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Executive Summary

1. The **Bihar Budget 2025-26**, valued at **₹3,16,895.02 crore¹**, reflects a strategic **blend of long-term economic goals and immediate welfare measures**, crafted with an eye on the upcoming state elections in late 2025. This budget aims to **address pressing socio-economic challenges** while appealing to key voter groups through substantial investments in critical sectors.
2. The **education sector** receives a robust **allocation of ₹60,964 crore**, emphasizing scholarships, the creation of new degree colleges, and upgrades to school infrastructure. This investment underscores a commitment to **enhancing educational access and quality, a priority for Bihar's young population**. **Healthcare funding** sees a dramatic **increase to ₹20,335 crore**, nearly tripling previous levels, to support the construction of new hospitals and bolster district-level healthcare services, **improving accessibility and addressing long-standing gaps in medical infrastructure**.
3. **Women's empowerment initiatives**, including the introduction of Pink Buses and dedicated toilets, alongside job reservations, aim to **enhance safety and economic participation for women**. These measures signal a targeted effort to appeal to female voters while **fostering gender equality**. **Infrastructure development** is another focal point, with plans for new greenfield airports and expanded road connectivity projects designed to **boost economic opportunities and improve mobility** across the state.
4. **Rural and agricultural development** are prioritized through increased funding for MSMEs and irrigation

¹ [The Hindu](#)

projects, aimed at raising farmers' incomes. The **establishment of the Makhana Board**, with an allocation of ₹100 crore, and the **expansion of the Western Koshi Canal Project**, which will irrigate over 50,000 hectares in the Mithilanchal region, highlight a focused strategy to strengthen Bihar's agrarian economy. These initiatives leverage the **state's dominance in makhana production** and **address irrigation needs** in flood-prone areas.

5. The significant increases in allocations across education, healthcare, infrastructure, and social welfare reflect a **voter-centric economic strategy** intended to consolidate public support. This approach **balances immediate relief**—through welfare and job creation—with **long-term growth** via infrastructure and agricultural enhancements. With the assembly elections looming, the budget's emphasis on impactful, visible initiatives underscores a deliberate effort to **bolster public appeal** and **secure electoral success** in a politically competitive state.

I. Introduction

The Bihar Budget 2025-26, finalized at ₹3,16,895.02 crore lakh crore, marks a significant 13.69% increase from the previous year's ₹2,78,725.72 crore, unveiled on March 11, 2025, just months before the state elections in November. This financial blueprint skillfully balances long-term economic aspirations with immediate welfare measures, carrying a clear electoral undertone aimed at wooing key voter groups. With substantial investments in education, healthcare, infrastructure, rural development, and social welfare, the budget reflects the JD(U)-BJP coalition's intent to address Bihar's deep-rooted socio-economic challenges while reinforcing its political stronghold through targeted, voter-friendly policies.

Education secures a landmark ₹60,954 crore allocation—funding scholarships, new degree colleges, and improved school infrastructure, while healthcare spending triples to ₹20,335 crore for new hospitals and enhanced district-level services. Rural and agrarian growth is prioritized with increased support for MSMEs, irrigation projects like the Western Koshi Canal, and the new Makhana Board, alongside infrastructure boosts like greenfield airports in Bhagalpur and Raxaul. Women's empowerment initiatives, including Pink Buses, Pink Toilets, and e-rickshaw subsidies, further highlight a strategic mix of development and populism, designed to consolidate support and enhance electoral appeal in a competitive political arena.

II. Analysis

A. Sectoral

1. Education:

The education sector has received the highest allocation in the 2025-26 Bihar budget, with ₹60,954 crore dedicated to improving educational infrastructure and accessibility. The substantial rise underscores the government's commitment to strengthening the education system across the state.

Key Initiatives in the 2025-26 Bihar Budget for Education:

- a. Doubling of scholarships: Students from Class 1 to 10 will receive ₹2,000 per month, up from ₹1,000, to support their education.
- b. Establishment of degree colleges: At least one degree college will be set up in each of the 534 blocks to expand access to higher education.

The 35.8% budget increase reflects a focused effort to boost literacy rates, enhance educational opportunities, and create a more inclusive learning environment for students in Bihar.

2. Healthcare:

The Bihar 2025-26 budget has significantly increased the healthcare allocation to ₹20,335 crore. This substantial increase highlights the government's proactive approach to improving healthcare accessibility and infrastructure across the state.

Key Initiatives in the 2025-26 Bihar Budget for Healthcare:

- a. Dedicated cancer hospital in Begusarai: Establishing a specialized medical facility to provide better cancer treatment and care.
- b. Strengthening healthcare infrastructure across districts: Expanding and upgrading hospitals, primary health centers, and medical services to ensure better accessibility.

This boost in healthcare spending reflects the government's focus on addressing critical health challenges, improving medical accessibility, and enhancing specialized treatment facilities to cater to the growing healthcare needs of the population.

