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GLOBAL SUMMIT on CHANGING BIHAR

FORGING PARTNERSHIPS FOR DEVELOPMENT 17-19 FEBRUARY 2012

Report

Global Summit on Changing Bihar 2012

Forging Partnerships for Development

February 17–19, 2012
Patna, Bihar

A Report

Organised by

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Connecting Biharis Worldwide

INSTITUTE FOR HUMAN DEVELOPMENT

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DR. ALAKH N. SHARMA
Director, Institute for Human Development, New Delhi

Summit Convener
DR. ALAKH N. SHARMA
Director, Institute for Human Development, New Delhi

Preface and Acknowledgements

In recent years the state of Bihar has been in the news for its success in accelerating growth and strengthening institutions to support economic development and public welfare. At the same time it is important to recognise that many challenges remain if the continuing problems of poverty and backwardness are to be overcome. In order to contribute to the debate and action in the State, The Bihar Foundation, the Institute for Human Development (IHD) and Asian Development Research Institute (ADRI) organised the Global Summit for Changing Bihar in Patna on 17–19 February 2012, to provide a point of convergence for all those committed to the cause of development in Bihar.

The main objectives of the Summit were: to generate innovative ideas and thinking among all actors and stakeholders that could foster progress in the state; to define priorities and lay down a roadmap for development; to create strong networks among all the concerned stakeholders in order to facilitate their effective participation in the development of the state; and to forge lasting partnerships between the people of Bihar and the outside world, including distinguished diasporas from the state and friends of Bihar from elsewhere in India, the region and beyond.

Hon'ble Prime Minister of Nepal Dr. Baburam Bhattarai inaugurated the global event. The Summit brought together leading development practitioners, policymakers, scholars, industrialists, investors, representatives from the world of art and culture, donors and members of civil society for forging partnerships to pursue and reinforce social and economic progress in Bihar. About 1500 delegates from India and abroad participated in the Summit, out of which about 150 were distinguished academicians, practitioners, subject experts from various fields, industrialists and entrepreneurs.

This report tries to put together key outcomes of the deliberations. It gives a summary coverage of the various thematic (parallel) and plenary sessions of the three-day Summit and key recommendations that emerged from it. We sincerely hope the report helps all the policymakers and stakeholders in building roadmaps for Bihar's progress.

The organisation and success of the Summit was made possible due to the valuable contributions from various quarters. We are grateful to the Government of Bihar for its support and collaboration right from the inception till the conclusion of the Summit. We would like to whole-heartedly acknowledge the support that we received from Shri Nitish Kumar, Chief Minister of Bihar who was also the Chief Patron of the Summit and Shri Sushil Kumar Modi, Deputy Chief Minister of Bihar, who was the Patron of Bihar Summit. They provided strong support and guidance at every stage of the Summit. The Summit would not have been a success without their unflinching support. Immense thanks to Mr. N.K. Singh, Member of Parliament, Rajya Sabha for his guidance and support.

The Summit has benefited from the active support of the Steering Committee. The suggestions and contributions from every member of the Committee are gratefully acknowledged. Several eminent scholars and policy makers attended the Summit. They presented high quality papers, discussed issues and provided valuable recommendations in various technical sessions. We thank all the paper writers, chairpersons, participants for their enthusiastic participation and support. We also take the opportunity of thanking all the overseas participants for their active participation and enriching the deliberations of the Summit.

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We would like to acknowledge the contributions of our local organising partners— Asian Development Research Institute (ADRI), especially Dr. Shaibal Gupta and other ADRI staff for their help and support.

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Our faculty members and staff—Ms. Sukanya Garg, Dr. Priyanca Mathur Velath, Ms. Srabashi Sarkar and others under the guidance of the Joint Director Dr. Preet Rustagi who prepared and edited Summit materials are also acknowledged.

We would like to take this opportunity to thank the rapporteurs—Ms. Amrita Datta, Ms. Shivani Staija, Ms. Nandita Gupta, Ms. Srilata Sircar, Ms. Barna Ganguly, Ms. Faria Naomani and Ms. Priyanka Tyagi. Prof Dev Nathan, Visiting Faculty, IHD

is acknowledged for preparing the Summing Up report. The documentation team comprising Ms. Amrita Datta, Ms. Priyanka Tyagi and Mr. Shravan Kumar worked hard to put together the draft of the report.

The draft report was initially copy edited by Ms. Anupma Mehta. Mr. Mrityunjay Chatterjee needs a special mention for the cover design. Final compilation, content editing and publication support for the report was provided by Lucid Solutions. They are deeply appreciated for ensuring the speedy delivery of this report, racing against time!

Our volunteers were always bubbling with energy and enthusiasm. Their ready smile and warmth deserve our appreciation and special mention.

Our sincere thanks are extended to the Press and media personnel in Bihar and from other parts of the country, for providing extensive coverage of the Summit in print as well as in visual media.

Last but not the least, several government officials from the state of Bihar helped in making the Summit a grand success. We thank all of them.

Alakh N Sharma
Director, Institute for Human Development, New Delhi
and Summit Convener

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Growth

- Bihar has achieved very impressive growth rates over the past 7 to 8 years of the order of 10 to 12 per cent, the highest in the country. With this level of growth Bihar will reach all India levels of per capita income in 15 to 20 years time. However, Bihar should aim at achieving the all-India average level of development indicators in the next 7 to 10 years. As such, without assistance Bihar cannot catch up with the all India average living standards for decades.
- Development should be aimed at and also measured by improvements in quality of life of its people and not only on the basis of GSDP and other economic indicators.
- Women's work within households and as owners and managers of assets is very significant. These are measurable and tangible statistics which cannot be ignored. A disproportionate dependence on household labour force surveys should be diluted in favour of more meaningful and diverse tools such as Time Use Surveys to understand women's work in a more holistic manner.
- This will not only yield better growth figures but give women the stake and voice in determining the SDP of Bihar and lend cognizance to their entity as an economic force.

Agriculture

- Increasing productivity and profitability of agriculture along with its diversification is key to ensure prosperity of Bihar.
- Better institutions for delivery of inputs, training and marketing are required.
- Improvements in market linkages and supply chain as also cold chain infrastructure are called for. This will also be a boost to the agro-processing industries.
- In view of the increased feminization of agriculture, women cultivators should be able to access credit and finance, and instruments such as the Kisan Credit Card (KCC), should be issued in the name of women.
- New areas like floriculture and horticulture, and other high value crops where women work need to be tapped.
- There is also a need to facilitate occupational mobility of cultivators in the state and to ensure that the younger generations are able to shift to non-farm and non-agricultural sectors of livelihood. This needs to be done through quality education

and vocational training for young men and women.

Industry

- Even though Bihar will mainly remain an agricultural state for many years, some industrial development is critical for sustainable and balanced growth. It is important for the state to choose priority sectors based on comparative advantage and bring them up to a critical mass.
- Apart from agro-processing industries, which have competitive advantage in Bihar, the industrialization strategy under the present context should focus on light engineering and mid-level manufacturing industries along with BPO and IT sectors where the educated youth can find employment.
- Along with hard infrastructure, marketing support, banking, finance and lending to businesses, distribution centres, transport networks, and government promotional agencies are critical for industrialisation to truly kick-start in Bihar.

Infrastructure

- Infrastructure for these key industries should be developed through public investment which can attract private investment. Large scale public investment is required in communications, transport and flood control and mitigation, especially in North Bihar.
- Along with power which is a key deficit in the state, road connectivity also needs special attention.

Urbanisation

- Urbanisation in Bihar is very low at approximately 11% as against the all-India average of 28%. Low urbanisation is directly related to low industrialisation in the state.
- A medium and long term strategy for inclusive urbanisation with a focus on developing small and medium towns will not only hasten the urbanisation process but also boost agriculture and rural development.
- Connectivity between rural areas, smaller towns and cities and larger urban centres is crucial.
- Urban local bodies need to be strengthened with resources and capacity development to respond to planning challenges.

Social development

- Universal health coverage and universal education are essential for Bihar to reach national averages in human development and quality of life indicators.
- Health entitlement cards for everyone and not just children below fourteen years should be considered.
- Public-private partnership programs for filling in gaps in health care delivery will be required.
- Massive efforts are needed to make quality higher education affordable. Emphasis should be on building new institutions of

higher education and improving considerably the quality of primary education and universalizing secondary education.

- Human resource development for both health and education professionals is urgent.
- The state is witnessing an increase in girls' enrolment and greater numbers of young women are receiving education. There is a need to create jobs for these women outside of the agricultural sector. BPO and IT-related sectors can play a role in this as can light engineering and middle level manufacturing.
- Training and skill development of the labour force, particularly the young entrants and women would go a long way in improving entrepreneurship and employment opportunities.

Resources and institutions

- State revenues are increasing. However given the classic case of an open economy with weak resources, Bihar has a strong case for special assistance from central government, especially in the case
- Fiscal empowerment alongwith fiscal consolidation is required, where more money is earned and more money is also effectively spent
- Resources saved are resources earned. Therefore apart from concentrating on resource generation, Bihar should ensure efficient utilisation of existing resources.
- Public investment must complement and leverage private investment.
- Bihari diaspora can be targeted as potential investors.
- For achieving these goals, good governance has been the motto of the current government and effective institution building is essential.
- The key to effective institution building lies in making the institutions centred around people.
- Local level decentralised institutions need to be strengthened and participation from multiple constituencies has to be ensured. The NGO sector is weak in the state and needs to be strengthened.
- Economic institutions such as those of credit are widespread but informal. These can be formalised to make them more equitable and participatory.
- For effective functioning of institutions capacity building particularly of NGOs and Panchayati Raj functionaries is essential.

Socio-cultural renaissance, knowledge and partnerships

- To set the tone for movements to facilitate popular upsurge of ideas, collective pride and the role of institutions in fostering collective pride need to be looked at. An effective way could be to revive past cultural symbols.

- Conservation activities and awareness drives about heritage sites and excavations need to be carried out comprehensively.
- Development of tourism will not only promote livelihoods but will also lead to cultural confluence and revival of old culture.
- The potential of bilateral exchange with the diasporic communities of the state (with reference to Mauritius and Nepal) needs to be explored in preserving the folk culture and tradition of Bihar. There is a need for involving the huge Bihari diaspora for better understanding of Bihar outside the state. State exhibitions and cultural exchanges with the diaspora should be encouraged.
- An autonomous institution like the India International Centre should be made in order to coordinate the cultural activities and events in the state.
- Revival of art and crafts of the state may be facilitated by making museums centres for knowledge and preservation of arts and crafts
- More inclusive forms of arts which incorporate ideals of social justice, gender equity, and wider representation should be promoted.
- Massive efforts are required to promote knowledge and making the state a knowledge hub.
- Partnerships with diaspora and various agencies, institutions and governments will be helpful in expanding knowledge and opportunities.

About the Summit

2007 and Now

Recently Bihar has witnessed a series of initiatives and efforts aimed at pulling it out of its state of stagnation and taking it to a greater heights. There is new hope and enthusiasm among the people striving for a better future. This has brought a perceptible change in the image of the state. Being the second most densely populated state and also among the poorest in the country, Bihar's transformation is vital for the overall development of India. However, the historical burden notwithstanding, the state faces enormous challenges, economic (financial and infrastructural), institutional and social. Success of any development strategy depends on serious engagement amongst all stakeholders in order to identify issues, and prioritise and develop strategies for action.

Earlier, in January 2007, the Institute for Human Development (IHD) in association with some local institutions in Patna had organised a **Global Meet for a Resurgent Bihar**. The Meet was inaugurated by Dr. A.P.J Abdul Kalam, then the President of India. More than 700 people from across the world participated in it. The Meet was the first of its kind in the state. The overall objective of the Meet was to bring together on one platform, leaders of industry and trade, policy makers, scholars, social activists, etc., to identify strategies, explore opportunities and partnerships for playing their effective roles towards the development of the state. The participation and contribution towards identification of issues and strategies for a resurgent Bihar were aimed at strengthening governance and revitalising institutions (socio-cultural, civil society, bureaucracy, people's organisations, other forms of institutional and delivery mechanisms) for improving economic and infrastructure sectors towards human development.

Global Summit on Changing Bihar: Forging Partnerships for Development, 2012 was a follow up to that Meet and aimed to pave the way for greater development and progress in the state. The Summit provided an opportunity for exchange of expert views on ensuring development in Bihar. It served as a forum for assessing Bihar's journey since 2007 on the path of inclusive growth.

The Summit was organised under the overall guidance of the Steering Committee of which the Chief Minister of Bihar, Shri Nitish Kumar and the Deputy Chief Minister of Bihar, Shri Sushil Kumar Modi were the Chief Patron and the Patron respectively. The Prime Minister of Nepal, Dr. Baburam Bhattarai was the chief guest at the inauguration function of the Summit held on 17 February 2012.

The themes and speakers were identified on the basis of wide range of consultations. A brainstorming session was organised at IHD in which several well-known scholars and policy makers participated and deliberated upon the themes and papers and also the outline of the background paper. Based on their suggestions and deliberations an overall background paper was prepared and presented by IHD during the Summit.

The organisers tried to maintain a balance between the thematic parallel sessions and the plenary sessions. For each of the thematic sessions a lead paper was commissioned which was discussed by well-known panelists comprising leading development practitioners, distinguished academicians, and subject experts. Eleven thematic areas were discussed during the Summit:

1. Overcoming the constraints facing faster agricultural growth;
2. Devising an appropriate strategy for urban development;
3. Building industrial capabilities, including infrastructure, finance, skills and entrepreneurships;
4. Developing Bihar as an attractive tourist destination;
5. Strengthening educational and training institutions;
6. Creating a more effective healthcare system;
7. Raising and managing resources for a stronger Bihar;
8. Extending the socio-economic and political roles of women;
9. Strengthening institutions for inclusive and equitable development;
10. Ushering in a socio-cultural renaissance; and
11. Expanding knowledge and research for development.

The Summit brought together about 1500 leading development practitioners, distinguished academicians, subject experts from various fields, policy-makers, researchers, plan experts, scholars, industrialists, entrepreneurs, investors, representatives from the world of art and culture, NGOs, donors and members of civil society, as also delegates from other countries for forging partnerships to pursue and reinforce social and economic progress in Bihar.

With participation from stalwarts in various fields the Summit yielded rich insights on Bihar's development strategy and agenda, priorities and challenges that are crucial to paving a way forward for the state in its journey to prosperity, stability and sustainability.

Global Summit on Changing Bihar

Proceedings 2012

Dr Baburam Bhattarai, Prime Minister of Nepal along with Mr Nitish Kumar, Chief Minister and Mr. Sushil Kumar Modi, Deputy Chief Minister of Bihar lighting the ceremonial lamp at the inaugural function.

Mr. Nitish Kumar, Chief Minister of Bihar, addressing the inaugural session.

Inaugural Session

Inaugural address: DR. BABURAM BHATTARAI, Prime Minister of Nepal

Addresses:

- MR. SUSHIL K. MODI, Deputy Chief Minister, Bihar
- MR. NITISH KUMAR, Chief Minister, Bihar

MR. SUSHIL. K. MODI, DEPUTY CHIEF MINISTER OF BIHAR

The Government of Bihar, since 2005, has proactively infused dynamism in the state with the belief that a developed Bihar can lead to a developed India; that Bihar can be a role model of growth for other states to follow. If the Bihar miracle could be replicated in other laggard states, India could pull its own weight and more; and come to be recognised internationally not as an emerging economy but as one that has arrived. It is not surprising that the Government of Bihar has received invitations from governments of other developing countries to share its model of change and best practices with them.

Bihar and Nepal share a border and a cultural history that is the most intimate that Nepal has with any state of India. King Mahendra of Nepal came to Bihar's Valmikinagar in 1954 when he and PM Jawaharlal Nehru jointly inaugurated the Kosi barrage. And today as one celebrates the unshackling of Bihar's energies, the presence of Prime Minister Bhattarai is strongly reminiscent of that historical event.

MR. NITISH KUMAR, CHIEF MINISTER OF BIHAR

Till a few years ago people were so dejected with Bihar that they had given up all hope for change. Since 2005 Bihar has chosen its own path to development which is aimed at growth with justice. Governance in Bihar is not just focussed on economic growth but based on the premise that the living conditions and live experiences of the most marginalised person have to change. The group of ministers under the present government has set for itself human development goals rather than targets of pure play economic growth figures. The government is working with a roadmap for the next ten years, with an emphasis on infrastructure.

The objective of the Summit is not to serve the narrow purpose of attracting investment into Bihar. Where there is political will and transparent governance, funding is seldom an issue. The Summit is expected to bring in rich yields in terms of forging partnerships, undertaking deep and wide policy analysis and reflecting upon past performance to carve out a path for the future.

Dr Baburam Bhattarai, Prime Minister of Nepal delivering the Inaugural Address

Nepal and Bihar are neighbours that have shared a long and chequered history together. While there is an international border between the two entities, there is no denying that their peoples are organically connected. Their problems and challenges are similar and so do the solutions lie in the realm of cooperation and friendship rather than competition and muscle flexing. The presence of the Prime Minister of Nepal in the Summit is an indication of his will to support Bihar in this resolution and change.

Dr. Baburam Bhattarai, Prime Minister of Nepal

"We are not just close neighbours; nature has forced us to work together in harmony. The Himalayan watershed feeds into most of the Bihar's river systems. The river systems support our life; enrich our land for agriculture and provide the basis for several other economic activities. At times, they swell to create havoc," Dr. Bhattarai said in his inaugural address at the Summit.

Nepal and Bihar not only share borders but also industrial and trade interests; a significant portion of Nepal's international trade is dependent on the use of the road and rail transport of Bihar. While both (Nepal and Bihar) are among of the least developed regions, their legacy is very rich and they share a glorious past. Bihar has now become a model for development and social inclusion. The highest measure of democracy is participation and steps are being taken to ensure participation from all sections of society – something that is very commendable.

For a new vision to tackle poverty, unemployment and underemployment, the need of the hour is to ensure social equity, along with ensuring double digit growth for a sustained period of time. Nepal has always been a strong advocate for strong economic integration of South Asia.

Nepal and Bihar share cultural ties that transcend political boundaries. "Let the lands of Buddha and Ashoka cooperate for the betterment of humanity and to lead the world in the 21st century. There is tremendous scope for investments in joint ventures on both the sides."

Proceedings 2012

Plenary Sessions

1. Strategies for Mainstreaming the Less Developed Regions in the Inclusive Growth process
2. Transforming Bihar: Achievements, Opportunities and Challenges
3. Forging Partnerships for Development in Bihar
4. Role of Cinema and Television in Ushering in Cultural Renaissance
5. Accelerating the Growth of Services and Industry in Bihar
6. Vision of Bihar's Development and Emerging Agenda for Action

From left to right: Dr Montek Singh Ahluwalia, Mr NK Singh, Lord Nicholas Stern, Dr D Subbarao, and Chief Minister Mr Nitish Kumar in Plenary Session 1

Deliberations of Plenary Session 1

Plenary Session I

Strategies for Mainstreaming Less Developed Regions in the Inclusive Growth Process (with special reference to Bihar)

Moderator: Mr. N.K. Singh, Member of Parliament (Rajya Sabha)
Panellists:
- Dr. Montek Singh Ahluwalia, Deputy Chairman, Planning Commission
- Prof. Lord Nicholas Stern, Member, House of London and Professor, London School of Economics and Political Science
- Dr. D. Subbarao, Governor, Reserve Bank of India (RBI)

The session was conducted in the form of a panel discussion wherein various issues raised by the moderator were addressed by the speakers.

Is the economics of twentieth-century capitalism still relevant?

Is the economics of twentieth-century capitalism still relevant for dealing with the challenges of ensuring inclusive growth in the twentieth century, especially since economic growth is fostering inequalities the world over?

Too much capitalism has perhaps been costly for the world. The recent global financial crisis had led to a major rethinking among banks and the financial sector both in the West and in India. However, this reaction is neither new nor unforeseen in India. In the context of persistent inequalities, hesitation about accepting markets and concern about the spread of too much capitalism without a balancing force have always existed, and the country is continually trying to navigate a reasonable path.

In the industrialised world, on the other hand, the financial crisis has led to what may be called a 'push-back', though there is still no perception that these countries should give up on capitalism. Thus, the impact of the change in financial strategies has been vastly different in the two regions, as in the West, there has been a move towards regulation of the financial sector while India seems to be moving away from regulation, which signifies a positive change as the financial sector in the country is already over-regulated.

A related issue pertains to the flow of capital across boundaries. For instance, five years ago, the prevalent belief in the International Monetary Fund (IMF) was that any form of capital control actually reduces efficiency, and that there should be no restrictions on the movement of capital. If that creates a problem with the exchange rates, the latter too should be allowed to fluctuate. Today, however, the caution exercised by India in dealing with capital flows seems to have been vindicated, as the IMF too has changed its view, and the erstwhile policy of complete flexibility in dealing with capital flows, therefore, seems to have given way to a more cautious approach. The major concern today relates to the difference between crony capitalism and competitive capitalism, or the disbursement of resources through the 'licence raj' rather than in a transparent market.

The world is thus changing noticeably in the financial sector and in terms of corporate governance, but that there should be no worries regarding the prospects of 'over-liberalisation'. There is a need to bring in greater transparency in a robustly competitive market, which is probably a good protector of efficiency.

However, regulation is certainly needed in the areas where resources are being allocated. This is because any economic system must have social legitimacy. If an economic system produces an outcome that shocks people too much, it runs the risk of losing social legitimacy, which happened to a degree in the West, though now the economic situation there is under control.

