

RURAL-URBAN POVERTY AND INEQUALITY IN BIHAR: A DISAGGREGATED LEVEL ANALYSIS

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ABSTRACT

The objective of this paper is to identify the gap between rural and urban, in terms of standards of living characterised by monthly per capita consumption expenditure and head count ratio in the poorest and the least urbanised State of Bihar, India. Poverty reduction was not significantly observed in the State from 2004-05 to 2011-12, though it is small, not evenly distributed across the districts of the State. In this background, for an appropriate policy measure, the rationale of the present study is to highlight poverty and inequality treating district and rural-urban as a scale of units. The disparity is visible in terms of monthly per capita consumption expenditure and head count ratio, which has tended to decrease very significantly at the district level in Bihar. The analysis depicts an interesting variation as the development is centred only in Patna. Being a capital city of the State, Patna has been able to pull up resources and all the benefits in the State. There is a need to bring poor and vulnerable people under mainstream by providing equal distribution of wealth and equal opportunity to them.

Introduction

Inequality in terms of level of living and income has always been a great concern in India. The issue has acquired more attention in

recent times when the Government of India has changed a very huge and esteemed institution 'Planning Commission' and given a new name as 'National Institution for Transforming India (NITI) Aayog'. One of the objectives of this new

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organisation is to make planning at the more disaggregated-level and to deliver in order to bridge the great gap between the ultra-rich and the abjectly poor. The least that can be done is to devise a coherent policy shift that can strongly convince its political mentors to put in place a smart economic formula for equitable division of wealth, resources and overall vision of development which is inclusive, equitable and sustainable. Thus, the shifting of institution and attention on the inter-district development is a crucial task in front of our policy makers and dealing merely with State-level aggregates may not reveal the true extent of disparity and poverty prevailing at a more micro-level in the country.

In India, voluminous studies have been made in recent times on the trends of poverty, inequality and standards of living in Indian States during the post-reform decades. Among them some have highlighted the reduction in poverty (Sundaram and Tendulkar 2003; Bhanumurthy and Mitra 2004) while some others have expressed anguish over the rising economic inequality (Deaton and Drez 2002; Sen and Himansu 2004; Krishna 2004). Many studies have dealt with disparity at State-level and sector-wise (Himansu 2010; Chattopadhyay and Mathi 1993; Thorat 2010), while others have tried to define the common people of India in terms of their standards of living and socio-economic profile. Their findings showed that despite high growth, more than three-fourths of Indians are poor and vulnerable with a level of consumption not more than twice the official poverty line

(Sengupta et al., 2008; Raveendran and Kannan, 2011).

A few efforts have been made to examine levels of living and poverty in bigger and poor States of India. A recent study by Bakshi et. al. (2015) released that States with the lowest per capita income (PCI) register relatively higher rate of growth, however, poverty and inequality have tended to increase in these States. District-specific studies are very scant which deal disparity and inequality in certain States. A study on Uttar Pradesh by Diwakar, (2009) revealed regional disparities and inequality and pointed out that some of the regions of this State are very backward and the abode of the largest proportion of poor in the country. This study identifies the dimensions of intra-regional disparities, inequality and deprivation in poor households of the State and examines whether micro-level disparities and deprivations are much wider and more alarming than at the aggregate level and whether region-specific, district-level planning needs to address these issues on a priority basis. Similarly, Hatekar and Raju (2013) have analysed inter-district inequality of per capita incomes in Maharashtra for the period 2001-09. The study shows that inequality rose for the period 2001-05 and subsequently declined. Though it has been rising, it is at a lower level than that observed for 2001-05. This has been accompanied by shifts in the relative ranking of different districts across the income distribution. Similarly, Rudra et al., (1988) focused on district-wise analysis of West Bengal. It showed the changes in the standards

of living in rural as reflected in the results of a resurvey of households in the villages of Bardhaman, Birbhum and Purulia districts. However, district-wise standards of living and poverty patterns for Indian States, it was only in the 61st round survey of NSS (2004-05) that the sampling design defined rural and urban parts of districts as strata for selection of sample villages and urban blocks, respectively. This has also paved the way for generating unbiased estimates of important socio-economic parameters at the district-level adequately supported by the sample design (Chaudhary and Gupta, 2009).

