

## Speech for Telegraph Debate on Resurgent Bihar 17 July 2015

- “Bihar is Rich but Biharis are Poor” – this was a standard topic in Social Studies textbooks and examinations. Growing up in Bihar and going to school and College in Patna – the stark contrast between the potential and actual performance was a defining feature of our great State.
- This evening, as we debate whether a Resurgent Bihar is impossible or not – very clearly the bridging of the gap between promise and performance becomes the principal yardstick.
- Years ago, I asked a friend who had served in different parts of Bihar as an administrator and a scholar – “Please tell me, is Bihar really on its way down?”
- He answered, “Not only is Bihar on its way down, it is a regular surprise how much room there is on the way down!!”
- As we gather here today, the storyline is very different and we are discussing not decline but renaissance. The classic trope of a man of destiny with a grand vision combined with ruthless determination that has played out in countless biographies of Great Rulers – from Alexander to Ashoka to Alfred, Akbar and Abraham Lincoln – is very much in play here.

- The moot question is that whether Bihar today is on the cusp of becoming a global success. If we are not getting there, at least are we on track to be among the top five leading states in India, in terms of human development, growth, ease of business or quality of life for all??
- To answer the question as to whether such an aspiration is feasible, Reason must prevail over Rhetoric, Fact must triumph over Fantasy and Hope not rest upon Hype!
- Mr Chairman, distinguished speakers at the debate, members of the audience, Ladies & Gentlemen, Friends all!
- My defence of the proposition does not rest upon cynicism or negativity – it rests on the pillars of Fact and Common Sense, looking at hard evidence – derived from both data and public perception.
- For the moment, I am not arguing that the situation has stagnated in Bihar. Recovery from a low (and descending) baseline is to be celebrated – but then recovery and resurgence are two very different things.
- Recovery implies a respite and retreat back to the original state of things after a period of decline and decay.
- Resurgence implies a vital forward thrust - the dynamic movement from a static situation. Speed and energy are of the essence.
- So what does one then make of “Resurgent Bihar”?

- Mr Chairman – to examine objectively, one has to look beyond the hype and hoopla, posters and sponsored studies and donor reports vesting their interest in stories of success to justify monies spent, seminars squandered and cocktails quaffed!
- One has to examine 4 Ws – What, Why, Who and Where
- Then one can determine the 5<sup>th</sup> W - Whether
- I will objectively specify each element, and highlight elementary facts that refute the claim for “Resurgent Bihar”.
- **What** do we understand by Resurgent Bihar?
- The claim is not new or confined to the current regime. The dream of “Bihar Uday” was part of the freedom struggle and the post-Independence governments in Bihar in the 1950s. It found expression in the deliberations of the States Reorganisation Committee. “Bihar Utthaan” was a credo for the students’ movement in the early 1970s, inspired in part by the success of the Nav Nirmaan movement. Indeed, the darker the skies grew, the sharper became the articulation of desire for Bihar to resurge and fulfil the promise and realize our potential.
- The response to the acute desire for a better life in the face of deteriorating conditions for Biharis was both collective and individual.

- The individual response mostly consisted of finding a better life outside. Many more Biharis first began to go outside the state for post-graduate, then undergraduate and finally school. Of course, this was confined to the upper income strata as sending children to study outside mean higher expenses for the household. As one studied outside Bihar, one acquired a reference set and expectation of success that lay outside Bihar. Coming back was considered a sign of failure and of course ineligibility for social esteem.
- As I look back, the picture has not changed much today. Even as Biharis occupy the highest positions in bureaucracy, military, media, private and public sector and academic life, the role models in Bihar are still among those who migrate and succeed elsewhere – much like the Irish!
- Therefore, the claim to Resurgent Bihar is not backed by the domination of home-grown success!
- The collective response to the desire for a better Bihar was in the rise of Bihari parties (as distinct from national parties with Bihari leaders). As the Congress misrule found expression in the rise of a new generation of leaders for whom Bihar was “Ground Zero”.

- One can of course easily make the case that it is indeed an impossible dream for the Congress to reclaim its number one position and dominance in Bihar!!
- The broad point is that even the home-grown, Ground Zero regimes have not been able to bring Bihar on track to equal, let alone exceed the national average on a range of indicators. And that too when India fares not so well on most measures other than GDP growth rate.
- What an objective observer would predicate as a “Resurgent Bihar” is certainly out of reach and not currently in the realm of possibility, if the global standards of per capita income, human development or gross national happiness are applied.
- With regard to national standards, Bihar needs 10 years of 15 plus per cent SDP growth, inflation at below 5 per cent, poverty reduced to the lowest level in the country and health and education outcomes improved to the best in the country.
- There are distinguished economists, political leaders and intellectuals among the speakers – there is no evidence as to how Bihar would reach national rates of growth and best of nation indicators on education, health and the quality of life.