3. Women Empowerment:

Women's empowerment has emerged as a major focus in the Bihar budget, with several initiatives designed to enhance safety, economic participation, and access to public services.

Key Initiatives in the 2025-26 Bihar Budget for Women Empowerment:

- a. **Pink Buses Initiative:** Exclusive buses for women with female drivers and conductors to ensure safe and comfortable commuting.
- b. **Pink Toilets Construction:** 20 dedicated sanitation facilities for women to be built within a month.
- c. **Mahila Haat in Patna:** A dedicated marketplace for women entrepreneurs to promote financial independence.
- d. **Working Women's Hostels:** Secure and affordable accommodations to be established in major cities.
- e. **Economic Support Measures:** Subsidies for women purchasing e-rickshaws and reserved vending zones to boost financial empowerment.
- f. **Job Reservation:** 33% of jobs in Bihar State Road Transport Corporation reserved for women, enhancing workforce participation.

These initiatives collectively aim to create a safer, more inclusive, and economically supportive environment for women, strengthening their role in Bihar's development.

4. Rural Development:

The budget has allocated ₹16,193 crore for rural development which accounted for 5.11% of the total budget. This allocation demonstrates the government's commitment to bridging rural disparities by enhancing infrastructure, economic opportunities, and essential services in villages.

Key Initiatives in the 2025-26 Bihar Budget for Rural Development:

- a. Strengthening Rural Infrastructure through MSMEs and Blended Sectors: Encouraging local entrepreneurship and self-reliance, fostering economic growth in villages.
- b. Investments in Road Connectivity, Irrigation Systems, and Rural Electrification: Aimed at improving living standards and agricultural productivity.
- c. Skill Development and Employment Generation Programs: Enhancing job opportunities for rural populations, promoting sustainable livelihoods.

This increased funding reflects the government's long-term vision for balanced regional development, ensuring that rural areas receive the necessary support for economic and social progress.

5. Agriculture:

The Bihar 2025-26 budget underscores the government's continued focus on agriculture. Despite this, the government has introduced several key initiatives to enhance irrigation, ensure fair pricing for farmers, and improve market access.

Key Initiatives in the 2025-26 Bihar Budget for Agriculture:

- a. **Makhana Board:** Aims to improve makhana production, processing, and marketing, supporting farmers through Farmer Producer Organizations (FPOs) and enhancing their earnings.
- b. **Western Koshi Canal Project:** Provides financial support to improve irrigation for over 50,000 hectares, boosting agricultural productivity and benefiting rural farmers.
- c. **Har Khet Pani Scheme:** Receives an 83% budget increase, ensuring better irrigation infrastructure and expanding water access to farmlands across Bihar.
- d. **Minimum Support Price (MSP) for Pulses:** Includes procurement of Arhar, Moong, and Urad dal at MSP rates, ensuring farmers receive fair prices and economic stability.
- e. **Cold Storage Facilities:** Establishment of new storage units across Bihar to reduce post-harvest losses, improve food preservation, and enhance market access for farmers.
- f. **National Mission on Pulses:** With a ₹1,000 crore allocation, this scheme aims for self-sufficiency in pulses like tur, urad, and masoor, with 100% procurement by central agencies, ensuring higher incomes for farmers.

These initiatives reflect the government's commitment to strengthening Bihar's agricultural sector, improving irrigation, ensuring fair pricing, and reducing financial risks for farmers.

6. Infrastructure Development

The Bihar 2025-26 budget places significant emphasis on infrastructure development, particularly in enhancing air and road connectivity. This comes after a 40% reduction in the previous year's allocation for roads and bridges, which stood at ₹7,723 crore in 2024-25. The government aims to boost economic growth by investing in airport expansion, new greenfield projects, and improved road networks. These efforts are expected to enhance regional connectivity, facilitate trade, and attract investments.

Key Initiatives in the 2025-26 Bihar Budget for Infrastructure Development:

- a. **Greenfield Airports at Sultanganj (Bhagalpur) and Raxaul (East Champaran):** Aimed at enhancing air connectivity and promoting regional economic growth.
- b. **Expansion of Patna Airport:** To accommodate increased passenger traffic and improve aviation infrastructure.
- c. **Operationalization of Purnea Airport:** Expected within three months, providing better connectivity to North Bihar.
- d. **Increased Investment in Road Connectivity:** Capital outlay projects will improve highways and rural roads, ensuring better access to remote areas.

These initiatives mark a strategic shift towards revamping Bihar's transport infrastructure, addressing past budget constraints and focusing on long-term economic development.

7. Social Welfare

The budget highlights a strong commitment to social welfare, with an allocation of ₹13,368.47 crore dedicated to Scheduled Castes (SCs), Scheduled Tribes (STs), Other Backward Classes (OBCs), minorities, and most backward classes. This reflects the government's focus on inclusive growth, ensuring financial and social support for marginalized communities through targeted welfare programs.