However, there is no extensive study, which examined district-wide standards of living and poverty in Bihar, the backward State of India. The present study has made an attempt to analyse inter-district disparity in the standards of living, poverty and inequality in Bihar. Before going to discuss intra-State inequality and poverty in the State, reasons for the district level analysis in the present study are the following:

- The regional development policy is framed by the government treating the State as a homogenous unit which it is not. Measurement of disparity at the district level would help to frame area-specific plans and policies in a better manner and adopt policies suitable to tackle different regions within a State.
- A study of disparity at the disaggregated level is essential for ascertaining the level of development in the level of living across all the districts of a particular State and also for analysing the respective roles of government spending and other factors in causing (or aggravating) inter-regional economic inequalities.
- The widening gulf between advanced and backward regions within a State leaves those living in backward regions disgruntled and dissatisfied, creates an aversion towards the civic processes and raises doubt about the viability and usefulness of the political system. This has a destabilising impact on both economy and polity.
- Growth of developed pockets within a particular State promotes concentration of economic units in the region, results in increased internal migration, causes environmental backlash, etc.
- Experiences show that cross-country comparisons of stage and pace of development are impossible and, following the same logic, inter-State inter-regional comparisons are also very difficult when the regions differ significantly in terms of size, principal features, governance, etc. A study at the disaggregated or district level is required for identification of the factors that are instrumental in controlling regional disparity and developing a policy mix to promote the same. In this

regard, the present study is an attempt to analyse inter-district poverty and inequality in Bihar, as it is the third most populous State of India.

Methodology

The estimates of poverty and its distribution have been carried out using 61st and 68th round of the National Sample Survey (NSS) conducted in 2004-05 and 2011-12, respectively. We estimate poverty ratio for Bihar as defined by proportion of population with per capita consumption below official poverty lines calculated as per the methodology of the 2004 expert group. The classification of household and persons by poverty status were classified as extremely poor, poor, marginal, vulnerable, middle class and higher income group based on MPCE of the corresponding households. The specific criteria used for classification both in rural and urban areas are the following.

Extremely poor	if $MPCE < 0.75$ times Poverty Line (PL)
Poor	if $0.75 PL < MPCE \leq 1$ PL
Marginal	if $1 PL < MPCE \leq 1.25$ PL
Vulnerable	if $1.25 PL < MPCE \leq 2.0$ PL
Middle Class	if $2.0 PL < MPCE \leq 4.0$ PL
Higher Income Group	if $MPCE > 4.0$ PL

The limits worked out for the year 2011-12 in terms of MPCE for classification are given in Table 4R and Table 4U.

Overview of State-Level Estimates of Major Parameters

The overall story is that the backward States - Bihar, Madhya Pradesh, Odisha, Rajasthan, Uttar Pradesh, Chhattisgarh and

Jharkhand-are less advanced than the States of the west and south. However, Bihar has remained very resilient, maintaining double-digit growth and topping the State's ranking in 2012-13 to 14.18 per cent. This is almost thrice the national average. In this connection, before going to the district-level estimates of the parameters, let us have a quick look at the corresponding State-level estimates for different States and the status of Bihar in major States. An attempt has been made to focus State-level estimates for the 18 major States of India including the three newly created States of Jharkhand, Chhattisgarh and Uttarakhand. Further, the exercise also identified the different levels of poverty ratio and their population. Table 1 gives a summary of State-level estimates of the parameters, i.e. average MPCE, the HCR and Lorenz Ratio for rural and urban which together reflect the standards of living across the States.

In rural India, the average MPCE was the lowest in Odisha (₹ 905) and the highest in Kerala (₹ 2356). All-India rural HCR was around 25.6 per cent. States like Punjab and Kerala had less than 10 per cent poor while Jharkhand and Chhattisgarh, each had more than 40 per cent of their population below the respective poverty lines. For better comparability with the districts, the level of inequality in the States has been calculated using State-level percentile classes (LR-S) although these do not vary much from the usual LR using all-India percentile classes. Inequality was found to be low in Bihar (0.2038) where the average level of living (MPCE) was the second lowest. The best average MPCE State in the rural part, i.e. Kerala (₹ 2356) was the most unequal State with LR-S 0.3507. Consequently, there was some indication of transition between prosperity and inequality at State-level.

