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Identity, dignity and development as trajectory: Bihar as a model for democratic progress in Nepal? Part I. Bihar's experience

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ABSTRACT

Down into the last decades of the twentieth century, Bihar remained India's poorest state and one under the domination of its landowning upper castes – a well-nigh hopeless case for development in the view of most outside observers. But in the 1990s, a fresh leader gained a new dignity for the Backward castes, even as the state's poverty and corruption continued unabated. And then in the mid-2000s, another Backward leader was able to combine this societal uplift with a remarkable level of economic development. This article in two parts endeavours to make a case that Nepal, long suffering under conditions similar to those hobbling Bihar until recently, might follow a similar two-stage path of dignity and then development.

KEYWORDS Bihar; Nepal; caste; elections; legislatures; economic development

By the turn of the last millennium, many in the 'Backward' castes in Bihar state had achieved a sense of dignity and self-worth that had eluded them for centuries if not longer. The decisive phase of this sea change occurred roughly over the period between the late 1970s and the first several years of the current century, culminating in sustainable control of the state's chief ministership by a Backward political leader. But amid rampant and even increasing corruption at all levels of state activity, Bihar remained at or next to the bottom of the major Indian states in virtually all developmental rankings during all this time. The 2005 state assembly election brought into power a different Backward caste leadership that began to transform the Bihar's economy, such that during the next several years it achieved a growth rate in per capita state domestic product second to none in India (Government of India [GOI], 2013, pp. 276–277). Could there be some lessons here for promoting democratic development in next-door Nepal, which is presently struggling with the first of these two transformations?

At first glance, the idea might seem somewhat unwieldy, given that Bihar is a state in India whereas Nepal is a sovereign nation. The distinction is more

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than a little blurry in a number of ways, however. In India's federal system (as opposed to a unitary one), states have significant autonomy, especially in managing their economies and delivering public services. In addition, Nepal like Bihar is not free from outside power centres meddling in its affairs, with New Delhi being the intervener in both cases, though the interference is arguably less in Nepal's case. It can be added that the two places share parallel cultural backgrounds of Hinduism and Buddhism, languages very much akin to each other, and perhaps most important, strikingly similar experiences of high caste dominance through control of land and governance structure. Certainly, the comparative idea is worth exploring at least a bit.

In this first of two articles, I will outline Bihar's experience along this trajectory and then in a second one see how Nepal's current situation and possible future trajectory might replicate Bihar's path.

Bihar's political trajectory: the rise of the backwards

Like Nepal, Bihar had long been dominated by an upper caste group. Ever since its partition from Bengal in 1912, a combination of upper caste Brahmans, Bhumihars, Rajputs and Kayasthas controlled most of the land, held the vast bulk of positions in the upper civil service ranks, and – after the beginnings of meaningful self-government in the mid-1930s – filled most of the seats in the provincial and later on state assembly and the ministries assembled by ruling parties. Up until the new state of Jharkhand was hived off in 2000, collectively these upper castes amounted to just under 14 per cent or around a seventh of the population, while the 'Backwards', designated as the 'Other Backward Classes' (OBCs) in the Mandal Commission Report of 1980 (GOI, 1980), who were essentially the Shudra castes, made up more than two-fifths, divided almost evenly between the three large peasant castes comprising the 'Upper OBCs' – Yadavs, Kurmis and Koiris – and the mostly artisan castes making up the 'Lower OBCs'.¹ Dalits, formerly derogatorily termed 'Untouchables' (about one-sixth), Adivasis or tribal peoples (a tenth), and Muslims (a seventh) constituted the remainder. After the partition in 2000, almost all the Adivasi population was absorbed into Jharkhand, and accordingly group shares in the remaining state of Bihar changed somewhat but stayed similar, as shown in [Table 1](#).²

Bihar's caste structure, which essentially locked each group into a hierarchical position of sacred and social status, constituted one pillar reinforcing a lower standing for the Backwards, Dalits and Muslims. But a more important factor, dating in its modern form back into the eighteenth century, was the political economy set into place with the reforms undertaken in 1793 by Lord Cornwallis with the Permanent Settlement of Bengal (of which present-day Bihar was then a part). The Permanent Settlement created a class of upper caste tax farmers known as *zamindars* who in effect controlled

Table 1. Major demographic communities in Bihar after partition in 2000.

Category	Group name	% of population
Upper castes	Brahman	6.4
	Bhumihar	4.1
	Rajput	5.7
	Kayastha	1.5
Subtotal		17.7
'Upper OBCs'	Bania	0.7
	Yadav	14.6
	Kurmi	3.8
	Koiri	5.7
Subtotal		24.8
'Lower OBCs'	Dhanuk	2.6
	Teli	3.2
	257 Others	15.4
Subtotal		21.2
Dalit castes	Dusadh	5.8
	22 Others	13.0
Subtotal		18.3
Adivasi	All Bihar groups	0.6
Muslim		16.8
Others		0.6
Grand total		100.0

Source: Data mainly from Census of India 1931. For updates see Blair (1980, 1981), but especially Robin (2009).

the landholdings upon which they collected taxes for the state from those who conducted the actual farming (largely the Upper OBCs). In what has been labelled a 'semi-feudal' system, the landlord-zamindars were entitled to add their own demands to the official tax requirement, using their retainers to enforce the extractions and when necessary the official constabulary and judiciary as well. These branches of governance, as well as the other administrative domains such as the higher civil service, came to be dominated by the upper castes, who were more easily able to master English language and the culture of colonial management.