- Therefore, as of today, the answer to what is Resurgent Bihar is that it is a Mirage or pipe-dream, depending on how long one has been in the desert or what one has been smoking or injecting!!
- Having said that, we must examine why the “breakthrough” or “turnaround” discourse became popular for Bihar. Part of this was of course the 2005 state assembly election verdict and part of this was due to the pressure on donors to stay relevant
- Being a state of great discussants, debaters and talkers, Bihar was fertile ground for policy preaching and devising grand strategies for a Resurgent Bihar.
- And indeed, for a period, some things did happen. Virtually every health centre did become functional with a doctor, teachers were present in schools, and Bihar clocked 14 per cent NSDP growth (at 2004-05) constant prices!
- But this was not driven by “Resurgent Bihar” – it was driven by the explosion of latent demand for goods and services that had been suppressed by the previous climate of fear and extortion.
- People did not spend but hoarded for a better time. In effect, the **Bandook Polity had created a Sandook Economy**, and when the rule of

the gun ended (or at least had a relative lapse), economic activity skyrocketed!

- However, Bihar's GDP growth numbers are driven by spikes in construction, communication, trade, hospitality and other services. It misses agriculture and manufacturing - vital drivers for take-off to sustained high growth path.
- According to the Bihar Government's own NSDP data (factor cost and constant prices 2005-05), agriculture numbers merely doubled over a 10-year period and manufacturing grew even less. Registered manufacturing – a good source for relatively better quality employment – barely improved, while construction, hotels and hospitality has grown by nearly 10 times between the period 2004-05 and 2014-15.
- Clearly Bihar's growth data are skewed and consumption-oriented. The demand explosion from the Sandook Economy has not been matched by any significant improvement in output and productivity in agriculture and industry.
- There are no significant prospects of large scale investment or technology leaps in the above two sectors in Bihar. The multiplier effects are missing. Given this scenario, the Resurgent Bihar dream of catching up with national level per capita income certainly appears unrealistic

and the possibility of catching up with high income states like Maharashtra, Gujarat or Punjab is even more remote.

- A great exposition of the limits to growth in Bihar comes from the State Government's own policy documents which demand that Bihar be declared a Special Category State like J&K and North-eastern states – none of which qualify for the label of Resurgent State. The State Government is refreshingly candid when it mentions the dismal fiscal prospects, persistent economic and social backwardness and infrastructure gaps in flood-prone terrain.
- The irony of declaring Bihar as revenue-wise unviable (principal criterion for granting concessional terms in grant-loan ratio of central assistance) while tom-toming “Resurgent Bihar” is clearly lost in the urgency of securing more public investment, as private investment has not materialized in Bihar.
- Ladies and Gentlemen, now that we have proven Why Resurgent Bihar is impossible (bar a miracle), let us ask **Who** are the people for whom Bihar is resurgent?
- Is it the investors, is it the industrialists, is it the farmers and most important is it the Below Poverty Line, the landless laborers, manual and domestic workers in urban centres, the Scheduled Castes?

- The SC lag behind significantly in every arena of human development, whether in terms of child mortality, education, income or share in regular employment. The highest proportion of marginal workers are among the SC, as are the lowest percentages of land ownership and levels of attainment in education and health. They also account for the highest percentages in poverty head count ratio and the BPL list.
- If the rising tide of a Resurgent Bihar is to lift all boats, that is clearly not happening, and given the limits to growth and low levels of human development in Bihar, it is today an Impossible Dream.
- Mr Chairman – **where** is the likely Resurgent Bihar? If we equate this room and similar locations that are the watering holes of the “chicken-tikka circuit”, it is here in this room.
- However, if we are serious discussants, a Resurgent Bihar has to emerge in remote villages, smaller towns, slum areas – in all the pockets of poverty where the poorest of the poor live, work and die!
- At last count, the provision of water, electricity and sanitation in slum areas of Bihar was well below the national average, with majority of the poor households lacking access to toilet and safe drinking water. Open defecation and lack of hygienic practices such as hand-washing, along with poor nutrition levels and poor care for expecting mothers, new-

born children and post-birth mothers are reflected in high levels of infant and child mortality, maternal mortality, low birth weight, persistent anaemia and morbidity among young girls and women.

- These are all challenges that we know must be overcome. Given the magnitude of the challenge in terms of population, low baseline of education and complex social and caste structure, a Resurgent Bihar that achieves if not world class at least best of country level outcomes in quality of life is impossible.
- Ladies and Gentlemen, there is a real reason why southern states in India have done well and “cow-belt” states like UP and Bihar have done badly. In South there is the Politics of Development, whereas here we have the Development of Politics.
- Underdevelopment not only limits growth, it also limits the imagination and world view. Identity politics becomes the sole determinant of public policy and decision making. The vicious cycle of the articulation of desire based on identity leading to distribution of scarce benefits based on identity which in turn further perpetuates identity-based articulation.
- And as long as identity politics permeates and development vision takes second or third place, policy and implementation will not be optimal and as long they are not optimal, there can be no resurgence. Backward

states have indeed become resurgent – Kerala under the Travancore rulers, Himachal Pradesh under YS Parmar, Haryana under Bansi Lal, even Andhra under Chandrababu Naidu – they have all given the lie to the assumption that backwardness is eternal.

- But the above examples have one common characteristic – identity politics was made secondary. Instead, there was a combination of three elements – single point leadership, vision for transformation, political will to prioritize, implement and monitor!
- If we look at Bihar today, it has no prospect of going beyond identity politics and certainly the ingredients for transformative leadership are now missing. Alliances are being formed based on caste equations and populism and subsidy culture prevail.
- And since identity politics will always dominate, a Resurgent Bihar is an Impossible Dream!!