Table 1: State Level Estimates of Average Monthly Per Capita Consumption, Head Count Ratio (2011-12)

State	Rural				Urban			
	% of All-India Population	Average MPCE (₹)	% of Poor	Lorenz Ratio-S	% of All-India Population	Average MPCE (₹)	% of Poor	Lorenz Ratio-S
Andhra Pradesh	6.8	1563	11.0	0.2434	7.5	2559	5.8	0.3097
Assam	3.2	1057	33.9	0.2108	1.2	2090	20.5	0.3447
Bihar	11.1	970	34.1	0.2038	3.1	1397	31.2	0.2809
Chhattisgarh	2.4	904	44.6	0.2407	1.6	1776	24.8	0.3871
Gujarat	4.2	1430	21.5	0.2465	6.8	2472	10.1	0.2839
Haryana	2.0	1926	11.6	0.2492	2.3	3346	10.3	0.3824
Jharkhand	3.0	920	40.8	0.2112	2.1	1894	24.8	0.3382
Karnataka	4.5	1395	24.5	0.2605	6.3	2899	15.3	0.4063
Kerala	2.1	2356	9.1	0.3507	4.2	3044	5.0	0.3885
Madhya Pradesh	6.3	1024	35.7	0.2612	5.3	1842	21.0	0.3608
Maharashtra	7.4	1446	24.2	0.2516	13.5	2937	9.1	0.3581
Odisha	4.2	905	35.7	0.2341	1.9	1830	17.3	0.3452
Punjab	2.1	2136	7.7	0.2691	2.8	2743	9.2	0.3131
Rajasthan	6.2	1446	16.1	0.2275	4.5	2207	10.7	0.3065

(Contd...)

Table 1 (Contd...)

State	Rural				Urban			
	% of All-India Population	Average MPCE (₹)	% of Poor	Lorenz Ratio-S	% of All-India Population	Average MPCE (₹)	% of Poor	Lorenz Ratio-S
Tamil Nadu	4.5	1571	15.8	0.2751	9.3	2534	6.5	0.3297
Uttar Pradesh	18.6	1551	11.6	0.2478	11.8	2452	10.5	0.4052
Uttarakhand	0.8	1073	30.4	0.2559	0.8	1942	26.1	0.3413
West Bengal	7.5	1170	22.5	0.2351	7.7	2490	14.7	0.3816
All India	100.0	1287	25.7	0.2803	100.0	2477	13.7	0.3673

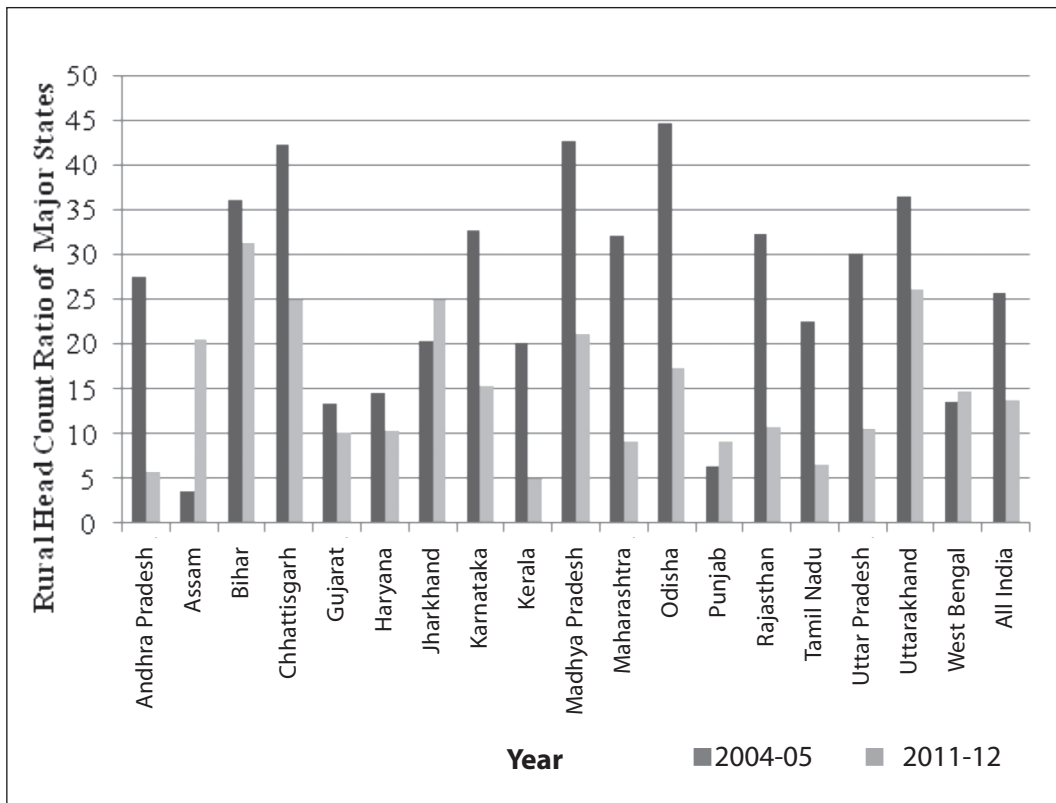
Source: NSS 68th Round Data.

