

REPORT OF WORKSHOP ON ECONOMIC POLICY AND DEVELOPMENT

AN APPRAISAL OF ECONOMIC SURVEYS OF BIHAR
(2006-07 TO 2014-15)

September 12, 2015



Organised by
CENTRE FOR ECONOMIC POLICY AND PUBLIC FINANCE (CEPPF)
ASIAN DEVELOPMENT RESEARCH INSTITUTE (ADRI)
INTERNATIONAL GROWTH CENTRE (IGC) INDIA - BIHAR

BSIDC Colony, Off Boring-Patliputra Road, Patna - 800 013

Phone : 2575649, 2578773, 2572745 Fax : 0612-2577102 E-mail : ceppf@yahoo.com Web : <http://www.adriindia.org>



**REPORT OF WORKSHOP
ON
ECONOMIC POLICY AND DEVELOPMENT**

**AN APPRAISAL OF ECONOMIC SURVEYS OF BIHAR
(2006-07 TO 2014-15)**

September 12, 2015

Organised by
CENTRE FOR ECONOMIC POLICY AND PUBLIC FINANCE (CEPPF)
ASIAN DEVELOPMENT RESEARCH INSTITUTE (ADRI)
INTERNATIONAL GROWTH CENTRE (IGC) INDIA-BIHAR

BSIDC Colony, Off Boring-Patliputra Road, Patna - 800 013

Phone : 2575649, 2578773, 2572745 Fax: 0612-2577102 E-mail: ceppf@yahoo.com Web : <http://www.adriindia.org>

CONTENTS

Sl. No.	Particulars	Page No.
1	Preface	3
2	Report	4-12
3	Economic Survey of Selected Indian States A Comparative Profile - Dr. Barna Ganguli	15-22
4	Banking and Public Finance in Bihar - Mr. Govinda Bhattacharjee	25-31
5	Economic Survey of Bihar : A Journey - Dr. Bakshi Amit K. Sinha	34-41
6	Appendix-A Economic Survey 2009-10 : Academic Audit - Professor Dilip Nachane	42-44
7	Appendix-B Programme and Speakers	45-47

PREFACE

This report presents the proceedings of a day-long Workshop on Economic Policy and Development: An Appraisal of Economic Surveys of Bihar of the last 9 years. The objective of the workshop was to receive suggestions from professionals and users of the Economic Survey on its contents and presentation.

An appraisal of our first Economic Survey (2006-07) was done in October, 2007 in a workshop attended by eminent economists, like Dr. Arvind Virmani (the then Chief Economic Advisor, Ministry of Finance, Government of India), Dr. Dipak Dasgupta (the then Lead Economist India, World Bank) and many others. The deliberations of the workshop did help us in improving the quality of surveys in subsequent years. Professor Dilip Nachane, the then Director of Indira Gandhi Institute of Development Research (IGIDR), was requested to make an extensive evaluation of the fourth Economic Survey (2009-10). He observed: “overall, one cannot fail to be impressed by the excellent quality of the Report. As a matter of fact, the high standards of this Report could serve as a model for emulation for other states in the preparation of their Reports. There are several features of the Report which are novel and innovative and which must reflect considerable efforts on the data collection front.” The Academic Audit of Economic Survey 2009-10 by Professor Nachane is presented in the Appendix of the Report of this workshop.

However, since then, the structure of the Report has changed much. On the one hand, the development agenda in Bihar has now taken deep roots, enjoying the active support of all sections of society — the scholars, bureaucrats, various members of the civil society and, finally, the people. On the other, the information base of the Economic Surveys has also gradually expanded. In this backdrop, the present workshop was organised to further improve the quality of the Economic Survey.

We express our gratitude to sessions' chairpersons, paper presenters, discussants and participants of the workshop for their enriching and meaningful interventions. The discussions and suggestions of the workshop are immensely valuable, which would greatly contribute towards enhancing the quality of our Report.



REPORT

The day-long workshop on 'Economic Policy and Development: An Appraisal of Economic Surveys of Bihar (2006-07 to 2014-15)' was organised by the Centre for Economic Policy and Public Finance (CEPPF) on September 12, 2015. The workshop was attended by a large number of persons, many of whom made valuable observations on different themes of the workshop. Outstation participants of the workshop included Dr. Arvind Subramanian (Chief Economic Advisor, GOI), Professor M Govinda Rao, Professor Pinaki Chakraborty, Professor Pulapare Balakrishnan, Mr. TN Ninan, Mr. Govinda Bhattacharjee and Dr. Ashmita Gupta.

Besides the Inaugural Session, there were two Technical Sessions of the workshop. The Rapporteur's Report for these three sessions are appended to the overall Report on the workshop. There were also three power-point presentations in this workshop — Economic Survey of Selected Indian States (Dr. Barna Ganguli), Banking and Public Finance in Bihar (Mr. Govinda Bhattacharjee) and Economic Survey of Bihar: 2006-07 to 2014-15 (Dr. Bakshi Amit K Sinha). These power-point presentations are also appended to this overall Report.

An important aspect of the workshop is that besides the members of the CEPPF and some invited scholars (from Patna and outside), a number of senior state government officials attended the workshop. The following persons, including some senior state government officials, made substantial contribution to the deliberations — Mr. Rameshwar Singh, Mr. Arun Kumar Singh, Mr. Dipak Kimar Singh, Mr. Pankaj Kumar, Dr. Arunish Chawla, Mr. DS Gangwar, Mr. Gulrez Hoda and Ms. Sriparna Iyer. Based on the Rapporteurs' Reports and notes prepared by Dr. Barna Ganguli and Dr. Bakshi Amit K Sinha, the main observations on the Economic Surveys and its future contours are presented below:

1. The contents of an Economic Survey should be guided by three of its basic objectives — (a) Reporting facts about the economy, (b) Providing analysis of the observed facts and trends, and (c) Promoting new ideas about the economy's development strategy. Quite often, the content of the Economic survey is restricted to only the first objective, with less attention to the second and even lesser attention to the third.
2. The Economic Survey should present a comparative picture of state's economy *vis-à-vis* other Indian states, both for economic and social indicators. Whenever possible, the Economic Survey should also identify the best practices in India for various administrative and development activities. One could also attempt some 'convergence analysis', indicating how long Bihar would take to reach the national average in terms of important economic and social indicators.
3. Besides the data provided by the Directorate of Economics and Statistics (DES) and various departments of the state government, the Economic Survey should also utilise the data from other sources, like National Sample Survey Organisation (NSSO), Annual Status of Sample Survey Organisation (NSSO), Annual Status of Education Report (ASER), Centre for Monitoring Indian Economy (CMIE), etc. In view of certain existing data gaps, the CEPPF should undertake some studies periodically to enrich and widen the database of the Economic Survey.

4. The present official statistical system in Bihar is not very sound. The system needs to be strengthened so that it can collect more reliable data on agriculture, animal husbandry, forestry, fishery and other sectors (e.g. MSME) which are informal in character. Similarly, migration and remittances are a major phenomenon in Bihar; but data on this aspect of the state's economy is extremely limited. The Economic Census conducted by the DES is an important source of information; but the time-gap between the collection of data and its publication is so large that the utility of the data is substantially lost.
5. The chapter plan of the Economic Survey needs to be revisited. Some of the topics for which separate chapters were suggested were the following — Power, Poverty and Employment, Urban Development and Panchayati Raj Institutions. As regards the structure of the Economic Survey, it was also suggested that it may be structured in two volumes – one, presenting the broad data and analysis, and the other containing the detailed statistical data. It was also suggested that the Economic Survey should have more two-dimensional graphs, enhancing its analytical quality.
6. In the chapter on State Finances, the Economic Survey may add a specific section on the working of Centrally Sponsored Schemes, detailing both allocation and utilisation for three schemes.



