

## **INTRODUCTION**

### **I. BACKGROUND**

Bihar is the second most populous State of India, comprising a little more than 10 per cent of the country's population. Situated in the eastern part of the country, the state is inhabited by a population of 82.8 millions (2001 census), which overwhelmingly live in rural areas (about 90 per cent). The economy is basically agricultural even by Indian standard —nearly 80 per cent of its workers still earn their living from this sector, producing about 44 per cent of the State Domestic Product; the corresponding percentages for India as a whole are about 68 and 30 respectively. The state has the lowest literacy rate in the country-- 48 percent -- against the national average of 65 and Kerala's rate of 91. Similarly, the child mortality is one of the highest in the country.

The incidence of poverty in the state is probably the most acute in the country. According to the Modified Expert Group Methodology (Lakdawala Committee), more than half of the state's population (54.96 per cent) in 1993-94 were below poverty line which was the highest in the country. In 1999-2000 the overall poverty ratio in the state is 42.60. The percentage of rural population below poverty line is 44.30 per cent and that of urban poverty is 32.91 per cent. The state had not only the highest proportion of population below the poverty line among various states of India till 1993-94, but it has also shown only a small decline over the last two decades or so. The state witnessed an absolute increase in the number of poor— to the extent of about 127 lakhs— between 1973-74 and 1993-94, whereas in India as a whole there took place an absolute decline in the number of poor during this period. It is important to note that between 1987-88 and 1993-94 while the poverty ratio declined for India as a whole and most of the states, in Bihar there was increase in the proportion of people below poverty line. This period includes the period when economic reforms and stabilisation measures were adopted in the country. Along with the highest proportion of population below poverty line, Bihar also has the lowest per capita income among all the states of India.

The post-independence era has witnessed an almost complete failure of the State in Bihar to put into practice policies geared to the needs of the poor. This can be traced to the very nature of power structure in Bihar. Ownership of land and other assets, caste dominance, political position, and control over the state apparatuses and the resources all interact in a way, which even though is by no means unique to Bihar, takes a particularly potent form. This configuration by no means generates stagnation -- for instance, technological development has had a significant impact, with parts of the State experiencing a modest spurt in agricultural growth during the 1980s after a long stagnation. However, in the absence of an effective transformation of the underlying structures, the growth does not appear sustainable. Observers have contrasted the 'plateauing off of agricultural growth' with 'the immense opportunities availed by those with access to governmental position and patronage' and noted 'the rise of corruption and crime as the fast modes of accumulation' (Das, 1992:25).

The poor of the state have responded to their poverty in a variety of ways. Substantial proportion of the rural poor migrate, to both rural and urban areas within and outside the state, in search of livelihood. The state has the second highest out-migration rate in India after Uttar Pradesh. It has also witnessed movements of agricultural labourers and poor peasants that challenge these structures of power. First and foremost, they attempt to transform the relations of production in agriculture, which underpins the power of dominant landowners, even when agriculture is no longer their main source of income. Secondly, they confront oppressive caste relations, a level - that of dalit agricultural labourers and their employers - where they are inseparable from class relations. Thirdly, they appropriate advantages of electoral politics by asserting and establishing the democratic right in exercising their franchise, a right long been undervalued by them. This has intensified the perceived threat to the hitherto unchallenged political power of the dominant landholders and the political parties who represent their interests, finding expression in unprecedented scale and intensity of violence. Thus, a state like Bihar which is not only the poorest region in India, but also where the institutional barriers to development of all types—socio-economic and political — are quite strong, a deeper understanding of the poverty syndrome is necessary for formulating policies and actions for poverty eradication.

The present study is an attempt at in depth study of certain dimensions of poverty in Bihar. The empirical information base of the study comprises primary data as well as supplementary data from secondary sources. The study will have the advantage of an existing primary database on poverty, collected under a project on the same theme by the ILO and the A.N.S. Institute of Social Studies (ANSISS) during 1981-83<sup>1</sup>. A resurvey of those villages would provide valuable information on the changes in rural poverty over time.

## **II. RESEARCH OBJECTIVES**

The general objective of this study is to have a better understanding of the incidence, determinants and consequences of poverty in Bihar and the required policy measures to reduce it. In order to meet this broad objective, the project has concentrated on the following specific objectives:

- (i) To investigate the process of changes in rural poverty and employment scenario over time as well as to understand the current poverty and related syndrome in rural Bihar;
- (ii) To record and to evaluate people's own perception of the nature and extent of poverty and its causes and consequences;
- (iii) To document and evaluate the social and institutional environment including customs and conventions which become hindrances in the way of the progress of the poor and to suggest policy and legal reforms for the poor accordingly ;
- (iv) To examine the impact of various policies including government policies on poverty alleviation and employment generation, social security, welfare, etc., on the incidence of poverty and to formulate an appropriate policy framework for the government and other concerned agencies;

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<sup>1</sup> This study was carried out by a group of researchers from the A.N. Sinha Institute of Social Studies, Patna and ILO, Geneva. Community level data were collected from 36 stratified random villages from the plains of Bihar and indepth data were collected from 12 villages (out of 36 villages) in five rounds during 1981-83. For details, see Prasad, Rodgers, et. al (1990).

- (v) To devise a suitable policy agenda on the basis of a comprehensive understanding of poverty and its related aspects in the light of the above objectives.

### **III. Scheme of the Study**

This study is based on primary data collected from the 36 villages from plains of Bihar and 12 villages from the plateau region which account for a significant proportion of the tribal population. This report uses only the data/information collected from the plains. A separate report based on data/information collected from the plateau region has been prepared as there is marked difference between the plains and the plateau regions of the State.

The study under took an extensive survey in three phases. In the first phase of the survey, detailed village/community level data were collected from each of the 36 villages spread over 6 districts covering both north and south Bihar plains. In all these villages Participatory Rural Appraisal (PRA) were conducted to understand some important aspects of poverty, human development and livelihood. Lastly, informations on some basic socio-economic aspects, asset, indebtedness, working of government programmes, labour use pattern, etc. were collected by canvassing household questionnaire. In the second phase detailed in-depth data on poverty, employment, cultivation pattern, etc. were collected from a sample of 900 households from the selected 12 villages (out of 36 villages). These 12 villages were also studied in-depth in the previous ILO-ANSISS survey during 1981-83. The third phase of data collection is yet to be undertaken. The details of the methodology of the study are given in next chapter (Chapter – II).

This report is based on the first phase of data collection. It also uses some selected findings of the earlier survey and compares it with the present survey in rural Bihar. The second chapter provides a detailed description of the methodology and data base of the study. The third chapter contains an analysis of the secondary data/information and review of literature at macro level. It serves as a backdrop to the subsequent chapters. The fourth chapter analyses the socio-economic and demographic composition and agrarian relations in the surveyed villages Chapter V analyses the labour market and

employment scenario and the changes that have occurred overtime. Chapter VI provides a detailed analysis of the assets and indebtedness among various socio-economic groups and regions. Aspects relating to poverty and human development have been covered in Chapter VII. The working of various anti-poverty programmes have been analysed in Chapter VIII. Chapter IX is a comprehensive account of some aspects of change which have occurred during the two surveys—the earlier survey of 1981-83 and the present survey (phase I). The change has been analysed both at household level and village level. The last chapter contains summary, main conclusions and policy implications of the study.