Note: For calculating per cent of poor (HCR) State-specific poverty lines released by Planning Commission.

In the urban sector, average MPCE varied from ₹1397 in Bihar to more than ₹ 3346 in Haryana. Chhattisgarh had the highest poverty (40 per cent) while it was less than 8 per cent in Madhya Pradesh. On the other hand, the highest inequality has been found in

Karnataka (0.4063) that stood with the third best MPCE but the second highest poverty ratio across the 18 States. Thus, the high rate of urban poverty and inequality in the better-off States as well as in some of the poorest States made the issue more intricate.

Figure 1R : Rural Poverty HCR in Major 18 States and All India (2004-05 and 2011-12)

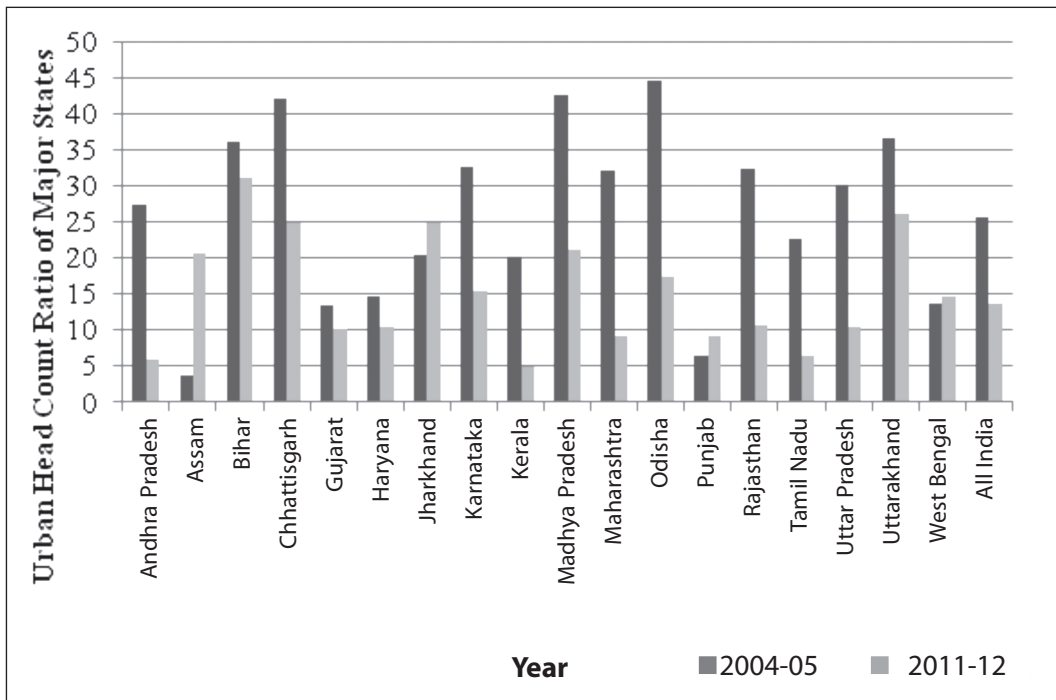


Source: Press Note on Poverty Estimates 2004-05 and 2011-12, Planning Commission of India, New Delhi.

Inter-State disparity in terms of HCR is visible across the country. In 2010-11, it depicted a range of 7.7 per cent in Punjab and 44.6 per cent in Chhattisgarh in the rural sector, while it ranges 5 per cent in Kerala and 31.2 per cent in Bihar. Thus, Bihar is the poorest in terms of urban poor with least MPCE (₹ 1397) and fifth in rural poor with fourth position in MPCE (₹ 970). It shows that the incidence of

poverty in India is disproportionately distributed across the States and they are heterogeneous in terms of standards of living. A significant share of the poor in India is from a few States, namely, Jharkhand, Chhattisgarh, Uttarakhand (three newly created States), Odisha, Madhya Pradesh, Bihar and Assam in both the rural and urban (Figure 1R and 1U).

Figure 1U: Urban Poverty HCR in Major 18 States and All India (2004-05 and 2011-12)



Source: Press Note on Poverty Estimates 2004-05 and 2011-12, Planning Commission of India, New Delhi.