RAPPORTEUR'S REPORT

Inaugural Session

Mr. Chinmaya Kumar

The Inaugural Session of the workshop was chaired by Professor M Govinda Rao. The session started with a welcome address by Dr. Shaibal Gupta, who explained that the main reason for organizing this workshop is to critically examine the last nine Economic Surveys and discuss ways of improving its quality. He welcomed Dr. Arvind Subramanian, Chief Economic Advisor, GOI, Professor M Govinda Rao, Professor Anjan Mukherji, Dr. Arunish Chawla and Principal Secretaries of various departments of the Government of Bihar for participating in the workshop.

Mr. Rameshwar Singh, former Finance Commissioner, addressed the audience next. He said that he has been associated with the preparation of Economic Survey for the last five years and briefly explained the process through which the Survey is prepared. He highlighted the fact that Economic Survey has been consistent over the years and has become an invaluable guide for researchers. He added that the team preparing the Economic Survey should strive to make it a guiding document for policy makers, which can help policy formulation in Bihar.

This was followed by a presentation on '*Economic Survey of Selected Indian States*' by Dr. Barna Ganguli. She presented the findings of a comparative analysis of Economic Surveys of seven states of India — Haryana and Tamil Nadu (High Income), Karnataka and Rajasthan (Middle Income) and Odisha, Jharkhand, and Bihar (Low Income). She presented the variation in Economic Surveys across these seven states in terms of size and content, structure of the survey, and treatment of various sectors such as Agriculture, Industry, Infrastructure, Education & Health, Banking and Allied Sectors, and State Finances. Based on a detailed analysis, she inferred that the Economic Survey documents published by Tamil Nadu and Karnataka were the best. She argued that Bihar's Economic Survey could be accorded second rank, given the depth of analysis and the wide range of topics covered by it.

Dr. Ganguli's presentation was followed by a presentation on '*Banking and Public Finance in Bihar*' by Mr. Govind Bhattacharjee. He said that Bihar is one of the few states that prepare an Economic Survey which is so analytical and detailed. This document is consulted widely and has become an invaluable one for researchers working on Bihar. He then presented the details of two chapters of Economic Survey that he is responsible for. He started with Chapter 7 on 'Public Finance', which is divided into five sections — Overview, Resource Management, Expenditure Management, Deficit Management, Debt Management. He then explained each section in detail with the help of indicators which are used to assess the fiscal performance of the state. He also presented the structure and key findings of the chapter on 'Banking and Allied Sectors'. This chapter provides information about the banking infrastructure of all three types of banks (commercial banks, co-operatives banks, regional rural banks), district-wise credit-deposit ratio, district- and bank-wise Investment plus Credit deposit ratio and other important indicators on the working of financial institutions.

This was followed by the inaugural address by Dr. Arvind Subramanian. He started with thanking CEPPF for giving this opportunity to share his experience of restructuring Economic Survey of India and offer a few broad comments that can help in improving the Economic Surveys of Bihar. He said that Economic Survey is a very good compendium of facts and reviews what has happened across various sectors in the past. What is

missing, however, is a good analysis of major policy issues. Economic Survey should also spell out some new ideas about various policy problems and become a repository of ideas. The Government of India now has two volumes of Economic Survey — Volume 1 is the idea and analysis document and Volume 2 has all the data. He argued that states should also start focusing more on ideas and analysis, rather than merely presenting sector-wise progress made over the year. He suggested that Bihar Economic Survey should consider the approach of economic convergence: how can Bihar become the next miracle of India and catch up with the rest of India? An analytical chapter on this question would entail a lot of comparative analysis and this perspective would be very useful from the policy maker's point of view. One starting point for Bihar would be to develop a strategy for becoming a frontier state in terms of agricultural productivity. Raising agricultural productivity makes the transition towards industries easier. It's important to identify strengths and weaknesses in the agriculture sector. Areas where Bihar has performed better than rest of India should be highlighted. For instance, the 'Maize Revolution' in the form of rapid improvements in the yield over the last 7-8 years needs to be documented and we need to explore whether this can be replicated for other crops.

He further added that Uttar Pradesh and Bihar now send more people abroad than Kerala and, therefore, it's important to collect information on migration and remittances. For Bihar, one should not just look at the GSDP, but also report consumption data that incorporates the 'remittances' and other sources of income that are not captured in the GSDP figures. He urged everyone to consider working on documenting the magnitude of remittances and also think about the lessons Bihar can learn from Kerala as a remittance economy has lots of maladies as well.

He also emphasized on the role of connectivity in spurring economic activities and suggested that a better analysis of power sector be done; taking into account tariffs, power supply, transmission and distribution losses, etc. He added that Economic Survey should try to supplement official data with other types of secondary data whenever available. For instance, for the chapter on Education, the official data on enrolment should be supplemented with data on learning outcomes using the ASER data. Similarly, it is important to understand the PDS miracle in Bihar and estimates of leakages produced by recent surveys can be presented. In the end, he strongly urged that the 'State Finances' shouldn't receive too much emphasis as, more often than not, lack of resources is not the biggest constraint. He ended his speech with a suggestion that use of more two-dimensional graphs would make Economic Survey more analytical.

The last speaker for this session was Professor M. Govinda Rao who started with saying that one observes a lot of political discourse in Bihar but very little economic one. He appreciated ADRI and CEPPF for organizing this workshop where issues relevant for Bihar's economic growth is being discussed. He said that the Economic Survey of Bihar is an excellent document, but the team should work towards making it more analytical. He urged the team preparing Economic Survey to devote more space analyzing current policy problems and challenges for Bihar. For instance, there is tremendous volatility in agricultural growth which needs to be studied and one should suggest how to induce stability in this sector and further improve agricultural productivity. He agreed with Dr. Subramanian's suggestion that a framework of 'economic convergence' should be developed that can be used to guide Bihar to catch up with the national average. He argued that improving infrastructure is key to attracting more investment. He suggested that a separate chapter on Power Sector would be very useful as improvement in power supply is key to raising investment and economic growth.

Technical Session I: Economic Survey of Bihar, 2006-07 to 2014-15

Mr. Abhimanyu Gahlaut

The Technical Session I of the workshop started with a presentation from Dr. Bakshi Amit Kumar Sinha. His presentation was titled '*Economic Survey of Bihar: A Journey*'. He started by saying that the first Economic Survey, published in 2006-07, was prepared in a short period of only 4 months. Coverage of the first Survey (2006-07) was limited, as many departments were not ready with recent data. The limitations of the Economic Survey (2006-07) were reviewed in a workshop in October 2007, which was attended by Dr. Arvind Virmani. He then mentioned that academic audit was done for the Economic Survey 2009-10 by Professor Dilip Nachane, Director, IGIDR, who said that "Overall, one cannot fail to be impressed by the excellent quality of the report." He had further suggested for detailed analysis of employment and poverty, perhaps in a separate chapter. These suggestions were incorporated in future the Economic Surveys. Dr. Bakshi then went on to describe the characterization of Economic Survey of 2014-15.

Describing the Economic Survey for the next year, Dr. Bakshi said that Crop Insurance, Agriculture Marketing, Agriculture Research and Cattle Insurance will be covered in Chapter 2; the results of 6th Economic Census will be analysed in Chapter 3; Religion-wise demography will be discussed in Chapter 5; a section on Employment and Migration will be added in Chapter 5; Insurance should be covered in the Chapter 6; and Fourteenth Finance Commission and Pay commission recommendations will be assessed in Chapter 7.