What is the role of the government in fostering inclusive economic growth?

What is the role of the government in fostering economic growth, especially in a state like Bihar, which has not been able to attract adequate private capital in order to sustain high growth rates? How can the government facilitiate inclusive growth and retain social legitimacy in the prevailing high inflation regime and economic slowdown worldwide?

The state has a major role to play in terms of investing in human resources and enabling people to participate in the competitive capitalist system. The government must remain instrumental in providing fundamental services including education and social protection to the people, which, in turn, would go a long way towards tackling various forms of social inequality. In a progressive tax regime, with some subsidies and select green taxes, if significant investments are made in human resources, the capitalist system could become a major engine of growth.

India has a prudent and soundly regulated financial system. The Reserve Bank of India (RBI) is largely responsible for guarding the Indian financial system against any global economic crisis. In the Indian economy, regulation serves a twofold purpose—firstly, of ensuring the stability of the financial system, and secondly, of guaranteeing the protection of the savings that ordinary people have invested in the financial sector. Since the advent of the global economic crisis, there has been a lot of discussion on ways of reforming regulation, and reducing the element of inherent risks in the system. However, these measures entail major costs, which would have to be borne either by the savers or borrowers. In such a situation, the main challenge before the Indian economy is to tighten regulation, and to conform to the new Basel III norms, which would increase credit costs per unit of GDP. This makes it incumbent upon the RBI and the country's financial sector, as a whole, to augment the efficiency of the system and support growth by saving costs and providing credit at competitive rates.

Has the growth–inflation conundrum been resolved in India?

Has inflation finally been controlled and the growth–inflation conundrum resolved in the country? Would monetary policy being implemented now be more conducive to growth?

Inflation is definitely a source of worry for the Indian economy, as it has been consistently high since 2009. Thus, though India emerged largely unscathed from the global economic crisis, inflation caught up with it, compelling the RBI to repeatedly tighten interest rates, which, in turn, largely compromised the erstwhile impressive growth rates. This sacrifice of growth to deal with inflation is expected to function as only a temporary trade-off, and would help in making growth more sustainable in the medium to long term. However, persistently high rates of inflation create an environment of uncertainty for both investors and consumers, and consequently, inflation should be tolerated only up to a threshold level beyond which it becomes inimical to growth. For the most part of 2010, and 2011, the rate of inflation has stayed as high as 9–10 per cent, and thus needs to be dealt with through aggressive measures.

Does development have to necessarily come at the cost of inequality?

To answer the question above we need to first ask: is India becoming increasingly unequal? While gini coefficient for the country does show some increase, the extent of inequality is much lower than that in other developing countries such as Brazil. In India, however, the degree of inequality gets highlighted more than elsewhere because of its powerful media and robust democracy. This creates a stronger perception of disparity in incomes and inequality at the ground level.

Although the growth process definitely needs to be made much more inclusive, it is also important to point out that more than a 100 million people in the country have been moving from a relatively low to modest income levels in the past few years. Thus, there is thus a need for a more balanced appreciation of the nation’s economic achievements.

At the same time, the massive gap between the rich and poor is part of the country’s reality and cannot be garbed in statistics. When we speak of absolute numbers of poor in India, we are indeed speaking of a very large number of people who deserve to live in dignity and any growth process that is not serving that end is not an acceptable process for the country.

What is the role of fiscal measures in facilitating development in backward states such as Bihar?

In a federation, fiscal transfers made by the centre to economically weak states constitute an essential aspect of social policy. Since these transfers have a re-distributional element, larger shares are allocated to the poorer states including Bihar. Financial transfers are in keeping with the basic political philosophy of sustaining the relationship between the centre and the states; India has lessons to draw from the policies of fiscal transfers that have been successfully implemented in Canada and Australia.

The economic situation in Bihar is already on the upswing and is likely to register significant improvement over the next two decades. In this context, it is important to create a conducive atmosphere for inviting investment in the state, which, in turn, necessitates the building of quality infrastructure at all levels. Bihar is indeed faced with a challenge wherein despite economic growth, the credit-deposit ratio is quite low. The RBI needs to provide support and encourage borrowing in the state, particularly among agricultural workers. Simultaneously, it is also imperative to go beyond the primary sector to achieve poverty reduction and bring about an increase in the credit-deposit ratio in the industrial sector too. This would facilitate diversification of the economy and ensure a significant contribution from all sectors to the state domestic product, which is currently quite low.

The Planning Commission, which is not merely an instrument of the centre but an important tool for implementation of social policy, can also play a crucial role in creating infrastructure. In Bihar, there is a serious need for:

- exploring the grant of subsidies, especially cash subsidies, for strengthening the labour force,
- increasing the allocation of funds for education,
- tackling inflation,
- tax reforms,
- streamlining of allocation of funds for expenditure at the state level,
- generation of greater revenue,
- enhancement of the investment in areas of human development such as education, water resources, power and transport facilities.

These steps would help reduce disparity both across income groups as well as regions, thereby enabling Bihar to catch up with the national average both in terms of growth as well as socio-economic indicators.

Way forward

The Government of India must devise a roadmap for ensuring fiscal consolidation and combating inflation, which, in turn, would help raise industrial revenue and achieve expenditure compression. India may endeavour to allocate expenditure better and raise more revenue in order to deal with its big deficits. There is a need for immediate reforms, and GST is an important component of the reforms drive because it offers a chance to tax services. There is also a need to tax incomes more comprehensively. The following general questions need to be addressed urgently:

1. The growth of GDP is impressive, but per capita income is very disparate geographically. In this context, how can personal incomes be improved?
2. Why is there such a huge gap between the rich and the poor, and how can it be rectified?

States are also free to make themselves 'tax-friendly areas' though they should avoid offering sales tax concessions on their own. Once the Goods and Services Tax (GST) regime is introduced countrywide, states would be in a position to facilitate clustering of industries rather than offering sops or concessions. There is a lot of scope for setting up infrastructure and initiating public private partnerships (PPPs) in the spheres of health and education, and for building of assets, in which both the public and private sectors have an equal stake.

Box: The Looming Spectre of Climate Change

Climate change poses a major threat to human life as we know it. The last ten years have been the hottest ever in the history of mankind sice the maintenance of farmer records began 150 years ago. The trend indicates a consistently powerful upward graph.

Since the current per capita energy consumption worldwide is not sustainable in the long run, it is imperative to mobilise the use of modern technology and prioritise energy efficiency to ensure the efficient utilisation and distribution of energy resources like hydropower and solar power, and, concurrently, to achieve a model of inclusive economic growth in lieu of the existing neoliberal growth model that has largely failed to achieve its objective of facilitating equitable growth. Inaction on this front could have devastating consequences for the future.

Poverty and climate change are the defining challenges of the century not only for the world as a whole but also for individual countries and their constituents like the state of Bihar in India that has been lagging behind in terms of growth and development. Bihar has one of the lowest energy consumption figures in the country; its carbon footprint is only one-fifth that of India. In this context, it is important to identify the key issues that govern global warming and climate change, and to chart the future course of progress for the state. There is a need for achieving poverty reduction while simultaneously tackling the issue of climate change within a specified timeline.

While emphasis on education and infrastructure, especially energy, water and transport is necessary in order to mitigate the problem of unequal opportunities and incomes in Bihar the implications of climate change for the state are overwhelming. There is increased possibility of storms, floods, droughts and rise in sea levels, which can be combated only by ensuring energy efficiency, arresting deforestation, and identifying sources of sustainable energy.

For the region as a whole, South–South cooperation can enable these countries to work in tandem to bring about equitable economic growth that is both environment neutral and inclusive.

Though the discussion did not lead to a resolution of the problems of Bihar, it certainly pointed to ways of identifying the complexity of the solution and dynamics of the multiplicity of action that could be used to attack poverty and inequity while enhancing growth.

Plenary Session 2

Transforming Bihar: Achievements, Opportunities and Challenges

Moderator: Prof. Y.K. Alagh, Chairman, Institute for Rural Management (IRMA) and Former Union Minister

Speakers:

- Prof. Alakh N. Sharma, Director, Institute for Human Development (IHD), and Summit Coordinator
- Mr. Navin Kumar, Chief Secretary, Government of Bihar
- Prof. Lord Meghnad Desai, Emeritus Professor, London School of Economics (LSE)
- Mr. Kumar Mangalam Birla, Chairman, Aditya Birla Group
- Prof. Abhijit Sen, Member, Planning Commission

The session brought together doyens of research, policy and governance and yielded rich deliberations that pulled together multiple perspectives on Bihar's transformational process. While Mr Navin Kumar elaborated upon the efforts and achievements of the present Government of Bihar in putting the state on the fast growth track, Prof Alakh Sharma located his presentation in meticulous and rigorous research of the ground realities in the state. He presented the background paper entitled, 'Bihar, Yesterday, Today and Tomorrow', which had been specially prepared by the Institute for Human Development (IHD) for the Summit. Lord Meghnad Desai drew from both the presentations of Mr Navin Kumar and Prof Sharma to highlight the importance of people-centric growth in ensuring sustainability and stability in the state. Mr Kumar Mangalam Birla highlighted the challenges ahead of Bihar in power, banking, agro-based industries, infrastructure, human resource development and skill building. Prof Abhijit Sen placed Bihar's growth story which had been told and retold during the session in its historical and social context and provided insights on where it could head from here.

The report presents a synthesis of the deliberations. While the presentations by Mr Navin Kumar, Prof Sharma and Mr Kumar Mangalam Birla form the three core sections of the report, the discourse is interspersed with call outs which capture the insights from Prof YK Alagh, Lord Meghnad Desai and Prof Abhijit Sen.

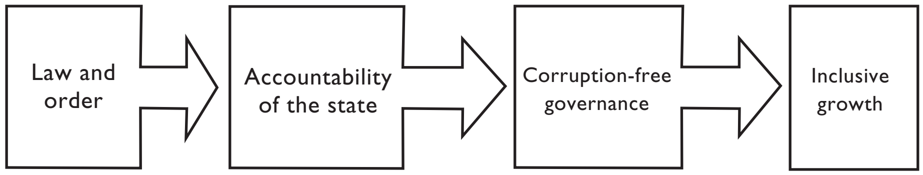
From left to right: Prof Alakh N Sharma, Prof Abhijt Sen, Prof YK Alagh, Mr Kumar Mangalam Birla, Lord Meghnad Desai, and Mr Navin Kumar in Plenary Session 2

Mr Kumar Mangalam Birla (left) and Lord Meghnad Desai (right) in Plenary Session 2

Prof Abhijit Sen addressing Plenary Session 2

Prof Alakh N Sharma presenting the Summit Background paper in Plenary Session 2

Bihar since 2005: The state government's perspective



Bihar has witnessed unprecedented growth and radical socio-economic transformation between 2006 and 2012. In 2005, it was an ailing state, characterised by a dismal law and order situation, abject financial conditions, weak administrative capacity, and low expenditure on development projects.

The first priority of the government was to tackle law and order situation through augmentation of the police force, recruitment of retired army officials and other competent officers as part of the special auxiliary police force, procurement of adequate equipment for police personnel, and implementation of much more stringent policies for dealing with criminals and ensuring convictions of crime by setting up fast track courts.

As the government gradually came to grips with the law and order situation, it focused on crucial areas of economic growth and infrastructure with an eye on human development in the state through better healthcare and access to quality education. In pursuit of the objective of inclusive growth, investment in rural technology as a driver for growth has received a boost. Measures are also being taken for the upliftment of the marginalised sections, management of public funds, attainment of redistributive justice, and introduction of incentives to promote education among women as part of the agenda for inclusive growth throughout the state.

In order to guarantee transparency in administrative functioning and public projects, the government has enacted the Right to Public Service Act. It is also ensuring the effective implementation of the Act by bringing 50 different services under its purview, and allotting specific time periods for each of the concerned departments.

The state government of Bihar has shown how effective governance can play a crucial role in altering the development landscape of any region. It has done commendable work in a wide range of spheres including the building of roads, improving connectivity and communication facilities, strengthening the education sector, implementing 50 per cent reservation for women in Panchayati Raj Institutions and urban local bodies, fostering innovation in the justice delivery system through the introduction of Nyaya Panchayats, and enacting the Rights to Service Act. The state government's all-round performance has infused confidence in the women of Bihar that a positive and steady change is both possible and sustainable.

While Bihar has succeeded in achieving an impressive GSDP of 11.5% over the last few years, it still has a long

The image of Bihar in the eyes of its people and that of the rest of India has undergone a transformation. The country has a lot of expectations from the state today. Youngsters of Bihar are far more confident about their future and forward-looking in their attitude than their parents ever were.

way to go in terms of improving public fund management systems, promoting infrastructure development, ensuring better service delivery, optimally utilising central grants, and introducing new technologies for enhancing growth.

Bihar, yesterday, today and tomorrow: The researcher's perspective

Bihar has achieved economic growth at the rate of 10 to 12 percent per annum in the last six years. This is way ahead of the all India average but is this pace sustainable?

Characterising the economic growth of Bihar

While the state has managed to achieve a remarkable turnaround in terms of the rate of economic growth, the growth is prone to fluctuations as a result of natural phenomena such as floods, droughts, and crop disease. The growth is characterised by unbalanced sectoral patterns, especially in the areas of trade and construction. Further, it has also been confined to the capital city of Patna and a few other large cities, and has failed to percolate down to the rural areas. Equitable distribution of the benefits of economic growth across the state is still a pipe dream.

Challenges faced by Bihar

Despite its impressive growth rate, the state had not been able to ensure employment growth in the urban areas, which, in fact, lower than the national average.

The state has certainly improved its law and order situation, transport and flood management systems, and education and healthcare facilities, yet it still faces the tough challenge of governance delivery, for which a continuous momentum needs to be maintained.

An analysis of the human development indicators for the state shows that in the medium term, or over the next five years, the state needs to concentrate on enhancing its capacity in the areas of education and healthcare. School attendance particularly among girl students is extremely low. Where students are enrolling and attending school, there are questions raised on the quality of education being imparted both at the primary and secondary levels.

The other challenges faced by the state include its persistent socio-economic divide, the prevalence of a weak civil society, and the low capacity of both the local self-government, and the lower and middle level bureaucracy.

Way forward

Bihar can very easily achieve a GDP growth rate of 14–15% if it can strategise well and implement better. If the state is able to turn out a 15% growth rate consistently it will be able to obliterate the gap it has with the national average within the next 15 years. However, for this purpose, the state would need to devise a well-planned strategy for boosting industrialisation and urbanisation, as also its agro-processing industries, the services sector, and its education and healthcare network, besides strengthening its governance delivery systems, and partnerships with diaspora from the state and other stakeholders. Some important thrust areas are highlighted below.

Development of agro-based industries

89% of Bihar's population is concentrated in the rural areas. This makes it

This phenomenal rate of growth should be seen in the context of dismally low rates of growth observed in the state earlier. The increased rate is actually a catch-up rate over the last few years, and would not be sustainable over a long period of time. Further, National Sample Survey data shows no decline in the rate of poverty in the state during the period 2004–09. So, is the rapid economic growth translating to better lives for people at the grassroots and better prospects for the next generation?

The growth attained by Bihar so far has been led by the public sector, and largely stems from the effective deployment of centrally-allocated funds. It is now incumbent upon the state to utilise its resources optimally and fulfil its fiscal responsibilities in terms of implementing the central schemes efficiently.

imperative to harness its potential of agricultural development, for which the priority areas are dairy development, agro-industries, consolidation of landholdings, mitigation of the impact of floods and drought, distribution of hybrid seeds among farmers, development of cross-breed cattle, and most importantly, creation of market linkages and communication networks for ensuring better delivery of inputs at all levels.

Promotion of organised industrial base

While the state is justifiably concentrating on the agriculture sector for achieving growth, it also needs to focus on the other sectors because it cannot hope to come at par with the national average of economic growth in the next 10–15 years on the basis of agricultural development alone. Currently, only 0.5% of the state's GSDP is derived from organised manufacturing, as compared to a corresponding figure of 25–30% in the highly industrialised state of Gujarat. The industries that need to be promoted in the state include sugar and jute mills and construction. The state needs to concentrate on developing not only its large industries but also its cottage and small scale industry sector in the interests of inclusive growth. There is a strong case for the establishment of small and medium industries (SMEs) by providing tax rebates to entrepreneurs.

Optimal industrialisation can be attained by choosing a few sectors and bringing them to a critical level of growth through a judicious mix of infrastructural development, access to energy, resource skilling and linkages with markets so that economies of scale can be achieved and sustainability objectives met.

Planned urbanisation

Along with industrialisation, affecting an increase in planned urbanisation should also constitute a key strategy for growth. Currently, only 6% of north Bihar is urbanised, as against a state-wide figure of 11%, indicating that Bihar is, by and large, rural.

In the context of increased urbanisation, it is also imperative to establish linkages between urban and rural markets, especially in the small and medium towns. As indicated by the national Census data, local manpower and resources need to be retained for facilitating the equitable distribution of benefits as part of the long-term fiscal and infrastructure planning being undertaken in the state. While the state government has achieved admirable success in the development of roads, it should now focus on augmenting power generation, and improving water management, flood control and drainage systems.

Promoting private investment in infrastructure

Another area which needs attention is that of attracting and enhancing private investment in the key infrastructure sectors. Although the state has succeeded in augmenting its internal resources, there is still a huge deficit, thereby necessitating external assistance. In fact, the state government's demand from the Centre for a huge package of Rs. 25,000 crores per year for the next 10 years for meeting its financial requirement for pubic investment, infrastructure development and flood control seems quite legitimate. Simultaneously, private investment should also accompany public investment, and the Indian diaspora from the state of Bihar can make crucial contribution.

Urban centres are the growth hubs of any region. Even the 11% urbanisation that Bihar has is not unqualified. The quality of this urbanisation is under a cloud because these urban clusters suffer severe deficit in basic amenities and services that must cater to the needs of the 15 lakh people who move each year from the villages to the non-Census towns in search of employment and new markets for selling their agricultural produce. Neither this floating population nor these towns are covered in any count from the perspective of policy-formulation.

Promoting gender equity

The state government has played a pioneering role in furthering gender equity by not only enforcing 50% reservation for women rural local bodies but also through the introduction of gender-friendly schemes like the Balika Cycle Yojana, whereby girl students are given bicycles to travel to school. However, the low level of urbanisation in the state has had a negative impact on women's participation in the labour force, which, as per the NSS data, was estimated to be only 6% in 2009–10. This indicates that women still face numerous constraints in obtaining employment and in joining the labour force because of the prevalent biases against them.

Opportunities and challenges across sectors: The practitioner's perspective

The future is created not on the basis of yesterday's logic but on the learning emanating from the failures of the past. Opportunities and challenges are two sides of the same coin. Some key areas in which the state faces challenges and grapples with are discussed below.

Power

Bihar is a power-deficient state, with a per capita consumption of only 100 units, as against the corresponding all-India average of 770 units. It is imperative to boost the power sector and augment power production in the state, since power is the basic building block of the economy, and enables the manufacturing sector to remain competitive.

It is estimated that currently, only 10% of Bihar's power comes within the state. For the balance 90%, the state has to rely on central resources. This underscores the need to promote both private sector participation and public–private collaborations for greenfield investment in power transmission in the state. Until the power situation improves substantially, it would be unrealistic to promote heavy industries. Instead the government may accelerate the development of light engineering and low energy-intensive industries as also agro-based industries which will not only make lesser demands on the states fragile infrastructure but also invigorate its rural sector.

Connectivity

The construction of roads and other infrastructure is imperative not only for improving linkages between towns and far-flung areas but also for boosting both industrial and agricultural production, which constitute the two pillars of Bihar's industrial development.

Skill building

A skilled labour force is necessary for industrialisation. Given the expanding workforce and limited infrastructure and resources for education, private sector investment in the sector of education has become an imperative. The government must encourage the participation of private sector in all levels of education. Setting up of vocational institutes is of primary importance.

Agro-based industry

As India gears up to develop the food cold chain industry across the country, Bihar must contribute to the setting up agro-based industries. Such industries need to be established as the production

> Existing settlements should be re-classified as town and urban centres which can be planned and zoned into residential, commercial and community uses. These centres, if supported with adequate infrastructure, access to uninterrupted supply of power, road and transport connectivity, water supply and sanitation, can attract investments that can promote service sector activity which is the hallmark of a bustling city.

Prof YK Alagh addressing Plenary Session 2

Digital inclusion is a crucial area for promoting people-centric progress. If Bihar is able to ensure universal digital inclusion in the next 10 years it can catalyse transformational growth in the state where every citizen is an active contributor to and gainer from the growth miracle. Connecting people, essential services, financial institutions, and markets like never before, Bihar can harness the full impact of the IT revolution in not just its SDP but also in it human development indicators.

of innovative agrarian products can give an impetus to rural employment while also ensuring food security for the masses.

Organised industrial sector

Big Ticket Industrialisation, i.e. a huge capital investment is needed to boost growth in the organised industrial sector. The new industrial promotion policy for 2011–16 is a decisive first step in this direction; it aims to provide several incentives to private investment in the state. The policy identifies nine thrust areas for attracting investments, viz. food processing, agro-based industries, tourism, super specialty hospitals, IT, technical and high education, electronics, textiles, and non-conventional sources of energy. All of them have been appropriately chosen and would determine the future growth of the state. The biggest challenge is to provide incentives to foreign investors in terms of speedy project approvals, ease of clearances and consistency in policies meant for them. In this context, efforts must be made to ensure the effective implementation of the ongoing industrial policy.