In Table 2 State-level poverty reduction has been presented. There is a great divide in rural-urban poverty reduction across the regions of the nation. In the rural sector, highest rural poverty has been declined in the States of Uttar Pradesh (21.7 per cent), Odisha (11.2 per cent), Uttarakhand (10.3 per cent) and Bihar (8.5 per cent) while all India reductions were

2.6 per cent from 2004-05 to 2011-12. In the urban sector, highest reduction has been found in the States like Odisha (27.4 per cent), Maharashtra (23 per cent), Madhya Pradesh (21.7 per cent), Andhra Pradesh (21.6 per cent) and Rajasthan (21.6 per cent) while all India estimates were 11.7 per cent at the same time.

Table 2 : Poverty Reduction in the States and All India (2004-05 to 2011-12)

States	Rural	Urban
Andhra Pradesh	-0.5	21.6
Assam	-11.8	-16.9
Bihar	8.5	4.9
Chhattisgarh	-3.8	17.4
Gujarat	-2.6	3.2
Haryana	1.7	4.2
Jharkhand	5.4	-4.5
Karnataka	-3.8	17.3
Kerala	4.1	15.0
Madhya Pradesh	1.1	21.7
Maharashtra	5.4	23.0
Odisha	11.2	27.4
Punjab	1.3	-2.9
Rajasthan	2.2	21.6
Tamil Nadu	7.2	16.0
Uttar Pradesh	21.7	19.6
Uttarakhand	10.3	10.4
West Bengal	5.9	-1.2
All India	2.6	11.9

Source: Press Note on Poverty Estimates 2004-05 and 2011-12, Planning Commission of India, New Delhi.

Rural-urban gap has been a very crucial issue before policy makers for a long time. It is a good indicator to quantify the rural-urban level of living and HCR at regional level. The rural-urban gap in HCR for India has declined, indicating that poverty incidence in rural India declined faster than the overall reduction in poverty incidence (Shukla and Mishra, 2014). However, different States have fared differently in this regard. The States like Jharkhand, Maharashtra, Bihar and Tamil Nadu have done fairly in rural-urban reduction in HCR from 2004-05 to 2011-12. However, all States have

reduced the gap in rural-urban HCR except Kerala (positioned negatively). Rajasthan and Haryana also experienced declines in rural-urban HCR gap; however, it was not substantial to reverse the pattern. There are multiple explanations for the reduction in rural-urban gap in different parts of the country. Some States have benefited from the policy directly while others lagged behind at the same time. Thus, the nature of economic policy and economic activities are not similar which indicate the exclusive nature of poverty reduction in the poorest States.

Table 3: Rural-Urban Gap in Head Count Ratio

States	Rural-Urban Gap in HCR		
	2004-05	2011-12	Difference
Andhra Pradesh	8.9	5.2	3.7
Assam	14.6	13.4	1.2
Bihar	12.0	2.9	9.1
Chhattisgarh	26.7	19.8	6.9
Gujarat	19.0	11.4	7.6
Haryana	2.4	1.3	1.1
Jharkhand	27.8	16.0	11.8
Karnataka	11.6	9.2	2.4
Kerala	1.8	4.1	-2.3
Madhya Pradesh	18.5	14.7	3.8
Maharashtra	22.3	15.1	7.2
Odisha	23.2	18.4	4.8

(Contd...)

Table 3 (Contd...)

States	Rural-Urban Gap in HCR		
	2004-05	2011-12	Difference
Punjab	3.4	-1.5	4.9
Rajasthan	6.1	5.4	0.7
Tamil Nadu	17.8	9.3	8.5
Uttar Pradesh	8.6	1.1	7.5
Uttarakhand	8.9	4.3	4.6
West Bengal	13.8	7.8	6.0
All India	16.5	12.0	4.5

Source: Press Note on Poverty Estimates 2004-05 and 2011-12, Planning Commission of India, New Delhi.

To see the different groups of population falling under poverty line, total population is classified into six groups according to rural-urban monthly expenditure of different States in respective to official poverty line¹. They are grouped as the "extremely poor" (those of not more than 0.75 of the PL), "poor" (equal to 0.75 to 1 PL), "marginally poor" (1 to 1.25 PL), "vulnerable" (1.25 to 2 PL), "middle income" (2 to 4 PL) and "high income" (4 PL and above). The PL used here related to the mixed reference period covered in 2011-12. The distribution of the population in each major State by the above classification is given in Table 2.