The first commentator in this session was Mr. Arun Kumar Singh (Principal Secretary, Department of Road Construction). He insisted that the Economic Survey should act as a tool that can guide policymaking. He then described the splendid achievements of the Bihar government in the area of road construction, and laid out future plans of the department in expanding the road network in Bihar. He outlined the significance of a thriving road network in boosting the economic growth in Bihar.

The next commentator, Mr. Dipak Prasad (Principal Secretary, Water Resources Department), spoke at length about the importance of water resource management in the state. In a state like Bihar, where both floods and droughts are recurring natural calamities, timely prediction and development of early warning systems to warn the population about such impending calamities is very important. Similarly, to boost agricultural productivity, it is important that the state invests in expanding the coverage of irrigation networks.

Mrs. Sriparna Iyer, Team Leader (SPUR), then gave her invaluable comments on the issues surrounding urbanization which often receive only limited attention. The weak urban infrastructural facilities in Bihar are further stressed under the rapid influx of internal economic migrants from all corners of the state. Alongside this, badly regulated construction and land markets have also led to spiraling property prices in the capital Patna, which is not sustainable.

Mr. Pankaj Kumar (Principal Secretary, Department of Food and Consumer Protection) then spoke about the PDS reforms in Bihar, and how the concerned department had been leveraging technology, such as GPS tagging of food grain delivery trucks, to ensure the minimization of leakages from the PDS. He spoke about further strengthening the entire food supply chain, from procurement to transportation and distribution.

The last commentator was Mr. Dharmendra Gangwar (Principal Secretary to the Chief Minister), who insisted that the Economic Survey should focus on analysis and policy recommendations, rather than simply

being a repository of information. He also insisted that an interesting idea to explore would be starting a longitudinal, wide-ranging study in select parts of Bihar, along the Palanpur experiment by a group of LSE scientists, who track various social indicators, and the development process itself, over a long period of time. He encouraged CEPPF to incorporate such ideas in future Economic Surveys.

Finally, the Chairperson for the session, Professor Anjan Mukherji, thanked all the participants for their comments. He ended by saying that Bihar's Economic Survey should make national comparisons, and highlight the areas where Bihar had done better than national averages, and also areas where Bihar had catching up to do.

Technical Session II: Future Contours of Economic Survey of Bihar

Mr. Pankaj Verma

Dr. Prabhat P Ghosh opened the session by referring Dr. Subramanian's last visit to Patna. Being a part of the team that prepares Economic Survey of Bihar, Dr. Ghosh said that data collecting team is different from the team preparing the report and, therefore, coordination between the two is very important. He said that he is concerned about the quality of the database that the CEPPF has been using for the Economic Surveys. He pondered on degeneration of statistical system in general in India in the recent past, although even the British have instituted some good practices in this field. The current system of data collection is in general degrading. He talked about earlier publications of the DES which had data on certain indicators like livestock and agricultural products, but was discontinued about 20 years ago and has only been recently introduced. Shedding light on the Indian economy, he mentioned that informal sector constitutes a large share for which we do not have adequate information. That could be something that Economic Surveys in future could aim to include. Talking about the Economic Census, he said that the result of the last Economic Census was published after a gap of 6 years and the results of 2013 Economic Census will be available by 2017. He questioned how relevant would a 2013 data be in 2017 and said that time-bound exercises are important in data collection. He promised to work harder to include most of the suggestions, made in the present Workshop in next year's Economic Survey. The suggestions made by various participants for the next Economic Survey are noted below.

- (i) **Rameshwar Singh:** Mr. Singh began his speech by referring to what Dr. Subramanian and Dr. Rao told in the morning, viz. look beyond public finance. He said that Bihar had an economic growth target of 8.5%, but reached 11%. Given the stagnant private sector investment and limited credit from the bank, it presents a curious case as to where do this extra 3% growth came from. The source may be the informal sector, but he stressed the need to investigate this further. He said that per capita development expenditure in Bihar is far below the national average and that a lot needs to be done in every sector. The private sector is not attracted in a large way in Bihar which poses further problems for economic growth. Bihar's own resources are not enough to sustain the growth and, therefore, the dilemma is critical. As regards data limitations, he suggested that CEPPF could commission independent studies on important issues which could feed into the Economic Survey. For example, the remittance sector is something which hasn't been aptly covered; this could be a part of an independent study by the CEPPF.

- (2) **Arunish Chawla:** Mr. Chawla said that quality economic survey, even at the GOI level, is difficult, given the size and scope of the exercise; at the state level, it must be much harder given paucity of data availability. For example, unlike in the national accounts, the data on demand side is simply missing at the state level and, therefore, the GSDP of all states never add up to GDP. At state level, therefore, preparation of Economic Survey does not have the same luxury that people have at the national level. He further mentioned that there are lots of data available in public domain and they all could be used to prepare indices. He said that world has moved on to household panel data and that one could look at Bihar consumption for many years. He suggested that, even if one does not have all macro ingredients at the state level, one could pick up something like fixed asset formation which is a good way of tracking how economy is changing. Commenting on the basic thematic presentation, he suggested to follow *the logic model* i.e. IA00A where output is measurable. Referring to comments by the Chief Economic Advisor, he suggested building something on which one can get an outcome. Economic Survey with 7 chapters could still come out good if it has some story in it. If 90% of the Economic Survey's space is on input-output framework, then departments will care to read about it. He said that he personally does not favour increasing the number of chapters and suggested to categories existing ones on the lines of finance, agriculture and allied activities (green/white/blue revolution), industrial and entrepreneurial activities, services & skill development and job growth (moving away from credit and banking growth), infrastructure (power, transport, irrigation), Urban, Rural (or Rurban?). He further said that Bihar has done good in enhancing human capabilities in the last 10 years and that one tends to overlook this in the MIS way of capturing data. He suggested that one need to have something on issues and challenges – questions for policy interest which we can learn from World Economic Outlook developed by the IMF. On a cautionary note, he suggested not to include barbs about the 14th Finance Commission if it has to be included in the next Economic Survey of Bihar.
- (3) **Pinaki Chakraborty:** Dr. Chakraborty said that the high growth rate in the last 10 years is important, but it is more important to identify source of growth and mention the same in the Economic Survey. He also wondered whether the recent economic growth in Bihar is sustainable, given the low level of investment, and what could be the possible fall back in case of a slower growth rate. Another important issue is the public finance, since the story of steady increase in public expenditure in Bihar is just not about central transfers. The tax/GDP ratio is low and, therefore, it becomes very important to see the sustainability of high expenditure. Per capita expenditure in road construction is one of the lowest in the country. He suggested that these issues need to be studied further. Economic Survey has a big role in suggesting forward looking policies. He said that much more clarity is needed to indicate that 14th Finance Commission's recommendations are a loss to Bihar. There are issues at the state level, such as imperfect estimation of service sector. He also wanted to have more clarity and direction on the issue of GST and stressed upon the need to do more analytical exercises on states public finances and fiscal responsibilities. He concluded by saying that there is a fine trade-off between fiscal responsibility and state expenditure that needs to be remembered.

