | 98.9 |
| 5. | Madhya Pradesh | 62.1 | 71.5 | 74.1 |
| 6. | Andhra Pradesh | 98.1 | 96.8 | 93.1 |
| 7. | Tamil Nadu | 158.6 | 145.9 | 138.9 |

| | | | | |
|---|---|---|---|---|
| 8. | Kerala | 158.1 | 158.0 | 155.4 |
| 9. | Karnataka | 94.8 | 96.5 | 94.3 |
| 10. | West Bengal | 110.6 | 92.1 | 90.8 |
| 11. | Gujarat | 123.0 | 122.9 | 121.8 |
| 12. | Haryana | 145.0 | 143.0 | 137.2 |
| 13. | Maharashtra | 120.1 | 109.6 | 11.3 |
| 14. | Punjab | 207.3 | 193.4 | 185.6 |
| All 14 States | | 100.0 | 100.0 | 100.0 |

Source: Centre for Monitoring the Indian Economy, Bombay.

As can be interpreted from Table 5.7, the amount of loan disbursed under Rural Infrastructure Development Fund (RIDF), which emerged as important source of fund for development of rural infrastructure in the state, constituted only 0.19 percent, 0.31 percent and 0.33 percent of all-India disbursement in 2000-01, 2001-02 and 2002-03 respectively. Thus, even under RIDF schemes, the infrastructure of the state could not develop.

**Plan Expenditure and Bihar**

There is a need to assist the states which have not been benefited from reforms. The only way through which the poor states could promote economic activities in their respective areas is through betterment of infrastructural facilities. The poorer states which need more of such infrastructural investment are left with less financial resources to undertake the task. The resources required for this has to come from the Central pool till the infrastructure and service levels come up to a stage when the private investments start flowing in a substantial manner. The Twelfth Finance Commission may consider the implications of the liberalization and reform while deciding awards both in respect of size of shared taxes as well as grants-in-aid.

**Table 5.8 Percentage Share of Central & States on Plan Expenditure**

**(Rs. Crores, Current Prices)**

| Plan Period | Centre | % Share of Plan | States | % Share of Plan* | Total |
|---|---|---|---|---|---|
| First Plan (1951-56) | 706.00 | 36.02 | 12,145.00 | 63.52 | 1,960.00 |
| Second Plan (1956-61) | 2,534.00 | 51.24 | 2,115.00 | 45.257 | 4,672.00 |
| Third Plan (1961-66) | 4,212.00 | 49.11 | 4,227.00 | 49.28 | 8,577.00 |
| Annual Plan (1966-69) | 3,401.00 | 51.34 | 3,118.00 | 47.06 | 6,625.00 |
| Fourth Plan (1974-79) | 7,826.00 | 49.60 | 7,675.00 | 48.68 | 15,779.00 |
| Fifth Plan (1974-79) | 18,755.00 | 47.57 | 20,015.00 | 50.67 | 3,9426.00 |
| Annual Plan (1979-80) | 5,695.00 | 46.77 | 6,291.00 | 51.67 | 12,176.00 |
| Sixth Plan (1980-85) | 57,825.00 | 52.91 | 49,458.00 | 45.25 | 1,09,292.00 |
| Seventh Plan (1985-90) | 1,27,519.00 | 58.30 | 87,492.40 | 40.00 | 2,18,729.70 |
| Eighth Plan (1992-97) | 2,88,930.10 | 59.52 | 1,87,937.50 | 38.71 | 4,85,457.31 |
| Ninth Plan* (1997-2002) (Plan Outlay) | 4,89,361.00 | 56.93 | 3,69,839.00 | 43.07 | 8,59,500.00 |

**Source:** Indian Planning Experience A Statistical Profile, Planning Commission, GOI, Jan. 2001, PP. 30.

The plan expenditure is undertaken by the Planning Commission for the development of the State. Thus the size of plan expenditure is one of the important indictors of growth. But a closer look at the plan expenditure of the Centre and State (Table 5.8) reveals that the states' relative share in overall plan expenditure in comparison with the Centre has been coming down. While states accounted for 63.52 percent share of total plan expenditure during the First Plan, it fluctuated between 40.00 percent in Seventh Plan to 50.67 percent in Fifth Plan and came down to 38.71 percent in the English Plan and became 43.07 percent and Ninth Plan. On the other hand, share of

the Centre which was only 36.02 percent in the First Plan increased to 59.52 percent in the Eighth Plan. This has had an adverse impact on the State. The details may be seen in the table above.

**Table 5.9 Plan Expenditure as Percentage of Gross State Domestic Product**

| Sl.No. | State | Average | |
|---|---|---|---|
| | | 1980-81 to 1990-91 | 1991-92 to 1997-98 |
| 1. | Bihar | 6.20 | 2.87 |
| 2. | Rajasthan | 5.89 | 6.54 |
| 3. | Uttar Pradesh | 6.33 | 4.56 |
| 4. | Orissa | 7.41 | 7.10 |
| 5. | Madhya Pradesh | 7.39 | 4.97 |
| 6. | Andhra Pradesh | 5.70 | 4.28 |
| 7. | Tamil Nadu | 6.19 | 4.60 |
| 8. | Kerala | 5.22 | 4.99 |
| 9. | Karnatka | 5.61 | 6.49 |
| 10. | West Bengal | 3.56 | 2.70 |
| 11. | Gujarat | 6.52 | 4.51 |
| 12. | Haryana | 6.41 | 3.94 |
| 13. | Maharashtra | 5.68 | 3.97 |
| 14. | Punjab | 5.63 | 3.94 |
| All 14 States | | 5.69 | 4.50 |

Source: Economic Policy Reforms and the Indian Economy, Oxford.

Again, when we examine state-wise plan expenditure vis-à-vis the Gross State Domestic Product, it is found that the percentage of plan expenditure to GSDP in slower-growing states declined. (Table 5.9)

Bihar recorded the largest drop. Bihar has had the lower percentage during 1980-81 to 1990-91 and in 1991-92 to 1997-98, it showed a substantial decline. Some important tasks which remained unaccomplished even after decades of planning in the

country has now acquired great urgency. It is desirable that the share of the state needs to be increased to accomplish the unfinished tasks, some of which are given below:

(a) With a view to improving the system of delivery of justice and raising the strength of judicial officers, the Shetty Commission recommendations have to be implemented which may require a total estimated sum of Rs. 3000 crore over a five years' period of 2005-10.

