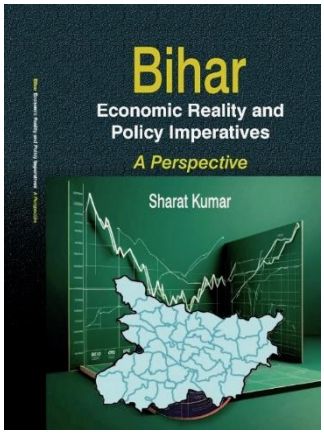
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# Book Review

*Bihar: Economic Reality and Policy Imperatives, A Perspective by Sharat Kumar, Centre for Promotion of Arts and Science, NOIDA (India) 2025, pp. 56. ₹299.*




Bihar carries a history of being the birthplace of two Indian religions – Jainism and Buddhism, and the seat of a huge political empire of Ashoka the Great. Those were ancient times when immigration and emigration in Bihar might have been quite a normal phenomenon. In socio-economic history, the distress-driven outmigration has remained one of the defining features of this sub-region. From the British colonial period onward, the sub-region witnessed repeated episodes of labour displacement, mobility, and migration.

Colonial restructuring of agrarian relations, the extraction of labour for plantations and public works, and the limited expansion of local industrial opportunities contributed to a long tradition of displacement and uprooting from Bihar. Even in the contemporary period, a significant section of population, specifically adult workers, continues to leave its villages and towns in search of livelihood, economic security, and dignified employment.

The phenomenon, popularly described as *"palaayan"* (outmigration), remains deeply embedded in the social consciousness of the state. For many young men and women, migration to metropolitan centres across the country represents not merely a choice but a survival strategy in an environment where local employment opportunities remain inadequate, jobs are scanty and idle life remains rampant. The persistence of forced exodus under duress and distress has often been linked to low level of economic development and the inability of growth processes to generate sufficient employment within the state.

Agrarian distress, limited industrialisation, the decline of traditional industries, and the slow expansion of the service sector have frequently been cited as major structural causes. Equally important are governance-related challenges - deficiencies in public administration, uneven implementation of development programmes, and historical neglect of productive sectors. Together, these factors have shaped a pattern of "*palaayan*" that is often distress-driven rather than opportunity-driven.

It is against this backdrop that Sharat Kumar, a former civil servant and alumnus of both Patna University and the Jawaharlal Nehru University, presents a concise yet informative booklet on Bihar's society, polity, and economy. Spread across fifty-six pages and organised into eight chapters, the work seeks both to challenge the prevailing stereotypes and to re-examine established assumptions regarding the developmental trajectory. Each chapter presents data relating to welfare schemes, public programmes, and developmental initiatives undertaken by successive governments – specifically the CM Nitish-era regime. One of the notable strengths of the booklet is its extensive use of quantitative evidence. The author's reliance on statistical tables and factual information lends empirical credibility to his arguments and makes the booklet more accessible than many conventional policy reports. An optimal use of tabulations of data and information is the strength of the booklet.

A central argument advanced by the author concerns the role of investment in the development process. Classical economists had emphasised the capital accumulation and investment as engines of growth, while later institutional economists focused on governance and institutional arrangements. Kumar's analysis implicitly combines both perspectives. He argues that Bihar's aspiration for sustained economic growth has been constrained by persistently low levels of investment, particularly as reflected in the gross fixed capital formation (GFCF). The investment indicators have remained below the national average, which has been limiting the pace of industrialisation, employment creation, and productive transformation. Over the years, the GFCF has been hovering around an average much below the national average, and it is a matter of worry. This concern is particularly significant because sustained investment is often the foundation upon which structural economic change occurs.

Despite these limitations, the author maintains an optimistic outlook. Rather than presenting Bihar solely through the lens of deprivation and backwardness, he documents a range of political and administrative initiatives aimed at promoting social justice and inclusive development. Beginning with the era of Karpoori Thakur, the booklet traces the evolution of social and economic policies intended to empower the marginalised social groups. The discussion extends through subsequent political phases and highlights the continuity and transformation of welfare-oriented governance. Kumar also pays attention to the practical difficulties encountered during policy implementation, including bureaucratic bottlenecks, administrative constraints, and governance challenges at the grassroots level. His use of memoirs and reflections by former bureaucrats enriches the narrative by connecting statistical trends with administrative experiences.

An important contribution of the booklet lies in its attempt to situate economic development within the State's wider social and political context. The developmental challenges cannot be understood solely through economic indicators. The State has historically been characterised by complex caste hierarchies, uneven land ownership patterns, and intense political mobilisation. The rise of social justice politics since the late twentieth century fundamentally altered power relations by bringing historically marginalised communities into the political mainstream. While this transformation expanded democratic participation, it also generated

new debates regarding governance, development priorities, and state capacity. Kumar's discussion implicitly acknowledges that Bihar's economic trajectory is inseparable from these broader social and political dynamics.

Recent economic trends provide grounds for cautious optimism. Bihar's Gross State Domestic Product (GSDP) has expanded significantly, rising from rupees 4.38 lakh crore in 2016–17 to about rupees 8.54 lakh crore in 2023–24 and approaching rupees eleven lakh crore by 2025. This growth reflects improvements in the infrastructure, public expenditure, connectivity, and service-sector activities. Investments in roads, bridges, rural electrification, and transport networks have strengthened economic integration and market access. Revenue mobilisation and fiscal management have also shown signs of improvement. However, Bihar's impressive growth rates must be interpreted in the context of its low initial economic base. Per capita income remains among the lowest in India, and private investment continues to lag behind many comparable states.

The social dimensions of Bihar's economy also deserve attention. Large-scale migration has produced substantial remittance flows that support household consumption, education, healthcare, and housing in rural areas. Yet migration has also generated social costs, including family separation, labour insecurity, and dependence on external labour markets. Furthermore, Bihar continues to face structural constraints arising from recurrent floods, particularly in the Kosi basin, limited industrial diversification, and the legacy of resource loss following the creation of Jharkhand in 2000. These factors have restricted the state's capacity to attract large-scale manufacturing investments despite notable improvements in law and order, political governance, and infrastructure.

Overall, Sharat Kumar's booklet represents a valuable contribution to contemporary discussions on Bihar. Its strength lies not in advancing a grand theoretical framework but in presenting a data-rich and accessible account of the state's evolving political economy. By combining statistical evidence, administrative insights, and reflections on social justice, the work offers a balanced assessment of Bihar's achievements and continuing challenges. The booklet is particularly useful for students, researchers, policymakers, and general readers seeking a concise yet informed understanding of Bihar's society, polity, and economy. More importantly, it reminds readers that while distress outmigration remains a significant reality, Bihar's developmental story is increasingly one of transition, resilience, and gradual transformation rather than one of unqualified stagnation.

***Mahmood Ansari,***
*Professor in Economics, Assam University*
*Dargakhona, Silchar, Assam*
*mahmoodalam1963@gmail.com*