This elite dominance was accompanied by a lagging economy and low public investment in Bihar. Intended to incentivise the zamindars to increase agricultural production, the Permanent Settlement land system instead motivated them largely to increase only their own exactions and discouraged their rent-paying farmers from improving their holdings (why should they do so when their landlords would only increase those exactions?).³ In other regions of British India, more efficient tax systems enabled provincial governments to increase public spending (as well as agricultural production), such that during the later nineteenth and early twentieth centuries, colonial expenditures on general administration, education and health were consistently higher for richer provinces like Bombay and Madras than for Bihar (Mukherji & Mukherji, 2015). The same pattern continued during the first decades of independence under successive five-year plan allocations (though the

reasons likely had more to do with Bihar being a safe state for the ruling Congress party electorally during those years of 'fissiparous tendencies' (Harrison, 1960) among other states and thus a state that could be taken for granted). Thus, upper caste dominance of a stagnant economy reinforced by a similarly staffed bureaucracy managing an underinvested public sector carried over from the British Raj into independence after 1947. Already backward relative to most of the rest of India before 1947, Bihar continued to cling to the bottom rungs of state development rankings afterwards as well, as has been evident in the *Economic Survey* published every year by the Ministry of Finance in New Delhi.

Not surprisingly, high caste domination carried over into state politics also. All four of the Forward castes from [Table 1](#) played prominent roles in the Congress party during the freedom struggle and continued their suzerainty in the immediate post-independence decades. Competition within and between the Forwards led to a Congress defeat in the Vidhan Sabha (state assembly) elections of 1967, but upper caste dominance continued within a *mélange* of parties that governed the state over the next couple of decades.⁴ Elections were won in large part through elite-managed 'vote banks' which steered lower caste voters in the desired direction. This clientelistic system was characterised by upper caste landowners providing subsistence and some security to lower caste peasant farmers, artisans and labourers in return for subservience and loyalty (including voting) going upward.

Slowly this system began to decline as competing party leaders found a need to reach out for votes. In this process, OBCs, Muslims and Dalits were gradually incorporated into party politics as serious participants rather than being merely voters directed as to how they should cast their ballots. As such they achieved ministerships and on occasion briefly even the chief minister's slot, but the upper castes remained essentially in control. Even in the late 1960s, though, Upper OBCs in particular had begun to challenge the Forwards at the ballot box. By the 1969 Vidhan Sabha election, they had increased their share of MLA seats from the 15 per cent they won in the 1950s to more than 20 per cent, though it was not until 1990 that they were able to approach the 30 per cent level, as shown in [Figure 1](#).⁵

But a need to solicit votes was not the only reason behind the slow rise of Upper OBCs in the Vidhan Sabha (and concomitant decline of Forwards). Parallel with that was a gradual expansion of economic power on the part of the same Upper OBCs. Partial land reforms in Bihar dating from 1950 had forced many Forward landlords to divest their very largest holdings to the tier of tenants who could afford to buy them, i.e. the Upper OBCs who had been farming these holdings. Precise data on such transfers are scarce up through the 1970s, but the very careful and detailed surveys undertaken by A. N. Sinha Institute for Social Studies in 1981–1982, and then by the Institute for Human Development in 1998–1999 and again in 2009–2010, show a

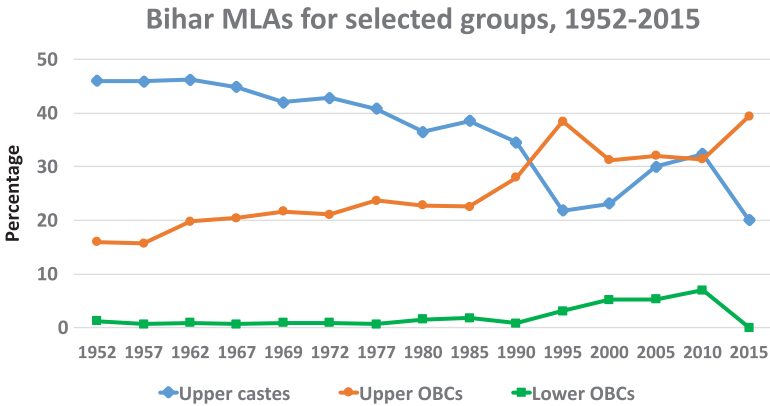


Figure 1. Bihar MLAs for selected groups, 1952–2015.

Note: Data before 2000 include MLAs from area that later became Jharkhand state.

steady increase in upper OBC landholding and decline in land held by Forwards (Rodgers, Sharma, Rodgers, Mishra, & Sharma, 2013; Sharma, 2005; Sharma & Rodgers, 2015). In a state that even in the most recent 2011 census was only 11 per cent urban (while the all-India level was 31 per cent), these changes in landholding were hugely important, giving the OBCs an economic base to support their political rise. It should be noted, however, that it was essentially the Upper OBCs who benefited from these changes, rather than the Lower OBCs, Dalits and Muslims. These lower orders did benefit somewhat from higher wages resulting from increased off-farm employment opportunities and migration out of the state, but the Upper OBCs fared much better (Sharma, 2005; Sharma & Rodgers, 2015).

Politically, 1990 proved to be the pivotal breakthrough year for the Upper OBCs as a charismatic leader from the Yadav caste (Bihar's largest though only about one-ninth of the total population⁶) became chief minister in that year. Lalu Prasad Yadav ran the state through his Rashtriya Janata Dal (RJD) party for the next 15 years, during which his chief (and many would say only) achievement was to provide a sense of dignity and self-worth to the largely Backward constituency that elevated him to power. His own approach to governing was largely symbolic and rhetorical – preferring OBCs (mostly Yadavs, it was widely believed) in appointments and quotas while continually lambasting the upper castes – accompanied by the use of state funds for patronage directed to his core constituency.⁷

Lalu promoted the interests of his OBC base through rhetoric and clientelistic patronage but did little to support economic development for the state as a whole. Instead, he virtually ignored the subject, and the state's economy, perennially the worst among India's major states, sank even further below the national average. At the beginning of the 1990s, per capita gross domestic

state product in Bihar stood at 53.9 per cent of the all-India average, but by the mid-2000s it had declined to 32.0 per cent (Ghosh & Gupta, 2010, p. 41: see also Acharya, 2013).