Plenary Session 3

Forging Partnerships for Development in Bihar

Moderator: Prof. Muchkund Dubey, Former Foreign Secretary of India

Speakers:

- Mr. Analjit Singh, Founder and Chairman, Max India Ltd.
- Mr. Roberto Zagha, Country Director, World Bank
- Ms. Caitlin Weisen, Country Director, UNDP
- Dr. Prabhu Pingali, Deputy Director, Agricultural Development, Bill and Melinda Gates Foundation
- Mr. Sam Sharpe, Country Head, DFID India
- Mr. David McLoughlin, Principal Officer, Programmes, UNICEF India
- Dr. Ramesh Yadav, COO, Cradle Technologies, San Francisco, USA

The state government of Bihar has shown how effective governance can play a crucial role in altering the development landscape of any region. It has done commendable work in a wide range of spheres but its most noteworthy achievement has been its success in attaining an economic growth rate of almost 11 per cent during the period 2004–05 to 2010–11. This is remarkable for an economy that was growing at just 3.5 per cent during the preceding five years.

The next formidable challenge before the state is to address the persistent problems of poverty and migration, as also the nexus between the latter and the spread of AIDS, which has been highlighted in recent studies undertaken by UNDP. The state is also home to one-third of the poor population of the entire country, and it is prone to frequent floods and natural disasters, which inflict a loss of over 30 per cent on the state in terms of the Human Development Index (HDI). Coupled with the prevalence of widespread social and economic inequality, all these challenges make it imperative for the state government to forge partnerships at all levels in order to develop its indigenous institutions, and harness the expertise and financial support required for development.

Striking cross-sectoral partnerships have been known to help in overcoming key challenges that may be too difficult or too complex for an individual nation, sector or organization to handle. Partnerships are not only about accessing financial assistance as with enabling the transfer of expertise and resources for facilitating innovation, introduction of novel concepts and products, and long-term support for building capacities. The effectiveness of such partnerships is enhanced by the pooling in of resources, competencies and innovations by all the partners concerned, and the identification of synergistic ways of moving forward on the road to development. The importance of partnerships is also stressed in the Millennium Development Goals (MDGs), which focus on the need for all countries to find a common ground for addressing critical issues pertaining to poverty reduction and promotion of healthcare, education and community development.

While the recent success achieved by the state of Bihar in terms of its socio-economic growth has been attributed to an extent, to the close partnerships it has forged with global institutions like the World Bank, Asian Development Bank (ADB) and the UNDP, the need remains acute for technical assistance and for strengthening human resource utilisation in order to ensure that the financial outlays under various projects lead to better outcomes for Bihar's children and women. The partners need to offer support to the Bihar government for facilitating an understanding of the key issues; ensuring faster, more sustainable social development; enabling implementation of policies and interventions that would help address various bottlenecks on the ground; and promoting a strong policy action framework through the dissemination of professional and managerial skills and human resources. The development partners can thus bring innovative approaches to problem-solving, a framework for timely action to upscale and replicate these approaches on a wider scale, and technical support and expertise to help the government convert its intentions into actions.

The session provided a forum for multilateral agencies as well as multinational organizations to talk about their experiences in engaging with the state of Bihar. Representatives from multilateral bodies such as World Bank, UNDP, DFID, and UNICEF shared the dais with senior resources from the Bill and Melinda Gates Foundation, Max India and Cradle Technologies where each presented a unique perspective on the challenges ahead of Bihar, the organizational experience in partnering with it as well as the road ahead in the partnership.

World Bank in Bihar

World Bank has had a long and fruitful history of partnership with the Government of Bihar over a span of several decades. The government has been proactive in initiating development schemes such as Jeevika (a livelihood project for self-help groups) in the state which has augmented incomes and vastly improved human security in food, shelter, and livelihoods. The government has made commendable effort to promote education, which has helped to improve the enrolment rates of children significantly though the issues of retention of children and the quality of education imparted in schools still remain areas of concern. One of the most immediate needs of the state is to tackle the recurrent floods through better control of the wayward waters of the Kosi river. It is hoped that the Bank will remain an active partner in the state shouldering its development concerns and participating in its onward journey.

UNDP in Bihar

With Bihar already being a priority state for the UN development assistance framework, it will remain one of the significant regions of focus for the UN in the coming future. As the UNDP moves into its next planning cycle for the period 2013–2017, it will continue to engage with the government of Bihar for addressing the vulnerabilities caused by disasters, strengthening the local planning processes, and advancing human development issues in the state.

UNDP's partnership with the state would be focused on three main aspects:

Partnership with people

The first would be the **partnership with people**, especially at the grassroots level, in order to influence decision-making, improve the quality of their lives, and enhance their capacity to augment their social and economic denominators, all of which would automatically pave the way for lasting and beneficial change in their lives. UNDP and other UN partners were already collaborating with the Bihar government for mapping achievements related to human development indicators like healthcare, education and livelihoods, at the village and local levels in the district of Nalanda, to begin with. This mapping exercise is crucial for elevating the dialogue from the grassroots level into the planning process. Equally important is the task of strengthening links with the diaspora and creating an environment for open and constructive dialogue with the key stakeholders in the state as part of the strategy for dealing with various challenges, promoting inclusive growth, and assuring policy coherence for protecting the interests of the marginalised.

Pro-poor institutions for social mobilization

The second area of partnership between the UNDP and the state would be concerned with **building and nurturing pro-poor institutions to facilitate social mobilisation**. Simultaneously, there is also need for investing in research capacities. An important area of research and action could be the identification of innovative policy options for tackling the issues of persistent exclusion and poverty in the state. The UNDP has already taken an initiative in this regard by engaging in a highly participative dialogue with the state government for incorporating the interests of the marginalised and under-privileged groups in policy discussions, and eventually in the Twelfth Plan.

Partnership with the private sector

Thirdly, it is imperative to **forge partnerships with organisations in the private sector**, which are playing an increasingly important role in producing goods and providing services to the public, besides generating employment opportunities and promoting livelihoods. Partnerships with the private sector would also help in boosting livelihood promotion and launching of market-led initiatives in the agriculture-related sectors such as livestock, poultry, vegetable cultivation, procurement and storage of stocks, and ensuring access to finances for agri-business, which would give a tremendous fillip to the rural economy. In addition, the creation of a proper value chain would help rural producers in the state to better organize their production systems, expand their market reach, and garner greater returns for their produce. A vibrant private sector thus offers immense opportunities for people to thrive and optimise their business capabilities. Therefore, forging partnerships with the people, pro-poor

From left to right: Dr Prabhu Pingali, Mr Roberto Zagha, Mr Sam Sharpe, Prof Muchkund Dubey, and Mr Analjit Singh in Plenary Session 3

From left to right: Ms Caitlin Weisen, Mr David McLoughlin, and Dr Ramesh Yadav in Plenary Session 3

Panelists in Plenary Session 3

From left to right: Mr N K Singh, Prof Abhijit Sen, Mr Saryu Rai and Mr Sushil Kumar Modi among the audience in Plenary Session 3 institutions and the private sector can go a long way in promoting development in Bihar.

What next?

UNDP is keen to intensify its engagement with the government of Bihar under the Human Development Mission, which would entail the preparation of district-wise human development reports, implementation of flagship poverty schemes such as the National Rural Livelihood Mission and the National Rural Employment Guarantee Scheme (NREGS), and strengthening of the capacities of the block and district level administrations under the three-tier panchayati raj system for tackling the issues of inequality and exclusion, and furthering human development in the state.

Max India

MAX Healthcare, currently has a facility of 2000 beds in the National Capital Region (NCR), and that during the last two years, as part of its drive to identify business prospects outside the NCR, it has set up two ultra-modern hospitals, specialising in cancer care, in the cities of Bhatinda and Mohali in the state of Punjab, under its public–private partnership (PPP) programme.

The company has already initiated discussions with Chief Minister Nitish Kumar for setting up modern medical facilities under a similar PPP model in Bihar. The fact that the state does not have a world-class hospital even in the capital city of Patna despite the existence of three state-owned medical colleges and a number of private hospitals is also a motivating factor for MAX to venture into the state and provide advanced healthcare facilities for the public. MAX is committed to setting up such a hospital in Bihar and they hope that it would be in place before the next such Summit was held in the state.

Bill and Melinda Gates Foundation in Bihar

India is one of the most significant areas of operation of the Foundation, and much of its work here is focused on health issues. The Foundation works in the country through the organisation 'Aahwan', which is primarily concerned with HIV AIDS, but is simultaneously working with patients of infectious diseases like tuberculosis (TB), malaria and pneumonia. The Foundation is also increasingly engaged in providing health services in Bihar because of the prevalence of extremely high levels of poverty, disease and malnutrition in the state.

Healthcare

The Foundation has integrated family health strategy in the state covering the issues of immunisation, reducing maternal and child mortality, and sustaining child nutrition for the first 1000 days of the child's life to prevent stunting and wasting. An important part of the strategy of delivering healthcare has to do with ways of changing behaviour, both on the demand side, wherein the public can become more demanding and pro-active in seeking access to medical and health services, and on the supply side for improving the effectiveness of health service provisions at both the public and private sector levels. In both these areas, the Foundation has an extremely strong collaborative relationship with the government of Bihar as well as partnerships with many of the development partners and NGOs. Since 2010, it has spent roughly $100 million on healthcare in Bihar. However, that is still a very tiny part of the requirement for attaining a sustainable solution on health, and the Foundation perceives working with a variety of partners as an important aspect of reaching a broader community and scaling up the solutions and operations taking place.

Agriculture

The Foundation has decided to help Bihar in terms of increasing the overall productivity growth, and improving stable crop varieties, particularly of rice, in the highly flood-prone areas of northern Bihar as also the drought-prone areas which are inhabited by most of the poor people of the state. A rice variety called 'Swarn Sabnam', which can tolerate submergence in floods for about two weeks, has been introduced to allow farm families to maintain a significant level of flood security. The government of Bihar has also been actively involved in adapting this rice variety and in disseminating it across the state.

The second area of agriculture in which the Foundation is involved in Bihar is that of encouraging the sustainable intensification of small holder's productivity through the use of crop and resource management technology that helps farmers sustain their yield with a minimum level of resource degradation. An early success attained here has been in conservation tillage in the rice wheat belt across Bihar, where farmers have moved from two–three ploughing to one–zero tillage operations. This practice has been spreading among hundreds and thousands of small farmers in the state, and the government has recently announced a set of incentives for farmers to purchase land levelling equipment and seeds in order to make the zero tillage systems more viable and sustainable.

What next?

Other important areas in agriculture that need to be addressed, include improving productivity across the value chain, tackling bottlenecks to harvest operations, improving quality, reducing transaction costs, linking small agricultural holders to the market, and upgrading extension systems through the use of digital technology. One of the crucial areas in which these can be implemented is that of livestock, especially dairy and poultry. The Foundation was extremely excited and keen to work with the state government and the NGO community as also with other development agencies and partners in the private sector to successfully deal with the persistent problems and challenges confronting Bihar.

DFID in Bihar

Bihar offers a highly conducive environment for work. The cooperation extended by the state government has allowed DFID to build an impressive portfolio of Rs. 2,000 crore in the state, much faster than in any other place. While the World Bank has a presence in the state for the last 50 years, DFID entered Bihar only 3–4 years ago. Nevertheless, it has been able to initiate a large number of projects in the areas of curative and preventive healthcare, nutrition, water and sanitation.

DFID is also supporting some local bodies in the state, especially in view of its growing urbanisation and the resultant public administration challenges. Among DFID's partners in the state are the World Bank, UNICEF, and the Bill and Melinda Gates Foundation, and the partnerships entail sharing of capital and technical expertise in the execution of various projects.

Rapid economic growth has fostered employment generation, creating openings for a large number of jobs in both the government and public works for building capacities and development systems. It is hoped that this will offer DFID an opportunity to use its expertise for training nurses and other urban professionals in the state.

As the private sector starts to play a greater role in the development agenda for Bihar, DFID hopes to be able to promote entrepreneurs by offering them capital for setting up small enterprises and boosting both employment and economic growth in the process.

UNICEF in Bihar

UNICEF has been a partner to the Bihar government for nearly three decades and stood witness to the extraordinary transformation of the state. Strong political commitment backed by good governance has led to a vibrant development environment, bringing in a large number of development partners to Bihar in recent years, including Bill and Melinda Gates Foundation, Packard Foundation, several UN agencies and the World Bank and ADB.

However, the every second child under the age of three years in the state is malnourished. An estimated 160,000 children in the state die before completing one year of life. Bihar still has the lowest rate of sanitation coverage in the country (27 per cent).

Being a trusted partner of the state government, UNICEF has adapted to the changing socio-economic environment and development needs of the state. It has, in fact, transformed itself from a purely emergency-based funding agency to one that provides high-quality technical assistance in the critical areas of child survival, child development, child protection and child participation. Of late, UNICEF's approach has also shifted from merely providing supplies and funds to the government to focus on policy-making pertaining to issues that have broader repercussions for children and women, and on improving the design and execution framework of key flagship schemes.

In conclusion

In the 1980s, 1990s, and the initial years of the twenty-first century, Bihar was not on the priority list of development projects for most United Nations representatives, but things have changed radically since the inception of the Nitish Kumar government in the state, especially because of sweeping governance reforms and a significant improvement in the law and order situation in the state. For the first time in several years, huge budgetary allocations are now being made in crucial human development sectors such as healthcare, education and communication, all of which are reflected in the accelerated economic growth in the state.

The state has achieved a notable reduction in crucial health indicators like the infant mortality rate (IMR) and the death rate among pregnant women during institutional deliveries. In fact, the state has not only caught up with the national average but actually surpassed it in the case of some of these indicators. With many aid agencies expressing their eagerness to extend

A view of the audience in Plenary Session 3

financial cooperation for projects in the health sector, it is now incumbent upon the Bihar government to seize the opportunity and forge ahead by launching large-scale development schemes in this sector.

Even during the peak period of disbursement of foreign assistance, India was receiving only 10 per cent of its total development outlay from foreign funds, and even out of that, a mere 10 per cent was being contributed by international agencies. In recent years, India has emerged as a nation that not only receives foreign aid in many sectors but also offers aid to many countries on a large scale. Thus, while the state government should harbour no illusions that foreign agencies would help in a big way in filling the resource gap in Bihar, it must simultaneously seek the intervention of these agencies for augmenting human development in critical areas in the state.

In order to optimise these efforts for sourcing international financial assistance, the state government needs to develop a well-articulated policy framework and clearly outline the role of these agencies for development in the major sectors. One sphere in which the critical need for foreign aid can be met through networking with international agencies is that of improving the quality of education by imparting effective training to school teachers. The groundwork for this has already been done in the course of preparation of a report on the common school system in Bihar, which also takes into account the costs of building the requisite educational institutions and execution of training programmes.

Plenary Session 4

Role of Cinema and Television in Ushering in Cultural Renaissance—What this means for the people of Bihar

Moderator: Mr. Tripurari Sharan, Director General, Doordarshan

Speakers:

- Mr. Javed Akhtar, lyricist and scriptwriter
- Mr. Uday Shankar, CEO Star India
- Mr. Prakash Jha, film producer, director, screen writer
- Mr. Shekhar Suman, actor
- Ms. Priyanka Sinha, actor
- Mr. Piyush Jha, film director and screenwriter and novelist
- Mr. Abhimanyu Singh, actor
- Ms. Neetu Chandra, actor

Cinema and television are in the domain of popular culture and are often representative of the collective aspirations of people. They result in the creation of icons of our society—the stars. The content for contemporary cinema and television is almost invariably derived from the cultural churning that every society goes through as it progresses along its eternal lifecycle.

'Cinema' is different from the circus—it is not just an entertainer but a custodian and historian…a visual keeper of the cultural narrative of the times. Landmark movies such as *Do Bigha Zameen, Gunga Jumna,* or *Mother India* were as much portrayers of the time as they were drivers of social change. In a sense today a certain 'void' prevails in cinema where films are mostly targeted at the multiplex audience (urban middle class) and have thus lost touch with the reality of the masses, the urban working class and the rural poor. Film-making like any other business is governed by market demand and profit motive. To ensure a box office hit and rich returns for the corporate investors there is very little space for individual film makers who feel inspired or compelled to create films on serious subjects.

When the story teller starts to view his audience as the client to whom he is selling a story, then only those stories get told that the paying client wants to hear. Stories that need to be told for the sake of showing the society the mirror are left by the wayside. Issues related to consumerism, corruption, marginalisation and exclusion that are both pertinent and potentially disruptive gather dust in the realm of ideas.

Where a vehicle such as 'television' deeply penetrates the lives of people a

From left to right: Mr Piyush Jha, Mr Uday Shankar, Mr Prakash Jha, Mr Tripurari Sharan, Mr Javed Akhtar and Ms Priyanka Sinha in Plenary Session 4

reciprocal relationship exists between the viewers and television. While viewers are sucked into television drama, television reciprocates by articulating their aspirations. Reality television has transformed ordinary people leading ordinary lives into media personalities with their place in the sun if only for 15 minutes. Young performers are getting a forum to showcase their talents and grab opportunities that the previous generation could not even have dreamt of. The youth of today, including those hailing from Bihar are forward looking, ambitious, and energetic. They aspire to be westernized in their outlook and tastes in attire, music and lifestyle. One could say that somewhere they are losing touch with their roots and cultural moorings and yet on the other hand one could say that this is India's new reality. This is the viewership that television today caters to, portrays and creates social perceptions around.

While we live in an era of cultural democracy where the viewers decide what they want to see, what will work, what will sell and what will not, given the mesmerizing influence that television has as a medium, it does have to bear the macro-responsibility of facilitating introspection on value systems, priorities, individual aspirations versus social outcome.

In the context of Bihar, greater space for regional languages and dialects such as Bhojpuri and Maithili in electronic media, both television and films will perhaps generate content that has greater relevance to the lives of the common people. When masses are able to relate to what they see and hear, that is when they will emote with it, build perceptions, drive change, and ask for more. Media will then truly be of the people and by the people—can cultural renaissance be far behind?

Plenary Session 5

Accelerating the Growth of Services and Industry in Bihar

Moderator: Prof. Abhijit Sen, Member, Planning Commission

Speakers:

- Mr. K.V. Kamath, Chairman, ICICI Bank and Chairman, Infosys
- Mr. U. K. Sinha, Chairman, Security & Exchange Board of India (SEBI)
- Lord Karan Billimoria, Founder and Chairman, Cobra Beer, UK
- Prof. Dipak Mazumdar, University of Toronto

In the session, Prof. Dipak Mazumdar outlined an industrialisation model that Bihar could follow which would best leverage its current strength in human resource while addressing its challenges in suboptimal infrastructure and business environment in order to deliver and sustain high rates of inclusive economic growth. He focused on the key features of the East Asian growth model and dwelt on the lessons from its failure in India. These lessons provide pointers for the Bihar government to take corrective measures while adapting a growth model to its needs so that mistakes are not repeated and best practices are adopted instead.

While Prof Mazumdar presented the model at the macro level, other speakers such as Mr Kamath and Mr Sinha suggested interventions in specific sectors such as ITES, skill building and agri-business in order to make them growth foci of the state economy.

Proposing a development model for Bihar

The economic history of Asia has witnessed various models of industrialisation. The first one is based on large forms, of which contemporary China offers a classic example. This type of industrialisation depends a great deal on export markets, thereby presuming a large inflow of investable funds. However, it poses the problem of growing inequality arising because the capital to output and capital to labour ratio is high in large export-oriented firms, thereby making the absorption of labour from agriculture relatively low.

The East Asian model on the other hand, addresses some of these problems of inequality, and is perceived to have led to the remarkable economic development in Japan, Taiwan and Korea. This model operates in small and medium-sized enterprises, wherein there is large-scale growth of employment in the manufacturing sector. Simultaneously, farming income in this model is also high because farmers can actively participate in farm markets leading to a cumulative process of the growth of both farm and non-farm enterprises.

In this case, the differentials within the growing sectors as also the income difference between agriculture and industry are relatively low. This East Asian model displays certain unique characteristics because contrary to expectations, economic development in this case has not led to an increase in inequality, rather it has fostered rapid growth in both Japan and Korea.

India too started its industrialisation process with the aspiration to promote its small industries by implementing this model of growth. Unfortunately, however, it started facing difficulties because of the policy of protection extended to small industries from both large industries and from imports. It was not envisaged that policy should be used to encourage technological growth or to encourage small industry to grow into middle level industry and function under a cooperative relationship with large-scale industries. This policy of protection was reversed with the advent of economic reforms in the 1990s but having taken deep root, such a hangover policy persisted, leading to a polarisation of industry size with the micro, cottage and small enterprises at one end of the spectrum and large set ups at the other. Middle level manufacturing enterprises seemed have gone missing from the secondary sector of India. As recently as 2004–05, only 15 per cent of the workforce in India was employed in enterprises engaging 10 to 100 people. The corresponding figure is as high as 40 per cent Korea and Taiwan.

In India, economic growth has been led by the tertiary sector or the service sector, deepening chasms and inequalities. The tertiary sector by its very nature is a poor absorber of labour from agriculture (where the surplus labour lies). Such growth is essentially jobless, when compared to growth in large scale manufacturing. This creates an economic scenario wherein the manufacturing sector is constrained by the lack of mass consumer markets in terms of income and growing inequality.