State-level picture, presented in the Table 4R, suggests a huge inter-State rural disparity in the distribution of population among the different poverty status groups. The problem of poverty in India is not just a matter

of crossing a 'line', given the fact that, a substantial segment of the population cluster around the poverty line and hence the categories of 'marginally poor' and 'vulnerable' become important in a country like India (Sengupta et al., 2008; Kannan and Raveendran, 2011). As of 2011-12, 12.8 per cent of the people can be regarded as extremely poor or poor. However, the Table shows that Chhattisgarh (15.3 per cent) and Madhya Pradesh (15 per cent) have high extremely poor and higher than that of the national average, while it was the lowest in the State like Uttarakhand (0.4 per cent) and Punjab (1.6 per cent), much below than the national average in rural areas. In terms of marginal poor category, Assam followed by Bihar has the highest population and it was the lowest in Andhra Pradesh and Punjab. While, in the category of vulnerable, Andhra Pradesh has the highest ratio and the lowest in Madhya Pradesh.

Table 4R: Rural Percentage Share of Population in Different Poverty Status Group in 2011-12

State	Rural					
	Extremely Poor	Poor	Marginal	Vulnerable	Middle Income	High Income
Andhra Pradesh	2.2	8.7	13.8	47.6	24.4	3.3
Assam	8.2	25.7	27.5	30.7	7.2	0.8
Bihar	10.5	23.9	26.8	32.2	6.3	0.3
Chhattisgarh	15.3	29.3	23.1	23.4	8.1	0.8
Gujarat	4.1	17.4	25.3	35.2	16.4	1.6
Haryana	2.8	8.9	12.5	42.0	30.8	3.1
Jharkhand	7.6	17.7	26.4	36.6	10.6	1.0
Karnataka	2.8	21.7	23.7	36.5	12.4	2.8
Kerala	2.8	6.4	14.5	38.2	29.3	8.9
MP	15.0	20.7	23.2	28.2	12.1	0.8
Maharashtra	6.7	17.5	22.1	39.0	13.0	1.7
Odisha	11.5	24.2	22.0	32.0	9.4	0.9
Punjab	1.6	6.1	14.5	41.3	31.4	5.2
Rajasthan	5.3	10.8	17.9	45.8	18.9	1.3
Tamil Nadu	3.3	12.5	18.2	39.0	23.4	3.6
UP	8.8	21.6	23.2	33.0	12.0	1.4
Uttarakhand	0.4	11.3	18.8	46.0	19.2	4.3
WB	5.3	17.2	23.2	38.2	14.7	1.3
All India	12.8	12.9	19.7	34.7	17.3	2.6

Source: NSS 68th Round Consumer Expenditure Schedule (2011-12).

In the urban sector (Table 4U), Jharkhand and Bihar have highest population that cluster in the extremely poor category while it was the lowest in Andhra Pradesh (0.9 per cent) and Kerala (1.4 per cent) and below than the national average (4.4). High ratio of extremely poor has been found in Bihar (12.7 per cent) and Jharkhand (14.4 per cent) and much higher than that of the national average. Similarly, the percentage of poor was also very high in the

States like Assam, Bihar, Chhattisgarh, and Madhya Pradesh in both rural and urban areas. Uttar Pradesh and Uttaranchal have the highest ratios which cluster in marginally poor and it was the highest in Rajasthan and the lowest in Uttar Pradesh in terms of vulnerability. Thus, the States like Uttar Pradesh and Bihar have a high incidence of poverty as well as depth of poverty which attract attention and need further reforms.

Table 4U: Urban Percentage Share of Population in Different Poverty Status Group in 2011-12

State	Urban					
	Extremely Poor	Poor	Marginal	Vulnerable	Middle Income	High Income
Andhra Pradesh	0.9	4.9	8.6	32.8	40.3	12.5
Assam	6.3	14.3	11.6	34.7	25.1	8.1
Bihar	12.7	18.6	14.2	35.9	15.6	3.0
Chhattisgarh	7.2	17.6	14.3	26.3	25.2	9.5
Gujarat	2.4	7.9	12.9	33.6	36.5	6.8
Haryana	2.8	7.5	7.7	29.2	35.3	17.5
Jharkhand	14.4	12.4	10.8	31.8	23.0	7.5
Karnataka	5.5	9.8	10.7	27.6	30.7	15.7
Kerala	1.4	3.6	9.9	30.8	34.8	19.5
MP	6.1	14.9	14.7	34.0	21.4	8.9
Maharashtra	2.2	6.9	9.3	33.6	34.4	13.6
Odisha	4.6	12.7	14.7	30.3	28.7	9.0

(Contd...)

Table 4U (Contd...)