(b) According to a study, for all states taken together, the per capita expenditure on social services including education declined in the post reform period with adverse implication on their human development. However, this decline was quite considerable in the poor states, and rich states showed a little upward trend (Table 5.9).

**Table 5.10 Index of Per Capita Public Expenditure on Social Services (1981-82 Prices)**

| Year | Education | | | | All Social Services | | | |
|---|---|---|---|---|---|---|---|---|
| | Poor States | Middle Income States | Rich States | All States | Poor States | Middle Income States | Rich States | All States |
| 1990-91 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| 1991-92 | 90 | 95 | 101 | 95 | 94 | 96 | 99 | 96 |
| 1992-93 | 92 | 94 | 100 | 95 | 93 | 93 | 98 | 95 |
| 1993-94 | 87 | 99 | 104 | 95 | 92 | 97 | 100 | 96 |
| 1994-95 | 91 | 99 | 104 | 97 | 93 | 97 | 101 | 97 |

Source: Background Paper for UNDP Report India: The Road to Human Development, UNDP, 1997

Thus Bihar being a poor State with 42.6 percent of its population living below poverty line, it has little to spend on social service. (Table 5.10) Empirical evidences who that continuous efforts towards development of human capital and infrastructure holds

the key for poverty reduction. Among various factors affecting the development, investment in education and health are found to be crucial.

**Bihar's Investment Climate**

Investment climate (IC) refers to the institutional, economic, political and infrastructural environment that shapes the manufacturing sector's operations and expectations. Comparative surveys, conducted by the Confederation of Indian Industry in collaboration with the World Bank (CII – WB), have examined several IC indicators to compare 11 Indian states and identify the main challenges in improving the IC.

**Factors Influencing the Investment Climate**

Evidence based on standardized surveys suggests that the investment climate helps to explain differences in investment and growth performance across countries and regions. China, Thailand, Malaysia and India have been able to benefit tremendously from greater openness to trade and investment flows. The quantity and quality of investment flows to a country or state depends upon the returns that investors expect and the uncertainties around those returns. Three interrelated components shape investor expectations

1. Macro level issues concerning economic and political stability and national policy towards foreign trade and investment – fiscal, monetary, exchange rate policies.
2. The efficacy of the regulatory framework related to the issues of entry or starting a business, labour relations and flexibility in labour use, efficiency and transparency of financing and taxation, and efficiency of regulations concerning the environment, safety, health, and other legitimate public interests.
3. The quality and quantity of physical and financial infrastructure, such as power, transport, telecommunications, and banking and finance. Entrepreneurs often cite infrastructure bottlenecks – power reliability, transport time/ cost, and access and efficiency of finance – as key determinants of competitiveness and profitability.

Survey results in India point to several factors that enhance or harm the competitive position in international markets. India's large market size, low labour costs, and abundance of skilled and educated workers are major strengths, and clearly it is

potentially competitive in a range of labour intensive industries. But in practice this advantage is partially offset by infrastructure bottlenecks, and India's foreign investment flows are low compared to China, Brazil, or Thailand. Three elements of India's IC drive this result: (i) the lack of smooth operating labour and capital markets to facilitate firm entry and exit procedures; (ii) the lack of availability of quality infrastructure services to reduce per unit costs of production and transport; and (iii) the burden of the regulatory environment and corruption on firms. Excessive regulation of firm entry and exit, through higher requirements on the number of permits and clearances, means firms face more time and expense to start a firm. Bankruptcy procedures are outdated and ineffective, making them very cumbersome and lengthy. Excessive regulations over industry hiring and firing of workers, and on the use and transfer of land are other factors.

**Improving Bihar's Growth Performance and Investment Climate**

Bihar faces many constraints of growth that are well documented – the devastating monsoon floods, low human development indicators, weak infrastructure, and inadequate mineral resources. A part of the medium-term growth challenge lies in strengthening human resources, which the second strategic pillar directly addresses. However, a great deal more is needed to boost economic growth performance, particularly in agriculture which remains central to Bihar's growth and poverty reduction agenda. The primary reason for low investment levels in Bihar are by far the lowest in India) appears to be the state's very poor investment climate. This is due in part to physical constraints requiring time and resources, but also to institutional and public policy constraints where there is wide scope for improvement.

For improving Bihar's investment climate, the government should prioritise two strategic changes focusing on: (a) public provision of basic infrastructure services in the state, and (b) road infrastructure and water control. As nearly four-fifths of the state's population is engaged in agriculture and the rural economy, agriculture and related activities will remain the backbone of Bihar's economy in the near term. The first priority – improving rural infrastructure, and strengthening agricultural extension with targeted R&D – can help boost the performance of agriculture, agro-industry, and related services (transport, storage, marketing, etc.), thereby helping reverse Bihar's weak agricultural

growth performance and reducing voltatility in rural incomes. This strategic shift towards core public infrastructure requires re-examining the basic role of the government, exploring alternative delivery mechanisms, and identifying areas where public presence may be low in priority or even counter-productive. The power sector is one such service where public subsidies have been costly, the service is poor, with scope for alternative approaches, including targeted privatization and community-based rural power cooperatives.

The second priority for strengthening the investment climate is improving law and order, and in so doing reversing the perception of persistent law and order problems. Although official statistics may suggest otherwise, negative investor perceptions of law and order problems are real, particularly that of organized crime targeting professionals. This additional sense of risk appears to be a serious constraint to investment and greater entrepreneurship and deserves the highest political attention.

**Strengthening Delivery of Social Services**

The need for improved access to services is particularly acute in rural communities, where the quality and availability of services is the weakest and development indicators are the worst. Improving social service delivery requires three core relationships: first, the relationship between policy makers and service recipients (in rural areas these are primarily poor people) to make policies responsive to people's needs; second, the relationship between policy makers and service providers to ensure high standards of quality; and third, between end clients and service providers, to strengthen accountability mechanisms which help ensure that social services are actually provided, well targeted, and responsive to community needs.

Strengthening of the policy maker-provider-client relationship rests on a coherent policy framework, synchronizing a vision for service delivery with appropriate resource planning, program implementation guidelines, and adequate administrative capacity and supervision.