- (4) **Gulrez Hoda:** After appreciating ADRI's efforts for preparing Economic Survey, Mr. Hoda gave his comments on future contours of the Economic Survey. There is an interesting relation between states economic situation and number of pages in Economic Survey. The Bihar growth story during 2005-2014 has been — rule of law, double digit growth rate etc. But if one strips away construction, communication, public services and telecommunication, then growth story will be very different, raising the question how sustainable this growth. Among government institutions and economic media, there is always a debate as to what is the India story. One can get the story from North block, RBI or media. But where do you go to get the Bihar story, except ADRI? Commenting on the role of media in forming popular imagination, some national articles on Bihar economy is available in English. English readership is only 5% whereas 95% only read Hindi. Most of the media doesn't come out with economic stories in Hindi, and whatever they have is a mere translation of English stories. Other business institution like chamber of commerce is making some effort, but they are more into advocacy and not analysis of trends. Story telling is important and, therefore, Economic Survey should play that role of generating a public story about growth.
- (5) **Pulapare Balakrishnan:** Most of the comments on indicators do have a bearing on economic model, but one can count contributions in many ways other than just tax/GDP ratio. Like migrants to foreign countries in gulf area, workers from Bihar are contributing in a great way and the role of remittances should be studied. Government of Bihar should commission a study on money coming in as remittance, to identify source of where is it coming from and where is it going to. Economic Survey should also focus on how are the main programs of the government faring, like MNREGA. Economic Survey should not have the same content over the years; its contents should be evolving. There are several lurching issues, but fortunately, macro pointers are more of less stable. Four things that should go into Economic Survey — (1) health and education (not in terms of input but outcomes like learning outcomes, ASER and similarly at universities) and allocation to schools and universities and it should be relentlessly evaluated, (2) public capital formation where Bihar is facing crippling challenges while other states have managed to do that, and emphasis shouldn't be on outlays but what is happening in ground if possible to do that across board (3) environment – Swachhh Bharat and consciousness about sanitation etc. (4) urbanization, ease of doing business in Bihar, organized manufacturing and self-employed. Economic Survey is overly concerned about public finance, but we need to know conditions in developmental area in order to creation of wealth. Economic Survey should be extremely brief if you want people to read it.
- (6) **Ashmita Gupta:** There are a lot of things that could be done in the Economic Survey. It should be analytically backed and form such a document that could stand out globally. Since Economic Survey is time bound, it may not be possible to include a lot of things. Economist, in general, are not much interested in correlation but causality and have sophisticated econometric tools at hand to decipher such causality. Giving an example, she said that the NYC Governor had once claimed that crime rates had decreased during his tenure, but it was later discovered that the reduction was mostly in juvenile crime, about which there was no change in current policies. On careful analysis,

it was found that a 20 years old city law making abortion legal made families produce less number of kids, enabling them to care more and hence decrease in crime over time. This shows the important of causality as compared to mere correlation. In order to make people interested in the Economic Survey, all data used by the survey should be made public. It is also important to come up with particular set of questions that the government is interested in. For example, migration and how migration contributes to economy.

- (7) **Arvind Subramanian:** He said that he was positively provoked by few comments made by commentators. He stressed on the point that expression and presentation matters a lot. And this could be achieved without sacrificing rigour, and this is the challenge of any Economic Survey. This is a slightly elitist exercise – focused for a specific reader, and therefore Economic Survey should be something that could be read like an op-ed with wider visual and reader base.
- (8) **TN Ninan:** Mr. Ninan started with the comment that, if one deletes the references and acronyms for the Economic Survey, it will be 10% closer to the Haryana report (in terms of number of pages). Bihar GSDP is 1/4th of Gujarat, but its population is 3 times that of Gujarat and it has less geographical area; one should make that distinction explicit. He also wondered why we use different periods for different analysis in the Economic Survey. It makes it difficult for readers to understand the narrative. Bihar's share in central transfer is 2-3%, Bihar has a share of 9 percent in national population and contribution to GDP is about 3%. How does one go forward from these numbers? Mr. Ninan felt that the present growth rates are not sustainable. One sees a lot of consumption, but no real investment. One also notices 45% growth rate in manufacturing in one period and far lower growth in other – there has to be some issues as we see the same in other indicators as well.
- (9) **M Govind Rao:** The government departments give all the numbers, so one will have to do a lot of preliminary checks on those numbers before writing a report. This is an important document and ADRI should be congratulated for such a commendable task. A lot of suggestions have been given and we will have to see what is possible given our time frame. There are many problems; we don't have comparable State Domestic Product data. We have a comparable common methodology with same state of assumptions, and all states were called for discussion but data is not comparable. Growth rate depends on the base year; if 2000-2001, then rate is much lower as compared to base year of 2004-05 (when compared with 2014-15). A report should be communicable, story-telling and simple to read and understand. The Economic Survey should identify sources of growth and important channel in sectors. Lot needs to be done and hope that ADRI will fulfill the task to its best.







Economic Survey of Selected Indian States: *A Comparative Profile*

*Centre for Economic Policy and
Public Finance, ADRI*

Barna Ganguli

Why Economic Survey?

- Makes comprehensive assessment of the State economy
- Analyses the performance of the State across the sectors
- Identifies specific gaps and challenges for initiating appropriate action

Selected Indian States

High Income States (2)	Haryana Tamil Nadu
Middle Income States (2)	Karnataka Rajasthan
Low Income States (3)	Odisha Jharkhand Bihar

Reference Year : 2014-15

Responsible Agencies For Preparation Of Economic Surveys

Directorate of Economics and Statistics

Haryana, Tamil Nadu and Rajasthan

Department of Planning (with various names)

Karnataka and Odisha

Department of Finance

Jharkhand (Outsourced)

Specialised Centre Sponsored by Department of Finance

Bihar

Size and Contents Of Economic Surveys

States	Chapters	Pages	Number of		
			Tables	Annexure	Graphs
Haryana	9	151	44	9	10
Tamil Nadu	15	397	306	125	95
Karnataka	15	672	533	115	49
Rajasthan	13	164	114	48	31
Odisha	10	532	17	240	153
Jharkhand	14	345	87	93	80
Bihar	7	426	259	80	59

Chapterisation Pattern Of Economic Surveys

- Taking into account all the 7 Economic Surveys, one finds more than 30 chapter headings depend on level of disaggregation
- Chapter headings are largely based on
 - (a) *Sectoral division of the economy (Agriculture, Industry etc.)*
 - (b) *Departmental divisions of the state government (Rural Developments, Urban Developments, etc.)*
- More than 30 chapter headings can be grouped into 7 categories, as adopted by the Economic Survey of Bihar

State Income and Prices

States	Topics				
	State Income	District Incomes	Inter-State Comparison	Prices	Gross Fixed Capital Formation
Haryana	✓	X	X	X	X
Tamil Nadu	✓	✓	✓	✓	✓
Karnataka	✓	✓	✓	✓	X
Rajasthan	✓	X	X	✓	✓
Odisha	✓	✓	✓	✓	X
Jharkhand	✓	X	X	X	X
Bihar	✓	✓	✓	✓	X

Agriculture and Allied Sectors (1)

Topic	Coverage
Rainfall	All States, except Haryana
Land Use Pattern	All States, except Haryana
Agricultural Production (State)	All States
Agricultural Production (District-wise)	Tamil Nadu and Bihar
Irrigation	All States
Agricultural Credit	Tamil Nadu, Odisha and Bihar

Agriculture and Allied Sectors (2)

Heads	Coverage
Agricultural Marketing	Tamil Nadu, Karnataka & Rajasthan
Allied Sectors	<ul style="list-style-type: none">● Tamil Nadu has a separate chapter on allied sectors● Odisha has a specific section on Forests and Jharkhand has a separate chapter on Forests● In all other states, the information on allied sectors are rather limited

Industrial Sector

- Tamil Nadu and Karnataka Economic Surveys are most informative on industrial sector
- All States, except Haryana and Jharkhand, have detailed information on support institutions for industrial development
- Depending upon the size, some specific industries are discussed in some states (e.g. Automobile in Tamil Nadu, Sericulture in Karnataka, Sugar in Bihar, etc.)
- Karnataka has a separate chapter on ‘ Investment and Exports’

