

Bihar's turnaround story

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A new book on Bihar sparks discussion on the state's governance, development and economic trajectory, reports Laleh Habib.

Speaking at LSE last week, Professor Lord Nicholas Stern described the case of Bihar as “a story of a turnaround.” Bihar slipped into a state of deprivation while the rest of India enjoyed accelerated economic growth in the 1990s. However, the state has seen a [reversal of fortune](#) since 2005 under the chief ministership of Nitish Kumar. On 20 January, academics, parliamentarians, politicians and industrialists [came together](#) at the School to discuss Bihar's new trajectory and mark the launch of “[The New Bihar: Rekindling Governance and Development](#)”, edited by Professor Lord Stern and N.K. Singh. (Click [here](#) to watch a video of the event.)

“The New Bihar” chronicles the state's unique development trajectory and also outlines the challenges ahead. It includes essays by some of the most distinguished commentators on India, including Amartya Sen, Kaushik Basu, Meghnad Desai, Shankar Acharya, Arvind Virmani and Isher Judge Ahluwalia. The book also seeks to analyse the impact of the Kumar government's policies, including what N. K. Singh defined as an “integrated growth strategy,” including initiatives to improve governance, infrastructure, health and education. As a result of these measures, Bihar experienced a surge economic activity and in March 2012 recorded the highest average rate of growth among all Indian states.

N. K. Singh, whom Professor Lord Stern credited with having played a significant role in Bihar's meteoric rise, argued at the event that the Bihar model of development is the direct result of good governance; investments in infrastructure, health, and education; and the multiplying effects of the “peace dividend,” which create a wave of entrepreneurial energy.

However, as Singh emphasised, good governance is not new to Bihar. The state was at the centre of the Maurya and Gupta dynasties and is also the birthplace of Buddhism. It was as recently as the 1970s that the state slipped into a 20-year period of poor governance. When India experienced economic growth, Bihar lagged far behind, becoming one of the most impoverished and crime-ridden states in the country.

Within this context, and with guarded optimism, Suhel Seth, Managing Partner of Counselage India, reminded the audience that Bihar's economic growth cannot be taken for granted. So extreme was the deprivation in Bihar that even with current growth rates, it could take decades for the state to be on par with the rest of the country. The development agenda also remains unmet, and significant challenges lie ahead. Additionally, Seth reminded the audience, continued economic growth in Bihar depends very much on the continuation of good governance.

Other panellists contributing to the discussion on Bihar included Daniel Alexander, Lord Karan Bilimoria, and His Excellency Ranjan Mathai. In its responses to audience questions, the panel touched on the many themes explored in “The New Bihar”, including disparity in incomes levels, the impoverishment of opportunity, and insufficient communications.

As the chapter in the book titled “Crystal Gazing” suggests, Bihar's future remains uncertain, and there is a strong need to continue to study economic development and governance in the state. “The New Bihar” marks a significant step in this direction.

Laleh Habib graduated with a Master's degree from LSE's Department of Media and Communication in 2006.

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