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Dr. B. R. Ambedkar University Delhi

Agrarian Crisis in Rural Bihar:
Understanding Structural Roots

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Editorial Team

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Abstract

While agrarian crisis is a widely discussed issue in the Indian context, its impact on different states varies significantly. Some states have become synonymous with the crisis due to the visibility rendered to them by media and academia on account of the tragic cases of farmers' suicides. Bihar here tells a different story– its agrarian economy and lesser degree of integration into the capitalistic market system has shielded the state from severe manifestations of agrarian distress like rising incidence of farmer suicides, however the distress is very much pervasive through the rural landscape of Bihar. It is not driven by mechanisms of the market, but it is deep, chronic, and structural.

1. Introduction

In very simple terms, agrarian distress refers to a multifaceted crisis that impacts the agricultural sector and rural livelihoods, and is often characterised by prolonged economic hardship. This could be due to low or unstable income from agriculture, high cost of inputs, crop failure, resulting indebtedness, lack of institutional support, etc. Between the late 1990s and early 2011, India witnessed a dramatic rise in the incidence of farmer suicides in the country, which constituted one of the most tragic dimensions of this broader agrarian crisis.

The persistence of this distress in a country like India, which is still largely dependent on agriculture, is a major cause for concern. Agriculture still serves as a major source of employment for the rural poor, although in terms of its share in the gross value added, it lags far behind services as well as industry. The share of employment of agriculture stands at 46.3 per cent for all India, while its share in the gross value added comes to 16.6 per cent, followed by industry and services which contribute 28.7 per cent and 54.6 per cent respectively (Bihar Economic Survey, 2024-25). Here, a state like Bihar assumes greater importance considering the fact that it houses one of the highest percentages of the rural poor in the country. As per the Niti Aayog Multidimensional Poverty Index Baseline Report of 2021, the rural headcount ratio of Bihar is reported to be 56 per cent, which is the highest amongst all Indian states (Niti Aayog, 2021). Bihar's share in agriculture is also 54.2 per cent, which is higher than the national average, and agriculture's share in the gross value added is estimated to be 16.6 per cent, which again stands lower than the national average. Bihar, as a state, seems to exemplify the challenges that India as a whole faces; hence, it is important to consider Bihar as a deeper site of investigation.

As mentioned earlier, rural livelihood in Bihar is largely driven by the agricultural sector, yet its contribution to the gross value added in the state's economy is the smallest. The agriculture sector as a whole seems to be characterised by low productivity, fragmented landholdings, insecure tenancy, and lack of institutional support by the government. The policies of liberalisation of the economy, which were implemented in the early 1990s, opened up Indian agriculture to the global market. However, it was done without providing adequate safety nets and protective measures to domestic farmers, as a result of which, farmers were left exposed to unfair competition (Suri, 2006). And while agrarian distress and the issue of farmer suicides had been gaining ground in India since the 1980s, it was particularly during the period of the late 1990s and early 2000s that we witness a sharp rise in the cases of farmer suicides, especially in states like Maharashtra, Andhra Pradesh, Karnataka, and Punjab. It is claimed that between the year 1997 and 2012, a total of 2,64,388 farmers committed suicide in India, averaging out to be about 16,500 farmer suicides per year, in a time span of 16 years (Nagraj et al., 2014). Despite the passage of time, this issue has not lost its relevance, with the most recent data of the National Crime Records Bureau (NCRB) reporting 11,290 farmer suicides in the year 2022, which averages out to be about 30 farmer suicides per day. Even these alarming figures are likely to be an underestimation considering the restrictive definition that is used to define a farmer in official data. This definition may exclude groups like sharecroppers, tenant farmers, and even women farmers who tend to operate the land without formal ownership.

Farmer suicides are one of the most tragic outcomes of agrarian distress prevalent in the rural countryside of India. Some states and regions have borne the major brunt of this, with very high numbers of farmers committing suicide. The state of Bihar here, presents us with an interesting case, with very low number of farmer suicides. As per the latest data from the NCRB (2023), the number of farmer suicides in Bihar is recorded as zero. Patnaik (2007) contends that Bihar's relatively low integration into the market economy has likely reduced some of the worst impact of agrarian distress. Yet, it remains important to understand that although the underdevelopment of Bihar's agrarian system might have protected the state from some of the acute forms of agrarian distress, it does not represent agrarian well-being. However, due to the low number of farmer suicides in the state, agrarian distress is not a term that is usually associated with Bihar, although it is indeed what the region faces.

