

UNDERLYING CAUSES OF POOR SOCIO-ECONOMIC PERFORMANCE OF UTTAR PRADESH AND BIHAR-INDIA

Reena Kumari^{*}, Aneesya Panicker^{**}, Shaifali Garg^{***} and Avnish Sharma^{****}

Abstract: The article investigates the underlying causes of poor economic performance of Uttar Pradesh (UP) and Bihar, the two economically and socially underdeveloped states of India. More specifically, the article examines first, the level of development of UP and Bihar in certain indicators like poor governance, weak institutional framework and low socioeconomic performance, second, it sets out the problem faced by these two states in number of social (it introduces the demographic characteristics of population, poverty, malnutrition and their skill) economic (agrarian structure and livelihood) and political factors (the governance and institutions, corruption, naxalism, castism and bureaucratic situation). The article concludes that poor performance of UP and Bihar in socio economic development is not due to a particular factor, but an outcome of a myriad of social, economic and political factors rooted in structural, historical and macro-economic policies. The poor performance of UP and Bihar may be attributed to low human capital, weak institutions and poor infrastructure coupled with political volatility and social clash rooted in sectarian politics based on caste, class and ethnic division.

Keywords: Governance, institutional framework, socio-economic, corruption and bureaucracy.

INTRODUCTION

States with abundant natural resources with poor economic and social development status have attracted attention in recent times. Uttar Pradesh (UP) and Bihar are these two such states of India those are endowed with relatively better natural resources than other Indian states. At one hand, these two economies suffer from some serious institutional bottlenecks and, at the other, because of historical reasons; its industrial economy is very small, except in a few districts in the western UP. Consequently, these two states appear at the bottom of the list of Indian states arranged in terms of either Per Capita Income or any other indicator of economic development. Also, they are lagging behind in many socio-economic parameters compared with the other states. Bihar is India's most flood-prone state which more than three fourth of the population is endured by natural calamity. For many years, it was seen as an economic backwater, known for droughts, corruption, and lawlessness (Datta et.al., 2014; Das, 1992; Sharma & Gupta, 1987). Taken together, UP and Bihar account for 25.4 percent of India's population and 10.4 percent of its land area. UP

^{*} Assistant Professor, Institute of Business Management, GLA University, Mathura, *Email: reena.kumari@gla.ac.in*

^{**} Assistant Professor, Institute of Business Management, GLA University, Mathura. *Email: aneesya.panicker@gla.ac.in*

^{***} Assistant Professor, Institute of Business Management, GLA University, Mathura. *Email: shefali.garg@gla.ac.in*

^{****} Assistant Professor, Institute of Business Management, GLA University, Mathura. *Email: avnish.sharma@gla.ac.in*

with nearly 217.3 million inhabitants is not the most populous state in India, but also the most populous sub-national entity in the world. In UP, not only population is high but almost 69 percent population resides in rural area, spread over 97942 inhabited villages which are larger than any African country except Nigeria. Bihar is the third most populous state of the country and is frequently characterized as the 'most backward state of India'. The population density of UP and Bihar stands at a phenomenally high level of 828 sq. km and 1102 sq. km. respectively, as against 382 sq. km. for the country as a whole in 2011. But UP and Bihar both contribute only 11.9 percent of national income and are home to 35.4 percent of the people who live below the official poverty line in India. Per capita state domestic product is very low at ₹31199 in Bihar and ₹36250 in UP (rupees), share 14.9 percent and 48.7 percent respectively, to the national average. Bihar and UP's per capita state domestic product is just about 23.4 percent and 34 percent of Haryana. Poverty ratio of UP and Bihar are 29.4 percent and 33.7 percent respectively, much higher than the states of Punjab (8.3 percent) and Kerala (7.1 per cent). These two states share 35.4 percent of India's 270 million poor. This represents an underutilization of our most abundant resource, people, and also our most scarce resource, land. It also suggests that there is a vast untapped potential for development, which could transform India if only it can be mobilized. Thus, UP and Bihar poses a serious development challenge not only for India, but also for the global community because India's achievement of Millennium Development Goals (MDGs) will be difficult unless disparity is reduced substantially in these two states (Kumari, 2015; Rasul & Sharma, 2014). For India to progress rapid, and more evenly, these two states need to catch up with the richer ones.