The East Asian model of economic growth may offer an appropriate alternative for Bihar, as the state is currently going through a stage which Taiwan traversed in the late 1950s and Korea in the late 1960s. There are large opportunities for nurturing a cooperative relationship between small and large industry in Bihar. The three notable features of the East Asian model are as follows:

- *Decentralisation of industrialisation*: This implies that industry cannot be concentrated in one area merely to take advantage of the economies of scale, and that large-scale industrialisation should be spread in small towns and rural areas. Agro-industries are clearly the leaders in this process of industrialisation. This decentralisation, however, presupposes widespread infra-structural development and the unhindered availability of electricity for industry to function efficiently. Even in Japan and Taiwan, the success of this model was based on widespread electrification of its rural areas and hinterland towns. So the government of Bihar has a task at hand to enable this.
- *Transfer of technology*: Policy-makers in the East Asian countries allowed

From left to right: Lord Karan Billimoria, Mr KV Kamath, Prof Abhijit Sen, Mr UK Sinha, and Prof Dipak Mazumdar in Plenary Session 5

Mr KV Kamath (left) and Prof Abhijit Sen (right) in Plenary Session 5

Lord Karan Billimoria speaking in Plenary Session 5

From left to right: Mr N K Singh, Dr Gopalkrishna Gandhi, Mr Sushil Kumar Modi and Mr MJ Akbar among the audience in Plenary Session 5 technological upgradation and the growth of incentives, which accounted for the success of this model. This was especially witnessed in China and Korea, where the respective administrations allowed the proliferation of large-scale export-oriented industries despite the resultant inequalities, and followed it up with an active policy of encouraging the growth of small and medium industries in the 1970s.

- *Efficient governance*: The above policies succeeded only because of their efficient implementation under an environment of good governance that was witnessed in all the East Asian countries concerned.

In India, however, that under the guise of protective policy, a large number of small units was indiscriminately offered protection without any heed being paid to the need for technological progress or the merit of the industry under consideration. This also adversely affected the transfer of technology from the larger to the smaller units, consequently impacting the cooperative relation between the two.

While some of these issues have since been sorted out, India, and especially Bihar in contemporary circumstances, needs to wholeheartedly adopt the East Asian model by decentralising and spreading out the process of industrialisation across its urban and rural areas, facilitating the transfer of technology from the larger to the smaller units, and by backing it with efficient governance and policy reforms to make the model workable. This is eminently possible in the Bihar of today, which is characterised by good governance and implementation of result-oriented policies for growth and development.

Sectors that Bihar needs to focus on

Infrastructure through PPP

Bihar has long suffered the image of a state that has poor and corrupt governance, appalling law and order, erratic power supply and inadequate road connectivity. The state has already made dramatic changes in its governance approach and brought the law and order situation largely under control. Infrastructure too has received attention and has significantly improved. The state government has done excellent work in the building of roads and improving connectivity and communication facilities. The state is now focussing on the crucial power sector in terms of generation and distribution.

It is indeed commendable that the state government has been successful in sourcing funds for creating basic infrastructure for industry while reducing the deficit to a mere 1.8 per cent. It is now incumbent upon the industry to ensure that such a structure becomes serviceable through the mobilisation of finances from the market and does not impose any additional fiscal burden on the government. The time is ripe for all stakeholders to prepare a viable fiscal proposal for infrastructural development in the state through the public–private partnership route and present it before banks and market leaders for the objective of mobilising funds without creating any additional financial deficits or liabilities.

Agro-industry

Since the economy of Bihar is largely agro-based, initiatives for collective action could begin in that sector. A success story has emerged from Baramati district of Maharashtra where an agro-processing unit was set up initially as a cooperative and eventually it diversified into a viable commercial unit that purchased milk and fruit locally and produced concentrated juices, thereby creating a highly remunerative value chain for local farmers. Bihar with its ample water resources and strong agrarian base can easily replicate this model to obtain phenomenal results.

SMEs

As per the available data, there are presently only 16 Micro, Small and Medium Enterprises (MSMEs) in Bihar as compared to the whopping corresponding figure of 1,65,214 in a developed state like Maharashtra. This skewed industry profile needs to be corrected. With its huge reserves of natural and human resources, Bihar can become the base for a large number of medium-scaled industries. The state government has already paved the way for the setting up of such industries by ensuring better governance and improving the law and order situation. The other areas that the government needs to address include adequate availability of power for industry, procurement of land and implementation of a viable land acquisition policy, introduction of quick and transparent clearances for industry, and creation of a conducive environment for investment. The establishment of small and medium scale industries in the state in tandem with large-scale industries will put Bihar on the high growth path envisaged through the East Asian growth model.

IT & ITES

There is tremendous potential for converting Bihar into a hub for information technology (IT) and IT-enabled services (ITES) with its prominent cities playing host to large urban BPO centres. This implies that cities such as Patna would have to be in a position to provide service sector infrastructure in the form of connectivity, transport, commercial space and power supply that is comparable to top metros such as Delhi, Mumbai, Hyderabad, Chennai and Pune. Only then will young professionals be willing to work in BPOs in Bihar. Spadework to this end must begin as soon as possible. The state government should set a realistic target of 5–10 years for sourcing external talent for its key sectors.

Human Resource Development

For any kind of enterprise to grow, it needs trained and skilled personnel. The demographic profile of Bihar indicates that two-thirds of its current population is below 25 years of age while 70 per cent of its total population is less than 35 years of age.

In contrast, the number of technical and educational facilities available in Bihar is much less than those in other developed states of the country. This is substantiated by the fact that the state is ranked 15th in the sphere of professional degree colleges as it has less than 1 per cent of the total number of such colleges in the country. In the area of polytechnics again, it accounts for only 1 per cent of the total national strength and is consequently ranked 18th across the country.

So clearly, while Bihar's greatest strength lies in the sheer size of the workforce, its greatest drag lies in the massive skill deficit that this workforce suffers. Given that the government may not have sufficient funds to provide skills

Deliberations during Plenary Session 5

based training to such a large body of people, it can work as a facilitator where in private players can invest in training persons who gain employable skills which ultimately reaps benefits for the private sector in turn as it gets custom-trained resources for its needs.

Private enterprises have been active players in the Indian education sector for many decades particularly at the school-level. Their advent in higher education has been more recent but privately run professional colleges, universities, engineering and medical schools and even business schools have been mushrooming and flourishing all over India since the 1990s. In the case of Bihar greater private interest in the education, training and skilling sector needs to be elicited while simultaneously ensuring quality through accreditation and certification systems. Unless there are more seats available in professional training institutes, access to skilling will remain a challenge for the state's workforce which will continue to be a liability than an asset.

Public support to skill development will remain necessary in sub-sectors where private interest is not likely. For instance, capacity building of disadvantaged or marginalised groups who do not have the ability to pay for training provided will be largely possible only through public involvement. These groups also form a large proportion of the said workforce that the state is setting out to train.

Plenary Session 6

Vision for Bihar's Development and Emerging Agenda for Action

Moderator: Mr. M.J. Akbar, Editorial Director, India Today
Presentation of the main conclusions of the Summit:
Prof. Dev Nathan, Institute for Human Development, New Delhi
Speakers:

- Mr. Navin Kumar, Chief Secretary, Government of Bihar
- Mr. Prem Shankar Jha, Managing Editor, Financial World and Former Editor, Hindustan Times
- Dr. S.C. Mishra, Head, Strategic Asia, Jakarta
- Prof. Sudipto Mundle, Emeritus Professor, National Institute of Public Finance and Policy (NIPFP), New Delhi
- Dr. Gerry Rodgers, Visiting Professor, IHD and Former Director, International Institute of Labour Studies, Geneva

Revisiting Bihar—yesterday, today and tomorrow

While recent achievements are commendable...

Less than a decade ago, Bihar was considered a lost case and nobody anticipated the kind of progress it subsequently achieved with an efficient government at the helm. The main reason for this achievement has been a significant improvement in the law and order situation in the state, which has fostered a peaceful and conducive environment for accelerated development and economic growth.

The changes being witnessed in the state are intrinsically of a unique and qualitative nature symptomatic of the global shift in favour of the Asian continent, as symbolized by the rise of China as a formidable world economy, the high growth rates consistently attained by Asian economies like those of India and Korea, among others, and the process of political churning and slow restoration of democracy in Myanmar. These processes are indicative of the tremendous political experience inherent in Asia, which allows its constituent nations to remove economic and political bottlenecks to development, to build alliances, to carry the public along on the path of growth, to reform the judiciary, and to ensure that the military performs its designated role of protection rather than governance. The transformation in Bihar can thus actually be seen as a part of this series of large transformations, and possibly signifies a whole spectrum of new trading relationships, investment opportunities, and skill transfers.

Good governance is also needed to facilitate fiscal consolidation for generating resources for development expenditure, in general, and capital expenditure in infrastructure, in particular, besides enabling the implementation of effective and people-friendly policies. One of the assurances that people need when there is an acceleration in growth concerns the equitable distribution of the benefits of this growth, which is why the issue of inequality was being raised repeatedly during the course of the Summit. The **Bihar government has succeeded in restricting the level of inequality in the state despite attaining such a significant rate of growth**. There are several reasons for this. **First**, real wages for casual workers have risen in the state and presently stand at Rs 100–125, which is comparable to the wages earned by workers in Delhi. **Second**, the integration of the labour market cross North India has facilitated the large-scale migration of unskilled workers from Bihar in search of employment outside the state. **Third**, the casual wages for women too have risen, and in addition, their employment opportunities within the state have increased because of the mass migration of the male labour force from the state. **Fourth**, the modern industrial sector, which has been the cause of inequality in other states, is too tiny in Bihar to drive inequality. **Finally**, the fact that trade has been moving in favour of agriculture in the state, and the range of inclusive policies being implemented by the Chief Secretary of Bihar have also been responsible for restraining the rise of inequality and creating the space for equal opportunities for all social groups in the state. It now remains to be seen whether this phenomenon of generating equal opportunities for all while simultaneously ensuring a high trajectory of growth can be sustained by the state in the long term.

Much remains to be done

Despite its notable achievements, Bihar still ranks much lower than other states in the country in terms of a high infant mortality rate and a persistently low literacy rate, which can be said to be the legacy of its laggardly development in the decades gone by.

In terms of growth rate

It is also the poorest in terms of per capita income, which implies that even if it continues to achieve a growth rate of 8–10 per cent during the coming years, it would still take Bihar 30–40 years to attain an average standard of living vis-à-vis the other states, or to 'catch-up'. A stagnant growth rate of 10 per cent is simply not good enough for the state to leave behind the morass of deprivation and poverty that it has been struggling to defeat for the last several years. What is needed instead is a much higher growth rate of 14–15 per cent, which would translate into a 10 per cent hike in per capita income in real terms.

In terms of education

Proactive state initiatives have led to an increase of 17,000 private school-teachers in the state since 2005. However these teachers still need to undergo thorough and intensive training before they can deliver acceptable quality. In spite of this increase in coverage, the level of attendance in schools is still only 60–65 per cent. New ways and means of promoting enrolment in schools need to be identified and implemented. While the number of primary schools in the state is 75,000, the number of secondary schools is only 3000, as a result of which thousands of students completing primary education are unable to secure admission at the secondary level within the state and are compelled to drop out. The Mid-day Meal scheme currently being implemented in various government schools in the state needs intensive monitoring through the use of information technology to ensure the regular distribution of quality food under the scheme.

There is a need for devising an appropriate knowledge strategy that would facilitate the building of an institutional framework, better linkages in educational institutions, promotion of access to the Internet and literacy programmes on a wider scale throughout the state, and greater interaction among researchers, policy-makers, NGOs, and members of industry and business houses in Bihar.

In delivering healthcare

The state is facing significant shortages of medical professionals. There is a deficit of 43 per cent in the case of doctors, 54 per cent for para-medical staff and 55 per cent for Auxiliary Nurses and Midwives (ANMs). While new medical colleges have been set up, they need to be strengthened and provided with additional staff and financial assistance. There is also need for additional nursing colleges apart from the two existing ones. At least 1500 more Primary Health Centres (PHCs) are needed in the state, along with an additional strength of 6–8 doctors for each existing PHC.

In infrastructure development

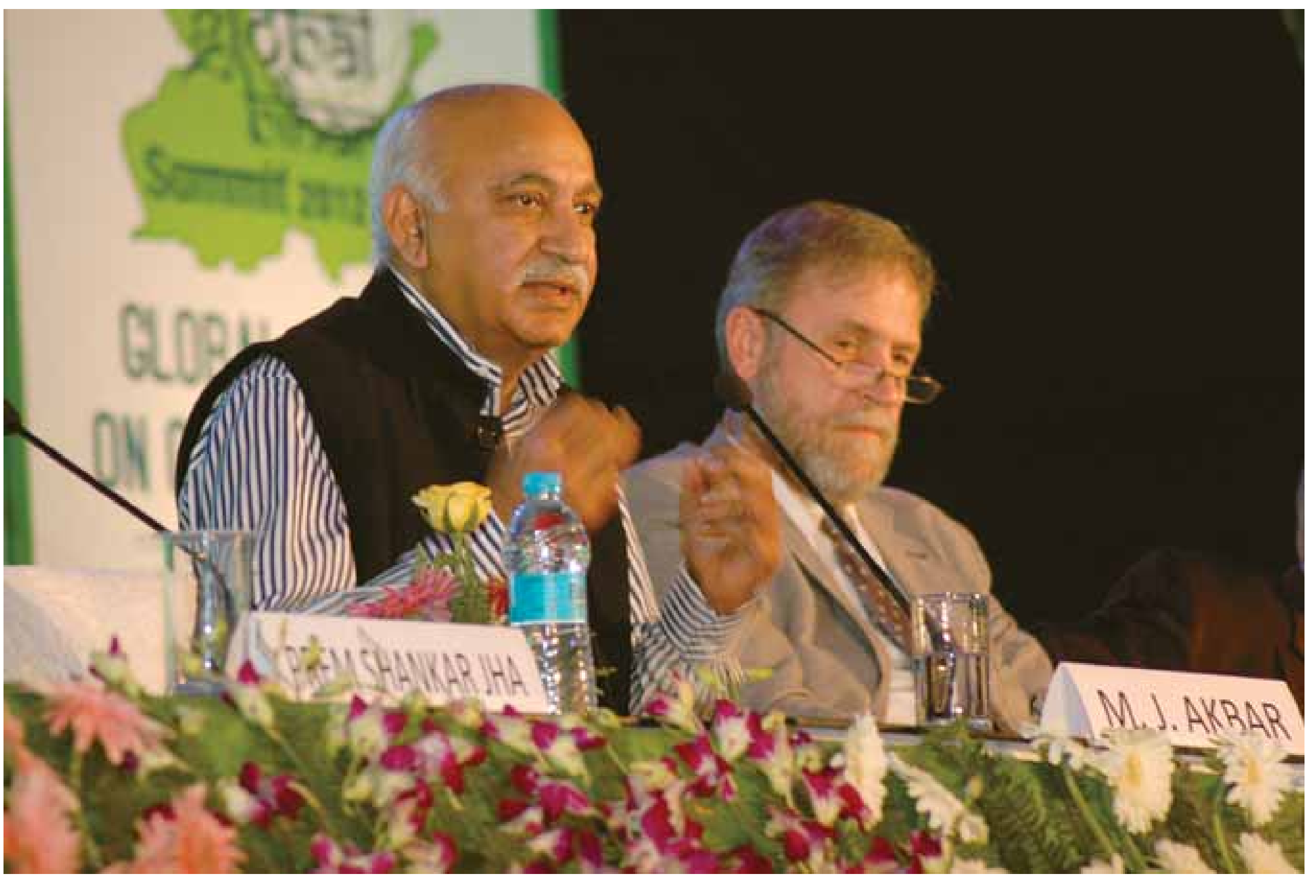
The road network entails construction of at least 70,000 kms of roads in the rural areas, including 20,000 kms to be built under the Prime Minister's Gram Sadak Yojana (PMGSY), and 50,000 kms to be built by the state government, which would necessitate the harnessing of additional resources and trained manpower. In the power sector the state government needs to enhance the existing generation capacity besides facilitating coal linkages for thermal plants. Further, there is need for arresting transmission and distribution (T&D) losses to the tune of at least 40 per cent, for revamping the power distribution system, and for exploiting the potential of solar power.

Not much has so far been done to enhance the urban infrastructural network in Bihar. Although funds have been provided to the cities of Patna and Gaya for development under the Jawaharlal Nehru National Urban Renewal Mission (JNNURM), these have not been effectively utilised so far because of the lack of urban local bodies and the shortage of manpower and capacity in the cities concerned.

And hence...

Even though the present government has succeeded in boosting the morale of the youth in the state, it needs to do much more on the ground. Though Bihar is extremely rich in natural and human resources, and has a large workforce at its disposal, it needs to overcome its infrastructural deficit and identify the areas wherein a much faster rate of growth needs to be stimulated, such as power and electricity generation, road construction, the IT industry, and communication and connectivity. Bihar

From left to right: Dr Gerry Rodgers, Dr SC Mishra, and Prof Sudipto Mundle in Plenary Session 6



Mr MJ Akbar (left) and Dr Gerry Rodgers (right) in Plenary Session 6

Prof Sudipto Mundle in Plenary Session 6

Mr Naveen Kumar,Chief Secretary, Bihar in Plenary Session 6 needs to capitalise on its vast workforce, while simultaneously seeking central support in terms of sponsored projects and development assistance for achieving the targeted growth rate.

Takeaways from the Summit

Conclusions

The primary purpose of holding this Summit is to conceptualise and plan the future of Bihar. Bihar is seeking, not capital investment but intellectual investment into the future of state by identifying ways of reducing poverty by accelerating the growth process and achieving better outcomes in human development indicators. This exercise is especially important because the widespread perception is that despite its phenomenal growth rate over the last few years, Bihar has still not succeeded in attaining a commensurate rate of poverty reduction.

The two questions confronting the state administration and development economists are how the poverty-reducing impact of growth can be captured, and what measures need to be taken to augment the growth rate itself from the current 10 per cent to a much healthier and eminently achievable rate of 14–15 per cent.

Four areas for intervention have been identified in order to achieve these twin objectives:

- Training women in managerial skills to enable them to participate more effectively in the workforce;
- Devising an effective industrial strategy and a middle-of-the-road path for boosting industrialisation and manufacturing to harness the high potential for employment creation in the state by filling in the gap in terms of the 'missing middle' with trained and skilled personnel;
- Boosting the commercialisation of agriculture from its existing subsistence nature, and providing the requisite infrastructural support to the agriculture sector; and
- Ensuring that land is given to the landless through a 'willing seller policy', which would go a long way towards increasing the poverty-reducing impact of growth.

Presently, economic growth in Bihar is driven mainly by government expenditure. This phenomenon needs to be changed to enable the private sector to become the main driver of growth, which, in turn, necessitates the identification of various sectors that would help increase private investment in the state.

Bihar is currently in a happy space wherein it can make history but it still cannot choose the conditions that would contribute to such history-making. Instead, it needs to capitalise on the existing conditions and mould them in a way that would impact the growth process. In this context, the following channels may be leveraged to overcome various growth-related challenges:

- The state's agriculture sector has a productivity advantage only in fruits and vegetables, not in cereals. This needs to be rectified to strengthen the sector.
- There is a large labour force with a low per capita income in the state, which needs to be tapped for its

potential to contribute to growth and productivity.

- Women need to play a much greater role in the labour force of the state, which necessitates an enhancement of their income-earning capacities and the imparting of requisite skills to them. This task also entails educating girls to equip them for employment in the non-agriculture sectors.
- A very large proportion of the population of Bihar comprises the Indian diaspora, especially in areas like Silicon Valley in California, USA. These NRIs from the state should be encouraged to give back to the state in terms of both financial contributions and professional support in setting up development projects there.

Thus, Bihar needs to exploit the potential of its women force, as also its demographic and diasporic dividends in order to translate growth into development during the next two decades.

Various other areas that can be developed for fuelling economic growth in the state are detailed below.

- The state of Bihar could follow the example of China, which is using its labour force as a capital, and where all manufacturing industries are labour-intensive, to manage its immense population. This is already being practised by certain manufacturers in South India, as also in Bangladesh and Nepal.
- It has been observed that industrialisation flourishes not just in clusters but also along corridors, such as in huge areas like the wasteland along the Delhi–Jaipur highway or the Mumbai–Pune corridor or even the Chennai–Bangalore corridor. Bihar too has the Bhagalpur–Rohtas corridor, and it is really a mystery as to why that corridor is not being developed further, especially since it has a robust infrastructure and all the basic facilities needed for communication.
- Another sector that can be developed despite the potential competition it would face is that of tourism, which can rapidly attract a lot of corporate investment. It is, in fact, already beginning to do so in the Bodh Gaya area, where a number of hotels are being set up. Tourism thus signifies a potential area for quick development for the state not only because of its economic implications but also due to the fact that it is a labour-intensive industry and has a rural connection.
- It has often been pointed out that there is a massive skill deficit in terms of both the male and female workforce not only in India as a whole, but also in Bihar at the state level. It is thus imperative to devise policies that would promote the use of a well-trained labour force.
- In addition, the possibility of forging public–private partnerships should be explored, as they can help reduce the cost of investment, especially in capital-intensive sectors like the power sector, which needs huge investments and long gestation periods for projects to become financially viable and cost-effective.
- While government policy needs to focus on the issues of land

acquisition and bringing down the price of land through public investment and treating the land value as a share of the capital, it is equally important to promote housing projects for workers as part of a policy for building a large, productive and efficient workforce. Although many erstwhile public sector units like Bombay Mills used to provide housing to their workers, today this workforce is left to fend for itself by staying in slums and urban ghettos.