Key Initiatives in the 2025-26 Bihar Budget for Social Welfare:

- a. **Mukhyamantri Vriddhhajan Pension Yojana:** Continues to provide financial assistance to senior citizens, ensuring social security for the elderly.

- b. Targeted Welfare Programs for Marginalized Communities:** Increased investment in education, skill development, and economic empowerment of SC/STs, OBCs, and minorities.

The sustained increase in welfare spending underscores the government's commitment to social justice and economic upliftment, ensuring greater inclusion and support for vulnerable communities.

B. Electoral

The Bihar Budget 2025, presented in an election year, reflects a strategic focus on consolidating voter support through targeted allocations and developmental initiatives. With the state set to go to polls in November, the budget has been designed to address key demographic groups and regions critical to electoral success.

1. Broad Appeal through Essential Services

The strategy of appealing to a broad demographic through essential services like education and health is a key electoral tactic. For instance, the education sector received ₹60,954 crore in the 2025-26 budget. This allocation is intended to attract families and youth by improving educational infrastructure and opportunities. Similarly, significant allocations to the health sector aim to enhance healthcare services, which is crucial for public welfare and electoral support.

2. Infrastructure Development

The 2025-26 budget allocates crores for road infrastructure, marking a significant increase from the previous year's allocations. The 2025-26 budget also includes plans for greenfield airports and the expansion of Patna Airport, enhancing air connectivity and supporting economic growth. These infrastructure investments are part of a broader electoral strategy aimed at improving living conditions and economic opportunities across Bihar. By focusing on infrastructure development, the government seeks to demonstrate its commitment to progress and development, potentially gaining broad electoral support in the upcoming elections. This strategic focus on infrastructure is crucial for appealing to both urban and rural voters by enhancing connectivity and economic prospects.

a. Greenfield Airports at Sultanganj (Bhagalpur) and Raxaul (East Champaran)

- i. These new airports will enhance air connectivity and promote regional economic growth.
- ii. Increased connectivity will attract businesses, boost tourism, and create employment opportunities in underdeveloped regions. Improved accessibility to Bhagalpur and Champaran strengthens economic ties with neighboring states.
- iii. The NDA can appeal to business communities, traders, and professionals who benefit from better connectivity, securing votes in these key districts.

b. Expansion of Patna Airport

- i. The expansion of Patna Airport will accommodate rising passenger traffic and improve aviation infrastructure.
- ii. Patna, Bihar's capital, is the state's primary air hub, and expansion will facilitate easier travel, attract investment, and improve the overall business climate.
- iii. Urban and semi-urban voters, particularly professionals and frequent travelers, may see the NDA as a pro-development alliance, reinforcing their support in Patna and surrounding districts.

c. Operationalization of Purnea Airport

- i. Purnea Airport is expected to become operational within three months, improving connectivity in North Bihar.
- ii. This will facilitate economic and trade activities in one of Bihar's most economically significant regions, reducing travel time to Patna and other states.

- iii. North Bihar voters, particularly in the Seemanchal region, may perceive the NDA as committed to their development, countering opposition influence in minority-dominated constituencies.

d. Increased Investment in Road Connectivity

- i. Capital outlay projects will improve highways and rural roads, ensuring better access to remote areas.
- ii. Improved roads will facilitate trade, reduce travel time, and enhance accessibility for healthcare and education. Rural development will see a boost as better roads improve market access for farmers.
- iii. Rural voters, particularly in agrarian constituencies, may reward the NDA for improving their livelihoods and mobility, increasing its vote share in key regions.

3. Rural Focus

The focus on rural development, with ₹16,193 crore allocated in the 2025-26 budget, is strategic. While specific comparative figures for the previous year are not detailed, this allocation aims to secure electoral backing by addressing rural needs. Improving rural infrastructure, providing better services, and enhancing economic opportunities in these areas are all part of this strategy. By focusing on rural upliftment, the government seeks to gain support from this crucial demographic.

4. Targeted Support for Marginalized Communities

Targeted support for marginalized communities is another key electoral strategy. The budget allocates ₹13,368.47 crore for SC, ST, Minorities, OBCs, and EBCs. Although specific comparative figures for the previous year are not available, this targeted support aims to secure electoral backing from these communities by addressing their specific needs. By providing dedicated resources and initiatives, the government aims to demonstrate its commitment to inclusivity and social justice.