Part of this decline surely stemmed from increased corruption – always deep in Bihar – siphoning off state funds that could otherwise have been used to promote development. One particularly spectacular scandal involving fodder distribution led to Lalu spending significant time in jail (during which his wife took over the chief minister's position). A Transparency International survey in 2005 confirmed Bihar's position by ranking it the most corrupt of India's major states for that year (Transparency International India, 2005).

An equally or perhaps even more important factor than post-zamindar path dependency, land transfers, OBC favouritism or corruption in keeping Bihar backwards, however, was Lalu's neglect of administration and management during his period in charge of the state. In his eagerness to undermine the Forwards' hold on the state machinery (administrative posts at the higher levels had long been dominated by upper castes at the higher levels), he left senior posts vacant and transferred decision-making from state servants to elected officials (including himself) more likely to be from lower castes. Administrative capacity plummeted, and state plan expenditures had to be revised downward – often by half or more – every year from the early 1990s onward. Lalu's governance amounted in effect to 'state incapacity by design' in the words of Mathew and Moore (2011; also Mukherji & Mukherji, 2015; Witsoe, 2013, 2016, pp. 83–85).

But Lalu's popularity did not waver amid the economic stagnation and corruption, as his party won three successive state elections decisively, building his three successful election campaigns on excoriating the upper castes while demanding voice and respect for the OBCs and also reaching out to Muslims (whom he had protected during and after the Ayodhya temple/Babri masjid-related violence in 1992) and Dalits, the other key elements in his core constituency. Psychic income, in the form of *izzat* (self-respect or honour), in the estimation of many observers (e.g. Corbridge, Williams, Srivastava, & Véron, 2005, pp. 231–237; Jha & Pushpendra, 2012; Kumar, Alam, & Joshi, 2008/2010; Roy, 2013; Witsoe, 2016), increased greatly for the Upper OBCs, who formed his main voting base. Those previously excluded became the core determinants of political power in Bihar, though overall the bulk of any material benefits perhaps went to his own Yadav community rather than to his larger constituency (Roy, 2013, pp. 524–525; also Thakur, 2014, p. 141).

The basis for such a change lay in Lalu's consolidation of a social base led by the Yadavs and including Muslims and Dalits, as shown in Table 2 for his third Vidhan Sabha victory in 2000, when his RJD captured three-quarters of the Yadav vote and close to half the Muslim ballots. This plus a plurality among the Dalits and a good slice of the non-Yadav OBC vote put him well ahead of the runner-up Bharatiya Janata Party (BJP)–Samata alliance, which

Table 2. Group voting patterns in Bihar Vidhan Sabha elections, 2000–2010.

Group	Categories	% of total pop	2000 RJD	2005 ^a RJD+RJD	2010 RJD+LJP	2000 BJP+Sam-ata ^b	2005 ^a BJP+JDU	2010 BJP+JDU
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Upper castes	Brahman Bhumihar Rajput	16	10	5	11	42	64	62
OBCs	Yadav	15	75	61	78	6	12	18
	Kurmi & Koiri	10	21	12	8	39	61	70
	Lower OBCs	21	24	17	n/a	27	47	n/a
Dalit	Dusadh ^c	6			56			25
	Other Dalit ^c	12	27	17	14	24	17	52
Muslims		17	48	36	31	3	8	27
Total vote share of party or alliance			28	24	19	21	36	39

^aData for 2005 reflect the October election of that year (an earlier poll in February did not yield a sustainable government).

^bIn 2000, Nitish Kumar's newly formed Samata Party allied with the BJP.

^cIn some surveys Dusadhs were reported separately from other Dalits, in others they were not.

Sources: Group % of population: Table 1, For voting 2000 and 2005: Kumar et al. (2008, p. 22). For voting 2010: CNN-IBN post-poll survey; Kumar (2014c) provides somewhat different findings, but his figures are basically similar to those shown here.

did well among the upper castes and better than Lalu among the non-Yadav OBCs, but lost to the RJD by seven percentage points. Now parties were based straightforwardly on specific caste allegiances, whereas earlier, while caste was always important, parties tried to spread their appeal across all caste groups. Lalu had fundamentally changed the political game from one based on clientelistic politics to one based on identity.

Changes in voting naturally meant changes in the Vidhan Sabha itself. When he became the chief minister in 1990, OBCs filled 28 per cent of the seats (with Yadavs holding 19 per cent themselves). In 1995, OBCs rose to almost 40 per cent (and Yadavs to 26 per cent), while the upper castes, who had filled more than 40 per cent down through the end of the 1970s, declined to 22 per cent (Figure 1). When Lalu's wife Rabri Devi won the party's third term in the 2000 election, the OBCs fell off to just over 30 per cent of all MLAs, though their percentage came back up to 45 per cent when the southern part of Bihar and its MLAs split off to form Jharkhand state later that same year.⁸

The rise, reverse and resurgence of Nitish Kumar

In 2005, came a different game changer. Another charismatic leader from the OBC community (this time the Kurmis, an agricultural caste like the Yadavs but only about a third as numerous), Nitish Kumar,⁹ defeated Lalu's party in the state assembly election and took power on a platform promising economic

development as well as dignity. More immediately, though, Nitish managed to outmanoeuvre Lalu at his own game of identity politics. Allying his new Janata Dal (United) or JDU with the upper caste-based BJP,¹⁰ Nitish's combine took almost two-thirds of the upper caste vote and the bulk of the non-Yadav OBC vote – enough to put it 12 points ahead of Lalu's RJD, as shown in [Table 2](#). Nitish's alliance won 143 seats in the state's 243-seat Vidhan Sabha, while Lalu's RJD in alliance with the Dalit-based Lok Janshakti Party (LJP) pulled in only 64.

