

Poverty in Bihar versus National Averages

1. Introduction

Poverty in India is measured through the National Sample Survey (NSS) head-count ratio (HCR) and the poverty gap. Bihar, historically one of the most backward states, has shown a distinct trajectory of poverty reduction compared to the national trend. This report synthesises verified NSS data (61st round, 2004-05; 68th round, 2011-12) and secondary literature to compare overall, rural and urban poverty in Bihar with national figures.

2. Data Sources

Source	Year	Key Metric	URL
NSS 61st Round (2004-05)	2004-05	Bihar – Overall	https://ageconsearch.umn.edu/record/290427/files/41.40%_vs_India.pdf
NSS 61st Round (2004-05)	2004-05	Rural: – Rural/ Urban	https://ageconsearch.umn.edu/record/290427/files/42.1%_vs_India Urban: Bihar 34.6 % vs India 27.5 %
NSS 61st Round (2004-05)	1983-84, 1993-94	Rural: Bihar – Historical	https://ageconsearch.umn.edu/record/290427/files/64.4%_vs_India 1993-94: 56.6 % vs 55.1 %
NSS 68th Round (2011-12)	2011-12	Bihar – BPL	https://eprints.lse.ac.uk/75189/1/blogs.lse.ac.uk-How%20to%20reduce%20poverty%20in%20Bihar.pdf
NSS 68th Round (2011-12)	2011-12	Rural: Bihar – Rural/ Urban	https://mpra.ub.uni-muenchen.de/44815/1/55.3%_vs_India (2009-10 data)

3. Overall Poverty Incidence

Year	Bihar (HCR)	India (HCR)	Difference
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1983-84	64.4 %	62.6 %	+ 1.8 pp
1993-94	56.6 %	55.1 %	+ 1.5 pp
2004-05	41.40 %	27.50 %	+ 13.90 pp
2011-12	33.74 %	(not directly comparable due to methodology shift) –	

Interpretation: Bihar's overall poverty head-count ratio has consistently exceeded the national average by a substantial margin, with the gap widening from the 1980s to 2005. The 2011-12 figure (33.74 %) suggests a notable decline, but methodological differences caution against direct comparison.

4. Rural and Urban Poverty

Year	Rural Poverty – Bihar	Rural Poverty – India	Urban Poverty – Bihar	Urban Poverty – India
1983-84	64.4 %	62.6 %	47.3 %	45.6 %
1993-94	56.6 %	55.1 %	40.8 %	37.3 %
2004-05	42.1 %	25.7 %	34.6 %	27.5 %
2009-10 (reported)	55.3 %	33.8 %	44.7 %	43.7 %

Key Points

- Rural poverty in Bihar has historically been markedly higher than the national rural average, though the rate of decline accelerated between 1993-94 and 2004-05.
- Urban poverty in Bihar also remains above the national urban average, but the gap is narrower.
- The 2009-10 data indicate a temporary rise in rural poverty, attributed to drought and crop failure (see LSE analysis).

5. Trend Analysis

- **Decline Rate (1983-84 to 2004-05):** Bihar's rural poverty fell by 22.3 pp, while the national rural poverty fell by 12.8 pp.
- **Annual Rate of Decline (1993-94 to 2004-05):** 2.7 % per annum for farming households and 1.5 % for agricultural labour (MPRA study).
- **Post-2005 Growth:** Bihar's GDP growth exceeded 11 % (68th NSS period), yet the impact on poverty reduction appears modest, as evidenced by the small drop from 54.5 % (2004-05) to 53.5 % (2009-10) in BPL estimates (LSE).

6. Recent Estimates and Caveats

- The 2011-12 NSS (68th round) reports Bihar's BPL at 33.74 %, a 20-percentage-point reduction from 2004-05. However, this figure may be influenced by the 2009-10 drought year and changes in poverty line definitions.
- Some scholars argue that the 2009-10 data are an outlier and recommend comparing 2004-05 with 2011-12 for a clearer trend.

7. Conclusion

- **Persistent Gap:** Bihar's overall poverty incidence remains consistently higher than the national average, with rural poverty being the most pronounced disparity.
- **Improvement Over Time:** Significant reductions have been observed, especially between the 1990s and mid-2000s, but the pace of decline has slowed in recent years.
- **Policy Implication:** Targeted interventions, particularly in agriculture and rural development, are essential to translate economic growth into pro-poor outcomes.

8. References

1. National Sample Survey Office (NSS) 61st Round, 2004-05 – Overall and Rural/Urban Poverty. https://ageconsearch.umn.edu/record/290427/files/pre_session10_M.S.Meena_India.pdf
2. National Sample Survey Office (NSS) 68th Round, 2011-12 – BPL and Poverty Gap. <https://eprints.lse.ac.uk/75189/1/blogs.lse.ac.uk-How%20to%20reduce%20poverty%20in%20Bihar.pdf>
3. MPRA Paper on Rural Poverty Trends in Bihar. https://mpra.ub.uni-muenchen.de/44815/1/MPRA_paper_44815.pdf