The agrarian issues encountered by Bihar exhibit indicators of agrarian distress such as low farm income; rising debt; increasing fragmentation of land rendering agriculture unviable; climatic vulnerability, especially in the context of agriculture; and high outmigration from Bihar, which signals how agriculture is becoming increasingly unsustainable for the rural population of Bihar. The aim of this paper is to throw light on the way agrarian distress presents itself in the state of Bihar through the aforementioned factors, and argue that manifestation of agrarian distress in Bihar is a complex phenomenon which demands deeper understanding.

2. Understanding the Agrarian Crisis – A Multifaceted Challenge

The economic reforms of the 1990s proved to be a turning point in the growth story of India, wherein the nation witnessed high growth rates. However, it is contended that this high growth was lopsided and it was also accompanied by the slowing down of the growth in per capita income (Vakulabharanam & Motiram, 2011). While industry and services flourished, agriculture, which is the backbone of employment for a vast majority of the rural population, lagged significantly. The agriculture sector, in the aftermath of the 1990s reforms, gradually slowed down, with stagnating productivity, income, and investment. Over a period of time, this gap between the growth of services and industry on one hand and agriculture on the other hand, kept widening, finally culminating in the form of an agrarian crisis. This was a period marked by falling farm incomes, increasing debt, and the tragic reality of farmer suicides (Mishra, 2020).

With the passage of time and the rising number of suicides committed by farmers, agrarian crisis in India became a pressing concern and received considerable attention from both academia and the media. However, this attention has been centred around specific states that have reported high numbers of farmer suicides. States such as Maharashtra, Andhra Pradesh, Punjab, and Karnataka have come to represent the agrarian crisis on account of the visibility rendered to them by media and academic circles.

Bihar here narrates a different story, wherein the markers of agrarian distress are no less severe in the state, but Bihar has been largely excluded from the discourse surrounding this crisis. It has been argued that the nature of the agrarian economy in Bihar has largely shielded the state from more severe manifestations of the crisis like farmer suicides; however, the crisis itself is very much present throughout the rural landscape of Bihar. The nature of this crisis is not largely driven by market forces as in other states but it is rooted in long standing, complex, structural issues that are at the heart of the agricultural woes of Bihar. The following sections examine these issues in detail.

3. Low Agricultural Income of Bihar

The agricultural sector of Bihar is characterised by low levels of income, high percentage of rural poverty, and substantial underperformance when it comes to comparisons with other states of India. As per the financial inclusion survey of 2016-17 conducted by the National Bank for Agriculture and Rural Development (NABARD), the average monthly income of Bihar's agricultural households was Rs. 7,175, which was recorded as the second lowest in the country and was also below the national average of Rs. 8,931. By 2021-22, while the average monthly income of agricultural households in the state had increased to Rs. 9,252, it still remained below the national average of Rs. 13,661 and had now slipped down to the last position from the second last in the earlier survey (National Bank for Agriculture and Rural Development [NABARD], 2018; 2024). Bihar also records a high incidence of rural poverty and reports a poverty headcount ratio of 56 per cent, with a rural Multidimensional Poverty Index of 0.286, both figures being way above the national average all India headcount ratio of 32 per cent and the all India rural MPI of 0.155, respectively (NITI Aayog, 2021). Bihar also underperforms in the area of agricultural productivity. Rice, which is one of the major crops of Bihar, records a yield of just 2,623 kg/ha. This is not only lower than the national average of 2,807 kg/ha but also lags far behind states like Punjab, where the rice yield reached 4,428 kg/ha in 2024-25 (Department of Agriculture and Farmer Welfare, 2025). These data points highlight the inefficiency and stagnation prevalent in Bihar, which puts a constraint on household incomes and limits the potential for agriculture to function as a sustainable source of livelihood. Low agricultural incomes and high rural poverty ratios are factors that possibly reinforce each other. The low yield for a major crop like rice, is symptomatic of inefficiencies gripping the agrarian ecosystem of Bihar, which sustains the vicious cycle of low agricultural income and high rural poverty.