The caste composition of the legislature showed about the same level of OBCs as in 2000, with roughly 30 per cent each for upper castes and Upper OBCs, but now Nitish's alliance included about two-thirds of the upper caste votes and MLAs elected as well as two-thirds of the OBCs, while the RJD included only a sprinkling of upper castes among its much larger contingents of OBCs and Dalits.¹¹ Rather than repudiating and excluding the upper castes as Lalu had done, Nitish brought them into the electoral fold (note their recovery in [Figure 1](#)), but with the Upper OBCs clearly in charge.

In 2010, Nitish again in alliance with the BJP defeated Lalu's RJD by a full 20 points (per [Table 2](#)), this time holding on to the upper caste vote by an even larger margin than in 2005 and improving his margin among the non-Yadav OBCs, as well as winning the majority of those Dalits who were not enticed away to the RJD's partner the LJP under the Dusadh caste leader Ram Vilas Paswan and even making inroads among the Muslims.

Nitish's alliance with the BJP had been thorny from the beginning, and became even more inimical when Narendra Modi became the national party leader in 2013, leading Nitish to break with the BJP in June of that year. The split led to a three-way contest in the 2014 Lok Sabha (national parliament) election, in which the BJP captured the upper caste vote and Lower OBCs as well as a plurality of Dalits, leaving the JDU and RJD to split the remaining OBCs, Dalits and Muslims (Kumar, 2014b; Roy & Ranjan, 2015), as illustrated in [Table 3](#). By bringing together the Lower OBCs and Dalits, the BJP had appeared to outplay both Nitish and Lalu at identity politics, finishing 13 per cent ahead of the RJD and 19 points in front of Nitish's JDU. Indeed, so humiliating was the defeat for Nitish that he temporarily resigned the chief ministership.

The 2014 setback with its obvious lesson that the RJD and JDU vote combined (54 per cent) considerably exceeded that of the BJP (43 per cent) induced Nitish and Lalu to form an alliance for the 2015 Vidhan Sabha election, which also included the Congress and was labelled as *Mahagatabandhan* ('Grand Alliance' or GA). Employing the alliance as a joint project, they turned the tables on the BJP, with solid majorities among Yadavs, Kurmis and Muslims, along with sufficient support from other OBCs and Dalits to yield an eight-point lead over the BJP as shown in [Table 3](#) and 178 seats in the state assembly.¹² The BJP alliance retained the upper caste vote as expected

Table 3. Group voting patterns in Bihar elections, 2014 and 2015.

Group	Categories	% of total pop	Lok Sabha		Vidhan Sabha		
			2014	2015	2014	2015	
(1)	(2)	(3)	RJD+	JDU	JDU+RJD	BJP+LJP	BJP+LJP
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Upper castes	Brahman Bhumihar Rajput	16	5	8	9	78	84
OBCs	Yadav Kurmi ^a Koiri ^a Lower OBCs	15	64	12	68	19	12
		4	15	30	71	26	18
		6			31		28
		21	10	18	36	53	43
Dalit	Dusadh Other Dalit	6	10	6	19	68	54
		12	10	25	25	33	30
Muslims		17	64	21	69	2	6
Total vote share of party or alliance			30	24	42	43	34

^aIn some surveys Kurmis and Koiris were reported separately, in others they were reported together.

Sources: Group % of population: Table 1. For voting 2014: S. Kumar (2014a, 2014b). For voting 2015: Lokniti-CSDS survey, as reported in Manor (2016).

and about half the vote among Lower OBCs and Dalits, but the combination was not enough, winning only 58 seats. As a result, upper caste representation in the Vidhan Sabha, which had increased with the JDU–BJP alliance in 2005 and 2010 took a sharp drop from over 30 per cent to just 20 per cent – its lowest level since independence. At the same time, Upper OBC presence in the assembly jumped from 31 to more than 39 per cent, its highest level ever (Figure 1).¹³ By joining forces, Nitish and Lalu together reaffirmed the political domination of the Backwards in Bihar.

Bihar's trajectory in development: a turnaround in growth

Once in office after the 2005 election, Nitish launched an aggressive infrastructure programme emphasising roads and electrification, pressured the bureaucracy to deliver services, clamped down on corruption, and vigorously supported education, among other things.¹⁴ In consequence, the state began a rapid growth, drawing rave reviews in such venues as the *Economist* ('The Bihari enlightenment', 2010; 'On the move', 2010) and the *New York Times* (Polgreen, 2010) within a few years.¹⁵ Between 2005–2006 (when the Nitish government took office) and 2014–2015, gross state domestic product per capita in constant prices rose by an average of 8.99 per cent, topmost in India. From ranking next-to-bottom in state domestic product annual growth rate (2.1 per cent) during India's Eighth Five-Year Plan (1992–1997) Bihar rose to first place (12.11 per cent annually) during the Eleventh Plan (2007–2012), more than two percentage points ahead of second-place Maharashtra at 9.48 per cent (Bakshi, Chawla, & Shah, 2015, p. 44).