- There is a need for special and speedier decision-making and consistency of policy implementation. The state is facing high levels of transaction costs, largely due to corruption and other bottlenecks, which are big barriers to the investment of capital. The state government can counter this not only by harnessing a skilled and productive workforce but also by capitalising on the returns emanating from its large migrant labour force, which is a significant characteristic of the Bihar economy.
- In the agriculture sector, it is a financially viable proposition to promote the cultivation of small farms because of their higher productivity potential. Several studies, including one recently undertaken by the Institute for Human Development (IHD), have shown that for large landowners, land is often merely a real estate asset rather than a site for agriculture, and it is actually the smaller and medium landowners who utilise this asset for agricultural purposes. The government thus needs to factor in this finding while devising policies for agricultural development. Simultaneously, there is need for land reforms to promote security and rights for tenants and to facilitate the distribution of land for its optimal utilisation for agricultural purposes, among the landless. Such a policy can also be implemented by the state government through the purchase of land from large landowners and selling it to the landless at subsidised prices.
- Other measures that need to be implemented urgently in the state include the setting up of district hospitals and health services with net facility, promoting mobile connectivity among all sectors, and building institutional capacities through the promotion of a knowledge base.

Action points

On the basis of the various presentations made by the eminent panellists during the concluding plenary session at the Summit, the following objectives, strategies and policy parameters can be recommended for taking the state of Bihar forward on the path of development and growth.

Objectives before the government

- To increase the poverty-reducing impact of economic growth in Bihar
- To raise the present growth rate of 10–11 per cent to 14–15 per cent and to sustain it
- To promote a vibrant agricultural and productive industrial sector in the state

- To ensure the all-round integrated development of the state by involving the entire workforce, especially women, in the growth process

Challenges facing the government

- Dealing with inequality resulting from a high rate of economic growth
- A decline in Bihar's Human Development Index (HDI) by 30 per cent because of a high level of inequality
- Bringing down the incidence of poverty in Bihar, as the high growth rate has merely reduced the severity of poverty but not its incidence
- Carrying the benefits of education, healthcare and development to all sections of the society in a holistic manner

Proposed measures to meet the challenges

- Impart training to women workers to enhance their strength and participation in the workforce, and coach them to become managers and skilled employees to enable them to seek employment outside agriculture
- Devise an industrial strategy that would help fill the 'missing middle' with skilled workers while sustaining and augmenting growth
- Universalise secondary education to reduce inequality and increase the returns to labour
- Boost the provision of healthcare by setting up more health centres, appointing more medical staff and extending these facilities to a larger population; target should be to universalise healthcare access
- Promote the setting up of call centres and Business Process Outsourcing (BPO) IT services in the capital city of Bihar, Patna
- Commercialise agriculture, and foster institutional changes and infrastructural support to boost the growth of agro industries
- Streamline the land acquisition policy through a 'willing seller approach' for promoting the use of this land for setting up industries and agricultural units and ensure that the landless are given land at subsidised prices

Role of the government

- Ensure maintenance of law and order and reduction in corruption in the state to promote a conducive atmosphere for growth and development
- Provide people access to markets
- Support markets by providing infrastructure like roads and manufacturing facilities, and ensuring access to education, healthcare, training and housing for the workforce
- Counter market failures by ensuring minimum wages for workers and minimum support prices for agricultural produce
- Compensate for inequalities through income or asset transfers, and taxation
- Promote private sector investment on a larger scale through public–private partnerships to counter the use of government expenditure as

a major driver of growth for the economy

Salient features of a development strategy for Bihar

- Shifting of labour out of agriculture into the manufacturing sector to promote industrial development in the state
- Developing clusters and corridors for industry like the Bhagalpur–Rohtas corridor along the lines of the Mumbai–Pune, Delhi–Jaipur, Delhi–Agra and Chennai–Bangalore corridors
- Promoting new sectors like tourism and agro industries for economic development
- Resolving problems of land acquisition and promoting economic zones for industry
- Imparting skills to workers to addressing the skills deficit in the state
- Boosting power generation to ensure adequate supply of power for industry and agriculture
- Capitalising on the demographic dividend by encouraging the young workforce of Bihar to contribute to the state's growth through entrepreneurship and better employment avenues
- Connecting with the Indian diaspora from the state and motivating them to offer financial and professional assistance to the state by way of increased remittances and participation in development projects
- Promoting Internet connectivity and better communication facilities throughout the state
- Implementing progressive policies for growth to boost investment and industrial expansion in the state
- Shifting towards participative initiatives, such as provision of resources to local action groups in slum settlements, improvement in infrastructure, and extension of support for local economic activity, pooling in of large inflows of remittances from migrants for industrialisation, and creation of a knowledge base and ensuring that it percolates down to the grassroots level
- Providing a knowledge base to ensure that the workforce in the state has access to new systems and procedures needed for growth
- Improving governance and delivery systems.

A long-term vision for the future needs to be developed in terms of enhancing the development indicators, reforming the education system, fostering qualitative changes through the introduction of technology, mobilising public energy, and evolving a vision and strategic plan for sustaining the process of growth and development in the state. Simultaneously, the state government also needs to engage with the rest of the world, both by encouraging the Indian diaspora from Bihar to come back and do their bit for their home state, and by taking the state's incredible growth story to the outside world as an example of a viable financial and social transition in the present international environment of depressed growth and persistent recession.

Proceedings 2012

Parallel Thematic Sessions

1. Overcoming Constraints for Faster Agriculture Growth
2. Devising Appropriate Strategy for Urban Development
3. Building Industrial Capabilities: Infrastructure, Finance, Skills and Entrepreneurship
4. Developing Bihar as an Attractive Tourist Destination
5. Raising and Managing Resources for a Stronger Bihar
6. Expanding Knowledge and Research and Development
7. Strengthening Educational and Training Institutions
8. Towards Universal Health Coverage in Bihar
9. Women in the Economic Development of Bihar
10. Strengthening Institutions for Inclusive and Equitable Development
11. Ushering in a Socio-cultural Renaissance

From left to right: Dr PK Joshi (at the lectern), Dr Anjani Kumar, Dr Mangala Rai, Dr SC Jha (moderator), Dr Purvi Mehta-Bhatt, Dr T Haque in the thematic session on agriculture

Audience and participants in the thematic session on agriculture

Thematic Session I

Overcoming Constraints for Faster Agricultural Growth

Moderator: Dr. S. C. Jha, Former Chairman, Special Task Force on Bihar of the Planning Commission

Theme Presentation: Dr. P.K. Joshi, Director (Asia), International Food Policy Research Institute (IFPRI)

Panellists:

- ❖ Dr. Mangala Rai, Advisor on Agriculture to the Chief Minister, Government of Bihar
- ❖ Dr. Jeemol Unni, Director, Institute of Rural Management Anand (IRMA), Gujarat
- ❖ Dr. T. Haque, Former Chairman, Commission on Agricultural Costs and Prices, Government of India
- ❖ Dr. Anjani Kumar, Senior Scientist, National Centre for Agricultural Economics and Policy Research, New Delhi
- ❖ Dr. Purvi Mehta-Bhatt, Director, International Livestock Research Institute

The report summarises the contents of the theme paper and discussion that was woven around it. The summary is interspersed with relevant comments from the panellists (in boxes).

Overcoming constraints for faster agricultural growth

Bihar is endowed with the best of natural resources for agriculture; it is privileged to have abundant rain water, sunshine and labour. However, in spite of being rich in natural resources, it is food deficit and is home to the largest number of undernourished and poor people in the country due to exceptionally low agricultural productivity. Though, agriculture in Bihar is already transforming, its speed needs to be accelerated.

Very small landholdings (72 per cent of holdings are below 0.5 hectares), joint landholdings and tenancy obstruct the agriculture sector from improving livelihood opportunities of the small holders and making them viable and sustainable. The twin problems of flood and drought present considerable challenges. Only four per cent of the state outlay is devoted to agriculture and investment of much higher order is required in this sector.

There are large intra-state disparities in crop yields and agricultural productivity attributed to several biotic and abiotic factors, such as underdeveloped markets, weak infrastructure, like poor connectivity, inadequate electrification (52 per cent of villages are still not electrified), dismally low numbers of cold storages, among others. Another related concern was that a majority of the farmers receive less than the minimum support price for their produce.

Way forward

Some initiatives that the state should undertake to improve the condition of agriculture include:

- Integrated planning for harnessing the untapped yield potential,
- Better management practices to overcome the yield gaps in rice cultivation (which range between 130 to 300 per cent and in the dairy sector between 40 to 50 per cent)
- Qualitative and quantitative improvements in hybrid seed production

Maize productivity has risen considerably and Bihar could soon become a hub for maize cultivation in the short and medium term. Better utilisation of rice fallow system through proper implementation of the technology that is already available

'Profitability' as the key to improving agriculture in the state. Agricultural prices are very low in Bihar and the pricing policy has only caused damage to cultivators. Skewed policy of the Government of India for procurement has led to problems in agriculture, and the state should have its own procurement policy and mechanism through efficient management and marketing interventions.

Improving supply chains, and diversification of products can lead to increased profitability of agriculture. Reclaiming the fallow land or single crop land in the state can actually push Bihar towards food security and even towards becoming a net exporter of food.

There is a need for a comprehensive land use policy for conversion of agricultural land to non-agricultural use and also for ensuring security of homestead land for the landless for livelihood and food security. Land pooling through collectives or SHGs could provide workable solutions. Penetration of co-operatives at about 15 per cent is very low in Bihar; the unorganised agencies that are currently operational need to be formalised.

Horticulture can be improved by replacing large numbers of old and senile orchards with new cost effective fruits.

For marginal farmers, livestock husbandry creates a mixed farming system, and for the landless it is the only security of livelihood. For 47 per cent of state's population, livestock is the only social asset and insurance. Investment and strengthening capacities in livestock management can lead tremendous value addition.

Incentives and market networks for small and marginal farmers may be created by converting each district centre into an engine for growth.

Since the changing demographics of agriculture has an impact on food security, larger proportions of women are becoming the mainstay of agricultural labour. Thus, government policies should be oriented towards improving the working conditions of women agricultural workers in Bihar.

could lead to further improvements in agricultural productivity.

Agricultural diversification through promotion of livestock husbandry, horticulture and floriculture can also lead to enhancement of farm incomes of the poorest cultivators.

Agro-processing in the state with the development of better pre-cooling facilities and cold storage chains can reduce wastage.

There are many institutional factors that inhibit investment in agriculture, such as high level of tenancy and subsistence agriculture, limited managerial powers of women workers and the fact that land is not seen as asset by large owners.

Government's intervention for transformation of agriculture in the state was imperative. Some action points to alleviate constraints, identify and harness opportunities for higher, sustainable and inclusive agricultural growth in the state include, increased investment into flood control and market connectivity, inter-linking of invention and innovation, introduction of collective and/or contract farming, strengthening of institutions that deliver services to farmers, and reprioritisation of research agenda towards more interdisciplinary research and natural resources management.

Thematic Session 2

Devising Appropriate Strategy for Urban Development

Moderator: Mr. Navin Kumar, Chief Secretary, Bihar and Former Secretary, Ministry of Urban Development, Government of India
Theme Presentation: Prof. Amitabh Kundu, Jawaharlal Nehru University, New Delhi
Panellists :

- Dr. Sandeep Aggarwal, Professor and Programme Director, School of Urban and Regional Planning, Ryerson University, Canada
- Dr. Dennis Rodgers, Brooks World Poverty Institute University of Manchester, United Kingdom
- Dr. Chetan Vaidya, Director, National Institute of Urban Affairs (NIUA), New Delhi
- Dr. Harsh Singh, Director, Market Solutions for Inclusion, New Delhi
- Mr. S.K. Das, Managing Director, Associated Architect, New Delhi and Professor, School of Planning and Architecture, New Delhi

The report summarises the contents of the theme paper and discussion that was woven around it. The summary is interspersed with relevant comments from the panellists (in boxes).

Issues in urban development in Bihar

The development story of Bihar is plagued by two conundrums:

1. First, the paradox of rapid economic growth and low urbanization (11%) in the state.
2. Second, while poverty may have declined as per the older methods of calculating poverty levels, according to the Tendulkar Committee, urban poverty has remained consistently high. Urban poverty figures continue to rise despite growth in income in the state. Out-migration from Bihar thus remains the same, though the profile of migrants and their destinations are undergoing some transformation.

These two aspects of Bihar's development experience bring urban areas into sharper focus and lie at the core of understanding why significant economic growth in the state is not leading to appreciable poverty reduction.

The level of urbanisation in Bihar has been very low due to its weak economic

Participants in the Thematic Session on Urban Development

There is a major deficit of urban planning in the cities of Bihar. Pan India programs such as Jawaharlal Nehru National Urban Renewal Mission, Rajiv Awas Yojana and the 13th Central Finance Commission Grants to urban local bodies need to be better utilised to enliven Bihar's cities, particularly tier II and tier III urban centres, and make them more efficient and livable. While national programmes can provide much needed funds for urban development, each city needs to be planned for at the local level where master plans are transformed to policy plans with clearly delineated timelines, measurable targets and execution agenda that urban local bodies are empowered to undertake.

base. Growth in the urban population has also been sluggish during the last three decades; the number of urban centres in the state was very low in relation to its population and area in comparison with other, even less developed, states.

The presence of a strong urban industrial corridor passing through the districts stretching from Bhagalpur to Rohtas which emerged in the state over the decades has not been able to compensate for the overall weak urbanisation in the rest of the state.

Way forward

The low rate of urbanization in most of the districts in the central and northern regions can be attributed to their dependence on the primary sector and the low growth recorded therein. Most of the state's economic growth comes from agriculture followed by construction and services, but the manufacturing sector continues to suffer.

Investment in infrastructure and industrial development is required not just in the east–west corridor but also the rest of the state. Furthermore, small scale and household industry must be encouraged in the large number of census towns in north Bihar. The state government should undertake a major programme of capacity development in the urban sector by supporting an urban training institute either as a separate institute or part of state training institute.

Thematic Session 3

Building Industrial Capabilities: Infrastructure, Finance, Skills and Entrepreneurship

Moderator: Dr. Santosh Mehrotra, Director General, Institute of Applied Manpower Research (IAMR), New Delhi
Theme Presentation: Dr. Dinesh Awasthi, Director, Entrepreneurship Development Institute of India (EDI), Ahmedabad
Panellists:

- Mr. K.P.S. Kesri, President, Bihar Industries Association, Patna
- Mr. Rajeshwar Mishra, Director, Metallon Holdings Limited, Beijing
- Dr. Rakesh Basant, Professor, Indian Institute of Management, Ahmedabad
- Mr. Satish Jha, Chairman, One Laptop Per Child (OLPC), India
- Mr. Satyajit Kumar Singh, Regional Vice-President, (Agriculture and Food Processing), Confederation of Indian Industry (CII), Patna
- Dr. Sher Verick, Senior Specialist on Employment, International Labour Organization (ILO)
- Dr. Ram Sahi, Adjunct Professor of Economics, Carleton Univeristy,Ottawa, Canada
- Dr. Sudhanshu Rai, Professor, Copenhagen Business School
- Mr. Mukesh Gulati, Executive Director, Foundation for MSME Clusters, New Delhi
- Mr. C. K Mishra, Principal Secretary, Department of Industry, Government of Bihar

The report summarises the contents of the theme paper and discussion that was woven around it. The summary is interspersed with relevant comments from the panellists (in boxes).

Building industrial capabilities

After the reorganisation of the erstwhile Bihar into two states in 2000, the state has lost its major industrial base and mineral resources to Jharkhand. Its economy is now predominantly agricultural, which contributes around 26 per cent to the SDP and sustains almost 80 per cent of its population, directly or indirectly. The issue becomes more serious because of the consequent adverse land–man ratio, with the new state accounting for 8.58 per cent of the country's total population and only 2.9 per cent of the country's land mass.

It is very important for Bihar to develop its secondary sector, including manufacturing, to reduce the heavy pressure of workforce on agriculture. The state has enormous manpower resources, and a good traditional artisanal skill base. It is a major producer of fruits and vegetables (accounting for 10 per cent of the total fruits and vegetables produced in the country) and the eighth largest producer of foodgrains in the country. It also boasts of a good rail and road network that connects the eastern part of the country with the northern and the western parts. Its proximity to Jharkhand, a major source of raw materials like coal and iron ore, is also a big advantage.

The adverse credit to deposit ratio of the state also indicates that there is a lot of unrealised investment potential within Bihar. The fact that a significant number of the people belonging to Bihar live outside the state is also an advantage that can be fruitfully exploited. All this is topped by the commitment of the state to create a private sector-focused investment-friendly climate as also the requisite industrial infrastructure. The law and order situation in the state too has improved enormously. Now, all that is needed is strategic and focused thinking to promote industrialisation in Bihar.

Way forward

Given its economic base, Bihar should focus on food and agro-processing industries, leather, tourism, IT/ITES, electrical and electronic engineering

For Bihar to undertake effective and efficient development of micro, small and medium enterprises, it is important to map all the existing clusters of enterprises across the state. This mapping should be done across industrial, handicrafts, handlooms, services and agricultural sectors. Thereafter, based on the socio-economic significance of the mapped clusters insertion of cluster-based inputs in major policies such as industrial policy, agricultural policy, science & technology policy, IT policy should be undertaken. A few clusters should be selected based on a combination of self-selection process and top down selection mechanism to be developed through programmes of assistance developed by the various departments of Bihar (industry, agriculture, IT, health services, tourism etc) and those that leverage available schemes of assistance in different ministries of Government of India where a total of Rs 13,000 crores worth of programmes are expected to be lined up under 12th Five Year Plan. Building on the successes and failures of these pilot initiatives, scaling up should be done regionally and sectorally in Bihar for wider development impact. This will essentially call inputs in programme designing, training of government officials, building capacities of private sector groups (industry associations, cooperatives, networks and consortia) so that public-private initiatives through pooling of competencies can undertaken.

industries, and floriculture. Augmenting and strengthening micro and small enterprises should be high on the government agenda, at least in the short run.

Bihar has a very strong base of artisan skills and traditional crafts. It might be rewarding to make this sector competitive and position it globally. The government could adapt the OTOP (One Tambon One Product) Model of Thailand, which has shown a lot of potential, to revitalise its rural economy and make its traditional craft-based products globally competitive. Under this model, all the facilities like technology, design, packaging, credit, market linkages, and product-specific infrastructure, are provided locally, while the branding and marketing support are of international standards. An attempt could also be made to marry OTOP and the Group Entrepreneurship Development Strategy, which could be upgraded to rural clusters at a later date, in order to garner better results.

Since infrastructure is the key to industrialisation, the government should focus on the development of generic infrastructure including roads, power supply, telecom facilities and the railways sector, among other areas, while simultaneously addressing the specific needs of individual industries.

The state government should also follow the 'concentrated decentralisation' model of industrialisation, wherein it needs to identify a few winning locations and develop them as growth poles by providing holistic infrastructure to attract industries. Once the requisite infrastructure is in place, large corporate houses could be motivated to set up their manufacturing facilities at such locations. Maruti Udyog Limited in Gurgaon, which has brought in almost 5,000 vendors to the area, may be cited as an example in this regard. As an extension of the proposed model, the state government should also identify a few industrial clusters and provide cluster-specific infrastructure and other support in the form of financial services, technology, designs, and market access to the industries operating within those clusters. There could also be some clusters that match with and merge into the identified growth poles.

In addition to the above strategy, the state government needs to play a major role in market development in order to boost micro and small enterprises. With the state being the largest single buyer of goods and services, the government would do well to procure these goods and services from local micro and small enterprises, on preferential but commercial terms.

The availability of finance, particularly institutional finance, remains a critical bottleneck for most micro small and medium enterprises in Bihar. Banks are usually reluctant to provide credit to micro and small enterprises. Even the para-statal financial agencies are unable to meet the needs of these enterprises. This necessitates strengthening of the state financial institutions like the Bihar State Finance Corporation (BSFC), on the one hand, and convincing commercial banks to meet the credit needs of micro and small entrepreneurs in Bihar on the other hand.

In view of the adverse land–man ratio in the state, it would be worthwhile to consider 'training the river Ganges', which, in effect implies reclaiming large tracts of prime land from the river.

Indian industry's most significant challenge is the poor quality of the country's education that raises the training cost of personnel. This comes in the way of any quality work, stifles innovation and makes routine work a challenge. Rote education offered to virtually all children, including the affluent, keeps the majority from connecting the dots, critical thinking and problem solving.

Facilitating occupational mobility is important to widen livelihoods options for rural youth and for them to diversify into agro-based industry or even non-agro-based options so as to ease the pressure on agricultural land and increase per capita income streams. It is noteworthy that when Bihari youth migrate from the state to other parts of the country in quest for education or professional training, they seldom return to the state to contribute to its economy.

From left to right: Dr Dinesh Awasthi (at the lectern), Mr Satish Jha, Mr Rajeshwar Mishra, Mr KPS Kesri, Mr Satyajit Kumar Singh, Dr Sher Verick, and Dr Santosh Mehrotra (moderator) in the thematic session on industry.

Moreover, such training and damming of the river could also help in developing cheap inland water transport.

