

Socio-Economic Changes In Rural Bihar: A Study

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Abstract: The 36 villages under study are spread over seven districts of Bihar, three situated in the south of the Ganges (Gaya, Nalanda and Rohtas) and four in the north (Araria, Gopalganj, Madhubani and Purnia). Chosen originally to reflect the social, economic and technological diversity of the plains of Bihar, important differences are noticeable between villages, especially between regions but also among villages within the same region: in terms of population size, density of population, class and caste structure, land ownership pattern, accessibility, literacy rate, labour market structure and facilities endowment. Electricity supply, drainage and sanitation remain three major black spots. Agriculture remains the primary source of employment within the villages but Bihar is known to suffer from the vagaries of the weather. Droughts and floods are recurrent and can have devastating effects on people, livestock and the village economy. The relatively stagnant Bihar agriculture has not been able to provide enough employment for a growing population. The search for employment opportunities outside agriculture has been rising, be it through migration or commuting from the village. The incidence of migration varies widely across villages. The proportion of “migrant households” (households that had had at least one member working outside the village in the course of the year previous to the interview) ranges from 26% and 86%. Two indices - a development index and a remoteness index - have been computed to assess the overall situation of the villages. The better-off villages were mostly located in Rohtas and Gopalganj, the least well-off in Madhubani, Purnia, Araria and Gaya. Nalanda villages belonged to the middle range.

Keywords: Social –Economy, Bihar, Migration, Programmes, rural

I. INTRODUCTION

The Social –Economy of Bihar is largely service-oriented, but it also has a significant agricultural base. The state also has a small industrial sector. Agriculture accounts for 23%, industry 17% and service 60% of the economy of the state. For the period 2002-2007, average growth rate of Manufacturing in the state was 0.38%, against the national average of 7.8%. Bihar has the lowest GDP per capita in India, but there are pockets of higher per capita income like the southern half of the state and its capital city, Patna, had per capita income greater than that of Bangalore or Hyderabad in 2008. The GSDP stands at 368,337 Crores Rupees (\$180 billion nominal GDP) as per 2013-2014. In actual terms, as of 2012-2013, Bihar state GDP is ranked 13 out of 29 states. Corruption is an important hurdle for the government to overcome according to Transparency International India, which the government has also acknowledged. Since November 2005, a new government led by Nitish Kumar has implemented a number of economic and social reforms. A consequence has been a positive improvement in the economy of the state and also of Patna.

The Social And Agrarian Framework: Caste, Class, Land And Assets

Historically Bihar’s exploitative agrarian relations bore much responsibility for rural stagnation and poverty. They are inextricably linked with caste, class and landholding – the three major, visible dimensions of inequality in rural Bihar. Class, caste and land all have distinctive impacts on economic behaviour, with class the strongest factor overall. In the last 30 years there has been substantial change in the class pattern. Attached agricultural labour, which accounted for one-sixth of all households in 1981 have virtually disappeared. While landlords are in sharp decline, casual agricultural labour and poor peasants are increasing. The overall pattern of landholding is changing. In the last 3 decades, landlessness has increased but remains concentrated among Scheduled castes, OBC I and lower Muslims. At the same time, the overall distribution of land has become less unequal, but more than half of the rural population remains landless. Among Forward castes, those who were previously landlords have diversified towards non-agricultural occupations; middle castes have gained land relative to upper castes and maintained their position overall; and backward and scheduled castes have benefited from the end of bonded labour but only a few have become small cultivators. Many Yadav households have increased their landholdings, and have moved up from the categories of marginal farmer and landless. Some Kurmi and Brahmin households have moved down, while others have broadly maintained status quo. The proportion of land leased has remained stable in the last 30 years, at about one-quarter, but fewer households are leasing in, so the average amount of land they lease has increased. Leasing in of land remains widespread