Per capita state expenditure on social services grew from 37.5 per cent of the all-India figure in 2004–2005 to 51.6 per cent in 2015–2016 (Government of Bihar [GOB], 2016, 2017). Among other things, this upward trend facilitated an increase in primary school enrolment (first to eighth standard) from 12.9 million to 22.9 million over that same time period (data from GOB, 2016, 2017; see also Banerjee, 2013). In the health sector, infant mortality dropped from 61 per thousand live births in 2005 to 42 by 2013, while the death rate fell from 8.1 per thousand population to 6.6, a level even below the all-India number (GOI, 2016; see also Reddy & Dandona, 2013).

To be sure, even in 2015 Bihar remained the lowest state in per capita income, and in terms of the United Nations' Human Development Index for 2015, the state continued to rest in last place among India's major states with an index of 0.536, well behind the all-India average of 0.609 (Wikipedia, 2017). But viewed against its dismal performance in past decades, Bihar's recent track record has been little short of miraculous.

Such impressive growth figures have drawn considerable criticism, holding variously that the growth stems almost exclusively from public works programs showing dubious results (Nagaraj & Rahman, 2010) and that progress has been highly uneven among and within the state's districts, favouring mainly the state capital at Patna (Tsushita, Oda, & Ghosh, 2010).

These criticisms are not without merit. Updating Nagaraj and Rahman (2010), construction (which is closely related to public works spending) has more than doubled from less than six per cent of gross domestic state product (GDSP) at the end of Lalu's reign to almost 13 per cent in the 2012–2015 period, though the trade, hotel and restaurant subsector has grown even more, from just under 15 per cent to more than 24 per cent in the same period, while agriculture has declined from 45 per cent to less than 20 per cent (GOB, 2016). And an update to Tsushita et al. (2010) shows Patna district increasing its ratio of per capita gross district domestic product to the poorest district (Sheohar) from 3.1-to-1 in 1999–2000 to 8.9-to-1 – an astounding gap. Car registration data illustrate the gap starkly: In 2015–2016, some 14,440 private cars were registered in Patna district, while in Sheohar there were a total of 9 (GOB, 2017).

As for development spending, Bihar generally devoted roughly half its total state expenditures to that sector in Lalu's era, with the other half going mainly to establishment (state payroll) spending. Under Nitish, the development side gradually rose to double the non-development side by 2010 and triple it five years later (see Figure 2). This steady increase in development expenditure cannot, of course, have been the only factor driving Bihar's concomitant increase in per capita net state domestic product as shown in Figure 3, but it must have helped significantly.¹⁶ Indeed, as the logarithmic scale in Figure 3 indicates, Bihar's per capita product after Nitish took office increased at a somewhat faster rate than the all-India product,¹⁷ even as it continues to

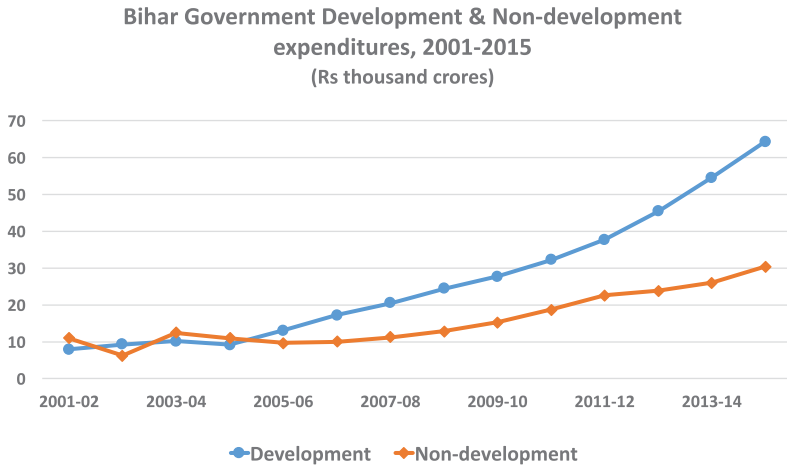


Figure 2. Bihar government development and non-development expenditures, 2001–2015. Source: GOB (2016, 2017).

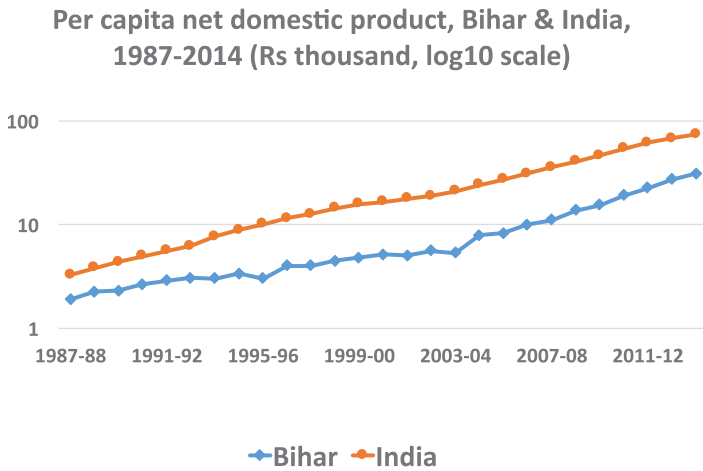


Figure 3. Per capita net domestic product, Bihar and India, 1987–2014 (Rs thousand, log₁₀ scale). Source: GOB (2016, 2017).

lag far behind. It is interesting to note that if the Bihar and all-India economies continue to expand at the same rates set in Nitish’s first several years in office, Bihar will catch up with the all-India level around the year 2032 – a long way off, to be sure, but worth remarking on, given the state’s past track record.