There is also considerable evidence from Bihar that innovative partnerships for the delivery of social services can be highly effective and can complement or substitute public services, particularly where public delivery mechanisms are weak. The experience

of the non-profit registered society Janani in franchising rural medical providers and supporting a network of qualified doctors through its Surya Clinics is a case in point. Another example is the highly successful effort in Muzaffarpur District between the district government, local communities, NGOs and thousands of volunteers, to implement the National Literacy Mission targeting adult literacy. Muzaffarpur has been recognized as the top performer in the country, demonstrating the potential for highly successful development outcomes in Bihar when communities, the government, and the incentive structure are aligned. Exploring additional avenues for such collaboration, for example building on Bihar's extensive network of women's SHGs, is one method to better leverage public resources for securing effective service delivery and empowering local communities.

The issues raised here require considerable discussion and debate, which would benefit greatly from wider government engagement, as also with people directly affected by public policies and services – including the business community, civic groups, and communities. As part of a broad initiative to strengthen the development dialogue and place development first, consideration could be given to launching this process through high-powered committees, combining expertise from elsewhere with local knowledge and inviting public debate. Analytical and strategic efforts can be focused in five areas: (a) improving Bihar's investment climate; (b) public administration and procedural reform; (c) strengthening design and delivery of core social services; (d) budget management and fiscal reform; and (e) priorities in public law and order. Government efforts to explore opportunities for financial and technical assistance from national and international donor agencies seem promising.

The successes provide ample evidence that under the right circumstances development efforts in Bihar can not only be highly effective, but can also provide lessons for India and abroad. The COMFED dairy cooperative, Muzaffarpur's National Literacy Campaign, or the Paliganj Participatory Irrigation Management experience are examples of excellence. The challenge facing Bihar today is to build on these successes, draw lessons from them, and use them to push Bihar's development forward.

The comparative survey analyses the main differences in "good" and "bad" state investment climates. Costs to businesses of a poor investment climate – for example, an

unreliable power supply, onerous regulations, and intrusive and disruptive visits from government officials – were found to be high. The states ranged from Uttar Pradesh (ranked as the worst IC in the survey) to Maharashtra (ranked as the best). The analysis highlights the impact of three main factors, which in particular affect small-and medium-sized enterprises:

- **Regulatory burden.** The regulatory burden appears higher in the poor climate states. For example, SMEs receive factory inspections twice as frequently in the poor climate states (9.5 visits per year on average) as in the best climate ones (5.2 visits).
- **Power infrastructure.** In the poor climate states, 73% of SMEs have captive (self-owned) power generators, whereas in the best climate states the figure is 31%, reflecting more severe power supply problems in the poor climate states. For SMEs the cost of own power generation is twice that of power from the public grid.
- **Industrial relations and regulations.** Problems with having more workers than firms want is widespread, and reflects heavy regulation of labour markets. In poor IC states (UP) all surveyed firms indicated overstaffing due to labour regulations and political pressure not to lay off workers. In good IC states over-manning was less severe, and in some instances related to hoarding labour in anticipation of growth in future output demand.

These differences have real consequences fort the costs firms face and their business competitiveness. Firms in Uttar Pradesh, for example, are estimated to face an additional cost burden of around 30% arising from higher infrastructure and regulatory costs as compared with good IC states. One consequence is that states with a weak IC enjoy less growth and have seen less poverty reduction than those with a good IC.

Unified Bihar had a long history of state-sponsored industrial development supported by the Government of India in the mineral rich southern part of the state. Good transport linkages and abundant raw materials led to the development of the iron and steel industries, other private investors located there, technology institutes were founded, and southern towns, such as Ranchi and Jamshedpur, became the industrial centres of Bihar

as well as India. However, very little of this affected north Bihar and one result is that no major state-sponsored industries or institutes are to be found in Bihar today.

**Some Reformative Measures**

**1. Employment**

Employment can be increased if economic growth is labour-intensive. The development of agriculture and the rural non-farm sector mentioned below will improve employment and wages. Policies have to be framed for both unskilled and skilled workers and youth employment is an important focus area.

Direct employment programmes such as wage and self-employment schemes have to be effectively implemented. Labour-intensive employment programmes, if properly designed and implemented, hold high promise as instruments for addression both short-term relief and long-term asset creation. Public works programmes have long been recognized as effective policy instruments of providing food security, particularly in rural area. The Common Minimum Programme (CMP) of the new government also mentions the employment guarantee scheme.

**2. Increase in public investment:**

An important priority is to increase public investment in rural infrastructure. Infrastructure includes irrigation, electricity, agricultural research, roads and communications and new technology. We have seen above that public investment declined in the post-liberalisation period. Increase in public investment will also encourage private investment. Investment in rural infrastructure is more important for agricultural growth and rural development than trade liberalization per se.

**3. Agriculture**

Although the share of agriculture in GDP has declined to 22 percent, the share of employment in agriculture is still 60 percent. Therefore, increase in agricultural growth is important for rural development. A two-pronged strategy is needed to improve the performance of agriculture. The first is to release the initiative and enterprise of farmers and the private sector in general by removing restrictions on agricultural trade, processing, etc. The second is to facilitate adequate supply responses to the incentives created by strengthening infrastructure, agricultural research and extension and delivery

of credit while protecting the environment [Rao 2003]. The focus has to be more on dry land and marginal areas for higher returns. Agricultural subsidies have to reach small and marginal farmers.

**4. Water management:**

The management of water is going to be crucial for raising the standard of living in rural area. Watershed development can be sustained in the long run only through social mobilization and capacity building. Conservation of surface and groundwater can be improved when water and power are priced according to the volume of consumption. Community involvement is essential in setting the user charges as well as for assessing the individual consumption.

**5. Rural institutional reforms:**

Institutional reforms are important, particularly in the domain of public system, for sustained technical progress and output growth in agriculture. "There is a limited scope for privatizing irrigation, research and extension, and other infrastructure facilities. All of these will continue to be mainly the responsibility of public sector. Unless the public sector's efficiency in mobilizing resources and managing these facilities is vastly improved, trade and price policy reform will not make a significant difference to the pace of agricultural growth" [Vaidyanathan 1996].