4. Low Levels of Saving and Investment

Bihar also reports high levels of indebtedness and low levels of economic surplus/savings and investments, which tends to exacerbate its socio-economic vulnerabilities. As per the NABARD All India Rural Financial Inclusion Survey (NAFIS) 2021-22 report, Bihar's incidence of indebtedness stands at 56 per cent, which is higher than the national average of 52 per cent (NABARD, 2024). Bihar also recorded a very low average monthly surplus/savings (monthly income – monthly consumption) of just Rs. 262 per household in 2016-17. While this figure improved to Rs. 433 in the 2021-22 survey, it was still recorded as the lowest surplus/savings amongst all states (NABARD, 2018; 2024). This highlights the critical issue of very limited financial cushioning available to the rural poor of Bihar, which makes them more vulnerable to economic shocks, and hinders their capacity to weather unexpected financial difficulties and to make productive investments in order to break the cycle of poverty. Related to this, the 2016-17 NAFIS survey also reveals that only 7.1 per cent of Bihar's households report any investment in the past year. Although this figure increases to 20 per cent in the 2021-22 survey, it still remains below the national average of 27 per cent (NABARD, 2018; 2024).

5. Low Public Investment in Agriculture

Public investment in agriculture is considered to be one of the crucial factors that can help towards improving rural livelihoods. However, Bihar's public investment in agriculture also remains low compared to other states of India. Bathla (2017) looks at time series data between 1981-82 and 2013-14 for 17 major states of India and argues that public investment in agriculture influenced the agricultural growth of India between the said period. Despite interstate differences, public investment has demonstrated strong positive effects on agricultural income, which further highlights the need for greater public investment in agriculture, especially for the less developed states to improve rural well-being. For the fiscal year 2018-19, public investment towards agriculture in Bihar stood at a mere 1.6 per cent, as opposed to the 6.4 per cent allocation made by 18 other states. For 2025-26, the public investment towards agriculture has increased to 2.7 per cent but still lags behind the average allocation of 6.3 per cent by other states (PRS Legislative Research, 2018; 2024). Bathla & Agarwal (2022) have also argued that although there has been a notable increase in the public investment allocation of eastern Indian states in general, which includes Bihar, the share of public spending in agriculture and irrigation is not proportional to its economic importance. Much of the expenditure is targeted towards input subsides rather than expenditures made on capital investment, which involves spending on infrastructure, machinery, equipment, and facilities that help in enhancing the long-term productivity of the agricultural sector.

6. High Land Fragmentation and Rising Number of Marginal Holdings

As per the agricultural census 2015-16, around 91 per cent of the operational landholdings of Bihar were marginal in nature. This figure stood at about 80 per cent in the 1995-96 agricultural census. The all India figure for 2015-16 was reported to be 68 per cent, which was significantly lower than Bihar’s (Ministry of Agriculture and Farmers' Welfare, 1997; 2016). This continuous rise of marginal holdings highlights the worsening trend of land fragmentation, which is driven by demographic pressures and the failure of land reform policies. As farm size continues to shrink, it becomes increasingly difficult for farmers to achieve economies of scale. Herring (1983) states that the return to invested capital per hectare is extremely low for the smallest farms, and if assigned imputed cost, the returns of landholdings which are below five acres would be in the negative. Hence, one of the responses has been to define a floor in addition to a ceiling on the size of land holdings. In this regard, Krishnaji (2018), with the help of empirical data from the National Sample Survey (NSS), census, Rural Labour Enquiry, and various reports on land reform observed over several decades, argues that small peasantry has persisted despite capitalistic expansion. There is an evident increase in rural labour households, who own very tiny pieces of land. These households engage themselves in both casual labour and subsistence farming. The failure of land reforms maintains land inequality on one hand and the employment of populist measures by the state to help small and marginal peasants survive on the other.