Infrastructure Sector

States	Sectors						
	Roads	Road Transport	Energy (conventional)	Energy (non-conventional)	Irrigation	Urban Infrastructure	Tele - communications
Haryana	✓	✓	✓	✓	X	✓	X
Tamil Nadu	✓	✓	✓	✓	X	✓	✓
Karnataka	✓	✓	✓	✓	X	✓	✓
Rajasthan	✓	✓	✓	✓	X	X	✓
Odisha	✓	✓	✓	✓	X	X	✓
Jharkhand	✓	✓	✓	✓	X	✓	✓
Bihar	✓	✓	✓	✓	✓	✓	✓

Social Sectors (1)

Heads	Coverage
Education	All States/Tamil Nadu has a separate chapter
Skill Development	Tamil Nadu, Karnataka and Odisha
Health	All States/Tamil Nadu has a separate chapter
Water Supply/Sanitation	All states, except Haryana
Rural Development programmes	All States, except Odisha/Tamil Nadu, Karnataka and Jharkhand have a separate chapter
Employment	All States, except Odisha and Bihar
Public Distribution System	Haryana, Karnataka, Odisha and Bihar

Social Sectors (2)

Heads	Coverage
Women Development	All States
Welfare of SC/ST	All States, except Tamil Nadu
Social Security Programme	All States, except Tamil Nadu and Jharkhand
Welfare of Children/ICDS	All States
Minority Welfare	Karnataka, Rajasthan, Jharkhand and Bihar
Panchayati Raj Institutions	All States/ Jharkhand has a separate chapter
Disaster Management	All States, except Tamil Nadu and Odisha

Banking and Allied Sectors

- Covered by all states/Tamil Nadu, Jharkhand and Bihar have separate chapters
- Issues covered generally include- Banking Infrastructure, Deposits and Credits, Annual Credit Plan, Micro Finance, Functioning of NABARD, etc.
- Odisha has sections on- Non- Banking Financial Institutions and Bhubaneshwar Stock Exchange
- Tamil Nadu, Karnataka and Bihar have a section on Financial Inclusion

State Finances

- Analysis of state finances is detailed in Tamil Nadu, Karnataka and Bihar/ In the remaining states, many important dimensions of state finances are paid little or no attention
- Deficit Management and Debt Management are paid inadequate attention by all states, except Tamil Nadu and Bihar
- Tamil Nadu is the only state to report a Medium Term Fiscal Plan (MTFP)
- Bihar Economic Survey analyses state finances using 3 important criteria: Sustainability, Flexibility and Vulnerability

End of Presentation





Banking and Public Finance in Bihar



Mr. Govinda Bhattacharjee
Visiting Fellow
Centre for Economic Policy and Public Finance (CEPPF)
ADRI, Patna

Chapter 7: Public Finance Structure of Data and Analysis

- A. Overview
 - Summarised Financial Position
 - Fiscal Performance
 - Sustainability, Flexibility and Vulnerability of State Finances
 - B. Resource Management
 - C. Expenditure Management
 - D. Deficit Management
 - E. Debt Management
- Data Sources, Scope etc.

Overview of Financial Position

- **Resources**
 - ❖ Revenue Account
 - ❖ Capital Account
- **Expenditure**
 - ❖ Developmental and Non-Developmental Expenditure
 - ❖ Plan and Non-Plan Expenditure
 - ❖ Capital Outlay
- **Borrowings: Internal and External**
- **Revenue Surplus, Gross Fiscal Deficit, Primary Deficit**

Overview of Fiscal Performance : Inter-State Comparisons

- Indicators
 1. Ratio of Revenue Deficit to GFD
 2. Ratio of Capital Outlay to GFD
 3. Ratio of Non-Development Revenue Expenditure to Aggregate Disbursement
 4. Ratio of Non-Development Revenue Expenditure to Revenue Receipt
 5. Ratio of Interest Payment to Revenue Expenditure
 6. Ratio of State's Own Revenue to Revenue Expenditure
 7. Ratio of Gross Transfer from Central Government to Aggregate Disbursement
 8. Ratio of Debt Servicing Expenditure to Gross Transfers from Central Government
- Inter-State Comparisons

Sustainability, Flexibility and Vulnerability of State Finances

Indicators	2010-11	2011-12	2012-13	2013-14	2014-15 BE
Balance from Current Revenue (Rs. crore)	9442	9987	14128	16245	17408
Buoyancy of Own Tax Receipts	0.9	1.4	1.3	1.4	2.4
Growth in total revenue receipts (%)	25.3	15.2	16.1	15.7	47.9
Growth in state's own revenue receipts (%)	11.2	24.4	28.8	23.7	33.6
Growth in GSDP (%)	24.9	19.5	21.7	15.8	11.9
Growth in outstanding debt (%)	8.8	7.8	12.7	11.8	17.4
Outstanding Debt / GSDP (%)	23.23	20.96	19.41	18.73	19.66
Interest Ratio (%)	11.80	9.13	8.67	9.26	9.07
State's Own Tax Receipts / GSDP (%)	4.8	5.2	5.5	5.8	6.7
Revenue Surplus (Rs. crore)	6316	4820	5101	6444	10174
Fiscal Deficit (Rs. crore)	3970	5915	6545	8349	11368
Primary Deficit (Rs. crore)	-349	1611	2117	2890	4786

Tax: GSDP Ratio (2014-15): Inter-State Comparisons (%)

State	State's Own Tax: Revenue Receipts	State's Own Tax: GSDP
Bihar	28.2	6.7
Jharkhand	27.2	6.7
West Bengal	42.9	5.1
Odisha	31.0	6.2
Uttar Pradesh	35.8	10.4
Madhya Pradesh	37.7	10.5
Rajasthan	38.3	8.9
Maharashtra	69.8	9.0
Gujarat	66.1	9.4
Punjab	63.4	10.0
Haryana	63.7	8.9

Analysis of the Quality of Expenditure

Total (Economic Services)						
Total Expenditure (Rs. crore)	13023	15564	17475	20246	24871	35323
Revenue Expenditure (Rs. crore)	7088	7836	10038	12710	14060	19988
(a) Salary component (%)	25.0	20.0	18.7	15.2	10.4	9.4
(b) Non-salary component (%)	75.0	80.0	81.3	84.8	89.6	90.6
Capital Outlay (Rs. crore)	5935	7728	7437	7536	10811	15334
Capital Outlay (%)	45.6	49.7	42.6	37.2	43.5	43.4

Irrigation and Flood Control						
Total Expenditure (Rs. crore)	2246	2678	3275	2854	2838	3387
Revenue Expenditure (Rs. crore)	897	1311	1311	914	1039	1459
(a) Salary component (%)	69.0	53.0	47.2	65.9	56.3	50.0
(b) Non-salary component (%)	31.0	47.0	52.8	34.1	43.7	50.0
Capital Outlay (Rs. crore)	1349	1367	1964	1940	1799	1928
Capital Outlay (%)	60.0	51.0	60.0	68.0	63.4	56.9

Deficit Management

Sources	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15 BE
Revenue Deficit	-2943	-6316	-4820	-5101	-6444	-10174
Capital Outlay	7332	9196	8852	9585	14001	21151
Net Lending	884	1091	1884	2061	792	391
Gross Fiscal Deficit (GFD)	5272	3970	5915	6545	8349	11368
GFD: GSDP ratio (%)	3.2	2.0	2.4	2.2	2.4	3.0
Financing						
Net Consolidated Fund	4151	3842	3706	6484	6788	11164
Net Public Account	-675	2238	2469	343	1606	395
Net Decrease in Cash Balance (Opening-Closing Balance)	1796	-2110	-333	-281	-42	-191
Percentage Composition						
Net Borrowing	78.7	96.8	62.6	99.1	81.3	98.2
Net Public Account	-12.8	56.4	41.7	5.2	19.2	3.5
Net Decrease in Cash Balance	34.1	-53.1	-5.6	-4.3	-0.5	-1.7