As noted earlier, Bihar has long been infamous for its high levels of corruption, and Nitish has made attacking it one of his major campaign promises. Leakage in India’s public distribution system for foodgrains has long served as an illustration of the problem, with Bihar’s losses estimated at 91 per cent in 2004–2005. Recently, however, Drèze and Khera (2015; see also

Choithani & Pritchard, 2015) reported on efforts to reduce leakage in Bihar through a system of ration cards that a survey showed leakage had dropped to 24.4 per cent by 2011–2012, an astonishing reduction, especially when compared with progress in this national effort at the all-India level, as shown in Table 4.¹⁸

In sum, even though Bihar's economy continues to rank below all other major states on almost every measure of development, its progress in recent years must be regarded as remarkable when viewed against its history of economic stagnation and even decline.

Lessons from Bihar

Bihar's experience in moving from an elite-dominated, backward, economically stagnant, system to one free of elite control and progressing economically provides a number of lessons, even a model which, it will be argued, holds some promise for political economies similarly situated such as Nepal.

- (1) *A long march.* The Upper OBC march to social dignity and political dominance in Bihar was a long and difficult one, with economic development coming only after the Upper OBCs had consolidated their ascendancy. Historically, the Bihar unit of the All-India Kisan Sabha began organising middle- and lower caste peasants in the 1920s and 1930s, thus challenging the elite-led Congress.¹⁹ But the upper caste-dominated Congress proved superior and controlled state politics well into the 1970s with its clientelistic vote banks drawing in all castes and classes. At the same time, the need to reach out for votes enabled Upper OBC political entrepreneurs to mobilise votes on their own and begin the slow upward progress that Jaffrelot (2003) and Robin (2009) have charted, supported by their economic gains in the rural economy. There were false dawns along the way, when the OBC leader Karpooori Thakur became the chief minister twice in the 1970s, but by the onset of the 1990s the Upper OBCs took charge under Lalu Prasad Yadav, and then 15 years later Nitish Kumar was able to set the state on a different course combining Upper OBC dignity and leadership with economic development in a state which during the first several decades after independence had seen neither.

Table 4. Foodgrain leakages in Bihar public distribution system, 2004–2005 and 2011–2012.

	2004–05 leakage in percent	2011–12 leakage in percent	Percentage reduction
Bihar	91.0	24.4	73
All-India	54.0	41.7	23

Source: Drèze and Khera (2015).

- (2) *A selective rise.* This transformation has not empowered all Backward communities; so far as empowerment can be measured in terms of MLAs, Lower OBCs have seen only a very slight improvement after 1990 (and even that disappeared in 2015, as per [Figure 1](#)). Indeed, such a lack of progress could explain their siding with the BJP in 2014 and 2015 ([Table 3](#)). Similarly, Dalits, who in the main voted for the BJP–JDU alliance in 2010 (52 per cent in [Table 2](#), excluding Dusadhs), shifted away from the JDU–RJD in 2015 (giving only 25 per cent backing in [Table 3](#)). Their representation in the Vidhan Sabha was, of course, guaranteed through reserved seats, but their affections were not, perhaps alienated by Nitish’s OBC focus. In fact, only the Muslims stuck with the new alliance in 2015, giving it a full 69 per cent of their votes. The ‘rise of the Backwards’, then, has so far meant the rise of and the attainment of significant dignity for the Upper OBCs, not the other hitherto marginal communities in Bihar. But even so, the Upper OBC rise provided a platform upon which clientelistic politics could be superseded by (or at least supplemented with) real development.
- (3) *Powering the rise.* There have been two principal forces behind the rise of the Upper OBCs. First, India’s democratic system set into place with the Constitution in 1950 combined with a ferocious competition within and between the upper castes led the Forward-led parties and splinter factions to compete for votes among a non-elite populace. These communities, who amounted to more than four-fifths of the population and who had initially been willing (or at least had not seriously objected) to be guided in ‘vote banks’, gradually became conscientised and mobilised to involve themselves in active politics. Second, in the wake of the zamindari abolition, the Upper Backwards began to move up the economic ladder in rural Bihar and in the process accumulated the resources needed to play serious politics. Lower Backwards, Dalits and Muslims also became politically more active (as is implied by their shifting between parties and alliances in [Tables 2](#) and [3](#)), but they were not able to amass the necessary resources to the same extent as the Upper OBCs.
- (4) *Moving to a developmental path.* For generations, the Forwards had employed their suzerainty more to maintain clientelistic control of the state’s political economy than to pursue any serious development effort. And then the rise of the Upper OBCs to power under Lalu Prasad Yadav facilitated a continuation of the same governing strategy but now with a clientelistic regime favouring his OBC base. Fifteen years under Lalu established a long term if not permanent control of state government, a situation providing his successor Nitish Kumar with the opportunity to shift strategy to one focusing on social and economic development. Could that second step under Nitish have been possible without the first phase under Lalu? Possibly the Forwards could have moved from their status quo-oriented clientelism to development, but

given their track record over their long reign it seems highly doubtful. Upper OBC political dominance may not have been a sufficient condition for a policy turn to development, as was clear during Lalu's chief ministership, but it was arguably a necessary one and in any case certainly served as a powerful factor in enabling that turn.

- (5) *An uneven development.* As with so many economies, so too Bihar has seen increasing inequality in its growth under Nitish Kumar, particularly in geographical terms. A glaringly outsize share of economic expansion has gone to Patna as the state capital, with the countryside progressing at a much slower pace. The 'Kuznets curve' hypothesis in economic theory holds that, after a period of increasing inequality, economic growth will head towards greater equality (Kuznets, 1955; but see also Fields, 2001), but as yet there is little sign of such a turnaround in Bihar or India as a whole.