The aim of this paper is to identify the main factor which cause for poor social and economic development of UP and Bihar. It sets out the problems the two states suffering from high growth of population, weak and failure of institutions, low level of enterprise and skills and also a very poor political system in the states. The paper is structured as follows: The second section examines a theoretical framework to understand the critical factors that persuade the development performance of a state by reviewing basic literature on economic development. This is followed by the presentation of data and interpretation of results in the third section. The fourth section draws conclusions and reflects on recent development in UP and Bihar.

UTTAR PRADESH AND BIHAR-STATES PROFILE

Bihar is a land locked state situated in the eastern part of the country, with West Bengal in the East, UP to its West, Nepal to its North and Jharkhand to its South. Prior to the split of Bihar in 2000-01, the total geographical area of the state was 17.4 million hectares. Out of this an area of 8.0 million hectares was earmarked for Jharkhand, leaving Bihar with the geographical of 9.4 million hectares. The

topography of Bihar is described as fertile alluvial plain lying wholly in the Gangetic Valley. The state is richly endowed with water resources, both ground and surface water. Besides rainfall, rivers which flow within the state are an important source of water. The whole of North Bihar benefits from the Himalayan Rivers while South Bihar has rivers flowing from the South. Most of these rivers, Saryu (Ghaghra), Gandak, Burhi Gandak, Bagmati, Kamla-Balan, Koshi and Mahananda (Adhwara group of rivers) are of Himalayan origin and have a considerable portion of their catchment in the glacial region falling in Nepal and Tibet. Therefore, they are positioned to receive copious amount of rainfall during the monsoons. The Southern part of Bihar, on the other hand is drained by rivers that are largely rainfed having their origin either in the Vindhya hills or in the Hills of Chhotanagpur and Rajmahal. These rivers are either dry or have scanty discharge in non-monsoon months. Karmanasa, Sone, Punpun, Kiul, Badua, Chandan are important rivers of this region.

Likewise Bihar, UP is surrounded by Nepal in North, Uttarakhand in North-east, Himachal Pradesh in North-west, Haryana in West, Rajasthan in South-west, Madhya Pradesh in South and Bihar in East. Likewise Bihar, UP was divided in 2001, the Himalayan region of the state has gone to the Uttarakhand. The state is thus divided into four administrative regions; Western, Central, Eastern and Bundelkhand with distinct socio-economic and cultural livelihood system. The state has three distinct hypsographical regions; Himalayan region in North, the Gangetic plain in the centre and the Vindhya range in southern extreme of UP.

Bihar is India's most flood-prone state in the country. Northern Bihar, where around 76 percent of the population resides is subject to recurring incidence of floods. The rivers of North Bihar, with 65 per cent of their large catchment areas lying in the Himalayas in Nepal/ Tibet cause floods in around 74 percent (Prasad & Routray, 2014) of its geographical area. These rivers carry high amounts of water and very high sediment load, which is deposited in the plains of Bihar (Water Resource Department, Bihar). On the other hand, South Bihar is prone to severe droughts. Although the average annual rainfall is around 1,198 mm there is considerable variation within the state. The extreme Eastern and Northern parts receive around 2000 mm while the Western and Southern parts receive less than 1000 mm. Thus 33 percent of the State in the southern part receives less than 750 mm rainfall, making it vulnerable to drought. Even the 35 percent of North-Eastern part of Bihar that receives average rainfall of around 1,120 mm suffers drought once in four to five years (Prasad & Routray, 2014). After the division of Bihar in 2000 by carving out the southern plateau as Jharkhand, it is left with only a large stretch of plains with no industry worth the name and no major town except the state capital Patna (Sharma, 2005; Kumari, 2015). A natural consequence of the bifurcation was that it shrank the fiscal space within which the state could finance development, relief and poverty alleviation activities. The bifurcation artificially

reinforced Bihar's transformation into a services-led economy that has become more dependent on the services sector than the Indian economy and yet remains one of its poorest states.