a. OBC and EBC Demographics: A Crucial Electoral Bloc

- i. OBCs (27%) and EBCs (36%) represent nearly two-thirds of Bihar's population, including key sub-castes such as Yadavs, Koeris, Kurmis, Nishads, Mallahs, Dhanuks, Kahars, Telis, and Nais.
- ii. As a numerically dominant voting bloc, these communities play a decisive role in Bihar's 243-seat Assembly. Welfare schemes specifically addressing their needs enhance their political alignment with the NDA, reinforcing the coalition's electoral prospects.
- iii. By focusing on these groups, the NDA strengthens its vote bank and reduces the opposition's ability to mobilize caste-based resentment.

b. Makhana Board: Economic Empowerment for EBCs

- i. The establishment of the Makhana Board supports approximately one million EBC farmers (Nishads, Mallahs) in Mithilanchal through training, financial aid, and enhanced market access.
- ii. By strengthening livelihoods in 72 key constituencies, this initiative consolidates EBC votes, particularly among historically fragmented sub-castes. It also neutralizes opposition parties such as the RJD and VIP, which have previously drawn support from these groups.
- iii. Economic empowerment of EBCs ensures long-term loyalty, weakening the appeal of rival caste-based parties.

c. Western Kosi Canal Project: Agricultural Stability for OBCs and EBCs

- i. The Rs 11,500 crore irrigation project benefits OBC farming communities (Koeris, Kurmis) and EBCs (Dhanuks, Kahars) by improving agricultural productivity and water security.
- ii. This project mitigates rural economic distress, strengthening NDA's voter base among agrarian OBC and EBC groups. It also enhances the coalition's rural appeal, particularly in regions where economic vulnerabilities influence voting patterns.
- iii. Addressing agrarian distress directly builds goodwill among rural voters, reducing the

opposition's ability to exploit economic grievances.

d. Infrastructure Development: Economic Opportunities for OBC Youth

- i. Ongoing airport projects in Patna, Rajgir, Bhagalpur, Raxaul, and Bihta create employment opportunities and improve regional connectivity, benefiting OBC youth (Yadavs, Telis, Nais).
- ii. Addressing aspirations for economic mobility, this initiative attracts non-Yadav OBC voters, particularly those seeking alternatives to RJD's traditional caste-based politics. It also counters unemployment criticisms, presenting the NDA as a development-driven coalition.
- iii. By focusing on youth employment, the NDA strengthens its appeal among first-time and aspirational voters, securing long-term support.

e. Socio-Economic Upliftment: Education and Entrepreneurship Support

- i. Initiatives such as the National Institute of Food Technology and financial assistance for fisheries and makhana farming foster economic growth among OBC and EBC families.
- ii. By prioritizing economic self-sufficiency, these programs appeal to non-Yadav OBC sub-castes seeking upward mobility. This strengthens NDA's positioning as a pro-development coalition, challenging the opposition's welfare-driven rhetoric.
- iii. A focus on self-reliance and entrepreneurship makes NDA's welfare model more attractive than direct cash transfers or populist handouts from the opposition.

5. Women Empowerment

Women's welfare is another major focus of the 2025 budget. Initiatives include the establishment of "Kanya Vivah Mandaps" in every panchayat to assist poor families with marriage ceremonies for girls, dedicated "Pink Buses" operated by women, and "Pink Toilets" to improve sanitation facilities. Additionally, subsidies for purchasing e-rickshaws and a 33% job reservation for women in the Bihar State Road Transport Corporation aim to enhance economic opportunities for women. These measures are designed to appeal to women voters by addressing their safety, welfare, and economic empowerment.

6. Agricultural Support

The agricultural sector also receives attention, with the procurement of pulses at MSP to support farmers. Although specific budget allocations for agriculture in the 2025-26 budget are not detailed, previous allocations like ₹8,609 crore in the 2024-25 budget indicate a focus on supporting farmers. By addressing farmers' economic concerns, the government aims to secure their votes. This strategy is particularly important in rural areas where agriculture is a primary source of livelihood.

7. Education

The budget allocates ₹60,954 crore for education, marking a substantial increase from previous years. This strategic focus includes opening degree colleges in every block to improve accessibility and doubling scholarships for SC, ST, backward, and extremely backward class students from ₹1,000 to ₹2,000 per month. This move is part of a broader electoral strategy to appeal to marginalized communities and youth by addressing their educational needs and financial challenges. By enhancing educational infrastructure and increasing scholarships, the government aims to demonstrate its commitment to social welfare and development, potentially securing broad electoral support in the upcoming elections.

8. Employment

The budget includes provisions for creating 1.40 lakh new government jobs, building on the creation of 427,866 jobs in the previous financial year. This initiative is complemented by youth employment schemes like the Chief Minister Nishchay Swayam Sahayata Bhatta Yojana, which provides financial assistance to unemployed youth. Additionally, plans to construct stadiums in all 534 blocks and develop

6,659 playgrounds across panchayats aim to boost sports-related employment opportunities. By focusing on job creation and youth development, the government seeks to demonstrate its commitment to economic growth and social welfare, potentially securing broad electoral support in the upcoming polls.

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