A model for identity politics and development

The chief ministerships of Lalu Prasad Yadav and Nitish Kumar offer two distinct models, as illustrated in Figure 4(a,b). Both begin with success at the game of identity politics as the new chief ministers assumed office. The Lalu model continued the older clientelistic model but now directed the patronage to his base constituency, ignoring development. Corruption increased, development declined. In contrast, Nitish once in office directed an increasing development budget to actual development activities, which in turn picked up speed, and Bihar shed its image as a developmental basket case to become lauded as a success story in such venues as the *Economist* and the *New York Times*. But Figure 4(a,b) is labelled 'Nitish model 1.0' for a reason, which will become apparent below.

A model in trouble?

Events in Patna at the end of July 2017 brought the Nitish model under a cloud, as the chief minister abruptly terminated the Grand Alliance with Lalu and realigned his JDU party with the BJP. Nitish would remain chief minister, for the BJP's 51 seats from the 2015 election together with the JDU's 71 would provide a bare majority in the 243-seat Vidhan Sabha, irrespective of what the Congress (now only 27 seats and a GA partner) might do. But the governing coalition would now represent the Forwards who overwhelmingly had supported the BJP in 2015 (see Table 3), as well as those from the lower strata who would stay with the JDU after it split from the RJD.

Nitish publicly justified his switch by pointing to his distaste for corruption with state contracts involving Lalu's son Tejashwi, who was serving as deputy chief minister in the GA. But most observers discounted this story, looking

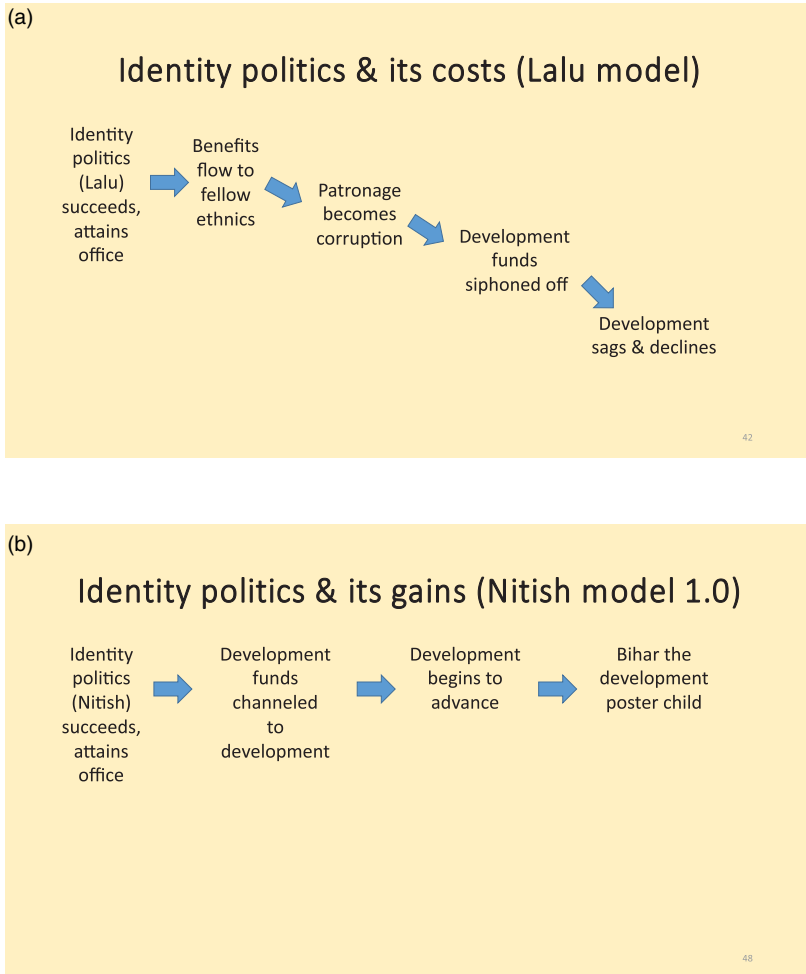


Figure 4. Lalu and Nitish models.

instead for deeper explanations, most of them pointing to some sort of opportunistic move on Nitish's part (e.g. Kumar, 2017; Thakur, 2017b; Visvanathan, 2017). Whatever the causes, the result pointed to a political environment now to be characterised by uncertainty, for if Nitish had already shifted alliances twice he could do so again, as could the BJP and RJD as major players or any of the minor parties. The consequences could well look like the Nitish model 2.0 sequence in Figure 5: changing alliances of caste-oriented parties, political turbulence, and probably an increase in corruption as parties jostle to maintain and expand their constituencies through patronage and clientelism – all at the cost of development. Bihar would resemble the Lalu model of identity politics but without its relative stability.

But an alternative scenario is also possible. It can be argued that Nitish's principal motive for realigning with the BJP lay in recent electoral events across the nation. Just after Nitish had broken up with the BJP and just before the 'Modi wave' Lok Sabha election in 2014, the Congress controlled five major states by itself and four more with allies, while state-level parties controlled six more for a total of 15; the BJP alone had only four states plus two more with allies. The prospects looked excellent for a future anti-BJP alliance, in which Nitish might have a leading role. But after the 'Modi wave' of 2014 and the March 2017 state election in Uttar Pradesh (India's most populous state), when the BJP swept over the two previously dominant state-level parties, the national picture appeared quite different: now BJP ministries governed 12 states (three of them with allies), the Congress was reduced to three, and six more states were under local parties.²⁰ The prospects for wresting the Lok Sabha from the BJP in the next national election must have looked bleak indeed. And meantime, the hope of obtaining additional resources for Bihar from the BJP-led central government probably looked unpromising as well. Accordingly, a shift in alliance from Lalu to Narendra, though appearing opportunistic, would also help ensure more development funding from New Delhi. And if the new alliance with the BJP could be maintained, a political homeostasis²¹ could ensue, an equilibrium could obtain, and Bihar's development could continue along the lines of Nitish model 2.1 in Figure 5.