FACTORS INFLUENCING POOR ECONOMIC PERFORMANCE: A CONCEPTUAL FRAMEWORK

Dominance and subordination made a significant difference in the region-specific status of an economy and its implications on quality of life. The basis of uneven distribution has been examined with different contours of theoretical currents and perspectives. Classical economists relied mainly on supply side theories and natural endowment was identified as one of the major resources for absolute advantage and development. However, Ricardo treated differentials in distribution of endowment as a niggardliness of nature and therefore, comparative advantage for the movement of goods and services. This continued until productive forces acquired the capacity of mobility through inventions and discoveries, culminating in the industrial revolution as one of the dominant factors rejecting space constraints for location-specific development (Rasul & Sharma, 2014; Diwakar, 2009). The dominant forces of development exploited resources, technologies and labour for their benefit. The state was not involved in development directly until the Keynesian theory of effective demand emerged as a guiding principle to get rid of the great depression of the 1930s. The great depression gave the state a proactive role that of facilitating industry through enhancing the purchasing power of the common people and generating effective demand for large-scale industrial production.

Political-economic perspectives on regional development suggested the core-periphery and cumulative causation models based on similar ideas about polarization or backwash and trickle-down or spread (Myrdal, 1957; Hirschman, 1958). The core is typically a large metropolitan centre and is the locus of change, where new ideas, technology, and capital intersect to generate economic and cultural dynamism, while the nonmetropolitan periphery initially falls behind in relative and, sometimes, absolute terms. Eventually, expanding markets and urbanization, the spatial diffusion of innovations and culture, and political demands from the periphery (mediated by state actions) should lead to some narrowing of the core-periphery gap (Perroux, 1950; Friedman, 1966 and 1977; Boudevile, 1966; Richardson, 1980). Apart from centre-periphery model of regional development, Marxist and Neo-Marxist models have been very critical of the evolution of capitalist's state predicting very high and growing economic disparity cross the region. Unlike this stream of analysis, Karl Marx and Marxists analysed development through modes of surplus generation and appropriation towards linear transformation from one mode of production to another, that is, primitive to feudal, capitalist, Socialist and communist. Here, productive forces and relations of production change, determining the dimensions of horizontal and vertical equity and disparities. However, the linear basis of

transformation was contested later by western Marxists on the basis of empirical evidence which suggested multiple layers of sub-structures within structure, which were not necessarily consistent with the broader outer layer of structure. Therefore, region-specific relations of production and development of productive forces assumed significance in understanding modes of surplus generation and appropriation towards advanced modes of production.

The dependency theorists (Baran 1957; Frank, 1967; Santos 1979; Timberlake 1987) have argued that the spatial impress of modernization is manifested in deepening class polarization and geographical inequality. The dependent periphery state (elite) assists the capital owners from the developed core to extract surplus, and the underdevelopment of the regional and international periphery is a necessary condition for the development of the core. The development of the centre at the cost of the periphery occupied significant place. Lipton (1982) identified urban biases in the development approaches the main factor in widening regional disparities. According to dependency theorists industrially advanced nations and regions of the world developed and consumed at the cost of resources and surpluses exploited from many developing and underdeveloped nations and regions. It was also argued that the capitalist path of development had inherent characteristics of uneven growth because it followed the principle of profit-based investment to exploit resources. Similarly, the neo-classical convergence model of development claims that the per capita income of economies continuously converge towards steady state levels, resulting in a reduction in inequality among economies over time. The marginal productivity of capital diminishes as a region develops and increases capital intensity of production process. Since the advanced nations have high capital-labour ratio the marginal productivity of capital and ultimately growth rate there is low and reverse is true for relatively backward economies. Hence, the backward economies grow at a faster rate and ultimately catch up with the advanced economies (Solow, 1956; Swan, 1956).

EMPIRICAL EVIDENCE

High Population, Poverty and Malnutrition

The population of UP and Bihar is essentially dependent on the low-productivity agricultural sector, supported very modestly by the income from the tertiary sector and very marginally from the extremely small secondary sector (Dev, 2012). This economic disadvantage is very well reflected in their social status, specially the literacy levels and the demographic behavior. UP and Bihar are first and third most populous states of India respectively. The percentage decadal growth of population in inter-Censal period 2001-2011 of UP (20.09 percent) and Bihar (25.07 percent) was much higher than that of Kerala (4.86 percent) and even higher than the national average (17.64 percent). Though, in recent years, Bihar has recorded an impressive

rate of growth and its gross state domestic product (GSDP) increased at 9.5 percent per annum during 2004-05 to 2013-14. However, the incredible fact is that, contrary to received wisdom, the headcount ratio has remained virtually unchanged due to high growth rate of population.