One of the preconditions of industrialisation is the availability of skilled manpower. The present infrastructure for imparting skill-based training, consisting largely of the Industrial Training Institutions (ITIs), is woefully inadequate and archaic. Therefore, the government should invest in modernising and upgrading these ITIs to enable them to meet the requirements of industry.

The Industrial Policy, 2011, offers a large number of facilities and incentives of all sorts. However, while it may be a 'good intent document' there is a need to make it more focused in order to facilitate the implementation of the policy. In this policy document, the state government has also mentioned as its objective the creation of 'land banks' by acquiring agricultural land for industrial purposes. This proposition is, however, fraught with the political repercussions. The government should, therefore, concentrate on selectively developing growth poles/industrial estates, and largely leave it to the private entrepreneurs to strike deals on their own, while acting as a regulator to ensure that the farmers get fair prices for the lands they surrender for industrial development.

There is need of greater investment in road and power and in creating smooth supply chains through market and communication linkages. Large scale public investment is required in communications, transport and flood control. Along with power which is a key deficit in the state, marketing support, banking, finance and lending to business, distribution centres, transport networks, and government promotional agencies are critical for industrialisation to truly kick-start in the state.

A major problem in Bihar is the availability of land for industries. It is very important to have a proper land policy wherein there is no coercion but incentive structures to mobilise land.

Thematic Session 4

Developing Bihar as an Attractive Tourist Destination

Moderator: Dr. S.K. Mishra, Chairman, Indian Trust for Rural Heritage Development

Theme Presentation: Prof. Dev Nathan, Professor, Institute for Human Development (IHD).

Mr. Aditi Nandan, Advertising and Media Consultant, Amatya Media

Panellists:

- Mr. M.P. Bezbaruah, Former Secretary, Ministry of Tourism
- Mr. S. P. Sinha, Chairman and Managing Director, Maurya Hotel, Patna
  Mr. Naveen Sharma, Chief Executive Officer, Pracheen Bharat Tourism Technology
- Dr. Praveen Kumar Singh, Consulting Editor, Dalal Street (Investment Journal)
- Ms. Meghna Prasad, Chief Executive Officer, Ray+Keshavan, The Brand Union
- Mr. Anil Sharma, CMD, Amrapali Group
- Mr. Keith Hargreaves, Director for Business Development Strategic Asia, Jakarta
- Mr. Deepak Kumar, Principal Secretary, Department of Tourism, Government of Bihar

The report summarises the contents of the theme paper and discussion that was woven around it. The summary is interspersed with relevant comments from the panellists (in boxes).

Bihar as an attractive tourist destination

Bihar is a largely rural state, but it has some important religio-cultural assets that can help in developing tourism in the state. Tourism would not only lead to an increase in urbanisation and non-farm sector but its rural linkages would also promote rural development by providing a market for vegetables and fruits, as well as handicrafts.

Bihar faces two major constraints in the development of tourism. The first is the poor image of the state as an unsafe place, while the second is its poor infrastructure in terms of availability of accommodation, roads, electricity, sanitation, and waste management. There are two kinds of visitors to

The footfall of tourists in Bihar has increased. Over a span of 5 years from 2007 to 2012, the number of tourists to the state has increased from 70,000 per annum to 6 lakhs per annum.

Home stays and paying guest accommodations for tourist should be developed. Land acquisition for developing hotel properties is a massive road block as the process is complex, expensive and long drawn. A revenue sharing model wherein government properties are leased out could be adopted to resolve this issue.

Bihar. The first are the tourists, a large number of whom are foreigners. Their main destination is the Buddhist circuit around Bodh Gaya. The second category comprises visitors, who are almost entirely Indian and largely members of the local population. Different strategies are, therefore, needed to promote tourism among these two types of tourists-cum-visitors in the state.

Way forward

For foreign tourists, with Bodh Gaya as the hub, some more spokes such as Nalanda and Jehanabad (besides the existing Rajgir spoke) could be developed on the Buddhist circuit in order to increase the number of days spent by the tourists in the state. Infrastructure between Bodh Gaya and neighbouring areas needs to be improved. A link up with Nepal either via an air corridor or road corridor could also be considered. The local and rural link of tourist spending in the Buddhist circuit could also be enhanced by increasing the production of handicrafts, encouraging local production of food articles bought by monks through joint ventures, and arranging village excursion tours.

Speciality tourism may be focussed upon by developing international facilities keeping in mind the footfall of foreign tourists in Bihar. Foreign direct investment could boost the hospitality sector in the state. Aggressive awareness campaigns along with judicious use of available resources are required to encourage foreign travellers to spend their dollars in Bihar rather than elsewhere. For that their travel experience has to be worth it.

One of the unique features of Bihar - the Sonepur Mela, an animal fair that attracts lakhs of Indian and some foreign tourists should be developed or upgraded, along with improvements in basic sanitation, water and food facilities, which would enable it to offer competition to the better known Pushkar Mela in Rajasthan. Heritage villages could be adopted and developed as tourism centres. Annual tourism festival could be also be organized.

Planning of some recreational and socio-religious activities near the capital city of Patna, which is a transit point for domestic travellers, and setting up historical theme parks would boost tourism in the domestic circuits. Smaller investments could be made in the Gandhi and Jain circuits which are specialty tourism areas with relatively low volume of tourist traffic.

Unless infrastructure, connectivity, and security conditions are improved dramatically, Bihar will not make the grade as an attractive tourist destination. 'Experience' is the key word for the success of tourism development. Brand Bihar has to make a mark in the minds of not just those who visit it physically but also those who research its websites, talk to its travel agents, tour organizers, hotel owners, guides, and hospitality professionals. So the tourism industry has to create synergies across the state which suffers the ignominy of untrained service providers, poor hygiene, poor roads, and uncompetitive prices and lack of quality accommodation facilities. The change has to be sweeping and multi-pronged.

In the interests of promoting sustainable tourism in Bihar ideas may be explored around the River Ganga and its socio-religious and environmental significance. Such river tourism may lead to a sea change in the perception of potential tourist about the state.

Thematic Session 5

Raising and Managing Resources for a Stronger Bihar

Moderator: Dr. Y.V. Reddy, Former Governor, Reserve Bank of India
Theme Presentation: Prof. Sudipto Mundle, Emeritus Professor, National Institute of Public Finance and Policy (NIPFP), New Delhi
Panellists:

- Mr. Anand Sinha, Deputy Governor, Reserve Bank of India
- Prof. Atul Sarma, National Fellow, Indian Council of Social Service Research and Former Member, 13th Finance Commission
- Dr. Sidhartha Sinha, Professor of Finance, Indian Institute of Management, Ahmedabad
- Mr. M.K. Sinha, CEO and MD, IDFC Private Equity
- Mr. Rohit Jha, Director, Infra Solutions (I) Pvt. Ltd., New Delhi

The report summarises the contents of the theme paper and discussion that was woven around it. The summary is interspersed with relevant comments from the panellists (in boxes).

Raising and managing resources for a stronger Bihar

There are two distinct ways of looking at human development in Bihar. On the one hand, at absolute levels, most human development indicators paint a grim picture. On the other, if one views how these indicators have been changing in the last 6 to 7 years then the direction and degree of improvement are both very encouraging. Despite its recent performance, Bihar still fares among the poorest and least developed states of India and there is a lot of catching up for it to achieve in the next 10 to 15 years.

Bihar has been able to make significant improvements in law and order, fiscal consolidation, revenue generation and surplus, share of capital spending, development spending and fiscal deficit management. However, the state continues to be highly dependent on central transfers which are far from sufficient. Even grants such as Backward Region Grant Fund are very nominal and Bihar needs about Rs. 25,300 per capita per year at 2009-2010 prices to equalize per capita development expenditure with other states.

Way forward

The time is opportune for the state government to pitch for a special

The banking scenario in Bihar, when compared to other states is rather disheartening, given the large percentage of rural population in the state. both credit–deposit ratio and credit per branch are very low. Branches in Bihar do not have enough business, and the general share of private banking is also very small.

Recovery climate needs to improve in the state and so does the credit absorption capacity of the state. Improvement in connectivity, agricultural infrastructure, power, agro-processing industry, storage facilities and overall financial inclusion was important to improve banking in Bihar.

Resources saved are resources earned. Therefore apart from concentrating on resource generation, Bihar should ensure efficient utilisation of existing resources. Costs of collection of taxes should be minimised and tax arrears in litigation should be made available to the state government. Government agencies and organisations that run inefficiently and post large losses should be revamped. The state government should look at unifying schemes with similar objectives and weeding out schemes which had outlived their purpose. A committee should be constituted to look at restructuring of non-functioning and poorly functioning companies. A separate committee should also devise ways for minimising wasteful expenditure and reducing the subsidy bill.

central assistance package from the central government in recognition of its efforts and achievements in the recent past. Bihar should make a case for a special fund for infrastructure which can offer interest free loans with a long repayment period for critical infrastructure projects.

Simultaneously, Bihar should strengthen its own resources both own tax and own non-tax revenues and also work on better tax administration in the state in order to reduce dependence on uncertain central transfers. Even if state resources were maximised, private investments would be the key growth drivers as they have been at the national level. Therefore Bihar should build on its tremendous and almost unbeatable comparative advantage of labour power within the state through investments in infrastructure and education through public-private partnerships and other means.

From left to right: Prof Atul Sarma (at the lectern), Prof Sudipto Mundle, Dr YV Reddy and panellists in the thematic session on resources.

Private investors require financial security in terms of capital market, banking system, transparent accounts and a growing global credibility to be convinced to invest. However in Bihar, these are not strong and investor confidence in both legal and regulatory processes is low. Though legal processes are more or less standardised pan-India, regulatory processes need further refinement in order to tackle the high population density in the state and the resultant issue of land access.

Bihar is to India what India is to the rest of the world. Unless it aims for structural transformation to boost investors' confidence, its credit ranking will not improve…nor will its prospects of attracting private money to its shores.

Thematic Session 6

Expanding Knowledge and Research for Development

Moderator: Dr. Gerry Rodgers, Visiting Professor, IHD and Former Director, International Institute of Labour Studies, ILO, Geneva

Theme Presentation: Prof. P.P. Ghosh, Director, Asian Development Research Institute, Patna

Panellists:

- Dr. K.P. Kannan,Centre for Development Studies, Trivandrum
- Dr. Ajit Sinha, Indira Gandhi Institute of Development Research, Mumbai
- Dr. Ruth Kattumuri, Co-Director, India Observatory and Asia Research Centre, London School of Economics
- Dr. J. Krishnamurty, Formerly of the ILO, Geneva
- Dr. N.K. Chaudhary, Patna University
- Prof. Praveen Jha, Jawaharlal Nehru University
- Dr. Ajay Mehra, Delhi University

The report summarises the contents of the theme paper and discussion that was woven around it. The summary is interspersed with relevant comments from the panellists (in boxes).

Expanding knowledge and research for development

Five to six years of steady progress in Bihar does not necessarily indicate that the state has achieved everything it had to. There is no space for complacency. As Bihar moves ahead, each step will be more difficult than the previous. If Bihar's renewal is to be sustained, the knowledge and research base for its economy and society will need to be built in earnest.

The existing deficits in social research in Bihar may be categorised under five major heads—economic analysis, agricultural and industrial research, social relations, environment and ecology, and history. Little is known of the macroeconomics of Bihar's development, while the interplay between social institutions, investment, consumption and growth is understood only dimly. Similarly, in the fields of science and technology, and even agriculture, the research base in the state is in no way comparable to that in other parts of India. The evolution

Dr Gerry Rodgers in the thematic session on expanding knowledge and research for development

of the social hierarchy in urban areas is also ill-understood and there are many unanswered questions about the process of urbanization, particularly the reasons for its slow pace. While knowledge on social and economic issues is rather inadequate, knowledge on environmental and ecological issues is almost non-existent.

A one-size fits all policy does not work for the state and Bihar must generate its own data, matching the NSS sample and build and project its own scenarios related to issues such as employment, labour, and migration which are critical elements for formulation of economic policy.

Research deficit finds its cause in institutional deficit. Bihar has witnessed a spectacular decline in institutions—academic, professional and research based. Institutions are in the grips of corruption and politicisation of institutional objectives leading to flight of intellectual capital from the state which cannot provide an environment for its intellectuals to flourish and contribute to its development. Bihar needs to be able to create open, unbiased, apolitical forums where research agenda, findings and outcomes can be discussed, shared, and nurtured.

Way forward

Major initiatives are needed along four dimensions to expand the knowledge and research required for the development of the state.

- Expansion of skills and capabilities to strengthen the knowledge base
- More effective research institutions
- Stronger data and information systems for research
- Improving the statistical base of the state

There must be a proper organisational mechanism for dissemination of information, especially with regard to agricultural research. Dissemination of research knowledge cannot be limited to the research community alone but to the wider user community. Cross sectoral and industry collaboration is an important component in the expansion of knowledge.

Thematic Session 7

Strengthening Educational and Training Institutions

Moderator: Dr. Arif Hasan, Professor and Deputy Director, International Islamic University, Malaysia

Theme Presentation: Dr. Sudhanshu Bhushan, Professor, National University of Educational Planning and Administration (NUEPA), New Delhi

Dr. Preet Rustagi, Professor, Institute for Human Development, New Delhi

Panellists:

- Ms. Rukmini Banerjee, Director, PRATHAM, New Delhi
- Dr. Vinay Kanth, Director, East and West, Patna
- Prof. Prabhat Ranjan, Professor, Dhirubhai Ambani Institute of Information and Communication Technology, Gandhinagar, Ahmedabad
- Prof. Avinash Kumar Singh, Department of Foundation of Education, NUEPA, New Delhi
- Mr. Yameen Mazumdar, Chief, Patna Field Office, UNICEF, India

The report summarises the contents of the theme paper and discussion that was woven around it. The summary is interspersed with relevant comments from the panellists (in boxes).

Educational and training institutions in Bihar

Human resource is a major ingredient to growth; an uneducated human resource, however, is a burden on society. A state like Bihar which has the opportunity to exploit its demographic dividend must make it a priority to educate and impart skills to its human resource to make it more productive.

A reality check at primary and upper primary level, however, shows that there is sharp fall in the gross enrolment ratio at the upper primary level. The problem of high drop outs at all levels of education persists. In spite of efforts by the government of Bihar, teacher training and school infrastructure falls short of norms and standards laid down in the Right to Education Act, 2010 significantly. Teacher training capacity in the state is poor and low teacher competence and accountability are primary hindrances in achieving universal elementary education. While there has been some progress in terms of increase in enrollment, schools and teachers, problems like teacher absenteeism, ineffective school inspection and dysfunctional Vidyalaya Shiksha Samiti persist.

Scenario at the higher education level is also quite alarming. There is a large outflow of students from Bihar due to the dearth of engineering, medical, education and polytechnic colleges in the state. Higher education institutions have not been able to implement many programmes of academic reforms such as credit system, curricular reform, semester system, continuous internal evaluation, academic calendar, and accreditation as suggested in the 11th Plan. The governance of universities and the coordination with the office of the Chancellor and the state government is also unsatisfactory and requires urgent attention.

Way forward

The challenge of elementary education in Bihar is to appreciate the simultaneous interplay of the supply side and demand side factors, the hard and the soft factors as opposed to tackling these one after another in a conveyor belt model. There has to be a quality orientation in programming and monitoring at all levels; a good infrastructure is as essential for quality as is a good teacher. Adequate teaching learning materials and effective community participation need to be backed by appropriate supportive supervision mechanism. Lack or absence of any of these will impact the quality of education provided to the children.

In recent years, the state has laid emphasis on reforms and the Bihar government's decision to involve State Election Commission in conducting full-fledged election through secret ballot for the selection of School Education Committee members under RTE Act, appears to be a bold step and could prove revolutionary, if the decision is implemented properly and effectively.

Government of Bihar needs to take a bold and radical move to democratise educational governance and strengthen the village panchayats to plan, manage and supervise schools in the light of Vidyalaya Shiksha Samiti Act 2011. The citizen report card, midday meals, teacher planning, disbursement of salary, distribution of books etc. should be placed under the supervision of the Panchayat Education Officer and capacity building and monitoring of the panchayat by the state should be comprehensive.

Just increasing the number of seats without ensuring quality is not going to help. Clusters of educational/research and industrial organisations at a few geographically distributed locations may be set up to promote innovation as well as cater to the gap in demand and supply in education within state. Multiple institutions would support the ecosystem to promote innovations cutting across disciplines, and it would also be easier to develop infrastructure at a few of these locations and support the better quality of life needed to attract quality faculty.

Bihar is witness to unprecedented change owed to the wave of strong political will in the state to increase enrolment rates. However ensuring attendance and producing learning outcomes for English and Mathematics remain a challenge.

The issue of quality of education is best reflected through the measurement of learning outcomes of children. However, this simplified understanding of 'quality' leads to problem at several levels—enhanced learning outcomes become the measure of success of a school system and this leads to making the system 'extract' better results from the child even if it requires rote learning and memorising the subject without understanding.

Thematic Session 8

Towards Universal Health Coverage in Bihar

Moderator: Prof. Pauline Mazumdar, University of Toronto
Theme Presentation:
- Dr. A.K. Shiva Kumar, Adviser, United Nations Children's Fund (UNICEF), New Delhi
- Mr. Amarjeet Sinha, Principal Secretary, Department of Health, Government of Bihar
- Mr. Sanjay Kumar (also a panellist), Executive Director, Bihar Health Society, Government of Bihar

Panellists:
- Mr. Dirk Sommer, Head, South Asia Private Participation in Port Fascilities, International Finance Corporation
- Dr. S.N Arya, General Physician, Patna

The deliberations during the session dwelt on the state of healthcare provisioning in Bihar and outlined the challenges ahead of the government in terms of universalisation of healthcare provisioning. It was agreed that partnership with the private sector could be an important avenue for ensuring universal access albeit with some preconditions and clear terms of understanding between the public and private partners. The theme paper presented some key steps that could be taken by the Government of Bihar which would facilitate universal health coverage in the state.

Healthcare provisioning in Bihar

Healthcare is not merely limited to treating illnesses. Viewed holistically, aspects such as population stabilisation, provisioning of safe-drinking water, toilets, smoke-less cooking stoves, provisioning of insect repellents and universal immunisation contribute to health and well-being of communities.

Even defined narrowly as treatment of disease, disorder or trauma, public provisioning of healthcare in Bihar is in a fairly precarious state with only 30 per cent of its doctors presently engaged in public sector hospitals, dispensaries and centres. Healthcare infrastructure is suboptimal and social inequity and differential accessing patterns across social categories, make health universalisation challenging.

The consequences are apparent in poor health indicators of the state. There are enough statistics available to demonstrate that thousands of families slip below the poverty line each year just in trying to meet out of pocket healthcare expenses. Though there have been some improvements in the recent past in percentage of institutional deliveries and lowering of the crude death rate owed to schemes such as Nayi Peedhi Swasthya Guarantee Yojana, Yukti Yojana, and Muskan Ek Abhiyan, to drive health reforms and ensure universalisation of healthcare services demands allocations and investment in the state that is far in excess of what its government can afford.

A strong case for PPP in healthcare

Hence a healthy mix of both public and private service delivery of healthcare is called for where in various models of partnership have been experimented with worldwide. Generally private sector medical professionals are extremely cautious about working with the government due to issue related to payments. Once a BPL patient or one on the CGHS panel is treated in a private facility, getting payments released from the state for the said treatment is a time consuming and tedious exercise. The state cannot expect the advantages of private sector efficiencies without paying the market price for the same.

So a public-private partnership model in healthcare can only work if all modalities are properly worked out and contracts are comprehensively drawn up and honoured in letter and spirit. One of the ways could be to create private infrastructure manned by public medical professionals.

There should be some standard accreditation of chosen private healthcare providers in order to ensure healthy competition.

Ten steps to universal health coverage

1. The government of Bihar should issue a Health Entitlement Card that assures every resident access to an essential health package (including cashless in-patient and out-patient care free-of-cost) of primary, secondary and tertiary care.
2. All clinics and health care providers in Bihar should be registered with the state government.
3. The state government should develop effective contracting-in guidelines with adequate checks and balances for the provision of healthcare by the formal private sector. Only those private sector service providers should be included for reimbursement under the UHC (Universal Health Care) who ensure that at least 75% of out-patient care and 50% of in-patient services are offered to holders of the Health Entitlement Card. Purchases of all healthcare services under the UHC system should be undertaken either directly by the state government through the Department of Health or by a quasi-governmental autonomous agency established for the purpose.
4. The state government should intensify measures already launched to ensure availability of free essential medicines by increasing public spending on drug procurement. This single intervention alone can greatly

reduce the burden of private out-of-pocket expenditures.

5. District hospitals should become the hub of tertiary care; and also set the example for ensuring adherence to quality assurance standards in the provision of health care at all levels of service delivery.

6. Shortage of skilled manpower at different levels should be addressed. The bureaucracy should be made aware of the problems of healthcare planning and health care delivery. Manpower training in healthcare should be trifurcated into preventive, curative and rehabilitative.

7. To enhance the quality of health workers' education and training, District Health Knowledge Institutes (DHKIs) may be established that offer degree and diploma programmes, certificate courses, accreditation and standardised professional training.

8. There is a need to **strengthen community participation and citizen engagement**, with enhanced role of elected representatives as well as Panchayati Raj institutions (in rural areas) and local bodies (in urban areas), of civil society and non-governmental organisations, of existing Village Health Committees (or Health and Sanitation Committees) into participatory Health Councils, among others.