The Nitish model 2.1 implies quite a different caste dominance in Bihar's political system, however. Rather than the Upper OBCs *replacing* the Forwards in managing that system, they will be *joining* their erstwhile rivals as they had done before Nitish split with the BJP in 2013. The 2013–2017 period of exclusive Upper OBC dominance would thus turn out to have been only a

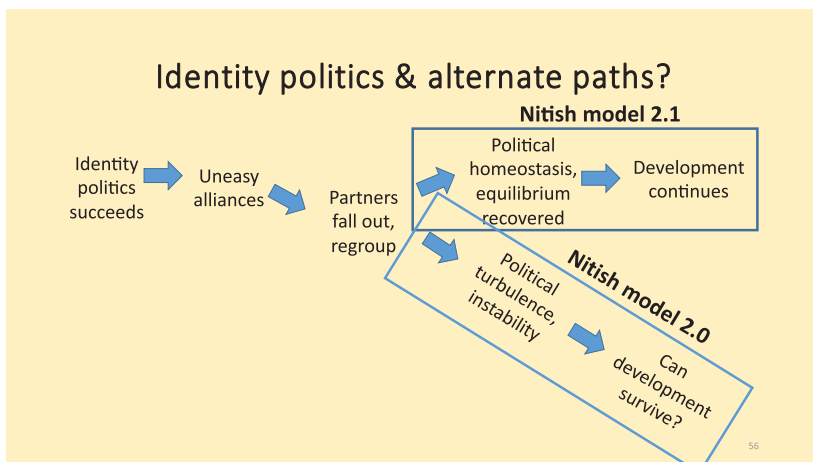


Figure 5. Nitish models 2.0 and 2.1.

temporary phase. But the real test will be whether the development side of the model can continue to replace the clientelistic system that had enfeebled Bihar for so long. If the more optimistic Nitish model 2.1 should emerge in Bihar, though, a sixth lesson would have to be added to the five noted above:

- (6) *Likely political turbulence.* When both large caste groups and caste-oriented political parties are competing, alliances can be fragile and party needs for patronage may trump economic development as policy priorities. But it is also possible that with adroit leadership, the political system could recover and development could continue on course.

Notes

1. The 'Upper OBCs' were listed in Annex 2 of the Mandal Report, while the much more numerous castes of the 'Lower OBCs' were listed in Annex 1. Baniyas are generally counted among the OBCs (as shown in Table 1), though historically they have enjoyed many of the privileges and much of the wealth of the upper castes.
2. These figures are largely from the 1931 census, but there is a good reason to believe they continued to be reasonably accurate; for more detail on this topic, see Blair (1981). Since 1931, some groups (e.g. Dalits, Muslims) have been tabulated in the census, and finally in 2011, it was reported that the census for the first time in 80 years gathered data on all castes, but thus far no detailed information has emerged.
3. The zamindari systems' impact on development has long been observed (e.g. Thorner, 1956). For a rigorous quantitative exploration of the theme, see Banerji and Iyer (2005); for an assessment of agrarian structure's role in path dependency theory, see Harriss (1992); and for an analysis of Bihar in particular, see Prasad (1989) and Hauser (1994; also Hauser & Jha, 2015).
4. The political economy of this backwardness is explored in Blair (2008).
5. Robin (2009) has developed the most complete account of this progression, updated by Jha and Pushpendra (2012) and TOI (2015).
6. After the 2000 partition, Yadavs amounted to about one-seventh of the population, as per Table 1.
7. Thakur (2000, also 2015) offers a comprehensive account of Lalu's rise to power in Bihar.
8. Vidhan Sabha data from Robin's (2009) very detailed study of Bihar MLAs.
9. Biographies by Thakur (2014, also 2015) and Sinha (2011) provide thorough accounts of Nitish Kumar's ascent in Bihar politics.
10. Nitish had tried a similar strategy in 2000 by allying his Samata Party with the BJP, but as is clear in Table 2, the scheme failed.
11. Again, caste data are from Robin (2009). On caste and the 2005 election more generally, see Kumar et al. (2008/2010).
12. The Grand Alliance in itself was not the only significant factor in the 2015 victory. The BJP badly misplayed its hand both strategically and tactically, as Manor (2016) shows.
13. I have not included Baniyas among the Upper OBCs in this analysis, although they are officially categorised as such, for they have not as a group been a major component of either the JDU or RJD. Baniyas are widely believed to support the BJP.

14. Biographies by Sinha (2011) and Thakur (2014) detail Nitish's efforts to promote development.
15. The following headline in Polgreen's (2010) article sums up the praise nicely: 'Turnaround of India state could serve as model: Sharp economic gains and decline in graft'.
16. The private sector also grew rapidly during this period, with the trade, hotel and restaurant subsector increasing from 15 per cent of GDSP to 24 per cent, as noted above.
17. That is, after 2005 Bihar's line in Figure 4 tilts upward at a higher angle than the all-India line.
18. Other efforts to reduce corruption are charted in Thakur (2014).
19. See the works of Walter Hauser (e.g. 1994) also Hauser and Jha (2015) on this topic.
20. These data on the states come from Thakur (2017a) and led me to the idea of a Nitish model 2.1.
21. Homeostasis refers to the tendency of an organism to return to its previous state after a trauma, as with a modest wound that heals itself over time.

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