**6. Rural non-farm sector:**

Although India is one of the largest producers of raw material for the food-processing industry in the world, the industry itself is under-developed. Less than 2.5 percent of fruit and vegetable production is processed compared with 30 percent in Thailand, 70 percent in Brazil, 78 percent in the Philippines and 80 percent in Malaysia. By any standards, therefore, the unutilized potential of food-processing in India is enormous. Expansion of this sector is an ideal way of bringing industry to rural areas, expanding the value chain of agricultural production, providing assured markets for farmers enabling them to diversity into higher value horticultural crops and expanding employment by creating high quality non-agricultural work opportunities in rural areas [Mahendra Dev and Rao 2004].

Three aspects of improving basic education in rural areas are: First, more resources have to be allocated to education, particularly to primary education, from the

budget. The international norm is 6 percent of GDP. India has been spending less than 4 percent of GDP. In rural areas infrastructure is poor and there is a need for greater spending. The 93rd amendment of the Constitution is in the right direction but funds are needed to realize universalisation of elementary education. Second, the quality of education in terms of curriculum, better infrastructure and teaching has to be improved. Third, retaining children in the schools is more difficult than enrolling them. While the demand factors are important in influencing the extent of literacy and dropout rates, access or supply or quality factors influences enrolment rates. Specific policies are required to address gender and social disparities.

**7. 'PURA' model and improving basic services:**

The president of India APJ Abdul Kalam has been advocating implementation of the scheme PURA – Providing Urban Amenities in Rural Areas. PURA is a scheme to enhance physical, economic, knowledge, societal and electronic connectivity in rural areas. The union cabinet has recently approved the PURA scheme. This scheme should be taken up seriously throughout India. Generally, the performance of many basic services like drinking water, health, education, sanitation, electricity, transport are weak in rural areas. Effectiveness of these services have to be improved by a rights based and participatory approach. The demand to improve the performance of these basic services should come from the people.

**8. Reduction in personal, regional and gender inequalities:**

The experience of globalization has shown that it increased interpersonal and regional disparities across many countries. The Chinese experience also shows an increase in inequalities. Stepping up public investment in physical and social infrastructure has immense potential for reducing regional disparities in the levels of development. The gap between the ultimate irrigation potential of major and medium irrigation projects, which can be undertaken only through public investment, and the potential actually created so far is quite high for drought-prone regions. Public expenditure on health and education needs to be stepped up substantially while focusing on the less developed areas.

## 9. Decentralisation and governance:

There is a need to devolve more finance, functions and powers to panchayats in order to make these institutions self-sustaining. Governments also have to integrate community-based organizations (CBOs) with panchayats. The actual performance so far in terms of genuine decentralization/devolution to local bodies is far from satisfactory. Some people feel that decentralization would lead to more corruption. It may be noted that decentralized corruption. However, over time corruption can be reduced.

In recent years it has been shown that governance is the key factor for raising economic growth and human development. In this respect, several states are introducing many governance reforms given above to improve administration and delivery systems. These reforms, including e-governance, have yielded some results. But, the general impression is that inspite of reforms, improvements at the ground level are not visible. A change in the mindset of the bureaucracy, involving good NGOs in local development programmes, convergence of line departments with panchayats are some of the measures needed to improve governance in the country. Right to information, social mobilization and involvement of panchayats would improve accountability of public expenditure. These measures can reduce the leakages in several government programmes.

## Conclusion

In the post-liberalisation period, there have been improvements in foreign exchange reserves and physical infrastructure (like telecommunications and roads), a stock market boom, an IT revolution, and 8 percent growth in GDP in 2003-04. Due to these improvements, there was in early 2004 a feel good factor in the form of 'India Shining'.

To conclude, rural investment (both public and private), technology, rural institutions and employment schemes are important for rural development. We have suggested 10 acres viz., employment, increase in public investment, agriculture sector, water management, rural institutional reforms, rural non-farm sector, health and education, reduction in regional, personal and gender disparities. PURA model and basic services, decentralization and governance where policy attention is needed in order to make rural India 'shine'. India cannot 'shine' without the 'shining' of rural India.

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**Explanatory Note**

1. The analysis is based on the report of Asian Development Report, Patna. The aim is to review the economy of Bihar, after Jharkhand being carved out.

# CONCLUSION

**Man's History is Waiting in Patience for the Triumph of the Insulted Man**

***- Rabindranath Tagore***

By constitutional definition, India is a union of states, and it is implicit that there cannot be a great deal of disparities among its various constituents if the union is to remain stable. However, this is not that situation, and of all the states that make up India, its second-most-populous, Bihar, is the worst off. This dissertation attempts to explore some of the causes and consequences of Bihar's backwardness for state itself as well as for the Union.

A definite tinge of sadness creeps in whenever such an examination of Bihar's benighted condition is made. The state lacks neither physical resources nor a glorious cultural heritage. It is also witness to some of the most vigorous movements for social change. And yet, somehow, it continues to languish in poverty, apathy and even lacks a distinct socio-cultural identity. Its fragments are clearly identifiable, but Bihar does not emerge as an entity beyond the fragments. This situation however, is neither inevitable nor even permanent. Sheer desperation often causes people to define themselves in unexpected ways. And, if it is not despair that catalyses the process, then it is the revolution of rising expectations. In Bihar too, in a slow and almost intangible way, a collective identity appears to be emerging. There are two possibilities regarding the shape the emergent can take. It can degenerate into a brutal, xenophobic monster, governed only by the rule of its internal jungle. Or it can develop into a civilized, popular, social formation, based on republican values. A self-conscious republic of Bihar, premised on equity and progress, can in fact transform India into a prosperous commonwealth of equal republics. (Das, 1992)

## Bihar's Backwardness

The erstwhile state of Bihar was the most richly endowed State of India in terms of its total natural resource base. But after its total natural resource base. But after its

recent bifurcation on November 15, 2000, almost the entire mineral wealth and much of forests have fallen to the share of Jharkhand. Erstwhile Bihar had already suffered before the continuous neglect by the Center and its bifurcation gave a severe blow to the economy of the present Bihar. The main reasons leading to the State's backwardness are enumerated below:

**Less Area and Large Population:** The present State of Bihar has an area of 94163 sq. km. which is 2.8 percent of the total area of the country. In sharp contrast, as per the census of 2001, the total population crossed 8 crore mark, which accounts for 8.1 percent of the total population of India. Thus Bihar's share of all-India population is much higher than the share of area. Consequently, population density of Bihar at 880 persons per sq. km. in 2001. Moreover, the population growth, which was 23.38 percent for the decade 1980's, shot up to 28.43 percent during nineties, while for India as a whole it declined from 23.86 percent to 21.34 percent. To make the matter worse, consequent upon bifurcation of the State, only 54 percent of the land area has remained with Bihar, but it had 75 percent of population, resulting into a severe deterioration of the land-man ratio.

