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**Economy, Migration, and Covid19 in Bihar**

Kishlay Kirti<sup>1</sup>

**Abstract**

Bihar is one of the youngest (demographically) yet economically backward states of India. The majority of its population is of working age but they have very limited employment opportunities within the state; this has resulted in large scale rural-urban and interstate migration in search of employment and other opportunities such as education and a better way of living. The ongoing Covid19 crisis has negatively affected the Bihari migrants as they were forced to return to their home in their native places. The current socio-economic situation is quite uncertain and they suffer more. The whole economy is running underutilized. Keeping these facts in view an attempt is made in this study to address the concerns of the economy of Bihar and what are the ways forward to overcome the difficulties as the major objectives.

**Keyword:** rural-urban migration, interstate migration, employment, covid19, economy

**I. Introduction**

Bihar is predominantly an agrarian state, which is home to about 9 percent population of India with a population density of 1102 (Census, 2011). Bihar of today is known for its poverty, low per capita income, inferior infrastructure, and regular flood and drought. In the recent report on SDG (Self Development Goal-2019) Bihar has ranked 28 which is the last spot in the report.

Historically Bihar is a poor state which has completely failed in modernizing infrastructure and attracting industries. Post-Independence Bihar witnessed a massive decline in its importance and the unstable political situation further deteriorates the developmental process. In the late 1980s, Bihar faced serious financial challenges which further weakened the state administration that succeeding government could not control and Bihar reached a situation where it had no money to pay salaries to employees or to spend on developmental activities.<sup>1</sup> This situation of Bihar has appeared in many research works and it is often

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<sup>1</sup> Research Scholar, Department of Economic Studies and Policy, Central University of South Bihar, Gaya.

believed that the pathetic condition of Bihar is pulling down the overall developmental indicators of the country as a whole. In line with that the demographer, Ashish Bose in 1980s pointed that the states like Bihar, Madhya Pradesh, Rajasthan, and Uttar Pradesh which accounts for a large share in India's population is responsible for India's poor performance in demographic terms such as IMR (Infant Mortality Rate), life expectancy and crude birth rate, etc. Overall the condition of Bihar is more like a sub-Saharan African country which lags in terms of necessities and its HDI value is more like them. Despite all these backdrops Bihar has achieved remarkable growth in the recent past and it is trying to converge with the national economy. However, the on-going health crisis has exposed the whole system of governance in Bihar. The crisis suggests that the growth rate that Bihar has achieved is not translated into development.

The first case of the covid-19 in Bihar was reported in Munger on 22<sup>nd</sup> March 2020 and the state government imposed the lockdown with immediate effect in the state on the same day. While the government of India announced a nation-wide lockdown on 24<sup>th</sup> March 2020 and thereafter India remained under lockdown for more than 2 months, however, all essential goods and services were made available for the public. This lockdown has given sufficient time for controlling the spread of disease and preparing for any further challenges. But the increasing infection suggests something else i.e. we have failed to control the spread.

The actions of different stakeholders are questionable as we have failed to control the spread of disease. The number of total infected is approaching 2.5lakh in India while Bihar is approaching 5000. The Ministry of Health and Family Welfare (GOI) has already confirmed a total of 2460 active cases (07 June 2020) including 30 deaths and 2425 recoveries. The virus has spread in all 38 districts of Bihar, of which Patna has the highest number of cases. Bihar is one of the most populous states in India and its healthcare facility is not up to the mark. It has only 6 testing center and the major problem is that 4 out of 6 centers is situated in Patna. It is not only inadequate but also time taking in testing and detecting the disease. All these health-related information makes Bihar more vulnerable during the Covid19. Sound health is needed for a sound mind which ultimately makes real capital to society. The on-going crisis has not only challenged the whole system of Bihar but it also affected the daily activities of human life. The whole country stopped stepping out during the lockdown and it halted the activities like production, distribution, education, consultancy, shopping malls, and other outlets and stores, etc. In line with that, the objective of this paper is to discuss the challenges that are being faced by the economy of Bihar during the current outbreak of Covid19. Secondary data sources and reports have been used in this study.

## **II. Economy of Bihar**

Bihar is a populous state where the majority of its population (88%) lives in villages (GOB, 2016). Hence the economy of Bihar rests on agriculture and the majority of farmers are either marginal or small landholders. Further productivity level in Bihar is very low in comparison to other states. The primary sector of Bihar is not doing well it has grown by 0.6% in 2018-19. Its secondary sector registered a growth of 6.3% whereas the highest growth rate (13.3%) was achieved by the tertiary sector (GOB, 2020). But the irony is that none of these sectors is strong enough to drive the economy smoothly.

In the recent past, the state has achieved remarkable double-digit growth but its fiscal position is not so strong. It has a limited source of income and it often lags in generating additional revenue. The on-going crisis has affected all economic activities of the state and its

revenue has declined significantly. Further majority of the people that were involved in the unorganized sector have lost their employment. This has put risk on their survival.

In Bihar, 55.9 % of males were self-employed, which is slightly higher than the all-India average (52.3 %). The share of casual labor in Bihar (32.1 %) was significantly higher than the all-India level (24.3 %). The proportion of regular wage or salaried male was the lowest in Bihar (11.9 %) compared to all other states in India. The small proportion of regular salaried male workers signifies that male workers of Bihar have limited options in stable and long-term employment. On the other hand participation of females in the workforce of Bihar is lowest in India (GOB, 2020).

### III. Migration for Employment

Bihar has an age-old history of migration for employment. It has been an uninterrupted source of labor at different stages of economic activities in India. The laborers (skilled, semi-skilled, unskilled) have migrated to different parts of India (abroad as well) to work as labor for both agricultural and industrial growth. Historically, migration to international locations has also been observed.