Net Public Debt Received (Rs Crore)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15 BE
Gross Central Loans Received	764	782	827	508	550	1849
Internal Debt Recd	5370	5251	5801	9046	9357	12878
Total Debt Received	6134	6032	6628	9554	9907	14727
Recoveries of Loans and Advances	13	12	23	25	15	16
Interest payments	3685	4319	4304	4428	5459	6581
Interest Received	353	238	574	167	269	202
Repayment of Debt	1983	2190	2922	3070	3120	3563
Net Debt Received	832	-227	-2	2248	1613	4801
Net Debt Received as percentage of total borrowing	13.6	-3.8	0.0	23.5	16.3	32.6

F. Other Features

Regular Features

Budget Performance

Central Funds Bypassing the State Budget

Performance of State Public Sector Undertakings and Corporations

Government Investments in Public Sector

Summarised Working Results of Public Sector

Undertakings

One Focus Area: Power Sector

Periodic Features

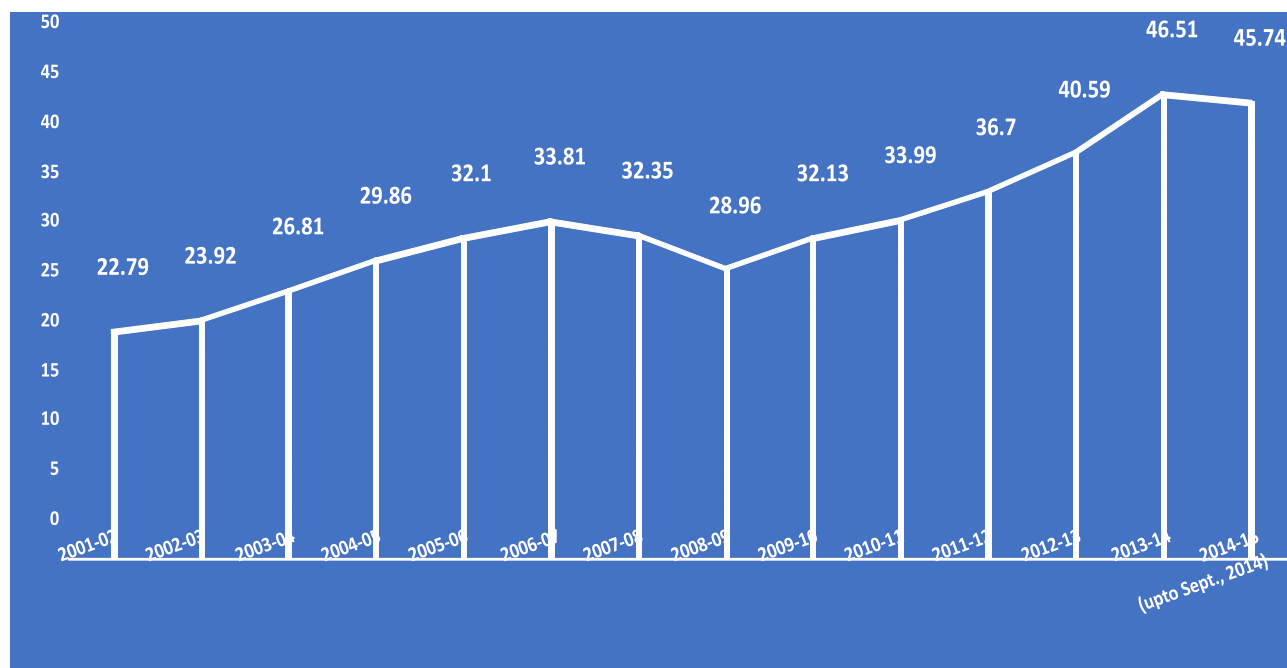
Functioning of PRIs

Intra-State Disparity on Govt. Expenditure

Chapter 6: Banking and Allied Sectors

- Banking Infrastructure: Branches, Employment etc.
 - Commercial Banks
 - Co-operative Banks
 - Regional Rural Banks
- Deposits and Credits
- Credit Deposit (CD) Ratio, Investment Plus Credit Deposit (ICD) Ratio
 - District-wise CD/ ICD Ratio
 - Bank Group-wise CD/ICD ratio
 - ❖ Commercial Banks
 - ❖ Co-Operative Banks
 - ❖ Regional Rural Banks
- Area-wise CD/ICD Ratio
 - ❖ Rural
 - ❖ Urban
 - ❖ Semi-Urban

Credit Deposit ratio of Bihar



Other Features

- **Priority Sector Advances**
 - ❖ Achievement under Annual Credit Plan (ACP)
 - ❖ Agricultural Advances and Performance of Primary Agricultural Credit Societies (PACS)
 - ❖ Kisan Credit Cards, etc.
- **Working Results**
 - ❖ State Co-operative Banks
 - ❖ Regional Rural Banks
 - ❖ State Cooperative Agriculture and Rural Development Banks (SCARDB)
- **Refinancing by NABARD**
- **Rural Infrastructure Development Fund (RIDF)**
- **Micro-Financing in Bihar**

End of Presentation





Economic Survey of Bihar: A Journey

Bakshi Amit K. Sinha

**Centre for Economic Policy and Public Finance (CEPPF)
Asian Development Research Institute (ADRI)
(www.adriindia.org)**

September 12, 2015

ECONOMIC SURVEY OF BIHAR: A START

- First Economic Survey (ES) published in 2006-07 / Prepared in a short period of only 4 months;
- Coverage of ES (2006-07) was limited as many departments were not ready with recent data;
- Limitations of the ES (2006-07) reviewed in a workshop in October 2007, attended by Dr. Arvind Virmani;

RECOMMENDATION OF WORKSHOP 2007

- Other states' ES should be consulted for better ideas;
- Focus should be given on intra - state comparison and regional inequality;
- Perspective of the state government should be reflected in the analysis;
- Private and public capital formation data should be presented;
- Analysis should focus on both medium-term trends and year-to-year changes;
- Central fund bypassing state budget should be included;

ACADEMIC AUDIT OF ES 2009-10

- Academic audit had been done for the ES 2009-10 by Professor Dilip Nachane, Director, IGIDR;
- He said “Overall, one cannot fail to be impressed by the excellent quality of the report.” He found this report as a mine of information, particularly on sectoral and district-wise details.
- He had quoted about chapter-7 : “A very well written and difficult to improve upon”;
- He had suggested for detailed analysis of employment and poverty – perhaps even in a separate chapter; also suggest more detail for health infrastructure;

MAJOR CHANGES OVER THE YEARS

- Revised plan for next ES was prepared in the light of recommendations of the workshop (2007) and academic audit by Prof. Nachane (2010);
- Analysis of time series data for many indicators;
- Database on inter-state and intra-state variations now covers more variables;
- Departmental data on state government programmes is now more detailed, particularly for welfare programmes;

WORK PLAN FOR ECONOMIC SURVEY

Steps	Agenda	Deadline
Step 1	Meeting of Nodal Officers of 32 Departments and other agencies;	In August
Step 2	Collection of recent data (up to September of current FY)	By end of October
Step 3	Compilation of data	By end of November
Step 4	Preparation of Draft ES	By mid of January
Step 5	Feedbacks from Department on Draft ES	By end of January
Step 6	Finalisation of ES	By mid of February

SOURCES OF DATA

- Directorate of Economics and Statistics (DES, GoB)
- Departmental Data
- Census Data
- Reports of All-India Agencies (RBI, NABARD, ASI, TRAI and others)
- NSSO Reports

CHAPTERISATION OF ES (2014-15)