State	Urban					
	Extremely Poor	Poor	Marginal	Vulnerable	Middle Income	High Income
Punjab	2.0	7.2	9.3	32.7	39.6	9.1
Rajasthan	1.6	9.1	12.0	39.5	29.5	8.4
Tamil Nadu	1.6	5.0	8.5	29.5	40.1	15.3
UP	9.0	17.2	18.5	26.3	19.6	9.4
Uttarakhand	2.1	8.4	16.1	33.0	31.9	8.5
WB	4.0	10.7	12.2	26.8	32.1	14.2
All India	4.4	9.2	11.2	29.6	32.8	12.7

Source: NSS 68th Round Consumer Expenditure Survey (2011-12).

Poverty and Inequality: District-wise Analysis

In India, the remarkable characteristic of regional disparities is the presence of backward areas across the States. However, different States have different levels of development pattern and socio-economic background. They are distinguished at more disaggregated level because even within States there are huge differences which affect the overall situation of the State. Bihar is a very backward State as is often referred to as the most under-developed state in the country with the highest percentage of people living below the poverty line, except that of Odisha, which has the lowest per capita income among the major States of India. On the other hand, the population growth rate of Bihar, which was 28.43 per cent during the 2001, declined to 25.07 per cent

during 2011 but still it is highest among several States (Kumari, 2014). Nearly 90 per cent of Bihar's 103 million people still live in rural areas and success in reducing poverty depends to a large extent on the pace and pattern of rural development (Datta, A. et al. 2014). It has a high level of inter-district and inter-regional disparity because of north Bihar's low agricultural productivity, poor irrigation systems and high vulnerability to floods. Poverty in this region is the result of low per capita land-holding, very low industrialisation and limited opportunities in the service sector (UNDP, 2005). In this connection, many studies in recent times have identified the backward regions, taking district as a measure of unit as discussed in the beginning of the present study. However, no attempt has been made to identify the incidence of poverty and

backwardness particularly in Bihar. The present study is thus an attempt to bridge this gap.

The present Bihar comprises 38 districts and one newly created district Arwal has not

been taken in analysis due to lack of information (bifurcated from Jehanabad). The district-wide disparity in terms of poverty has been visible in the State as overall poverty in rural sector is higher than urban one.

Table 5: District-wise Change in Poverty Ratio in Bihar

District	2004-05		2011-12		Change in Poverty Ratio	
	Rural	Urban	Rural	Urban	Rural	Urban
Pashchim Champaran	76.9	71.7	27.1	53.5	49.8	18.2
Purba Champaran	20.1	35.2	21.8	39.3	-1.7	-4.1
Sheohar	14.8	32.5	72.9	57.4	-58.1	-24.9
Sitamarhi	28.1	39.3	64.6	47.6	-36.5	-8.3
Madhubani	59.2	41.2	15.1	22.6	44.1	18.7
Supaul	20.0	35.3	11.0	21.2	9.0	14.1
Araria	54.6	35.6	19.4	11.1	35.2	24.5
Kishanganj	62.3	30.6	15.8	24.2	46.5	6.4
Purnia	29.0	8.6	49.1	25.5	-20.1	-16.9
Katihar	36.5	13.3	47.0	34.4	-10.5	-21.1
Madhepura	7.7	37.1	0.0	3.3	7.7	33.8
Saharsa	21.1	1.4	21.6	2.8	-0.5	-1.4
Darbhanga	42.2	40.7	41.0	20.3	1.3	20.4
Muzaffarpur	65.3	56.3	41.1	22.7	24.3	33.6
Gopalganj	27.4	28.6	34.0	30.5	-6.6	-1.9
Siwan	30.2	41.4	39.4	43.2	-9.2	-1.8
Saran	55.9	34.7	27.8	52.2	28.1	-17.5
Vaishali	41.6	54.3	12.8	59.0	28.8	-4.7

(Contd...)

Table 5 (Contd...)

District	2004-05		2011-12		Change in Poverty Ratio	
	Rural	Urban	Rural	Urban	Rural	Urban
Samastipur	52.3	62.1	45.0	9.4	7.3	52.7
Begusarai	56.7	47.6	15.1	33.4	41.6	14.2
Khagaria	16.7	4.0	14.0	25.9	2.7	-21.9
Bhagalpur	45.2	14.9	30.0	44.1	15.2	-29.2
Banka	59.8	88.4	38.7	47.5	21.1	40.9
Munger	35.6	44.2	62.6	55.4	-27.0	-11.2
Lakhisarai	38.6	41.7	32.2	13.1	6.4	28.6
Sheikhpura	28.6	39.3	30.0	45.7	-1.4	-6.4
Nalanda	44.8	39.6	54.1	63.7	-9.3	-24.1
Patna	44.7	25.8	54.4	14.3	-9.7	11.5
Bhojpur	41.6	43.6	56.3	61.8	-14.7	-18.2
Buxar	54.2	33.3	42.5	69.5	11.7	-36.2
Kaimur	42.0	21.7	30.4	9.5	11.6	12.2
Rohtas	34.6	62.1	56.6	26.3	-22.0	35.8
Jehanabad	54.2	57.1	37.8	33.3	16.4	23.8
Aurangabad	55.4	53.6	29.9	30.4	25.5	23.2
Gaya	37.5	33.5	24.4	26.0	13.1	7.5
Nawada	38.8	48.7	20.1	3.5	18.7	45.2
Jamui	46.3	68.1	60.8	29.8	-14.5	38.3
Arwal	NA	NA	NA	NA	NA	NA
Bihar	42.6	36.1	34.3	31.2	8.3	4.9