**Declining Growth of GSDP and Revenue Receipt:** Apart from 96 percent of minerals and 78 percent of forest, the divided Bihar has lot social and economic infrastructure, major industries and technical and training institutions leading to the curtailment of the potential of economic growth and revenues. The economy of Bihar is predominantly rural in as much as 89.5 percent population is rural and about 75-80 percent of the population is directly or indirectly dependent on agriculture. Therefore, share of agriculture in Bihar's State income is more which shows annual fluctuations in accordance with fluctuations in agriculture. The State's Gross Domestic Product (GSDP) which was Rs. 69,764 crore in 1999-2000 reduced to Rs. 50,987 crore in 2001-02 as a result of bifurcation of the State. The State's own revenue receipt was Rs. 4,251 crore in 1999-2000 which came down to Rs. 2,788 crore in 2001-2002, a decrease of 34.4 percent. However, due to a disproportionate sharing of the burden of non-plan revenue expenditure, the same registered decline from Rs. 12,821 crore in 1999-2000 to Rs. 10,314 crore in 2001-02, a decrease of 19.6 percent. The steeper reduction in revenue receipts compared to non-plan revenue expenditure imposed an unbearable burden on the economy of the new state.

**Inadequate Irrigation, Recurrent Floods and Calamities:** The truncated Bihar is left with abundant of water and the rich alluvial soil which are inherently major assets for rejuvenation of its agricultural growth. The State also gets fairly high annual rainfall of around 1235 mm as against 1200 mm for the country as a whole. Not a single district of Bihar falls within the low rainfall category, though instability of rains is a serious problem. However, since proportion of rainfall received during monsoon constitutes 75-80 percent of annual rainfall, irrigation becomes important. Though the State has adequate irrigation potential, there is inadequacy of irrigation infrastructure and only about 50 percent of the net sown area is under irrigation. However, the most important negative feature of the State is the recurrent flood which is due to the flood prone nature of the terrain and of the rivers which flow through Bihar. The floods each year cause immense damage to human lives, cattle, standing crops and infrastructures including roads building, dams, water supply and other installations. The National Commission on Floods identified Bihar as the most flood prone State in India. The total flood prone area in the State is about 69 lakh hectares, which constitute 17 percent of the total flood affected area in the country. Similarly, of the total flood affected population of the country, 56.5 percent of the population resides in Bihar. It may be worthwhile to mention that in 2002-03, the total area affected by floods in the State was 19.69 lakh hectares; whereas, the population affected was 1.62 crore, and the total damage including crops, houses, infrastructure etc. worked out to over Rs. 3000 crore. The State is victim of geography in so far as the floods are concerned and for mitigating the menace of floods, the State alone cannot play any effective role because most of the rivers originate from across the border and as such it comes under the Central Government's jurisdiction.

Again, cyclones and hailstorms occur in different parts of the State entailing considerable expenditure on relief. The State also experiences extremes of heat and cold causing damage to lives and crops. Successively during the last two to three years, the temperature drops considerably leading to extreme cold wave which causes extensive damage to human lives, cattle and standing crops.

**Table 1: Growth of Gross State Domestic Product and Per Capita Growth**

| S.No. | State | Rate of Growth of Gross State Domestic Product (percent per year) | | Annual Rates of Growth of Per Capita GSDP (percent per year) | |
|---|---|---|---|---|---|
| | | 1980-81 to 1990-91 | 1991-92 to 1998-99 | 1980-81 to 1990-91 | 1991-92 to 1998-99 |
| 1. | Bihar | 4.66 | 2.88 | 2.45 | 1.27 |
| 2. | Rajasthan | 6.60 | 5.85 | 3.96 | 3.48 |
| 3. | Uttar Pradesh | 4.95 | 3.58 | 5.60 | 1.28 |
| 4. | Orissa | 4.29 | 3.56 | 2.38 | 2.08 |
| 5. | Madhya Pradesh | 4.56 | 5.89 | 2.08 | 3.67 |
| 6. | Andhra Pradesh | 5.56 | 5.20 | 3.34 | 3.67 |
| 7. | Tamil Nadu | 5.38 | 6.02 | 3.87 | 4.78 |
| 8. | Kerala | 3.57 | 5.61 | 2.19 | 4.35 |
| 9. | Karnataka | 5.29 | 5.87 | 3.28 | 4.08 |
| 10. | West Bengal | 4.71 | 6.97 | 2.39 | 5.14 |
| 11. | Gujarat | 5.08 | 8.15 | 3.08 | 6.73 |
| 12. | Haryana | 6.43 | 5.13 | 3.86 | 2.85 |
| 13. | Maharashtra | 6.02 | 8.01 | 3.58 | 6.19 |
| 14. | Punjab | 5.32 | 4.77 | 3.33 | 2.93 |
| Combined GSDP of 14 states | | 5.24 | 5.90 | 3.03 | 4.02 |
| GDP (national accounts) | | 5.47 | 6.50 | - | - |

Source: Planning Commission; Economic Policy Reforms and Indian Economy, Oxford.

**Low Growth of Net State Domestic Product:** (Table 1) In terms of the Per Capital Net State Domestic Product (Base 1960-61 = 100), the State remained at the lowest rung of the ladder right from 1961-62. The growth of Net State Domestic Product averaged around 4.2 percent per annum during the period 1993-94 to 1998-99 (after bifurcation, much less). The relatively low growth rate of NSDP is attributed to low per capita plan outlay which stood at Rs. 319.02 as against Rs. 1243.76 for Punjab during the period. As

is evidenced from the table above, after introduction of reforms in 1990, growth pattern increased regional inequality when Bihar and other poor states performed very poorly. Some states like Madhya Pradesh and Rajasthan, in spite of improvements vis-à-vis their past performance, fell further behind the national average.