among those owning small plots of land, especially very small plots, and constitutes a significant fraction of the area they cultivate. Tenancy increasingly reflects market relationships and the strength of the middle castes rather than semi-feudal exploitation, although sharecropping persists as the dominant mode. Upper castes lease in little land, but middle castes, especially the Yadavs, lease in a great deal, reflecting their importance in agricultural production and growth. While the proportion of households renting in land has fallen for the population as a whole, about a fourth of Scheduled Castes and OBC I households still rent in land. Overall household assets in rural Bihar are extremely low. Land accounts for 70 to 80 per cent of all wealth, and housing most of the rest. There are large differentials in asset holding by class, work status, education and the age and sex of the household head; differentials by caste and region are smaller. Over the last 30 years average asset holdings have increased for all caste/community groups, but proportionately gains are largest for Scheduled Castes, OBC I and Yadavs, and smallest for upper castes and middle castes other than Yadavs. These differences among castes in the long term change in asset holdings are greater than differences between classes, on average; so the caste pattern of asset inequality is changing faster than the class pattern. There has been a substantial increase in domestic assets, and land values have risen, but much less increase in productive assets and livestock. Some assets such as bicycles and mobile phones are found in all population groups, reflecting changes in life-styles. Access to credit is very strongly related with existing household assets. Credit flows are very weak – an average loan of only Rs 9500 per household. Loans, especially institutional loans, like assets in general are highly concentrated on richer households.

The Labour Market, Employment And Wages

The labour market in rural Bihar has changed significantly over the last 30 years. From a stagnant, semi-feudal environment in which much labour suffered from various degrees of bondage, it has moved towards a more open, market driven system, in which labour migration to other parts of India has both reduced local relationships of dependency and provided new opportunities. Growing pressure on land has meant that more households depend on wage labour. Local opportunities have remained limited and local labour markets have been slow to expand. Yet, shortage of labour has emerged in some places and at some times of the year, with consequent pressure on wages, and new forms of organization such as contract labour are growing in importance. Overall, labour force participation rates are high – 94% for men and 64% for women, using a wide definition of labour force participation rate, and 81% for men and 37% for women, using a narrow definition. While men's labour force participation continued at the same high level during the last 30 years, the structure of their employment has diversified as migration generates not only casual but also a great deal of regular work in both industry and services. The level of women's labour force participation has increased but the structure of their employment has only marginally changed. In the villages their economic activities remain rooted in agriculture and animal husbandry. Caste and class are much stronger determinants of women's labour force participation than men's participation.

The decline in the importance of agriculture as an occupation was already observed between 1981 and 1999, when the share of agriculture declined from 81% to 74%. This trend has clearly accelerated in the last decade and led to changes in the structure of overall employment. Between 1981-82 and 1998-99 there had been an increase in the proportion of casual workers mainly at the cost of self-employment. Between 1998-99 and 2009-10 the proportion of casual workers stabilized at almost half of the total workforce, while the share of self-employment continued to decrease and regular non-agricultural employment, facilitated by migration, jumped up. Child labour is still a concern though school enrolment has increased substantially especially among girls. Young people face difficulties in initial labour market access. It is only in the 25 to 39 age group that a broad based occupational structure emerges.

Wage structures in rural Bihar are complex, and they are becoming more diverse. Real daily wages have been multiplied by a factor of between two and three over the last thirty years. For men, the total rupee-equivalent daily wage is now mostly close to Rs 100 (a little lower than the statutory minimum wage being paid in NREGA work in 2011). The gap between men and women wages varies across villages but has narrowed in some villages. While there have been some dramatic changes in wage levels, there has been less change in wage institutions such as payments in kind or as a share of the crop. There has been a tendency towards an equalization of the daily wage and harvest share across districts (the highest increases have been registered where they were previously the lowest) though their variations remain fairly substantial.

Migration

The migration from rural Bihar is high and has steadily increased in the 30 year time period under study. The proportion of migrant workers to total workers increased from 15.7% in 1998-99 to 25.5% in 2009-10.

The incidence of migration is higher for the backward districts of North Bihar, in comparison with the better off districts of south Bihar. However, there are significant differences in the duration of migration, work status and occupational profiles of migrant workers of the two regions. Migration is predominantly for work, overwhelmingly to urban areas outside the state. Migration for work is predominantly male; female migration for work is negligible. Migration streams are dominated by young men. Almost three quarters of migrant

workers belong to the age group 15-35. The 2009-10 survey reveals that the duration of migration varies significantly among migrant workers. More than half of all migrant workers migrate for a period greater than 8 months. Another 43 per cent of the migrant workers migrate for three to eight months. Only 6 per cent of the workers migrate for a duration of less than 3 months.

The nature of migration has moved from seasonal to longer term overtime. The proportion of long term workers has increased in the migration stream from 40.0 per cent to 48.6 per cent from 1998-99 to 2009-10. At the same time, the proportion of households with temporary migration increased from 19.4 per cent in 1981-83 to 22.6 per cent in 1998-99 to 35.0 per cent in 2009-10.

