Bihar is the 3rd most populous state in India. It is home to over 100 million people, 36 million of whom are poor. Bihar is one of the faster growing Low Income States. Since 2005, the pace of poverty reduction in the state has picked up. Despite this, large parts of the state remain very poor. Consumption inequality has remained largely unchanged. Growth is driven mainly by services, but fluctuations in agricultural output put it at risk.

Poverty in Bihar is higher than in most states

Low Income States are highlighted in orange, AI is All India.

Pockets of very high poverty within Bihar

District level poverty, 2012

Patna

Population below the poverty line, 2012 (%)
The pace of poverty reduction picked up in Bihar after 2005

Population below poverty line, (%)

Low Income States are highlighted in orange, AI is All India.

Poverty declined in both rural and urban areas of Bihar more rapidly after 2005
Bihar's growth is driven by services, agriculture adds to its volatility

Growth in Bihar was faster than in most of India's Low Income States

Bihar GSDP and All India GDP

Components of GSDP growth rate, (%)

- Services
- Industry
- Agriculture

Real GSDP per capita, (2005 Rupees)

Interpreting the graph

- Dashed lines: Leading
- Solid lines: Lagging
- Orange highlighted: Low income, high growth
- Light orange highlighted: Low income, low growth
- Dark orange highlighted: High income, high growth
- Light purple highlighted: High income, low growth

Data for 19 large states and All India. Low Income States are highlighted in orange.
Bihar’s poverty reduction is faster than some Low Income States

A disproportionate share of India’s poor live in Bihar

Interpreting the graph

What % of India’s population lives in this state?

Share of poor > share of population

Share of poor < share of population

Interpreting the graph
Consumption inequality has remained stable in Bihar

![Gini coefficient chart showing stability in Bihar](chart.png)

**Consumption inequality in Bihar is lower than in most states**

![Gini coefficient chart showing comparison in 2012](chart2.png)

*Low Income States are highlighted in orange, AI is All India.*