Despite being a high foodgrain producing states, UP and Bihar face neither significant decline in poverty nor declining food energy intake showed any improvements. Bihar has the highest concentration of rural poverty in the world, with more than 600 poor people per sq.km. The state ranks 21st out of 23 Indian states in the Human Development Index (HDI) and 15th out of 17 states in Global Hunger Index (GHI). Over 81 percent of Bihar is poor as per the multidimensional poverty index (MPI), the highest among all Indian states (Alkire and Santos 2010) and 56 percent of children under five are malnourished (compared to the national average of 42 percent) (Shah, 2016).

AGRARIAN STRUCTURE AND LIVELIHOOD

Mapping land availability and agrarian structure is not only significance for policy implication but also it is a good economics as it indicates livelihood potential of any region. Bihar was one of the those regions of India where the zamindari system of land tenure was introduced in 1793 under the Permanent Settlement of land wherein the zamindars were made the intermediaries for the collection of land revenue from the peasants and for payment of a fixed amount of rent to the state (Sharma, 2005). It was one of the regions (along with some parts of Bengal, UP and Madras) where the zamindari system of land tenure was introduced in 1793 with the ideology of laissez faire under the Permanent Settlement of land wherein the zamindars were made the intermediaries for the collection of land revenue/rent from the peasants and for payment of a fixed amount of land revenue to the state. Under the Permanent Settlement, the revenue demand was fixed at nine-tenths of the rent that the zamindars were to collect from their tenants. The right of land was vested in the landlords, but no protection was extended to the class of actual cultivators. The hierarchy that was stabilised by Permanent Settlement simply reinforced the caste hierarchy, which was unfavorable to the agricultural revolution. It was basically because this hierarchy attributed to a group its status according to its distance from the plough or menial work in general. It is, thus, not surprising that the agrarian structure and its classes had a clear-cut caste dimension also. The four upper castes, i.e., Bhumihar, Brahmin, Rajput and Kayastha, had a heavy stake in land. There were princely houses belonging to each of these castes, and owing to the zamindari system, the zamindars belonging to these castes had established complete political and economic control in the countryside (Sharma, 2005: *ibid*).

Bihar's agriculture sector contributes around 22.0 percent of the State Gross Domestic Product (GSDP). Like the rest of the country, UP and Bihar has also

undergone a structural change, moving away from agriculture towards industry and services, but the change has been less pronounced. However, in terms of employment, the dependency of Bihar (74 percent) and UP (59.2 percent) on agriculture has been higher than other states i.e., Gujarat (49.0 percent) and Punjab (35.6 percent) have relatively lower share of workforce dependent on agriculture. It was realized that per worker growth in agricultural GDP was the single most important factor in reducing poverty in most successful countries (Gulati et al., 2012; Cervantes-Godoy and Dewbre, 2010; WDR, 2008). UP and Bihar both are agrarian economies, as per census data 59.2 percent (UP) and 74 percent (Bihar) population, virtually dependent on agriculture and their incomes come from this sector are 21.6 percent and 18 percent respectively. The proportion of area under net irrigated in UP (78 percent) and Bihar (55.3 percent) is above average of all India (58.1 percent) but not the yield. This is very likely due to high frequency of floods that occasionally destroy standing crops (GoI, 2015).