Among socioeconomic groups, the incidence of migration is the highest among Muslims, followed by the forward castes, OBC I, SC/ST and OBC II, respectively. By class, migration tends to be higher among non-agriculturalist and landlord households. Ownership of land, and the size of the land owned has a bearing on migration. Migration tends to be higher among the landless in poorer districts, as well as among large landowners in the better off districts. Household size varies significantly between migrant and non-migrant households. Across all caste, class and land categories, migrant households have more members than non-migrant households. The difference is most marked by caste, for upper caste, by class, for landlords, and by land size owned, for large landowners, which also had the highest intensity of migration. Almost three-fifth of the total migrant workers have little or no education. At the same time, the incidence of migration is the least for illiterate workers, and it keeps increasing with higher educational attainments. Wage work is undertaken by almost 95 per cent of the migrant workers. Casual wage labourers form a majority of the migrant workers, closely followed by regular wage workers. Work status of migrant workers varies significantly with the duration of migration. Short term migrants are predominantly casual wage labourers, while long term migrants are regular wage labourers.

Cultivation, construction and work in industry are the three main occupations, which engage more than half of the migrant workers from rural Bihar. There are significant district wise variations in the occupation of migrant workers. A major bulk of migrants from Madhubani and Purnia engage in agricultural work. Migrants sending remittances is a near universal phenomenon, and the amount of remittance depends on the number of migrant members per household, the type of activities undertaken and the duration of migration. As expected, the amount of remittance sent increases as one moves from the backward to the better off districts, and as one moves up the caste ladder. Male migration has brought about several changes in the work women do – within and outside their household. They now undertake more agricultural, as well as non-agricultural work, which includes management of farms and animal husbandry. At the domestic front, the burden of their household tasks have increased, and they have become more involved in making decisions in the household, and managing household finances and remittances. At the same time, they face barriers in both accessing credit, and getting credit on favourable terms in the absence of their men. Male migration has been quite a catalyst in enhancing women's mobility, especially in some conservative communities. Women are more mobile today than they have been in the past. While migration of men has brought about profound changes in women's lives in rural Bihar, patriarchy and caste continue to be institutions which define and govern them in a fundamental way.

Living Conditions, Exclusion And Poverty: Facts And Perceptions

The living environment in rural Bihar remains poor, with over half of houses still *kaccha*. Still, there have been significant improvements in housing over the last 30 years, mostly among upper classes and in more advanced regions. About 80% of the surveyed households did not have an electricity connection, and even the most advanced districts reported only one-third of the total households with electricity connections, with class as the strongest marker of access.

As noted earlier, sanitation remains a black spot in the survey villages. Open defecation is the norm and only a small minority of the households have toilets. Again, both caste and class are markers of access. Drinking water facilities have improved and most people now have adequate access to handpumps. At the same time, there is some seasonal distress in some villages, and households have to resort to using alternative sources of water such as wells and ponds. There is widespread social exclusion, which is most visible in exclusion from land of lower caste groups. Scheduled Caste households average 81% landless, and OBC I, 65%. Livestock, on the other hand, is more widely distributed.

Households with mainly older members are particularly vulnerable to exclusion and to adverse inclusion (excessive work), and women remain excluded from many domains. Female headed households report higher proportions of exclusion from land and livestock.

Less than half of households report employment shortfalls as a major problem. This relatively positive view reflects access to employment through migration. However migration for work is confined to men, and opportunities are segmented between the landless and illiterate, who migrate for casual wage work, and better off groups who obtain regular employment. Schooling has improved greatly at primary level, where enrolment differences between socio-economic groups and between girls and boys are now small. But the differences re-emerge at secondary level, and in the regularity of schooling, where upper castes in particular do significantly better.

There is widespread perception of improvements in income, employment and living conditions over the last decade, similar for all caste and class groups except for housing where the sense of improvement is stronger among better off groups. The perception of this improvement is much stronger than 10 years ago, and especially compared with the early 1980s when the majority of people perceived deterioration rather than improvement. There is much less agreement about improvements in health conditions, reported negatively by a substantial minority.

In order to identify poor households for policy targeting, multidimensional measures of poverty are needed rather than simple measures of consumption and calorie intake. However, the existing multidimensional BPL measure is extremely inaccurate and unreliable. Village level indicators of poverty, such as distance from various facilities, vulnerability to crisis, agricultural output, land quality, household size, and caste, among others, can provide a useful guide to needs and deprivations of the populations concerned and offer an alternative to individual poverty measures for targeting purposes.