- **Chapter 1** : Bihar Economy: An Overview (24)
- **Chapter 2** : Agriculture and Allied Sectors (49)
- **Chapter 3** : Enterprises Sector (51)
- **Chapter 4** : Infrastructure and Communications (60)
- **Chapter 5** : Social Sectors (113)
- **Chapter 6** : Banking and Allied Sectors (38)
- **Chapter 7** : State Finances (91)

Total no. of pages – 426

CHAPTER 1: BIHAR ECONOMY: AN OVERVIEW

Important Sections	State Domestic Product Regional Disparity WPI and CPI
No of Tables and Appendices	5 + 9 = 14
No of Graphs	3
Focus of Analysis	Medium – term Growth Rate Last Year's Growth Rate Sectoral Composition of GSDP Regional Disparity

CHAPTER 2 : AGRICULTURE AND ALLIED SECTORS

Important Sections	Rainfall Land Utilisation Production and Productivity Irrigation Agricultural Inputs Agricultural Credit Allied Sectors
No of Tables & Appendices	16 + 14 = 30
No of Graphs	4
Focus of Analysis	Growth of Output Productivity Changes Growth Rate of Inputs Adequacy of Inputs

CHAPTER 3 : ENTERPRISES SECTOR

Important Sections	Annual Survey of Industries Large and MSME Agro and Non-agro based Industries Supporting Institutions Information and Communication & Tech Investment in Industry Sector Tourism
No of Tables & Appendices	38 + 10 = 48
No of Graphs	5
Focus of Analysis	Growth of Industrial Sector (Large and MSME) Sixth Economic Census of Bihar Progress of Investment in Industrial Sector Growth in Tourism Sector

CHAPTER 4 : INFRASTRUCTURE AND COMMUNICATIONS

Important Sections	Roads and Bridges Road Transport Telecommunication Postal Network Urban Infrastructure Irrigation Power Sector
No of Tables & Appendices	55 + 5 = 60
No of Graphs	11
Focus of Analysis	Growth of Road Network Medium-term growth of Vehicles Inter-state Tele-density Irrigation Potential Assessment of power deficit

CHAPTER 5 : SOCIAL SECTORS

Important Sections	Demography and Health / Education / Weaker section / Women Empowerment / Rural Development / Labour Resources and Social Security / Panchayati Raj / Land Reforms / Disaster Management
No of Tables & Appendices	53 + 36 = 89
No of Graphs	11
Focus of Analysis	Percapita expenditure in social sector / Structure based on Mission Manav Vikas/ Trends of demography and health / Sectoral growth of educational expenditure / Gender Budget / Skill Development Mission

CHAPTER 6 : BANKING AND ALLIED SECTORS

Important Sections	Banking Infrastructure / Deposits and Credits / Priority Sector Advances / Financial Institutions / Micro Finance / Corporate Climate / Financial Inclusion
No of Tables & Appendices	39 + 2 = 41
No of Graphs	5
Focus of Analysis	Growth and composition of Banking Infrastructure / Working Conditions of Financial Institutions/ Agricultural Credit Flow / Growth of Micro Financing /

CHAPTER 7 : STATE FINANCES

Important Sections	Fiscal Performance / Deficit Management / Debt Management / Resource Mobilisation / Expenditure Management / Quality of Expenditure / Public Sector Undertakings
No of Tables & Appendices	53 + 4 = 57
No of Graphs	21
Focus of Analysis	Ratio of Receipts and Expenditure from GSDP / Sustainability, Flexibility and Vulnerability of State Finances / Tax : GSDP ratio / Growth and Buoyancy of tax and non-tax revenue / Sectoral Composition of Expenditure / Revenue Composition

POINTERS FOR ES 2015-16

- Crop Insurance, Agriculture Marketing, Agriculture Research and Cattle Insurance will be covered in chapter-2;
- 6th Economic Census will be analysed in chapter – 3;
- Religion-wise demography will be discussed in chapter–5;
- A section on Employment and Migration will be added in chapter – 5;
- Insurance should be covered in chapter – 6;
- Fourteenth Finance Commission and Pay Commission will be assessed in chapter – 7;

Economic Survey 2009-10

Academic Audit

by

Professor Dilip Nachane

General Comments

Overall, one cannot fail to be impressed by the excellent quality of the Report. As a matter of fact, the high standards of this Report could serve as a model for emulation by other states in the preparation of their Reports. There are several features of the Report which are novel and innovative and which must reflect considerable efforts on the data collection front. Among the major innovations which stand out, prominent mention must be made of the following selected ones:

- (i) The sectoral decomposition of the NSDP and GSDP (Tables 1.3 & 1.5)
- (ii) The computation of GDDP (Table 1.9)
- (iii) District wise land utilization patterns (Table 2.4)
- (iv) Productivity of major crops both at state level (Table 2.7) and district-wise (Table 2.9)
- (v) District-wise achievement of KKC (Table 2.25)
- (vi) District-wise progress of PMEGP (Appendix VII, p. 111)
- (vii) Power Scenario (Table 4.14)
- (viii) District-wise Work Participation Rates for Rural Females (Table 5.10)
- (ix) Working of PDS (Table 5.26)
- (x) Status of Health Infrastructure (Appendix VI p. 221).

Thus, the report is a mine of information with a particularly welcome emphasis on sectoral and district-wise details, together with special attention to issues bearing on gender, caste, minorities, physically handicapped etc.

There is however scope for improvement along the following dimensions.

- (i) The fact of Bihar's poverty and poor governance are well known but what would be interesting to know is why economic reforms have failed to make a significant dent on these issues. Are further reforms involving disinvestment, FDI and freeing of markets the only answer? How far will reforms make an impact on structural and traditional causes of backwardness such as skewed land distribution, technological stagnation etc.? Some reflections along those lines would have been useful.
- (ii) There is a great deal of discussion on regional inequality but one would like to know whether this has aggravated over time, and what impact liberalization of markets has had on regional inequality.

- (iii) The discussion on the global financial crisis is both scattered and sketchy. While it is true that this has been a “one-time” event, and that its effects have by now spent themselves, the fact remains that financial crises of this kind tend to disproportionately affect the poor and the marginalized sections. The issue of “safety nets” to guard against the consequences of such crises in the future is an issue of considerable importance.
- (iv) As the agricultural sector is a key sector in the state's future development, the issues related to globalization of this sector could have been paid greater attention in the Report. Particularly relevant in this context are issues related to food security, bio-diversity and genetic modification of crops. A few perspectives on this could have added much value to the Report.
- (v) In view of their importance, the topics of employment and poverty could have been discussed at greater length – perhaps even in a separate chapter. The discussion on employment is essentially focused on the rural segment – perhaps some attention would have been in order on the urban informal sector (especially as this sector has a strong bearing on poverty).
- (vi) There is not much reference to the Human Development Index (HDI). Given that most of the data for compilation of the HDI at the district level seems to be available with the Government of Bihar (and some of this data is even reported in this document), it would not be very difficult to report on district-wise HDI figures.

Chapter-wise Comments

1. Chapter I : Bihar Economy – An Overview

- (i) It would be worthwhile exploring the possibility of reporting data on other broad macro-economic indicators at the state level (such as savings in financial assets, gross capital formation etc.)
- (ii) It is somewhat unconventional to include issues of “Governance” & “Disaster Management” under the rubric of macro-economic development. Undeniably these issues are of overriding importance- perhaps it would be a good idea to discuss them in a separate chapter. Besides, “governance” seems to be an inappropriate title for what has been discussed under that caption – a more appropriate description could be “law & order”.