UP is classified into nine diverse agro-climatic zones as floods are a recurring problem and cause heavy damage to crops, life and prosperity in north-eastern and Vindhyan region while the Himalayan-origin rivers flow with a very low north-south gradient. In UP, around 80 percent of land size is under small and medium. The fragmentation of land holdings coupled with high cost of cultivation and low productivity has resulted in low income of the farmers. The average growth rate in agricultural GDP of UP is 3.2 percent from 2005-06 to 2013-14 as against 4 percent for all India. Bihar is divided into four agro-climatic zones each with their own unique prospects. North-alluvial plain and north-east alluvial plain both are the flood prone where as south-east alluvial plain is drought plain. The period after 2005-06 saw severe floods in Bihar including the Kosi flood, which had led to severe silt deposits rendering large tracts of agricultural land uncultivable for four years since the flooding, apart from severe depletion in livestock (Government of Bihar, 2008 & 2009). More than 50 percent of Bihar's districts have also been officially declared as "drought" affected in two out of the four years after 2005-06 rule. Thus the figures on income, yield, cultivation and livestock since 2005-06 lack internal consistency and credible explanation (Gupta, 2010). These three agro-climatic zones have vast untapped potential for increasing the productivity of food grain crops. Across the state soil texture varies from sandy loam to heavy clay. Bihar has a vast stretch of fertile plain. It is drained by the river Ganges, including its northern tributaries Gandak and Koshi, originating in the Himalayas and the Bagmati originating in the Kathmandu Valley that regularly flood parts of the Bihar plains. The Bihar plain is divided into two parts by the river Ganges which flows through the middle from west to east. It is often quoted as a state with enormous opportunity and potential, though it has remained in dormancy for the past few decades. The per capita agricultural income of Bihar is about half that of India as a whole and about one-fifth that of Punjab. The productive employment in

the non-agricultural sector has not grown as much as in other states (Shah, 2016; Kumari, 2014). It is one of the least urbanized states of India, where 87.4 percent population lives in rural areas and dependent of agriculture for their livelihood.

The total geographical area of UP and Bihar is 24.3 million hectare and 9.4 million hectare respectively (which is 7.4 percent and 3 percent of total area of the country respectively). But due to high population density the Gross Cropped Area (GCA) per 100 persons in UP and Bihar is 12.7 per hundred persons and 9 per hundred persons respectively, much lower than the others states like Madhya Pradesh (31), Gujarat (21) and Punjab (28) in Triennium Ending 2012-13. In UP and Bihar, around 39 percent of the total number of marginal farmers are located and the largest area under marginal holdings is in UP (including 22.3 percent of the total area under marginal holdings in the country) followed by Bihar (13.8 per cent) (Vyas, 2007).

Rice and wheat are the main crops in UP and Bihar. However, there have seen diversification of agriculture in UP and Bihar, for example, nearly 10.2 percent and 8.5 percent of India's fruits and vegetables are produced in UP and Bihar respectively. Fruits and vegetables contribute 9 percent in UP and 21 percent of the Bihar's gross value of output from agriculture and allied activities. But the cropped area and production of fruits have been stagnant in the first decade of the 21st century and productivity has actually shown a slight decline (Shah, 2016). For vegetables, though, both area and production have grown rapidly, but productivity has grown only slowly in Bihar. The low and stagnant productivity is due to lack of modern infrastructure at all level of the supply chain and shortage of electricity. With more than two-thirds of Bihar's population lacking access to electricity, it needs to add significantly to its generation capacity and ramp up investment in transmission and distribution if it is to provide affordable and reliable power to its people (Pargal & Banerjee, 2014).

Governance and Institutions

Well-functioning institutions, good governance and strong leadership play critical roles in economic development (Rasul & Sharma, 2014; Beer & Clower, 2014; Nayyar, 2008). Sectarian politics and fragile leadership have undermined political stability and weakened government capacity seriously. For instance, in a span of 69 years from 1947 to 2016, there were 22 governments and 9 spells of the president's rule in UP. Likewise, more than 30 governments were in power in Bihar in the same period, of which none was able to complete its term of office. As a result, most of the governments remained dysfunctional with a weak capacity to enforce law and order, regulate and guide the activities of the private sector, and design and implement programmes and projects effectively (World Bank, 2005). The administrative capacity of both states has weakened during this period, as did the quality of governance, the rule of law, financial management, and implementation

of developmental plans and programmes (Saxena, 2007). Due to poor governance, physical and economic infrastructures such as roads, transportation and electricity, essential for attracting investment and pursuing other development efforts, have remained inadequate in Bihar and UP. The Index of Infrastructure developed by the Finance Commission of India shows that Bihar is on the lowest rung in terms of physical infrastructure (Planning Commission, 2012). Poor governance not only hampered the implementation of public funded programmes and projects, but also increased the costs and risks to private business—from small entrepreneurs to large business houses—in the face of poor law and order and increased corruption (World Bank, 2005). Weak administration also undermined government's capacity to mobilize local resources effectively to fund development expenditure. As a result, the lion's share of revenue went to paying salaries and other administrative costs, while expenditure for health, education and infrastructure development depended heavily on central government (Saxena, 2007).