The data from Census 2011 suggest that workers from Siwan, Gopalganj, West Champaran, and East Champaran districts in Bihar often migrate to the Gulf countries; their number in the gulf is increasing rapidly. Most of the internal migrant workers that come from Bihar; their most favored destinations have been the economically prosperous states like Maharashtra, Delhi, Punjab, Haryana, and Karnataka. The table below is showing the reason for migration from Bihar.

Table1. Reason and gender-wise migration in India and Bihar (figures are in thousand)

Category		India			Bihar		
		Total	Rural	Urban	Total	Rural	Urban
Work/Employment	Persons	41,423	26,736	13,394	707	288	419
	Males	35,017	22,673	11,382	539	166	373
	Females	6,406	4,064	2,011	167	121	46
Business	Persons	3,590	2,005	1,438	84	48	36
	Males	2,683	1,501	1,088	39	12	27
	Females	907	504	350	45	35	10
Education	Persons	5,458	3,403	1,784	122	48	74
	Males	3,296	2,060	1,077	74	23	51
	Females	2,161	1,344	707	48	25	23
Marriage	Persons	2,11,186	1,75,816	27,764	20,440	18,719	1,721
	Males	5,347	2,442	879	380	339	41
	Females	2,05,840	1,71,574	26,885	20,060	18,380	1,680
Moved after Birth	Persons	33,856	18,352	14,098	293	183	110
	Males	20,079	11,189	8,057	177	108	69
	Females	13,777	7,162	6,041	116	75	41
Moved with household	Persons	65,960	37,684	25,071	1,268	519	749
	Males	29,680	16,991	11,132	605	264	341

	Females	36,280	20,693	13,940	663	255	408
Others	Persons	94,314	31,118	22,806	4,331	3,463	868
	Males	50,044	14,867	12,347	2,023	1,543	479
	Females	44,270	16,251	10,459	2,308	1,919	389
Total Migrants	Persons	4,55,788	2,95,114	1,06,356	27,245	23,267	3,978
	Males	1,46,146	73,523	45,962	3,837	2,457	1,381
	Females	3,09,642	2,21,592	60,394	23,407	20,810	2,597

Source: Economic Survey, GOB (based on Census 2011)

The table clearly shows that the majority of people migrate for employment while other popular region is marriage and moved with household these two category accounts for the highest migration in India. The reason for this is linked to the social and cultural aspects of Indian society.

The above two sections indicate that the economy of Bihar is not self-sustainable in other words Bihar depends on aid and external employment opportunities for its livelihood. Another negative yet significant feature of the economy of Bihar is that it is too poor to start any industry on its own.

Under the Covid-19 situation majority of economic activities have been stopped. People were advised to stay at home and wherever it is possible they were advised to work from home. In that case, the people of Bihar suffered a lot, people working in informal set up lost their employment, and migrants those who have returned home had no work to do. The screening for collecting data on their employment activities is too slow, further, the situation is not going to be normalized soon. Yet there are instances when some of the migrants have started to re-migrate or return to their older workplace.

#### IV. Conclusion

As a whole, the current health crisis has exposed the myths behind the economic growth of Bihar. Earlier there was an era (the 1970s and 1980s) in which an unstable political system made it difficult to put Bihar on the path of development (Kirti, et.al 2020). However, the stable governments in the last 3 decades have not yielded any significant progress in terms of employment opportunities or social securities. Bihar which faces flood and drought simultaneously on its own has been left again by the policymakers. The Prime-minister has recently announced that people should look for opportunities on their own and they should focus on local product and production.

Hence we can say that there is a call for Bihar to look upon the local opportunities that would not only boost the economy but also create employment locally and ultimately developmental activity may take place. To look into this matter we shall have to focus on the things on which Bihar can work.

- a) Education: Bihar is not only educationally backward but also its education is often questioned for its quality. One reason for that is the lower investment in education and poor pupil-teacher ratio. So the state has to improve both the quality and access of education. The easiest way to improve is by investing more in education. To boost employment and economic activity. We should build new institutions and repair older and we should fill the vacant seats as well this would improve the pupil-teacher ratio.

Further, the introduction of new job oriented courses may impart skills in the youth that will make them ready for job courses on entrepreneurship and emerging technologies can be the potential ones.

- b) Infrastructure: Bihar is lagging far behind in terms of infrastructure and investment to build one is still very low. For example, we do not have seen any National Highway project in the recent past despite knowing its requirement. The availability of electricity has improved but it is still the lowest in Bihar. The transportation system is very poor we have limited air connectivity. Improving these facilities will not only bring external investment but also increase employment opportunities.
- c) Employment: It is widely known that Bihar is one of the main sources of low-cost labor despite that Bihar itself has failed to reap the benefit. The labor of Bihar can be categorized in these three heads: a) Unskilled b) Semi-skilled c) Skilled. Bihar can use its unskilled labor in manual works like building roads, dams, schools, colleges, or any kind of infrastructure while semiskilled workers can be a potential resource for starting its old industries and factories. If we build infrastructure here then the investment would bring industries and infrastructure here and skilled people would work here.

We can correlate various economic factors like education, infrastructure, agriculture, industry, service sector and employment with economic development. And by concentrating on these factors with an appropriate policy formulations and development programmes turning point to the Bihar economy can be expected and achieved.

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<sup>i</sup> White Paper on State Finances and Development (2005) released by the Government of Bihar gives key insight on financial issues and state of development expenditure in Bihar.

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