The states with greater economic strength gained at the expense of poorer ones. In the absence of powerful institutions, the benefits of progress has gone in favour of richer ones. It appears that existence of regional disparity has been institutionalized during the reform period, and no step has been taken to arrest this trend. The situation could have been somewhat better, had the States' savings in the form of bank deposits been utilized for financing private sector investments.

**Lower Per Capita Income:** Even after five and a half decades of independence, Bihar continues to be the state with lowest per capita income. In 1993-94, Bihar's per capita income worked out to Rs. 3034, while for the country as a while it was Rs. 7690. In 2000-01, the State's figure was Rs. 3345 as against Rs. 10,254 for the all India. During the period 1994-2001, the State's per capita income change was only Rs. 311, while for all India it worked out to Rs. 2564. This is a reflection on the backwardness of the state and is a sad commentary of India's commitment to reduction in regional disparity.

**Inadequate Infrastructure:** The infrastructure of roads, irrigation and power needs a great deal of strengthening for the development of the state. The index of infrastructure for Bihar was 81.33 in 1999 as against 187.57 for Punjab. As a result of bifurcation of the State, the infrastructure index for the present Bihar has come further down. Assured irrigation through Canals and Tube wells is available to 28.45 lakh hectares which comes to about 50 percent of the net sown area of the state. Per capita power consumption is only 140.8 kw against 354.75 for the country as a whole. Similarly, the road length in the State is highly inadequate (90 km/lakh of population as against 257 km for all-India in 1997). The length of rail lines in the State is only 30.22 km per 1000 km of the area against 42.49 km in Punjab. Even during the plan periods, the infrastructure sector was characterized by a declining trend, where the share of expenditure on infrastructure in total plan fell from 46 percent in Fifth Plan to 33 percent in Ninth Plan.

**Industrial Development Tardy:** The industrial development is yet to take place depriving the state of the benefits of investment, employment and income over a long period. With bifurcation, almost all the major and medium industries as also a majority of small scale industries in erstwhile Bihar have gone to Jharkhand. For almost four decades, the state suffered the most on account of freight equalization and royalty on coal which took away the natural advantage of this region denying benefits of its huge mineral resources. Though, this policy has been withdrawn by the center only a couple of years back, the effect of this policy, operative for a long period of four decades, is still there; and there was no change in the investment climate because of the capital accumulation already made elsewhere. Nor there has been any effort on the part of the center to compensate the losses inflicted on the State.

Republicanism began in Bihar. Empires too started from there. It has enjoyed the fruits of conquest and suffered the pains of being colonized. It is now up to its people to recall their history and make their choice today.

Not only is it the second-most-populous state of the Indian union, immensely rich in mineral and other resources, but also its very size and history make it crucial to political-economic development in India. Indeed, in many respect, Bihar represents the extreme case of what has happened to a region subjected to societal stagnation, economic exploitation and cultural degeneration under conditions of long and stifling feudalism, external and internal colonialism and the most brutalizing experience of a late capitalism which has acquired the bathos of senility without ever having witnessed the optimism of its youth. As such, Bihar holds lessons for the rest of the world too; as problems of post-industrial dehumanization are addressed and as the pragmatically-reared ideological hybrids like 'market socialism' on the one hand and 'collective consumerism' on the other, obscure the fact that fact that mankind still has to make a choice between progress to scientific humanism and regress to social barbarism. Bihar holds both possibilities and challenges that is why knowing Bihar is important.

While in day-to-day social transactions there may be relatively less overt violence used in Bihar, in other transactions which are more commercial or political, as in the case of the relationship between agricultural labourers and landowners or in the arena of mining and manufacture, in areas where society is mediated through economic factors,

where property comes into play, violence is by no means covet; it is blatant and brutal. In recent years, according to government reports, more than 3,500 murders, i.e. ten every day, comparable to the number in Punjab, were committed in Bihar every year, and these were in what were termed 'private disputes'. The 'public killings' by police action was visible at Arwal where more than a score of agricultural labourers were gunned down. The violence perpetrated by mafia marauders in the mining areas of Bihar is well-known but its rural counterpart is noticed generally only when it take a gruesome form, like in the mass murders at Belchhi, Pathadda, Bisrampur, Dalehak-Baghaura, Tiskhoran, Danwar-Behta, Barasimha, Bara and Northi-Nagawan. (Sharma, 1987)

It is in this context of violence, covert in society and overt in politics, that the centuries-old popular culture finds expression. It is crude, unsophisticated, only partly moderated by the civilizing influence of consciousness of either its own subaltern history or the impact of humanistic modernism. Such a situation is inherently unstable.

The ancient glories of the region in the time of the Buddha and Mahavira, during the reigns of Asoka and Samudragupta, when Fa Hien and Hsuan Tsang visited its marvelous institutions, when Sher Shah defeated the Mughals an Alivardi Khan pushed back the Maratha hordes, tales of glory which literate Biharis repeat *ad nauseum*, even in more recent times, the scene in Bihar was not as totally hopeless as now. When a group of the young Bihari literati, led by Sachchidanand Sinh, asked for the formation of a separate province of Bihar, they had hope in their hearts; hope that, given the amazing fertility of its soil, the immense riches of its mineral resources, the enormous manpower wealth embodied in its mineral resources, the enormous manpower wealth embodied in its millions of people, the vigour and vitality of its emergent intelligentsia, the hard work of its workers and peasants, the state of Bihar would prosper and its people would be happy.

When Shapurji Shaklatvala roamed the hills of Chhotanagpur to search for ore on behalf of Jamsetji Tata and decided to set up a massive steel plant in the village of Sakchi; when the 'builders of new India' erected the gigantic temples of technology at Ranchi and Bokaro; when Czechoslovak and Russian technologists toiled alongside Bihari labour to try to actualize a great Nehruvian dream, there was hope.

