

## A STUDY ANALYSIS OF POVERTY RATIO AND UNEMPLOYMENT STATUS OF BIHAR

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“Poverty the state of one who lacks a usual or socially acceptable amount of money or material possessions. poverty is said to exist when people lack the mean to satisfy their basic needs.”

Bihar is one of the fastest growing economies in India, The GDP of the state was \$9,76,514 crores at the current market price 2024. The state has a small industrial sector, As of 2021 agriculture accounts for 24%, industry is 15% and service sector is 61% of the economy of the state .Bihar accounts for 71% of india's annual litchi production.

### Sectoral Contribution of Bihar

**Table 1**

Sectoral Contribution of bihar	In Percentage
Agriculture	24
Industry	15
Service Sector	61

Bihar population is projected to be approximately 129.21 million (or ) 12.92 crore as of july 1 2024. Bihar is the second most populous state in india accounting 9.2 %of the country's population, Male population is 67.10 million and female population is 62.10 million respectively. Poverty in bihar state is a significant issue, despite being one of the fastest growing economies in india bihar still struggles with poverty. The state contribution in agriculture sector is relatively high but its industrial growth is relatively small.bihar one of the state in india has struggled with poverty for decades.

Almost 88.7 percent of people in bihar live in villages and 33.74 percent live below the poverty line children in bihar face many deprivations owing to wide spread poverty,deep rooted socio cultural and gender in equalities,caste divisions ,poor infrastructure, lack of basic services and recurring natural disasters.

Despite being a major contributor to india's agricultural Production bihar's poverty rate remains high,because of

- Low literacy rate
- Lack of industrialisation
- Agricultural stagnation
- Inadequate infrastructure
- Corruption and poor governance
- Brain drain

- Caste being inequality
- Natural disaster

### Key Factors Contributing to Poverty in Bihar Include

**High Population Density and Unemployment:** Bihar has a high population density leading to intense competition for limited jobs

**Agriculture Dependency:** A majority of the population depends on agriculture which is prone to seasonal fluctuations, low productivity and natural disasters like floods and droughts.

**Low Industrialization:** Unlike other states Bihar has limited industrial development, leading to fewer employment opportunities outside agriculture.

**Poor Infrastructure:** Inadequate roads, electricity and transportation hinder economic development and discourage investments.

### Educational Backwardness

Low literacy rates, poor quality education and a lack of vocational training limit the work force's employability.

**Migration:** Due to lack of local opportunities many people migrate to other states for work, leading to social and economic challenges at home.

**Limited Access to Credit:** Many poor people in Bihar lack access to formal credit channels, which makes it difficult for them to start business or invest in educational skills.

**Low Level of Human Development:** Bihar has low levels of human development including low literacy rates, poor health outcomes and limited access to education and health care.

**Caste Based Discrimination:** Caste based discrimination is a significant problem in Bihar, which can limit access to education, employment and other opportunities for marginalized groups.

Bihar has made significant strides in reducing poverty over the decades. Below the tabular representation of the poverty rate in Bihar for selected years

### Poverty Ratio in Percentage

Table 2

Year	Poverty Ratio in Percentage
2004-2005	54.4
2011-2012	33.7
2015-2016	51.89
2020-2021	33.76

Source: \*tendulkar committee estimates

\*NITI AYOGE's National multi dimensional poverty index (the times of india)

\* planning commission data as referenced in the economic survey of Bihar 2016

In the year 2004-05 poverty ratio is 54.4% but in the case of 2015-16 the poverty ratio is 51.89% finally the year 2020-21 poverty ratio is 33.76% here poverty ratio has been continuously declining but still more it must come down .

### Unemployment Percentage of Bihar

**Table 3**

Year	Unemployment Rate in (%)
2017	10.2
2018	9.5
2019	9.1
2020	10.4
2021	11.4
2022	13.3
2023	19.1

**Source:** NSSO

From the above table it is observed that there is a continuous increase in unemployment rate in percentage .High rates of unemployment are prevalent due to the population possessing a limited skill set as a result of an inadequate education system

### Unemployment Rate by Selected States as of September 2022

**Table 4**

State	%
Andhra Pradesh	4.8
Assam	10.4
Bihar	11.4
Chattisgarh	10.1
Kerala	5.8
Maharashtra	4.3
Gujarat	3.9

**Source:** NSSO

Compare to all other stated bihar un employment rate is high, Because of low skill and high population strength.

### Poorest State by Percapita Income

**Table 5**

State	Percapita income in % of national average
Bihar	39.2
Uttar pradesh	43.8
Jharkhand	46

Meghalaya	51.6
Assam	52.3
Madhya pradesh	46
Jammu and Kashmir	51.6
Rajasthan	51.6
Chattisgarh	52.3
Manipur	52.3

Source: NSSO

### Yearwise Literacy Rate of Bihar

**Table 6**

Year	%
1951	13.49
1961	21.95
1971	29.65
1981	38.48
1991	48.15
2001	47.53
2011	61.80
2021	72.79

Source: NSSO

### Precapita Income of Bihar in Percentage

**Table 7**

Year	%
2011	32.1
2021	15.1

Source: NSSO

The above table (6) shows that in the year 2011 literacy is in the level of percentage of 61.80 and the year 2021, the percentage of literacy rate 72.79. The percentage of literacy rate is increasing but not at the higher education level, it is upto primary and secondary level of education.

The poverty cycle is further perpetuated by large amounts of the population not meeting the requirements for higher paying jobs due to lack of education.

Correlation study is attempted to analyze the relationship between literacy rate and percapita income. It is quite evident from the table that the coefficient of correlation result is 53, so there is a positive relationship between literacy rate and percapita income.

## Suggestion and Conclusion

Bihar is one of the poorest states in India, with a significant portion of its population living below the poverty line. Here are some steps that can be taken to reduce poverty in Bihar:

1. *Agricultural Development*: Bihar is primarily an agricultural state. Improving agricultural productivity and providing support to farmers can help increase their incomes and reduce poverty.
2. *Investment in Education*: Education is a key driver of economic growth and poverty reduction. Investing in education infrastructure, teacher training, and vocational training programs can help improve educational outcomes and increase employability.
3. *Infrastructure Development*: Bihar's infrastructure, including roads, bridges, and irrigation systems, needs significant improvement. Investing in infrastructure development can help improve connectivity, facilitate trade, and increase access to markets.
4. *Industrialization and Job Creation*: Bihar needs to promote industrialization and job creation in sectors such as textiles, food processing, and IT. This can be achieved through incentives, subsidies, and investments in industrial infrastructure.
5. *Social Welfare Programs*: Implementing and strengthening social welfare programs, such as the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), can help provide a safety net for the poor and vulnerable.
6. *Healthcare and Nutrition*: Improving access to healthcare and nutrition can help reduce poverty by improving health outcomes and increasing productivity.
7. *Empowerment of Women*: Empowering women through education, training, and economic opportunities can help reduce poverty and improve overall well-being.
8. *Disaster Risk Reduction*: Bihar is prone to natural disasters such as floods and droughts. Implementing disaster risk reduction measures can help reduce the impact of disasters on poverty.
9. *Good Governance and Corruption Reduction*: Good governance and corruption reduction are essential for effective poverty reduction. Strengthening institutions, improving transparency, and reducing corruption can help ensure that resources are used effectively.

Poverty is a individual concern as well as broader social problem, government need to put social welfare programmes and other poverty alleviation programmes in place to help lift individuals, families and communities out of poverty. If we follow the above rules in an effective way, surely we will reduce Bihar poverty.

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