Bihar as a political entity, either as a kingdom, or as a state within the republic of India, has its own identity from the time written records were available (Thapar 1966; Rangarajan 1992). Noted historian, Romila Thapar, describes the history of ancient India as the history of ancient Bihar. Many achievements that India became renowned for, in education, governance, society, or religion, have their roots in Bihar. Significant achievements of Bihar in trade and economic engagement within the state and outside the Indian sub-continent emerge from a past that appears to have left no living legacy in today's Bihar—a past so alien as to be either simply forgotten or treated as being completely incredible. The post-Independence era witnessed the dismal failure of the state in ushering in the changes required to accelerate economic development as well as to bring about a fair and equitable social structure. The causes for this can be traced to the very nature of the power structure in Bihar. Ownership of land and other assets, caste dominance, political power structure and the oligarchies that control the state apparatus and their resources all overlap in a way which is by no means unique to Bihar but which takes a particularly entrenched form here. This, however, cannot be taken to mean that the state has been static. Technological developments have no doubt made a significant impact, with parts of the state experiencing modest spurts in agricultural growth during the 1980s following long periods of stagnation. However, in the absence of effective transformation of the underlying structures, these changes do not appear to be sustainable. Observers have contrasted the tapering-off of agricultural growth with the immense opportunities availed by those with access to state power and patronage and noted the “rise of corruption and crime as the fastest mode of accumulation” (Das, 1992, p.25; Sharma, 2005).

The period 2000-2005 captures Bihar's immediate post-bifurcation economy. Social dynamics, political demands for separation, and political expediency, on the part of Rashtriya Janta Dal (RJD) in Bihar, and the National Democratic Alliance

(NDA) government at the national level, provided the Jharkhandi movement an opportunity in the 1990s that it had not found in decades (Mukharjee and Mukharjee, 2012; Rorabacher 2008). While the economy of the bifurcated Bihar could no longer be compared with that of the 1980-2000 Bihar, RJD continued in power and this provided a period of political and policy continuity with the past that was important. Bihar's economy was substantially transformed when it bifurcated into Bihar and Jharkhand under the Bihar Reorganization Act of 2000. Most of the manufacturing units and capacity to generate power were located in Southern Bihar, and these went to Jharkhand.

After the 2005 elections in Bihar when Nitish Kumar and his political party Janata Dal (United), came to power together with the Bharatiya Janta Party (BJP), this period saw major changes in policy, administrative, and overall governance changes as well as rapid economic growth. This period marks a clear break from the past, in both a statistical and qualitative sense. While many of the structural changes seen in the past continue, and the relative position of Bihar amongst other states remains as is, there is distinct increase in economic growth. The socio-economic and political institutions of the state too have shown considerable degeneration. The academic institutions have more or less collapsed and the administrative machinery, which was regarded as one of the best in the country during the 1950s, is in complete disarray. For a state which had suffered stagnation for long and which had almost resigned to its perpetual backwardness, this has been a turning point, leading to new hopes and aspirations. The changes have been possible because of the state government's firm commitment to an agenda of development which is both speedy and inclusive. To fulfill this agenda, the state government has not only utilised its limited resources most prudently, but has also strengthened its administrative machinery and introduced a number of institutional reforms.

Bihar and UP are rated as the most poorly governed states of India (World Bank, 2005). After independence in 1947, Bihar and UP were ruled by the high-caste elites with strong economic and political power. Since the dominant political parties failed to respond to their needs and demands, so-called lower castes and ethnic minorities began to organize themselves in the 1970s under socialist leaders. This led to the alignment of political forces on the basis of caste and ethnic identity. As a result, several parties emerged in UP and Bihar to represent caste and ethnic interests of less powerful groups. The Bahujan Samaj Party (BSP), Samajwadi Party (SP) and Janata Dal are a few examples. Although this has changed the political landscape of Bihar and UP and the parties representing discriminated caste and ethnic groups have won elections in both states, sectarian caste-based politics have failed to improve government performance in terms of economic growth. Caste-based politics in Bihar and UP promoted an electoral culture that locks in votes for candidates based on caste, regardless of their competence or performance. The conflict between the so-called 'backward' and 'forward' castes

has been an ongoing phenomenon in Bihar and UP since the independence of the country.