9. Management and institutional reforms may be undertaken

10. Higher financial allocations for the health sector are also called for.

Government of Bihar could choose a set of districts to pilot, innovate, restructure and recalibrate the health care system to launch UHC.

Dr AK Shiva Kumar making the theme presentation on health

Thematic Session 9

Women in the Economic Development of Bihar

Moderator: Dr. Devaki Jain, writer, social activist and Former Member, Karnataka State Planning Board

Theme Presentation:

- Ms. Renana Jhabvala, Chairperson, SEWA Bharat, New Delhi
- Ms. Amrita Datta, Faculty, Institute for Human Development, New Delhi

Panellists:

- Ms. Janine Rodgers, Visiting Researcher, IHD
- Ms. Aditi Phadnis, Business Standard
- Ms. Rashmi Singh, Executive Director, National Resource Centre for Women, Government of Bihar
- Ms. Ruchira Gupta, Chairperson, Apne Aap, New York
- Dr. Suraj Kumar, Head of Governance, UN Women, New Delhi
- Dr. Manoshi Mitra Das, Asian Development Bank
- Dr. Nirmala Banerjee, Former Professor, Centre for Social Sciences, Kolkata
- Dr. Meera Tiwari, Department of Development Studies, University of East London

The report summarises the contents of the theme paper and discussion that was woven around it. The summary is interspersed with relevant comments from the panellists (in boxes).

Women in the economic development of Bihar

Women's workforce participation in the state remains abysmally low as there is non-recognition of women's work, and it is under-reported, undervalued and even negated. The official figures do not count women's work and therefore miss the important dynamic of the *feminisation of agriculture*. This is crucial in the context of a state wherein the rate of out-migration of men is high. While men have been able to access employment outside the primary sector through migration, and have a diversified occupational profile, women, on the other hand, have stayed back in the village, and have continued to work in the agricultural sector.

An increase in the workforce participation rate of women in rural Bihar over the last 30 years has been witnessed along with increasing male migration. Wages have increased in areas (North Bihar vis-à-vis South Bihar) where outmigration was high.

In the current paradigm of economic growth and development via heavy out-migration of men from rural areas in the state, many traditional occupations are on the decline. The local village economy is shrinking, and many crafts are dying. This has ramifications for women's work. Women now necessarily undertake more tasks, including those that require mobility. Women are more involved in taking decisions within the household as also decisions related to managing money. In the absence of male members of the family, women often face barriers in both accessing credit, and getting favourable terms. Poor women pay higher rates of interest to the local moneylender, who is the main source of credit in rural areas.

In recent years, there have been massive investments in the expansion of physical infrastructure in Bihar—the road network has expanded and there has been an exponential increase in the number of bridges. While these developments are commendable, the state needs to invest in infrastructure which has the potential to transform women's lives such as promotion of the use of cooking gas in the rural areas as well as public investments in water, drainage and sewage systems.

Way forward

Recognition of women's work

National account statistics of India need to be able to understand the real contribution of women to the economy, and capture women's work. A disproportionate dependence on household labour force surveys should be diluted in favour of more meaningful and diverse tools such as Time Use Surveys to understand women's work in a more holistic manner.

Extension services in agriculture and animal husbandry

It is the agricultural sector in which the bulk of women in the state work. Even if a woman does not own land but works on land owned by others, it is essential to recognise her as the producer of food. This is particularly relevant in view of the heavy male out-migration from the state. Unless the woman farmer is recognized, farming inputs, support and extension services will never be targeted at her and she will remain outside the purview of state led activities in farmer support.

Agricultural extension services in the state specifically target men, and women are not able to access these. It is imperative that these services be directed towards them. Information and skill upgradation related to the use of inputs such as seeds and fertilisers, soil and water management, and the cultivation of new crops, among other things, would go a long way towards the development of agriculture in the state. In addition, women should be able to access credit and finance, and instruments such as the Kisan Credit Card (KCC) should be issued in the name of the woman.

New areas like floriculture and horticulture, and those involving other high-value crops wherein women work need to be tapped. In addition, the agro-processing sector needs to be developed in the state, and supply chains with forward and backward linkages need to evolve. The training and skill

> As witnessed in the Jeevika Program, seed capital provided to Jeevika groups is often used up in paying for healthcare expenses with hardly any surplus left to be diverted to productive activities.

development of women in these areas would go a long way towards improving entrepreneurship and employment opportunities for women in the state.

The transition of the livestock and dairy sector in the state requires technological interventions and skill up-gradation of women. There is substantial scope for productivity enhancement and linkages with distant markets. Intervention and support in the provision of veterinary services, insurance schemes for animals, and marketing of animal husbandry and dairy products would greatly benefit rural women. The cooperative model can also be explored in the case of animal husbandry. The Bihar State Co-operative Milk Producers' Federation Ltd. (COMPFED) is a successful model of dairy development. Similar collective models can be explored for the development of livestock and animal husbandry.

Revival of traditional arts and crafts

There has been a decline in arts and crafts in the state; consequently, the handloom sector, and the silk and jute sectors need to be up-scaled, while the focus should be on women's entrepreneurship and employment. As far as the handloom sector is concerned, the building of a weavers' federation is the way forward. Some thought should be given to women's role in traditional cultures and the preservation of these cultures. Sculpture, songs, painting and embroidery are areas that have a rich history. A re-engagement with and rejuvenation of these would go a long way towards conserving the dynamic heritage of the state.

Government interventions

While there has been a shift in academic discourse from the top-down 'women in development' approach to a more participative and inclusive 'gender and development' approach, this has not had much impact on policy processes in the state. The presentation of gender-sensitive budgets by the government since 2008-09, however, signifies a good start.

The influx of new government programmes of cash transfer, targeted at women, such as the Lakshmibai Social Security Pension Scheme, Nari Shakti Yojana, Mukhyamantri Kanya Vivah Yojana, Kanya Suraksha Yojana, Mukhyamantri Balika Poshak Yojana, and Mukhyamantri Balika Cycle Yojana, appear to be very popular. While the launch of these schemes is commendable, care must be taken to ensure that they do not result in excessive dependence on cash transfers, which, in most cases, have a fairly short time horizon, in terms of impact. They cannot substitute programmes that engage with the development of skills and enterprise with longer term and sustainable impact directed toward structural change.

Women's organisations

Apart from the state actors, the non-state actors too play an important role in the creation of space for women's development by undertaking a wide variety of activities in the areas of healthcare, education, and enterprise development, among others. Microfinance activities have also gained momentum in recent years. One of the crucial challenges that remain to be addressed is translating the credit and

In the experience of the organization Apne Aap in Forbesganj in Araria district, women and girls don't know how to access their rights to entitlements under various government schemes. Access to capital for investment in home-based work needs to be ensured through a bottom-up approach. Experience of Adithi shows that access of markets is a major hurdle for women's collectives to overcome.

savings scheme into income generation activities.

Political empowerment

Women's participation in the political processes in Bihar presents a mixed picture. Women's representation in the Cabinet of Ministers, the Legislative Council, and the Legislative Assembly is abysmally low. The introduction of reservations for women in Panchayati Raj Institutions (PRIs), and more specifically, the reservation of 50 per cent seats for women belonging to all the social categories and for all posts within the three tiers of the PRIs, that is, the gram panchayat, panchayat samiti, and zila parishad, by the state government in 2006 has tremendous potential for improving the political participation of women and hence their empowerment. While in the short run, there may be many hurdles in the implementation of this task, this affirmative action will have far-reaching ramifications for women's empowerment. In order to ensure that women as leaders (and members) in PRIs and urban local bodies have a voice, it is essential to improve their capacities through awareness generation and training. This will facilitate their transition from *sarpanch patni*s (wives of *sarpanches*) to *sarpanch*es themselves in the PRIs, and will signify a movement towards a transformation in gender relations and gender equality.

In the wake of 50% reservations for women in PRIs, there have been instances where innocent women have been jailed for accounting discrepancies. This is in large part due to the fact that these women have been placed in positions of responsibility without adequate capacity building. While they bear the onus of accountability, their relative naiveté is misused by others. Such incidents discourage other women from coming forward to participate in political processes; this is a highly retrogressive outcome. So it is very important to ensure that while women are being encouraged to participate in Panchayat elections and offer their candidature for the position of sarpanch, there are enough capacity building activities that they become part of so that they can dispense their duties without being taken for a ride by corrupt elements.

Separately, the experience in the state of West Bengal has shown that when women are elected to PRIs through the party system, issues pertinent to the party take precedence over critical women's issues. Women leaders are under pressure to prioritize the interests of the party over the interests of women.

From left to right: Dr Meera Tiwari, Dr. Nirmala Banerjee, member of the audience, and Dr. Ruchira Gupta in the thematic session on gender

Thematic Session 10

Strengthening Institutions for Inclusive and Equitable Development

Moderator: Dr. S. R. Hashim, Former Member-Secretary, Planning Commission And Former Chairman, Union Public Service Commission

Theme Presentation:

- Prof. Anjan Mukherjee, Country Director, International Growth Centre
- Prof. Shaibal Gupta, Member-Secretary, Asian Development Research Institute (ADRI), Patna, Bihar

Panellists:

- Dr. K.S. Vatsa, UNDP, New Delhi
- Dr. Ajit Ghose, Formerly of the International Labour Organization, Geneva and Senior Visiting Professor, IHD
- Dr. Ajit Prasad, S.P. Jain Management Institute, Mumbai
- Professor Bhajan Grewal, Victoria University, Australia
- Dr. D.N. Reddy, University of Hyderabad
- Mr. Sayed Shahid Mahadi, Former Vice Chancellor, Jamia Millia Islamia
- Dr. Arbind Sinha, Acting Director, Mudra Institute of Communication, Ahmedabad
- Mr. Nagendra P Singh, MD Aseed

The report summarises the contents of the theme paper and discussion that was woven around it. The summary is interspersed with relevant comments from the panellists (in boxes).

Inclusive growth stands for a growth process that by its very nature generates benefits for all constituents and citizens. When benefits generated by growth are later distributed to the excluded citizenry through state or other corrective mechanisms it does not constitute inclusive growth .

Strengthening institutions for inclusive and equitable development

The vision of the Eleventh Plan had included rapid growth and poverty reduction, the employment challenge, access to essential services, environmental sustainability, gender equity and governance as the principal areas of concern. The Plan document had further indicated the sectoral objectives which could ensure faster and inclusive growth. However, it is unfortunate that the Planning Commission had assumed that the modified goals of planning could be achieved without any changes in the institutional base of the economy, in general, and the state structure, in particular.

The Commission overlooked the

fact that the overall growth process of the Indian economy had bypassed a large section of the population at the bottom of the social pyramid not so much because of resource constraints, but due to substantial deficits in the institutional base of the economy. For a disadvantaged region like Bihar, such institutional deficits are even more acute which, coupled with the equally acute resource constraints, make the goal of inclusive growth doubly challenging.

Way forward

The scope of institutional reform for inclusive growth is very wide, covering the political, economic and social structure. However, within the domain of the state government, the areas of concern may be classified under three broad categories—the general administrative structure, implementation of welfare programmes, and land relations in the rural economy. The financial sector and civil society are two other areas wherein substantial efforts also need to be put in for institutional innovation and reform. However, the former falls almost entirely under the domain of the central government, while the onus of strengthening civil society is primarily the responsibility of the civil society itself, leaving the above three areas for intervention by the state government.

Under the federal structure that governs the Indian economy and state, it is, however, extremely necessary for the central government to work in tandem with the state government for strengthening the institutions in Bihar. As far as the general administrative structure is concerned, the main issues that need to be addressed urgently are inadequate strength, low capacity and poor motivation levels of the state functionaries; absence of accountability for the functionaries; and poor infrastructure for administration.

Similarly, in the domain of welfare programmes, the enhancement of the capabilities of the state functionaries is as important as community participation through the representatives of Panchayati Raj institutions or grassroot organisations. Finally, changing land relations in the rural economy needs to be urgently addressed.

The use of information technology in governance and corporate social responsibility needs focus. The central government directive of 20 per cent profits to be allocated for social responsibility should be taken seriously and implemented well.

The experience of decentralization has not been satisfactory in Bihar. The middle classes are not participating in the process of institution building because they lack faith in these institutions; they look at the private sector for service delivery instead. An integration of these actors is necessary to improve the quality of institutions. Institutions need to be people-friendly; focus should be on local informal institutions rather than on formal ones to enable citizen's participation from multiple constituencies.

Agricultural institutions in the state need to be strengthened. Better support pricing, research and development and efficient use of technology are important as is the dissemination of grassroots information on climate change adaptation techniques. Capacity building is also the critical gap in the field of institution building.

The nerve centre of a state is the secretariat, and, in the case of Bihar, that has been completely destroyed during the past regimes. Therefore, basic administrative structures have to be rehabilitated. There is no clash between the political class and the bureaucracy in Bihar; the blame game between the two has to stop.

Thematic Session 11

Ushering in a Socio-cultural Renaissance

Moderator: Mr. Tripurari Sharan, Director General, Doordarshan and Former Director, Film and Television Institute of India, Pune

Theme Presentation:

- Mr. Tripurari Sharan, Director General, Doordarshan and Former Director, Film and Television Institute of India, Pune
- Dr. Sunita Sharma, Magadh University

Panellists:

- Dr. Vijay Choudhary, Director, KP Jaiswal Research Institute, Patna
- Dr. Sarita Boodhoo, Manager, Nalanda Bookshop, Port-Louis
- Dr. Acharya Kishore Kunal, Chairman, Religious Trust Board, Government of Bihar
- Ms. Pallavi Singh Keshri, Eyaas.com
- Mr. Jayant Kastuar, Secretary, Sangeet Natak Academy
- Mr. Urmilesh, Chief Editor, Rajya Sabha TV

Socio-cultural renaissance: An approach

Despite Bihar having taken the lead in different sectors of the economy such as infrastructure, education and other fields during the past six years, the conditions for a socio-economic renaissance are still found wanting. A quarter of the Hindi speaking people in the country are in Bihar, but after the renowned Hindi author and poet, Shri Ramdhari Singh Dinkar, the state's contribution in Hindi literature has declined precipitously. The traditional dance and music of the state have been languishing. Nation-wide awareness about the crafts of Bihar is more or less limited to the famous Mithila paintings. The tradition of Holi singers has petered out, indicative of the declining forms of oral tradition.

The leadership in the state has been singularly uninspired in the past two centuries. Many opportunities for reawakening were lost in history particularly between 1820 and 1850. More recently, even the historic moment of Champaran movement could not translate beyond a local movement. The colonial rural collaboration with landlordism could not be broken and new institutions did not emerge. While during the 1930s, under the leadership of famous social reformer Rahul Sanskritayan, there were attempts at driving social and political reforms, the space social and political leadership did not open up like it did in the southern states.

Bihar has had a rich cultural, historical and political heritage; its present socio-political thinking only needs to rediscover its heritage and rejuvenate itself and foster new forms in literature and art and new ideas in science. Akin to the southern states such as Tamil Nadu, Bihar needs to create collective pride and strengthen the national Bihari identity.

Way forward

There has been an expansion of the role of the state in socio-economic life of the people, and a consensus has emerged in the context of a developing economy, regarding the important role of the state in the economic, social, cultural and scientific realms, particularly to facilitate cultural mobilisation. The primary role of the state in this regard could be that of creating institutions for mobilisation, which, in turn, can become building blocks for forging a larger cultural identity for the citizens of the state.

Bihar needs to urgently invest in cultivating social leadership. Social affirmative action in Bihar has a rich history to draw from—the best example may be drawn from the relationship between Chanakya and Chandragupta Maurya where a Brahmin guru and spiritual guide playing king maker to a shudra warrior for the sake of the country. Places like Nalanda, Samastipur and Gaya can be catalysts in ushering in a socio-cultural renaissance in the state. Mainstream institutions need to invest in methodological studies, conservation activities and information dissemination and awareness building regarding heritage sites.

Parallels may be drawn from the experiences of Bihari diaspora such as those Bihari migrants who went as indentured labour to places such as Mauritius. These communities made heroic effort to preserve and strengthen the Bihari socio-cultural identity on foreign soil. The languages, oral history and food have been preserved. Mauritius has created a National Heritage Trust Fund to preserve the cultural heritage and special efforts have been made to promote Bhojpuri language and songs. If this can be done in Mauritius then why can this not be done in Bihar? The potential of bilateral exchange with the diasporic communities of the state (with reference to Mauritius and Nepal) needs to be explored in preserving the folk culture and tradition of Bihar. Support should also be given for the growth of local languages and facilitate translation of local literature into English and Hindi. There is a need to preserve the socio-cultural heritage of Bihar professionally rather than just waiting for it to happen spontaneously.

Folk and classical tradition like Thumri Dhrupad needs to find shoots of revival from its place of origin, Dharbhanga and Bettiah. Similarly, dialects need to be practiced in order to be preserved. This is only possible when Biharis themselves attend performances and encourage their children to learn these art forms. If the government were to make an effort to revive the Bihar Sangeet Natak Academy along with other art academies such rediscovery of a mature cultural identity might be possible. The state should institutionalise museums as centers of learning and preserving art forms. Furthermore, like in Delhi, crafts workshops with national awardees could be organised in Patna. An institution similar to the India International Centre in Delhi could be established in Patna to cultivate art, music, theatre and other cultural activities.

A cultural renaissance would not be complete without space created within it for skeptical argument and pluralism. A collective community ethos created from subaltern cults akin to the Kabirpanthis, Dariyapanthis Sahajiyas and Firdausis could serve as the fertile ground for more inclusive forms of arts which incorporate ideals of social justice, gender equity and wider representation. Institutions or sabhas in the dialogic tradition could be revived for the infusion of new ideas into a contemporary renaissance. Such sabhas could well pave the way for movements such as the self respect movement led by Periyar in Tamil Nadu in 1925 and the dalit movement led by Narayan Guru in Kerala in 1903.

From left to right: Dr Gopalkrishna Gandhi (at the lectern), Dr Shaibal Gupta, Mr. C K Mishra, Mr. Nitish Kumar, Mr. Sushil Kumar Modi, Prof Alakh N Sharma and Mr Deepak Kumar Singh in the valedictory session

Mr. Sushil Kumar Modi, Deputy Chief Minister of Bihar addressing the audience in the valedictory session.

Proceedings 2012

Valedictory Session

Dr. Gopal Krishna Gandhi delivering the Valedictory Address

Hon'ble CM Nitish Kumar

Valedictory Session

Addresses: Mr. Sushil K Modi, Deputy Chief Minister, Bihar
Mr. Nitish Kumar, Chief Minister, Bihar
Valedictory Address:
Dr. Gopalkrishna Gandhi, Former Governor of West Bengal

The Chief Minister of Bihar as well as Deputy Chief Minister welcomed Dr. Gopal Krishna Gandhi. They both highlighted how significant the deliberations of the Summit had been in showing the way forward for the state and requested Dr. Gandhi to deliver the Valedictory Address and bring the Summit to a close.

Valedictory address

Despite the great increase in India's wealth, in her GDP and in her per capita income, in her productive skills, in her diverse capacities – economic, technological, agricultural, industrial, entrepreneurial – India still feels strangely hollowed out. Politics has a form; it has a spirit, and it has a culture. Unfortunately for her, India's political culture has become tactically diverse, strategically deft, dialectically articulate and in its instincts for survival, as cunning as an amoeba.

The stature of a leader in India today is defined by the size of his flock, not the stature of his work. His strength is measured by his ability to cause hurt to his adversaries, to obstruct his rivals, to damage the prospects of his opponents. In this era of give and take, reliability is counted in the kilos and patronage distributed in ounces. Very often a ton of service is rewarded by an ounce of recognition, and received like holy Prasad. Not just in Bihar but in all of India, the *lobha* of position and wealth, the *moha* of recognition; the *krodha* of the egotistical, and the *ahankaara* of power need to be replaced by what is not valuationally gross but valuationally wholesome.

The real crisis in India's leadership is in what can be called its opportunism and the resultant short-termism; it is all about today, let the Devil look after tomorrow. Today's legislative session, today's Question Hour, today's understanding, today's betrayal, today's pain, today's relief. And today's support base, within the same community, the same caste, the same sub-caste. One has to acknowledge the role that Lalu Prasad-ji has played in bringing the deprived communities and castes of Bihar to their legitimate democratic stations. This was essential. But with several great exceptions, especially among the young, most political leaders in India are still prisoners of Manu-niiti. For them today's support base is paramount; a caste-free tomorrow is another country, another continent; why, it is another planet.

This is where leadership has slid into the art of crisis management. We have group-managers, caste-managers, time-managers, floor-managers, zero-hour managers, legislators-in-the-well-of-the-house-managers, cash-in-the-well-of-the-House managers, defection-managers, disaffection-managers, disgruntlement-managers, scowl-managers, frown-managers, gloom-managers, bluff-managers, goof-managers, gaffe-managers.

Survival has become the dominant pre-occupation of India's politics. If survival is also accompanied by success in terms of no enquiries instituted, no CAG strictures, no sting-exposures, then the survivor is indeed a leader of mettle, a mature leader, almost, a statesman. Monetary corruption is the bane of our political system and a powerful social movement against it led by Anna Hazare has in recent months galvanized the country. In the context of Bihar, this was particularly important, and the RTI Act will play a decisive role.