2. Chapter II : Agriculture and Allied Sectors

- (i) The productivity levels of different crops in Bihar as presented in table 2.7 would be more informative if juxtaposed with benchmark all-India figures or with figures in agriculturally advanced states like Punjab.
- (ii) In table 2.17, the targets for Jamui district have been downscaled in 2008 to 10% of the previous year. A comment might be in order to explain this and similar anomalies.
- (iii) It is not clear in table 2.23A, who the target setting authority is for the agricultural credit flows. Does the government of Bihar have some kind of annual credit plan? It would be interesting to know.
- (iv) From the point of view of poverty alleviation and farmer distress, it would seem that some information needs to be presented on the size-wise distribution of agricultural land holdings of the state.

3. Chapter III : Enterprises Sector

- (i) It would have been perhaps better to organize this chapter along a traditional threefold division of agro-based units, manufactures and services.
- (ii) There is virtually no discussion about the export potential of industries like IT, leather, tea etc.
- (iii) Sections 3.10 and 3.12 could be merged into a single section.

4. Chapter IV : Infrastructure and Communications

- (i) The inclusion of Irrigation (Section 4.3) in this chapter is somewhat unconventional. It would have perhaps been better to include it in chapter II.
- (ii) While the extensive discussion on urban housing is very welcome, there is virtually no coverage of developments on the rural housing front.
- (iii) So far as the transport infrastructure is concerned, it would have been useful to focus on cargo and passenger movements separately. More information could be supplied on the relative shares of various modes of transport in freight and passenger traffic.

5. Chapter V : Social Sectors

- (i) One suggested dimension to increase the overall significance of the chapter would be to include a section on crime and issues of internal security. In keeping with the focus on gender, a special emphasis on crimes against women would be desirable.
- (ii) In tables 5.27 and 5.28, the units of measurement are not mentioned (They are possibly Rs. crores).
- (iii) There is considerable scope for strengthening the data on health infrastructure by including information on items such as number of beds per hospital, how many hospitals are equipped with ICUs etc.
- (iv) Mortality data is a useful indicator of the status of health services. It would be useful to have data on longevity, mortality statistics by disease, incidence of epidemics etc.

6. Chapter VI : Banking and Allied Sectors

- (i) Sections 6.11 and 6.13 seem a bit out of place in this chapter. It is true that the problems discussed in these sections have some bearing on banking and financial services; nevertheless it would have been better if section 6.11 had been allotted to Chapter 5, and sections 6.12 and 6.13 to chapter 3.
- (ii) The high incidence of NPAs as reported in table 6.25 merit some explanation. It would also be useful to know whether the NPAs are concentrated in certain sectors or districts.

7. Chapter VII : State Finances

- (i) A very well written chapter which would be difficult to improve upon.

Overall the report is highly readable and breaks new ground on several fronts. It is both innovative and analytical in its scope. I do hope at least some of the suggestions would be found useful and incorporated in future versions.

Appendix-B

WORKSHOP ON ECONOMIC POLICY AND DEVELOPMENT: AN APPRAISAL OF ECONOMIC SURVEYS OF BIHAR, 2006-07 to 2014-15

September 12, 2015 / Patna

PROGRAMME

- 10.00 – 10.30 **Registration**
(30 minutes)
- 10.30 – 12.30 **Inaugural Session**
(120 minutes)
- Chairperson*
Professor M Govinda Rao (Visiting Professor, CEPPF)
- Rapporteur*
Mr. Chinmaya Kumar (Country Economist, IGC India-Bihar)
- Welcome Address*
Dr. Shaibal Gupta (Director, CEPPF)
- Address by Guest of Honour*
Mr. Rameshwar Singh, IAS (Commissioner, Departmental Enquiry)
- Economic Survey of Selected Indian States*
Dr. Barna Ganguli (Assistant Professor, CEPPF)
- Banking and Public Finance in Bihar*
Mr. Govinda Bhattacharjee (Visiting Fellow, CEPPF)
- Inaugural Address*
Dr. Arvind Subramanian (Chief Economic Advisor, GOI)
- Chairperson's Address*
Professor M Govinda Rao
- 12.30 – 12.45 **Tea**
(15 minutes)
- 12.45 – 14.15 **Technical Session I**
(90 minutes)
- Chairperson*
Professor Anjan Mukherji
Chairman, Academic Advisory Committee, CEPPF
- Rapporteur*
Mr. Abhimanyu Gahlaut (Country Economist, IGC India-Bihar)

Economic Survey of Bihar (2006-07 to 2014-15)
Dr. Bakshi Amit K Sinha (Assistant Professor, CEPPF)

Commentators

Mr. Arun Kumar Singh, IAS
Principal Secretary, Department of Road Construction

Mr. Pratyaya Amrit, IAS
Principal Secretary, Department of Energy

Mr. Dipak Kumar Singh, IAS
Secretary, Department of Water Resources

Ms. Sriparna Iyer
Team Leader, SPUR

Mr. Dipak Prasad, IAS
Principal Secretary, Department of Planning

Mr. Brijesh Mehrotra, IAS
Principal Secretary, Department of Health

Mr. S. Siddharth, IAS
Secretary, Department of Labour Resources

Dr. N. Vijayalakshmi, IAS
CEO, Jeevika

Mr. Sudhir Kumar Rakesh, IAS
Principal Secretary, Department of Panchayati Raj

Mr. Chaitanya Prasad
Principal Secretary, Department of Cooperatives

Mr. Narmadeshwar Lal
Principal Secretary, Department of Animal and Fisheries Resources

Mr. Pankaj Kumar, IAS
Principal Secretary, Department of Food and Consumer Protection

Chairperson's Address

Professor Anjan Mukherji

14.15 – 15.15
(60 minutes)

Lunch

15.15 – 17.00
(105 minutes)

Technical Session II

Chairperson

Mr. T N Ninan (Chairman and Editorial Director, Business Standard)

Rapporteur

Mr. Pankaj Verma (Country Economist, IGC India-Bihar)

Future Contours of Economic Survey of Bihar

Professor Prabhat P Ghosh

Professor, CEPPF

Commentators

Mr. Rameshwar Singh, IAS

Departmental Enquiry Commissioner

Dr. Arunish Chawla, IAS

Joint Secretary, Expenditure, Ministry of Finance, GOI

Mr. D.S. Gangwar, IAS

Principal Secretary to Chief Minister

Mr. Chanchal Kumar, IAS

Secretary to Chief Minister

Mr. Atish Chandra, IAS

Secretary to Chief Minister

Professor Pinaki Chakraborty

Professor, NIPFP

Mr. Gulrez Hoda, IAS

Member, State Planning Board

Dr. Pulapre Balakrishnan

Professor of Economics, Ashoka University

Dr. Ashmita Gupta

Post Doctoral Fellow, ISI, Chennai

Dr. Arvind Subramanian

Chief Economic Advisor, GOI

Chairperson's Address

Mr. T N Ninan

Valedictory Address

Professor M Govinda Rao

The Centre for Economic Policy and Public Finance (CEPPF) was established in 2008. The objective of the CEPPF is to provide research support to the state government for evolving a framework of improved management of public finance. Such research includes studies on resource mobilisation, quality of state government spending, management of deficits and debt, framework of centre-state financial relations, and policies for economic and social development. Besides undertaking such studies, the CEPPF also prepares the Annual Economic Survey and maintains a Data Bank on the state's economy. To collect academic wisdom relating to developmental challenges, the Centre also organises seminars and workshops on various issues.

CENTRE FOR ECONOMIC POLICY AND PUBLIC FINANCE (CEPPF)

ASIAN DEVELOPMENT RESEARCH INSTITUTE

BSIDC Colony, Off Boring - Patliputra Road, Patna - 800 013 (BIHAR)

Phone : 0612-2575649 / Fax : 0612-2577102

E-mail : ceppf@yahoo.com / Website : www.adriindia.org