Likewise Bihar, the political life of UP lacks a common focus, and is deeply fragmented along the lines of class, caste, religion, faction, and region. The state amalgamates various districts, areas and territories to carve out a single administrative entity. Until the coming of the British in the mid-eighteenth century, UP did not possess a common structure or history. Different kings, rulers, governors, and chieftains had over the course of history controlled different parts of its territories. The linguistic conflict is the root causes for division of different districts. There had all along existed distinct regions; the hill areas of Uttarakhand, the district Braj-speaking zone around Mathura, the Bundelkhand region with Jhansi as its centre, Rohilkhand consisting of areas around Rampur and Moradabad, Awadh with Lucknow as its cultural centre. On the other hand Purvanchal, made up of the Bhojpuri-speaking eastern part with Banaras and Allahabad as its urban centres. Since independence, UP has had 33 terms of chief ministers, with 21 leaders enjoying an average of 1.9 years in power (Table 1). The Congress ruled the state for two decades after independence, then intermittently for six years and again about nine and a half years from 9 June 1980 to 5 December 1989. Thus, the Congress ruled over UP for 36 years under 12 leaders. But land reforms remained an unfinished item on the agenda. The Bharatiya Janata Party was next, followed by the Samajwadi Party and the Bahujan Samaj Party. The Bharatiya Lok Dal got two chances under one leader for about a year and five months. The Janata Party ruled for two years and seven months and the Janata Dal for a year and five months. Each change has had an effect on the transfer of bureaucrats from one region to another.

TABLE 1: PARTY-WISE TENURE OF CHIEF MINISTERS AND PRESIDENT’S RULE IN UP AND BIHAR

<i>Uttar Pradesh</i>		<i>15 August, 1947 to 25 June, 2016</i>	
<i>Party</i>	<i>Year</i>	<i>No. of Chief Minister</i>	<i>Average Tenure of Chief Minister (In Year)</i>
Congress	36.1	15 (12)	2.3
Bharatiya Kranti Dal	1.5	2 (1)	0.8
Janata Party	2.6	2 (2)	1.3
Janata Dal	1.5	1 (1)	1.5
Bharatiya Janata Party	5.8	5 (3)	1.2
Samajwadi Party	9.5	4(2)	4.8
Bahujan Samaj Party	7.0	4 (1)	1.8\$
Total	64.0	33 (22)	1.9
President’s Rule	4.1	9*	NA

<i>Bihar</i>		<i>15 August, 1947 to 25 June, 2016</i>	
<i>Party</i>	<i>Year</i>	<i>No. of Chief Minister</i>	<i>Average Tenure of Chief Minister (In Year)</i>
Indian National Congress (INC)	28.2	12(12)	2.4
INC (O)	0.3	2(1)	0.2
INC (I)	12.0	6(5)	2.0
Jan Kranti Dal	0.9	1(1)	0.9
Socialist Party	0.4	1(1)	0.4
Janta Party	2.7	2(2)	1.4
Janta Dal (JD)	5.1	2(1)	5.1
Rashtriya Janta Dal (RJD)	7.4	1(1)	7.4
Samta Party	0.0	1(0)	0.0
JD+RJD	2.3	1(1)	2.3
Janta Dal (United)	10.6	3(2)	5.3\$
Total	69.9	30	2.5
President's Rule	2.7	8*	NA

Note: * Denotes frequency of President's Rules and \$ indicates up to 25 June, 2016. Figures in parentheses indicate actual number of leaders.