Note: NA- not available.

Source: NSS 61st and 68th round, Consumer Expenditure Survey data.

On examining this dataset, we find that most of the districts which declined poverty in rural sector from 2004-05 to 2011-12 exist in the south Bihar (Table 5). The districts include Pashchim Champaran (49.8 per cent), Kishanganj (46.5 per cent), Madhubani (44.1 per cent), Begusarai (41.6 per cent) and Araria (35.2 per cent). No district of North Bihar has declined poverty below or equal to 30 per cent. Regional analysis reveals that State has not been able to reduce poverty at proportionate level across the districts. In urban sector, the story of State at regional level is mixed. The districts which have declined poverty were Samastipur (52.7 per cent), Nawada (45.2 per cent), Banka (40.9 per cent), Jamui (38.3 per cent), Rohtas (35.8 per cent), Muzaffarpur (33.6 per cent) and Madhepura (33.8 per cent) from 2004-05 to 2011-12. Similarly, highest reduction in HCR was in Pashchim Champaran

(49.8 per cent) while highest increase in same was in Sheohar (58.1 per cent) in rural areas. In urban sector, highest decline in poverty was in Samastipur (52.7 per cent) while highest increase was in Buxar (36.2 per cent) from 2004-05 to 2011-12. District-wise poverty estimate shows that there were many districts which had percentage of poor much more than State average in the given two years. Despite some districts have registered high decline in poverty ratio, the State has made very little effort in reducing poverty as it has declined 8.3 and 4.9 per cent in rural-urban respectively. The study also explains that whatever changes in poverty have been taken place, that took place only in few pockets of the State which are the beneficiaries in terms of political aspect, were able to attract resources in the region.

A summary of best and worst districts within the State in terms of average MPCE and poverty ratio is presented here to indicate the spatial disparity among the districts within the State (Table 6). In rural Bihar, at the district level, the average MPCE of the best district (Vaishali) was 1.9 times that of the worst (Sheohar), while in terms of percentage of poor least poor district was Madhepura and the poorest was Sheohar in rural Bihar. Thus, the exercise suggests that Sheohar is the district which has poor MPCE as well as high poverty across the State. In case of urban sector, Saharsa stands with the best while Buxar the least in terms of both, MPCE as well as head count ratio. The exercise enables easy identification of critically poor pockets within the State, that demand more focused consideration.

Conclusion and Policy Implication

The study aimed to analyse the inter-district disparity in level of living and poverty in Bihar. State-level comparison revealed that Bihar is very backward in comparison to other States in terms of monthly per capita consumption expenditure with high level of poverty. In Bihar, development is centred only in Patna, due to being a capital city of the State and has been able to pulling up resources and all the beneficiaries in the State. The results

showed serious implication of district-level analysis rejecting the hypothesis as 'State' as a measure of regional disparity. Some districts also experienced increase in rural and urban poverty while some have seen decline very significantly. District-wise differences in terms of HCR suggested that most of districts of the State which have declined poverty centred in South Bihar. It showed that the districts of North Bihar were seriously neglected from the policy perspective. Rural-urban divide is also alarming in the State as rural inequality is higher than that of urban in 2011-12. Regional evidences showed that the south region has declined poverty very drastically, the situation in the same is insignificant in northern region from 2004-05 to 2011-12.

Within the State of Bihar, a great extent of disparity is visible which gave attention to policymakers regarding high incidence of poverty and inequality in level of living. The backwardness of poor region creates social tensions and political disturbances in the States due to high poverty and inequality. The increase of demanding separate regions is also due to high poverty and exclusion of deprived areas. It is a high time for our planners to give attention and facilitate poorer regions of the nation and mobilise more resources at disaggregated level at the same time.

Notes

1. This methodology is used by different studies i.e. Sengupta et al. 2008 and Kannan et al. 2011.

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