State Interventions And Functioning Of Some Social And Economic Programmes

There has been a considerable expansion in social and economic programmes, both centrally sponsored and state government initiated, over the years. These programmes cover employment generation, pensions, public distribution system, health and sanitation, housing, education, special schemes for girls etc.

Emerging Perspectives For Policy

The findings from the survey offer some perspectives for both policy and research. The first perspective, for policy, is that notwithstanding improvements in poverty and levels of living, the productive capacity of the local economy remains very low. This lack of an overall perspective on rural development needs to be addressed urgently. It needs to incorporate efforts to devise effective programmes for the development of irrigation, and for ensuring regular supply of electricity to all parts of the state. Further, these efforts need to be actively complemented by a larger flow of institutional credit, particularly for smaller farmers.

Second, given the extremely small size of farm holdings, there is need to develop a suitable strategy to ensure crop and livelihood diversification. In the medium and long terms, there should be a strategy for the transfer of labour from agriculture to non-agriculture activities, both in the villages and urban areas. Thus, there should be a strategy to develop the market towns and small towns as important centres with stronger linkages with rural areas in the form of markets, processing of agricultural products and services.

Third, related to the aforementioned point, given the high levels of tenancy in the state, effective security of tenure must be ensured, so that tenants have an incentive to invest in agriculture, and have access to credit.

Fourth, given that such a high number of people from the state out-migrate, and migration has been a key driver of social and economic development in rural Bihar, special policy attention needs to be given to migrant workers.

Fifth, in view of the relatively unsatisfactory performance of the various social and economic development programmes, there is a need to restructure and reorient them to streamline and optimize their functioning. Our results show that cash transfer programmes such as the schemes for providing bicycles and uniforms to girl students, Pensions and the Indira Awas Yojana perform better than the rest of the programmes, which are implemented by different agencies at varied levels, albeit their limitations in targeting. The study shows that the distinction between 'poor' and most of the 'non-poor' is artificial and there are enormous errors of both exclusion and inclusion where the determinants of poverty are concerned. Thus, given the widespread poverty in rural Bihar, programmes like the pension scheme and PDS need to be universalized, albeit with some very obvious and transparent indicators to identify groups that do not need to be covered. A scheme for universalization which takes into account the concerned areas and populations could also be devised. This will help enhance the effectiveness of these programmes as well as significantly check leakages.

Sixth, while there have been major advances in enrolment in primary education, the issue of secondary education now deserves policy emphasis, along with higher and technical education. Quality in education needs to be accorded serious attention by increasing the number of qualified teachers and checking teacher absenteeism, as well as enhancing school infrastructure.

Seventh, in a context where improvements in health have been far less satisfactory than those in education, health, nutrition and sanitation deserve special policy attention. The public health system in rural areas has more or less collapsed. The rural population, for the lack of better options, is heavily dependant on the private health care system, which poses a burden, especially on the poor.

II. CONCLUSION

The overall state of knowledge on Bihar mirrors the economic backwardness of the State. Many important issues for future research are highlighted in this study. More needs to be known about the reasons for the slow growth of agriculture, the lack of innovation and the role of credit and land markets. The weakness of non-agricultural development is also not well understood, for there appear to be many poorly exploited opportunities for diversification of livelihoods. There are also questions about the slow urbanization process.

How is the village economy and society connected with urban areas? Connections through migration, trade, finance and other services need to be explored if a balanced development path is to be achieved. The labour market and migration raise many puzzles. More needs to be known about the interaction between local and distant labour markets, and the employment strategies of different groups of the population. How are out-migrants integrated into destination, mainly urban labour markets? Under what conditions, and with what skills and other resources, do migrants return? Skill and qualification is a key issue. Unequal access to and quality of schooling and training is insufficiently studied, especially its links with employment and production. Wages reflect a mix of market, institutional and social factors. Understanding wage differentials better, between regions, between activities, between regular and casual work, between men and women, is critical to understanding the distribution of the benefits from development. There is controversy over the pattern of female participation in the labour force and in society. Issues such as the change in social norms, the neglect of the girl child and the recent increase in dowry need to be studied in depth. Evaluations of special schemes related to girls are also required. While poverty has been much studied, there remains a need for better indicators and better measurement. And relatively little research has been done on social exclusion, involving discrimination and deprivation among particular groups, defined by caste or community, sex, age and other factors. This concerns asset ownership, production, labour, education and many other issues.

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