When the crusty old sannyasi, Swami Sahajanand Saraswati, started a small peasant organization in Bihta and built up the biggest Kisan Sabha in India to fight against the iniquities of agrarian Bihar, when K.B. Sahay stood up in the Bihar Assembly with his head swathed in blood-soaked bandages to propose the abolition of zamindari; when the yellow-robed Buddhist monk, Rahul Sankrityayana, and the red-shirt land army of Karyanand Sharma stood together to permanently unsettle the permanent Settlement , there was hope in their hearts. (Sarawati, 1942)

When the ailing Jayaprakash Narayan exhorted the people of Bihar in pouring rain in August 1974 in the Gandhi Maidan in Patna to fight the corruption and venality of the rulers and when the state took up the chant, 'Bharashtachar mitana hai, Naya Bihar banana hai (we have to eradicate corruption and build a new Bihar)', there was hope again.

Today, for the most part, hope has disappeared.

The scene in Bihar today is distressing and there is no solace to be found even in its statistics. It has the lowest per capital income, the highest levels of undernourishment, the lowest rates of growth, the highest incidence of landlessness and poverty of all states in India. It has the lowest levels to which human beings have been degraded- children are starved, women are raped and Harijans are burnt alive- and it has a high rate of crime with more than ten murders – comparable with Punjab – committed every day. Its agriculture is stagnant and it has abysmally low rates of growth. It has the highest rate of public sector investment in heavy industry but painfully low rates of return.

The qualitative aspects of life in Bihar are even worse. Abject poverty and acute oppression have driven lakhs of its labourers out of the villages in search for livelihood in the suffocating jute mills of Bengal, as beasts of burden hand-pulling rickshaws in Calcutta, into slave-like chain-gangs of labour on construction sites from Baramula in Kashmir to Agartala in Tripura, into bondage and abuse servicing the Green Revolution in north-western India. The penetration of the market without any of its mitigating benefits in Bihar has wrecked the survival systems of the poor and the Musahars (rat-eaters) of Bihar are today denied access even to field mice.

The ecological system of the state has been severely tampered with; its field and forests have been looted and forest-produce like lac and sal seeds, integral to the life system of the forest dwellers, are sold and brought by the Kalkoffs and Leavers even as the people of Jharkhand are reduced to selling their labour cheap in order to survive. Famines and floods, water-logging and drought, deforestation and eco-disasters caused by man, all go together in Bihar in a macabre dance of death, mocking the democratic ideals of security of life, liberty and the pursuit of happiness.

Even for the better-off in Bihar, life is no bed of roses. The almost total collapse of the administrative machinery of the state-once hailed by the British Cabinet Secretary in the Appleby Report even after Independence as the best organized in India – is matched by the calamitous condition of the educational institutions. It is not only poverty that is driving people out of Bihar; the search for education and employment opportunities also impels people to leave the land f their birth. The influx into Delhi's universities of thousands of Bihari Students mirrors, in terms of the middle class response, the migration of lakhs of labourers. (Das, 1992)

An aspect of the modern history of Bihar concerns its very *raison d'etre* in its present form. When in the early years of this country, Sachchidanand Sinha and other educated young men demanded the creation of a separate province from the British, the colonial government acceded not because there was great public backing for the demand but, as a Government of India dispatch of August 1911 testifies, because the British administrators appreciated as a useful move to keep the Bihar region away from the turbulent revolutionary influence of Bengal. Thus, the very birth of the province was engineered to prevent change.

Once again, in the 1950, the question of the existence of Bihar as a separate state was debated and a serious proposal to merge Bihar and West Bengal was mooted. Even the modalities of having Dr Sri. Krishna Sinha and Dr. Bidhan Chandra Roy as successive Chief Ministers for short terms each in the combined province were discussed. The Scheme was logical for it would have united the vast resources of the two states and allowed the 'modernity' of one to infuse the other while promoting the viability of both.

But the scheme was opposed both by the Central government and the Bengal unit of the Communist Party of India (CPI), then led by Jyoti Basu, leader of the opposition in

the West Bengal legislature. The Centre, then engaged in blatantly discriminatory economic practices like freight equalization and subsidization of the growth of Bombay and Madras, was not enthusiastic about the combined economic strength of Bihar and Bengal expressed politically. On the other hand, the Bengal unit of the CPI which had an eye on power in the state through eventual electoral victory, saw the dilution of its relative strength in the combined province.

Outside the framework of political developments in Bengal, Bihar created is own policy, both of the dominant variety and the radical alternative. From its very creation, the dominant politics of Bihar became a game being played between changing elites. In the beginning, the professionals, in particular lawyers, dominated. In recent times, a coalition of 'old' and 'new' landed elements, contractors, black-marketers, smugglers, gun-runners, mafia bosses and corrupt politicians and bureaucrats rules Bihar. The permutations and combinations of power are expressed in the most venal caste idiom and there is a blatant fight for power. (Dainik Jagaran, 2004)

For Bihar to get out of this morass its people must find hope and ideals once again. They must get benefits of the bounties with which nature had endowed their land. They must discover themselves as a people with pride of ancestry and hope of progeny. They must, once and for all, shed the shackles of inquiry which have been imposed on most of them and they must find a new politics.

India has always has the intention to eradicate poverty. It is one of the few issues on which there exists a strong political consensus. The real issue is not the intent, but the nature of public action. Much of it has been guided by displaced concerns and misplaced priorities. (Sen, 1994)

Between 1987 and 1994, rural income poverty increased in Assam, Bihar and Uttar Pradesh. As a result, the regional concentration of income poverty got accentuated during this period. Today, 50% of India's rural income poor live in 3 states: Bihar, Madhya Pradesh and Uttar Pradesh.

**Table 2: Trends in Rural Income Poverty Across Indian States**

| | % of population below | | | % decline in | | Number of income | | | % decline in | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1973- | 1987- | 1993- | 1973- | 1993- | 1973- | 1987- | 1993- | 1973- | 1993- |
| Madhya Pradesh | 62.7 | 41.9 | 40.8 | 33.2 | 34.9 | 23.1 | 19.6 | 22.0 | 15.2 | 4.8 |
| Uttar Pradesh | 56.5 | 41.1 | 42.6 | 27.3 | 24.6 | 45.0 | 41.2 | 50.4 | 8.4 | -12.0 |
| Bihar | 63.0 | 52.6 | 58.0 | 16.5 | 7.9 | 33.7 | 37.0 | 46.1 | -9.8 | -36.8 |

Source: Chandrashekhar and Sen (1996)

As can be derived from the table many would credit the reductions in income poverty to economic growth. Between 1950-75, when income poverty was fluctuating, growth averaged 3.6%. Over the next 10 years, when the reduction in income poverty was more pronounced, growth rose to 4%, and during 1986-91, it averaged 6%. A related factor is agricultural growth. India from the mid-1970s to the mid-1980s enjoyed a higher and more stable trend rate of agricultural growth. On the other hand, when the index of agricultural production for all commodities fell by 2.5% between 1990-91 and 1991-92, rural poverty went up in the country.