7. High Climatic Vulnerability

The region of Bihar is highly vulnerable to climate change induced natural disasters. A total of 27 districts are highly susceptible to high-speed winds of around 40 m/s. Around 21.1 per cent of Bihar’s area, which constitutes the five major districts of Bihar, falls within the seismic zone V near the Bihar-Nepal border and is highly vulnerable to the risk of devastating earthquakes. The area of North Bihar is prone to flooding and South Bihar faces a heightened risk of droughts (Tewari & Bhowmik, 2014). As per the 2023 XDI Gross Domestic Climate Risk Report, the region of Bihar ranks 22nd in climate vulnerability and risk in a pool of 2,600 regions globally (XDI [The Cross Dependency Initiative], 2023). Much of Bihar’s agriculture is dependent on weather patterns and the combined effect of these climatic and geological phenomena adversely affects Bihar’s agriculture. Singh et al. (2022) argues that there exists a strong link between multidimensional poverty and vulnerability to climate change, especially when it comes to agriculture. Poverty increases the vulnerability of the rural poor to the adverse impacts of climate change. Hence, Bihar, with the highest rural MPI in India, houses the largest number of rural poor who face the double marginalisation of poverty and climate induced shocks, making it increasingly difficult for poor farmers to improve their livelihoods and escape poverty.

8. Distress Driven Migration

The comparison between the migration data of Bihar from the NSS 55th (1999–2000) and 64th (2007–08) rounds points to a considerable rise in outmigration from the state and an increasingly negative net migration rate. The number of outmigrants from Bihar rose from 34,483 (in the year 2000) to 47,077 (in 2008), registering a 36.5 per cent rise over a period of eight years. On the other hand, the number of people migrating into Bihar remained mostly stagnant and declined only slightly from 5,923 to 5,505. Consequently, the net migration deficit widened from –28,560 to –41,572. As a result of this, the net migration rate also deteriorated from –31.0 to –55.1 per 1,000 population, demonstrating a steep increase in the intensity of outmigration. This makes Bihar the state with the highest net outmigration rate (i.e., the most negative net migration rate) among all major Indian states (National Sample Survey Organisation[NSSO], 2001; 2010).

Datta (2024) draws on the Institute of Human Development's Bihar Migration Survey 2016 and highlights the high incidence of migration from rural Bihar. Nearly two thirds of households in rural areas have at least one member who has out-migrated and every one in five individuals is a migrant. The trend of increasing migration from Bihar continues and is mainly driven by the unviability of agriculture and the lack of employment opportunities in rural regions.

The nature of Bihar's migration is such that while a few may leave in search of better opportunities, poor farmers and agricultural labourers leave due to the lack of livelihood options and end up in low paying, insecure jobs, most often in the construction sector. They face harsh working conditions and often earn below minimum wage level with little to no job security (Remesh & Agarwal, 2020). For marginalised groups, migration is not really a choice, rather it is a necessity that is driven by distress in the agricultural sector and limited alternatives.

9. Conclusion

In the introduction of this paper, agrarian distress is explained as a multifaceted crisis that impacts the agricultural sector and rural livelihoods. The crisis of Bihar is surely multifaceted; however, its nature leans towards being structural rather than market driven. It is characterised by long standing issues of low agricultural income, low levels of saving and investment, low public investment in agriculture, high land fragmentation, high climatic vulnerability, and a resulting high level of distress migration. The agrarian crisis of Bihar exists in the shadows not because of the lack of agrarian distress, but because the nature of agrarian distress prevalent in Bihar is such that it does not fit one of the dominant markers of such crises, which is a high number of farmer suicides. As mentioned earlier, Bihar's low integration into the capitalist market system has somewhat shielded the state from severe manifestations of agrarian distress in the form of farmer suicides. Although the National Crime Records Bureau (2023) reports zero cases of suicide in Bihar under the category of farmers and agricultural labourers, a state with high poverty levels and particularly low rankings in human development indices reporting zero suicide cases of farmers and agricultural labourers is highly suspicious. It also indicates systemic problems related to data collection, classification, and reporting of such cases. One of the major problems in reporting of suicide cases, especially with reference to women farmers, is them being classified under suicides in the 'other' category, on account of land ownership not being clearly recorded in their own name. This is also an issue with reference to any category that is not officially recognised as 'farmers', namely, sharecroppers, tenant farmers, and landless labourers. When it comes to groups such as these, the invisibility of the agrarian distress of Bihar is not only limited to the marginalisation of their work and their life, but it also tragically extends to their death – or rather, how their deaths are reported (or not reported).

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