Corruption, Naxalism and Castism

The role of government plays an important role in economic development. If the law and order is disturbed and poor it discourages investment and inversely affects economic activities. The NDA government in Bihar under Nitish Kumar in 2005 developed the fundamental planks of its promises of “development with social justice” through sushasan that would lead to Bihar’s growth and development through the building of the institutions of the service delivery state (Gupta, 2010). Bihar was never at the top of the state-wise crime league tables. The topping of the crime charts has historically been the achievement of the so-called high and middle income high growth performers (National Crime Records Bureau, various years). However, between 2001 and 2003, Bihar recorded the highest number of armed dacoities in India. Given the media hype around crime in Bihar before 2004-05 as reflected in Polgreen (2010), etc, which certainly is not borne out by either social experience or crime statistics, in most of the eulogistic commentaries restoration of law and order, derived from selective use of official crime statistics, has been cited as a prime reason for the high economic growth since 2004-05. In Bihar, total cognisable crimes after 2004 have increased (annual increase of 3.79 percent between 2004 and 2008) twice as fast compared to the period before (annual increase of 1.75 percent between 1998 and 2004). The eulogistic commentaries have also failed to tell us why certain kinds of crimes are growing much faster in

Bihar compared to others. The limitations of using official crime records to establish hypothesis on law and order are inherently flawed as these do not take account of unreported crime, nor do the methods of official crime-recording leave much scope to address the reasons for non-reporting or under-reporting or more than the usual reporting of crime (Macdonald 2002). Caste continues to be the fundamental basis of social inequality in contemporary of UP and Bihar. It is found that agrarian class relations in Bihar are embedded in caste, because whether a person controls land or not is conditioned by that person's caste status. Traditional and new dominant castes have privileged access to material and political resources, and constitute the dominant class (Chakravarti, 2001). Thus, the two states suffer with a high level of corruption, naxalism and caste rudeness which cause low level of equilibrium trap.

CONCLUSION

UP and Bihar are typical examples of how a rich natural resource-based economy can be caught by a low-level of social and economic development. The study has outlined numerous factors which cause for poor socio-economic development of UP and Bihar over time. It is realized that bigger states of India like UP and Bihar, suffer from the problem of low level of development. Thus, it indicate that poor health and education, entrust governance, and ill infrastructure are the factors to both increasing poverty and low growth elasticity of poverty in UP and Bihar. Out of 23 Indian States, UP and Bihar rated 21st and 18th rank in Human Development Index (HDI) which show that the states have a lot of catching up to do in these sector. The nation has not been able to devise suitable intervention to handle unevenness. In different states with common demographic features and resource availability there are regions which are developed, coupled with the ones which are backward. It is observed that despite being endowed with rich water resources, the condition of agriculture is not substantial. Poor agriculture growth is not only due to low size of land holding but also high dependence of population on landless agricultural labourers. The caste system finds a reflection also in land distribution and landlessness in UP and Bihar (Shah, 1984 and 1916). The states are facing serious challenges of power, this further affected directly or indirectly unirrigated land in these two states. If we can reduce the cost of irrigation by making power more regularly available in good quality (even if rationed), then farmers will be able to exercise this option recommended by agricultural scientists for a long time now. Also, with assured irrigation and price incentives, rabi wheat production can be stepped up. Also, improvement in governance, effective administration and large investments are major stimuli of economic growth in these two regions. The findings of this study offer some important insights into the economic literature that often considers economic growth as a function of various development parameters.

This paper made an attempt to understand the significant factors which determine the development of UP and Bihar. It is observed that the failure to break away from the past in implementing tenurial and land reform changes resulted in excessive social stratification which prevented both vertical and horizontal mobility in these two states particularly Bihar. Excessive obsession with caste dominated political discourse in the matrix of governance pushed the developmental agenda to the margins in both states. Poor governance also resulted in decline of well established institutions which impacted adversely also in key areas like education and health. The acute poverty in UP and Bihar can be traced to the economic backwardness of both the agricultural and industrial sectors. The reasons for the extreme backwardness of agriculture are both institutional and technological. Whereas structural and institutional factors acted as a powerful barrier to the agrarian transformation (there is limited occupational opportunity outside the agriculture sector in Bihar), the technological factors such as poor development of infrastructure like irrigation and power, non-availability of modern inputs, low quantum and high cost of credit and poor extension services, contributed much to the dismal performance of the state's agricultural sector.

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