Yes, economic growth has the potential to reduce income poverty, but equating growth with income poverty reduction is too simplistic. True, there is an association between economic growth and poverty reduction, but this association is, at best, weak. In the latter half of the 1980s, for example, despite rapid economic growth, income poverty did not decline much. Similarly, all states recorded significant declines in income poverty from the mid 1970s to the end 1980s even though the green revolution was limited in geographical coverage; and most states did not record any significant increase in agricultural value-added per head of rural population.

There isn't – and has never been – an automatic link between economic growth and income poverty reduction. Nationwide India did not see a consistent drop in poverty between 1950-mid and 1970s despite a reasonable growth rate. This was because of a greater emphasis on the expansion of total output than on its distribution. All efforts went into building up of heavy industry and public enterprises rather than on micro-enterprises

that employ most of the poor. The green revolution helped agricultural facilities were built, but they were predominantly located in urban areas. A large proportion of a limited budget was spent on higher education; basic education was neglected. Land and tenancy reforms were introduced, but seldom carried out. Centralised planning was the order of the day. Bureaucracies that administered centrally-sponsored development programmes replaced village level local institutions for participatory planning and decision-making. As a result, inequalities developed and have continued to persist.

**Hope Continues**

If human poverty has to be eradicate, India must, as a priority, invest in its people – in their health and education.

Second, India needs to strike a balance in its development. This balance is not on the economic front alone – between receipts and expenditures, between imports and exports, between savings and investments. A balance is needed between economic rights and political rights. A balance is needed between expansion of physical infrastructure and basic social infrastructure. The priority has to shift to basic education, to preventive and promotive health care, to assuring basic economic security and livelihoods. At the same time, several imbalances need to be corrected: between men and women, between rural and urban areas, between socially disadvantaged communities and the rest of society.

Third, there is the issue of resources. Clearly, more financial resources are required if all children have to attend school, if all villages must have access to a primary health care centre, if all communities must have access to safe water, if all pregnant mothers have to be assured of safe motherhood. Additional resources could be mobilized by improving tax-to-GDP ratio and ensuring a growth rate 6-8% per annum; by eliminating subsidies to the rich; by cutting losses of public enterprises; and by reducing defense spending. But there is also need for getting the priorities right. Expenditures must be utilized for improving the quality and efficacy of services, for correcting imbalances in public expenditures, for plugging leaks and reducing wastage, and for ensuring greater efficiency in spending.

Fourth, the state, instead of abdicating its responsibility for expanding social opportunities, needs to play a more proactive role than it has in the past. The state in

India often achieves what it sets out to do. If something has not been done, it usually reflects an unwillingness rather than an inability to act. For example, the state has shown dynamism in reducing controls, liberalizing the economy, and opening up the economy. The recent Constitutional amendment to ensure women's participation in local governments displays an extremely progressive and proactive face. On the other hand, the state's effort at abolishing child labour, preventing child prostitution, and until recently, addressing the problem of AIDS reveals shocking recalcitrance. Similarly, its unwillingness to make primary education compulsory, despite the affirmation in the Constitution of India, reveals inexplicable reluctance. For many of these matters, sustained advocacy, open debates, concerted pressure and public action are urgently needed to provoke a positive response from the state.

Fifth, opportunities must be created and expanded for women to participate more fully in economic and political decision-making. The human development experience from Kerala and Manipur suggest that society's well-being improves when women enjoy greater freedoms – economic, social and political. But ensuring greater freedom for women is not easy. Unfortunately, many see it as usurping of power from men with no net gains. Quite the contrary, the overall gains to society increase many times when men and women contribute equally. However, to achieve this, changes are required in the way people think and behave, in the way society perceives the role and contribution of women.

Finally, economic growth has to be participatory. It must be planned and managed locally by people whose lives it affects. Communities must participate actively to shape programmes, ensure that opportunities are expanded, and that the benefits are shared equitably. For this, structures of local self-governance must be strengthened; and people's participation has to become a way of public life.

Is there then hope for optimism? Yes. First, the official stated policies for poverty eradication reflect human development priorities. Second, following the post-1991 reforms, economic conditions are more favourable. Third, democratic participation is opening up. This is not just through local governments but through people's organizations, and in particular women's groups that are frequently organized around credit, economic activities and social empowerment. At the same time, there are some

causes for concern. The focus on reducing fiscal deficits is forcing major cuts in social sector spending. The pressure to pursue state minimalism is leading to an abdication of state responsibilities – as the pressure to privatize is beginning to affect people's access to basic health and education.

Bihar would require to look upon its populace as capital, invest in health, education. The present scenario of Public Health facilities and schools and colleges remains dismal. To challenge poverty, it is essential to invest in infrastructure, enhance transport facilities, facilitate greater rural-urban connectivity, open up facilities to use of internet and other knowledge based revolution.

Bihar remains burdened with social ills and freedom from these social shackles should be a prerogative. Social freedom shall increase participation in political processes, emancipation from drudgery, empowerment and all round development.

What does India need to do? Mahatma Gandhi had once remarked: "India's salvation consists in unlearning what she has learned during the past fifty years. Similar changes are now required in thinking, in living and in cultivating a genuine public spirit. Bihar needs to reset its development priorities. We need to undo and unlearn. At the same time, we also need to learn and act. If human poverty has to be eradicated, attention must shift from income poverty to the poverty and inequality of opportunities – economic, social and political. Bihar needs sustained public action to be guided by strong human development priorities.

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**Explanatory Note**

1. The data and interpretation have been drawn from a study by the Asian Development Research Institute, Patna. The analysis is in the context of India achieving a growth rate of 10 per cent. Bihar's SDP needs to grow at a rate higher than 10% to make her reach at national average per capita income in 2019-20. Bifurcation of the state has left the growth rate at below 4.2%.

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