Society in our time is religious but is it ethical? Superstition thrives well in India, and in Bihar. The most dangerous of our political pre-occupations today is short-termism – so engulfed are our leaders with the compulsions of political survival that they lack the opportunity, the time and the will to speak those harsh truths to us, the people, that we need to hear. Our political leadership is – indeed it has to be – the custodian of our present welfare and our future well-being. And this requires it to tell us the fact, hard and brutal, that global warming is going to disfigure life as we know it sooner than we think. Water and food scarcities are an imminent danger. They are not going to strike this or that community or segment of society , but everyone together.

Chief Minister Nitish Kumar did the nation proud by the way he organised relief during the unprecedented floods that paralysed Bihar not long ago. Leadership is not about monologues. It is about keeping dialogues going. We need leaders to be honest, and if they are not, we need to ask, who corrupts them? If our bureaucracy is feudal, who feudalises it? If our minorities, whether Hindus in Muslim majority areas or Muslims in Hindu majority areas, Sikhs in either of those, are often scared, who lets fear prevail? When Sikhs were butchered in Delhi in 1984 many Hindus helped them. But many more could have. When Muslims were slaughtered in Gujarat in 2002, many Hindus rushed to their help. But many more could have. When terrorists bomb and shoot innocents, without any sanction, in the name of Quranic injunctions, many Muslims condemn the outrage as utterly un-Islamic at a huge risk to themselves. But many more need to. A true leader would have the moral stature to say this bluntly to his or her own community first, and to the nation, next.

Today, when we need and crave for good governance, when we need and want huge investments of money and technology towards development, when we need to make our development strategies just and equitable, reducing disparities, not creating new ones that are more unjust than existing ones, when we need to tackle India's malnutrition and poverty levels which according to some parameters are growing, it is not important that a leader be a Marxist or a socialist, a rightist neo-liberal believer in the free-market, or a hero of the Left. Today, it is not even important that a leader be from this party or that party. What is important is that the leader should lead by example, by veracity, by vision.

Proceedings 2012

Annexes

1. Pre-Event Sessions
   - ❖ Sahitya Samvad
   - ❖ NGO Forum
2. Programme

Sahitya Samvad: A Literary Dialogue being moderated by Prof Arun Kamal

Audience and participants in the Sahitya Samvad: A Literary Dialogue

Sahitya Samvad

A Literary Dialogue

This pre-event interactive session wherein some well-known authors, poets, and litterateurs from Bihar exchanged their ideas and experiences was coordinated and moderated by Prof. Arun Kamal, Department of English, Patna University. Leading signatures in literature belonging to Patna and Bihar attended the session representing nearly all the major tendencies and political attitudes present in Bihar's literary scenario. Some of the leading litterateurs who attended the session were: Dr. Khagendra Thakur, Mr. Ravindra Raj Hans, Dr. Ram Bachan Rai, Prof Karmendu Shishir, and Ms. Usha Kiran Khan.

The literary scenario and cultural ethos of Bihar is largely free of political interference and is conducive for writers and artists to flourish. However, the state of literary and academic institutions like Rashtra Bhasha Parishad, Hindi Granth Academy and other language academies is lamentable. There are no literary centres or cafés for writers to meet and exchange notes. Even the awards and prizes meant for practising writers have long been discontinued. The library system too has largely collapsed. Institutions such as the Hindi Bhawan should invite writers to be direct stakeholders in their functioning so that they can be rejuvenated.

NGO Forum

The NGO Forum was moderated by Ms. Sujata Prasad, Director, Institute of Government Accounts and Finance, Ministry of Finance, Government of India (INGAF). More than 40 representatives of 15 NGOs working in Bihar participated in the session.

While approximately thirty thousand NGOs operate in Bihar today, majority are in the unorganized sector with a preponderance of small outfits of caste based, quasi-political organizations. A number of them, however, play a critical role in political processes. The government needs to recognize this fact and sensitize its functionaries on the growing role of NGOs in the State.

Salient Issues and Suggestions

1. There is need to objectively identify and map at least 5-10 good organizations working in every district and fund them adequately or involve them with flagship schemes of the government, especially in areas of dalit empowerment, child rights, women's livelihood, health, education, nutrition, environmental protection, non-conventional energy, electoral reform etc.
2. Bihar government needs to address archaic and corrupt regulatory framework. The government should address the issue of widespread inefficiency and corruption prevalent in the regulatory mechanism concerning NGOs as it inhibits their growth.
3. All social sector programmes are now awarded through tenders in Bihar and NGOs are hired on contractual basis. As a result projects are often awarded to rich organizations that may or may not have true motivation or sincerity of purpose. Poorer NGOs with genuine motivation to serve social causes are left out of the fray. Hence grassroots level funding is critical to firmly tether projects to their intended outcomes.
4. No social audit of government schemes is being conducted in the state. There is need is to involve the NGOs in areas of social audit of flagship schemes.
5. Panchayati Raj Institutions should be strengthened through effective measures like voters' awareness campaigns, gram sabha mobilization, and participatory planned training of elected representatives and government functionaries. All of these tasks and training programmes should be assigned to the concerned NGOs.
6. The government should undertake capacity building programmes for voluntary organizations since they are established with clear humanitarian goals driven by specific needs. Internal management and governance and programme planning and monitoring are the areas in which training is required. The government should involve professionals and NGOs from outside Bihar for training purposes so that they (NGOs) become partners in development.

A social activist expressing her view in the NGO forum

Programme

FRIDAY, 17 FEBRUARY, 2012

0900–1300 HRS	**REGISTRATION**
Venue	Hotel Maurya
1500–1615	**INAUGURATION**
Venue	**S.K. Memorial Hall** North Gandhi Maidan, Patna
Introductory remarks	**Prof Alakh N Sharma** Director, Institute for Human Development, New Delhi and Summit Convener
Addresses	**Mr. Sushil K. Modi** Deputy Chief Minister, Bihar **Mr. Nitish Kumar** Chief Minister, Bihar
Inaugural address	**Dr. Baburam Bhattarai** Prime Minister of Nepal
1615–1630	Break
1630–1830	**PLENARY SESSION I** **Strategies for mainstreaming less-developed regions in the inclusive growth process (with special reference to Bihar)**
Venue	**S.K. Memorial Hall**
Moderator	**Mr. N.K. Singh** Member of Parliament (Rajya Sabha) and Former Member, Planning Commission
Speakers	**Professor Lord Nicholas Stern** Professor, London School of Economics and Political Science, United Kingdom **Dr. D. Subbarao** Governor, Reserve Bank of India **Dr. Montek Singh Ahluwalia** Deputy Chairman, Planning Commission
1830–2000	**CULTURAL PROGRAMME**
2000	Dinner
Venue	**Hotel Maurya**

SATURDAY, 18 FEBRUARY, 2012

Venue	**Hotel Maurya Lawns**
0900–1100	**PLENARY SESSION 2** **Transforming bihar: achievements, opportunities and challenges**
Moderator	**Professor Yoginder K. Alagh** Chairman, Institute for Rural Management and Institute for Human Development & Former Union Minister

Presentation of the Summit Background Paper

	Professor Alakh N. Sharma Director, Institute for Human Development (IHD) and Summit Coordinator

Presentation on the Achievements and Challenges during Last Six Years

	Mr. Navin Kumar Chief Secretary, Government of Bihar
Speakers	**Professor Lord Meghnad Desai** Emeritus Professor, London School of Economics
	Mr. Kumar Mangalam Birla Chairman, Aditya Birla Group
	Professor Abhijit Sen Member, Planning Commission
1100–1130	Tea
1130–1330	**PARALLEL THEMATIC WORKSHOPS**

WORKSHOP 1
Overcoming the constraints to faster agricultural growth

Venue	**Ashoka I, Hotel Maurya**
Moderator	**Dr. S. C. Jha** Former Chairman, Special Task Force on Bihar of the Planning Commission
Theme Presentation	**Dr. P.K. Joshi** Director (Asia), International Food Policy Research Institute (IFPRI)
Panellists	**Dr. Mangala Rai** Advisor on Agriculture to the Chief Minister, Government of Bihar
	Dr. Jeemol Unni Director, Institute of Rural Management Anand (IRMA), Gujarat
	Dr. T. Haque Former Chairman, Commission on Agricultural Costs and Prices, Government of India
	Dr. Anjani Kumar Senior Scientist, National Centre for Agricultural Economics and Policy Research, New Delhi
	Dr. Purvi Mehta-Bhatt Director, International Livestock Research Institute

WORKSHOP 2
Devising an appropriate strategy for urban development

Venue	**Ashoka II, Hotel Maurya**
Moderator	**Mr. Navin Kumar** Chief Secretary, Bihar and Former Secretary, Ministry of Urban Development, Government of India
Theme Presentation	**Professor Amitabh Kundu** Jawaharlal Nehru University, New Delhi
Panellists	**Dr. Sandeep Aggarwal** Professor and Programme Director, School of Urban and Regional Planning, Ryerson University, Canada
	Dr. Dennis Rodgers Brooks World Poverty Institute, University of Manchester, United Kingdom
	Dr. Chetan Vaidya Director, National Institute of Urban Affairs (NIUA), New Delhi
	Dr. Harsh Singh Director, Market Solutions for Inclusion, New Delhi

	Mr. S.K. Das Managing Director, Associated Architect, New Delhi and Professor, School of Planning and Architecture, New Delhi

WORKSHOP 3
Building industrial capabilities: infrastructure, finance, skills and entrepreneurships

Venue	**Kautilya, Hotel Maurya**
Moderator	**Dr. Santosh Mehrotra** Director General, Institute of Applied Manpower Research (IAMR), New Delhi
Theme Presentation	**Dr. Dinesh Awasthi** Director, Entrepreneurship Development Institute of India (EDI), Ahmedabad
Panellists	**Mr. K.P.S. Kesri** President, Bihar Industries Association, Patna
	Mr. Rajeshwar Mishra Director, Metallon Holdings Limited, Beijing
	Dr. Rakesh Basant Professor, Indian Institute of Management, Ahmedabad
	Mr. Satish Jha Chairman, One Laptop Per Child (OLPC), India
	Mr. Satyajit Kumar Singh Regional Vice-President, (Agriculture and Food Processing), Confederation of Indian Industry (CII), Patna
	Dr. Sher Verick Senior Specialist on Employment, International Labour Organization (ILO)
	Dr. Ram Sahi Adjunct Professor of Economics, Carleton Univeristy,Ottawa, Canada
	Dr. Sudhanshu Rai Professor, Copenhagen Business School
	Mr. Mukesh Gulati Executive Director, Foundation for MSME Clusters, New Delhi
	Mr. C. K Mishra Principal Secretary, Department of Industry, Government of Bihar

WORKSHOP 4
Developing Bihar as an attractive tourist destination

Venue	**Nalanda, Hotel Maurya**
Moderator	**Dr. S.K. Mishra** Chairman, Indian Trust for Rural Heritage Development
Theme Presentation	**Professor Dev Nathan** Professor, Institute for Human Development (IHD) and **Mr. Aditi Nandan** Advertising and Media Consultant, Amatya Media
Panellists	**Mr. M.P. Bezbaruah** Former Secretary, Ministry of Tourism
	Mr. S. P. Sinha Chairman and Managing Director Maurya Hotel, Patna
	Mr. Naveen Sharma Chief Executive Officer Pracheen Bharat Tourism Technology

	Dr. Praveen Kumar Singh Consulting Editor, Dalal Street (Investment Journal)
	Ms. Meghna Prasad Chief Executive Officer, Ray+Keshavan, The Brand Union
	Mr. Anil Sharma CMD, Amrapali Group
	Mr. Keith Hargreaves Director for Business Development, Strategic Asia, Jakarta
	Mr. Deepak Kumar Principal Secretary, Department of Tourism, Government of Bihar

WORKSHOP 5
Raising and managing resources for a stronger Bihar

Venue	**Chanakya, Hotel Maurya**
Moderator	**Dr. Y.V. Reddy** Former Governor, Reserve Bank of India
Theme Presentation	**Professor Sudipto Mundle** Emeritus Professor, National Institute of Public, Finance and Policy (NIPFP), New Delhi
Panellists	**Mr. Anand Sinha** Deputy Governor, Reserve Bank of India
	Professor Atul Sarma National Fellow, Indian Council of Social Service Research and Former Member, 13th Finance Commission
	Dr. Sidhartha Sinha Professor of Finance, Indian Institute of Management, Ahmedabad
	Mr. M.K. Sinha CEO and MD, IDFC Private Equity
	Mr. Rohit Jha Director, Infra Solutions (I) Pvt. Ltd., New Delhi

WORKSHOP 6
Expanding Knowledge and Research for Development

Venue	**Spice Court, Hotel Maurya**
Moderator	**Dr. Gerry Rodgers** Visiting Professor, IHD and Former Director, International Institute of Labour Studies, ILO, Geneva
Theme Presentation	**Professor P.P. Ghosh** Director, Asian Development Research Institute, Patna
Participants	**Dr. K.P. Kannan** Centre for Development Studies, Trivandrum
	Dr. Ajit Sinha Indira Gandhi Institute of Development Research, Mumbai
	Dr. Ruth Kattumuri Co-Director, India Observatory and Asia Research Centre, London School of Economics
	Dr. J. Krishnamurty Formerly of the ILO, Geneva
	Dr. N.K. Chaudhary Patna University
	Dr. G.P. Mishra Former Director, Giri Institute of Development Studies,Lucknow

	Professor Praveen Jha Jawaharlal Nehru University
	Dr. Ajay Mehra Delhi University
1330–1430	Lunch
1430–1630	**PARALLEL THEMATIC WORKSHOPS**

WORKSHOP 7
Strengthening educational and training institutions

Venue	**Ashoka I, Hotel Maurya**
Moderator	**Dr. Arif Hasan** Professor and Deputy Director International Islamic University, Malaysia
Theme Presentation	**Dr. Sudhanshu Bhushan** Professor, National University of Educational Planning and Administration (NUEPA), New Delhi
	Dr. Preet Rustagi Professor, Institute for Human Development, New Delhi
Panellists	**Ms. Rukmini Banerjee** Director, PRATHAM, New Delhi
	Dr. Vinay Kanth Director, East and West, Patna
	Prof. Prabhat Ranjan Professor, Dhirubhai Ambani Institute of Information and Communication Technology, Gandhinagar, Ahmedabad
	Professor Avinash Kumar Singh Department of Foundation of Education, NUEPA, New Delhi
	Mr. Yameen Mazumdar Chief, Patna Field Office, UNICEF, India

WORKSHOP 8
Creating a more effective healthcare system

Venue	**Nalanda, Hotel Maurya**
Moderator	**Professor Pauline Mazumdar** University of Toronto
Theme Presentation	**Dr. A.K. Shiva Kumar** Adviser, United Nations Children's Fund (UNICEF), New Delhi
	Mr. Amarjeet Sinha Principal Secretary, Department of Health, Government of Bihar
	Mr. Sanjay Kumar (also a panellist) Executive Director, Bihar Health Society, Government of Bihar
Panellists	**Dr. Ajay Kumar** Former President, Indian Medical Association
	Mr. Dirk Sommer Head, South Asia Private Participation in Port Fascilities, International Finance Corporation
	Dr. S.N Arya General Physician, Patna
	Mr Satyajeet Kumar Singh MD, Ruban Hospital, Patna

Dr. Charu Garg
Consultant, Health Economist and Formerly WHO Geneva

WORKSHOP 9
Extending socio-economic and political roles of women

Venue	**Ashoka, Hotel Maurya**
Moderator	**Dr. Devaki Jain** Writer, Social Activist and Former Member, Karnataka State Planning Board
Theme Presentation	**Ms. Renana Jhabvala** Chairperson, SEWA Bharat, New Delhi
	Ms. Amrita Datta Faculty, Institute for Human Development, New Delhi
Panellists	**Ms. Janine Rodgers** Visiting Researcher, IHD
	Ms. Aditi Phadnis Business Standard
	Ms. Rashmi Singh Executive Director, National Resource Centre for Women, Government of Bihar
	Ms. Ruchira Gupta Chairperson, Apne Aap, New York
	Dr. Suraj Kumar Head of Governance, UN Women, New Delhi
	Dr. Manoshi Mitra Das Asian Development Bank
	Dr. Nirmala Banerjee Former Professor, Centre for Social Sciences, Kolkatta
	Dr. Meera Tiwari Department of Development Studies, University of East London

WORKSHOP 10
Strengthening institutions for inclusive and equitable development

Venue	**Kautilya, Hotel Maurya**
Moderator	Dr. S. R. Hashim Former Member-Secretary, Planning Commission and Former Chairman, Union Public Service Commission
Theme Presentation	**Professor Anjan Mukherjee** Country Director, International Growth Centre
	Professor Shaibal Gupta Member-Secretary, Asian Development Research Institute (ADRI), Patna, Bihar
Panellists	**Dr. K.S. Vatsa** UNDP, New Delhi
	Dr. Ajit Ghose Formerly of the International Labour Organization, Geneva and Senior Visiting Professor, IHD
	Dr. Ajit Prasad S.P. Jain Management Institute, Mumbai
	Professor Bhajan Grewal Victoria University, Australia
	Dr. D.N. Reddy University of Hyderabad

	Mr. Sayed Shahid Mahadi Former Vice Chancellor, Jamia Millia Islamia
	Dr. Arbind Sinha Acting Director, Mudra Institute of Communication, Ahmedabad
	Mr. Nagendra P. Singh M D Aseed

WORKSHOP 11
Ushering in a socio-cultural renaissance

Venue	**Spice Court, Hotel Maurya**
Moderator	**General S.K. Sinha** Former Governor of Assam and Jammu and Kashmir
Theme Presentation	**Mr. Tripurari Sharan** Director General, Doordarshan and Former Director, Film and Television Institute of India, Pune
	Mr. Arun Sinha Editor, Nav Hind Times, Goa
	Dr. Sunita Sharma Magadh University
Panellists	**Dr. Vijay Choudhary** Director, KP Jaiswal Research Institute, Patna
	Dr. Sarita Boodhoo Manager, Nalanda Bookshop, Port-Louis
	Dr. Acharya Kishore Kunal Chairman, Religious Trust Board, Government of Bihar
	Ms. Pallavi Singh Keshri Eyaas.com
	Mr. Jayant Kastuar Secretary, Sangeet Natak Academy
	Mr. Urmilesh Chief Editor, Rajya Sabha TV
1630–1700	Tea

1700–1900	**PLENARY SESSION 3** **Forging partnerships for development in Bihar**
Moderator	**Professor Muchkund Dubey** Former Foreign Secretary of India
Speakers	**Mr. Analjit Singh** Founder and Chairman, Max India ltd
	Mr. Roberto Zagha Country Director, World Bank
	Ms. Caitlin Wiesen Country Director, UNDP
	Dr. Prabhu Pingali Deputy Director, Agricultural Development, Bill and Melinda Gates Foundation
	Mr. Sam Sharpe Country Head, DFID India
	Mr David Mcloughlin Principal Officer, Programmes, UNICEF India

	Dr. Ramesh Yadav COO, Cradle Technologies, San Fransisco, USA
1900–2030	**PLENARY SESSION 4** **Role of cinema and television in cultural renaissance in Bihar: an interactive dialogue**
Moderator	**Mr. Tripurari Sharan** Director General, Doordarshan and Former Director, Film and Television Institute of India, Pune
Panellists	**Mr. Javed Akhtar** Lyricist
	Mr. Prakash Jha Film Maker
	Mr.Uday Shankar CEO, Star TV
Comments	**Mr. Shekhar Suman** Actor
	Mr. Piyush Jha Film Maker
	Ms. Priyanka Sinha Editor, SCREEN
	Ms. Neetu Chandra Actor
	Mr. Abhimanyu Singh Film Maker
2030 onwards	Dinner

SUNDAY, 19 FEBRUARY, 2012

0900–1030 HRS	**PLENARY SESSION 5** **Accelerating the growth of industry and services in Bihar**
Moderator	**Professor Abhijit Sen** Member, Planning Commission
Speakers	**Mr. K.V. Kamath** Chairman, ICICI Bank and Chairman, Infosys
	Mr. U. K. Sinha Chairman, Security & Exchange Board of India (SEBI)
	Lord Karan Billimoria Founder and Chairman, Cobra Beer, UK
	Professor Dipak Mazumdar University of Toronto
1030–1100	Tea
1100–1230	**PLENARY SESSION 6** **Vision for Bihar's Development and Emerging Agenda for Action**
Moderator	**Mr. M.J. Akbar** Editorial Director, India Today

Presentation of the main conclusions of the Summit

	Professor Dev Nathan Institute for Human Development, New Delhi
Speakers	**Mr. Navin Kumar** Chief Secretary, Government of Bihar

	Mr. Prem Shankar Jha Managing Editor, Financial World and Former Editor, The Hindustan Times
	Dr. S.C. Mishra Head, Strategic Asia, Jakarta
	Prof. Sudipto Mundle Emeritus Professor, National Institute of Public Finance and Policy (NIPFP), New Delhi
	Dr. Gerry Rodgers Visiting Professor, IHD and Former Director, International Institute of Labour Studies, Geneva
1230–1330	**VALEDICTORY SESSION**
Welcome Remarks	**Professor Alakh N. Sharma** Director, Institute for Human Development, Delhi and Summit Convener
Address	**Mr. Sushil K Modi** Deputy Chief Minister, Bihar
Address	**Mr. Nitish Kumar** Chief Minister, Bihar
Valedictory Address	**Dr. Gopalkrishna Gandhi** Former Governor of West Bengal
Vote of Thanks	**Mr C K Mishra** Principal Secretary, Department of Industries, Government of Bihar
1330	Lunch

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