

IDPM FINANCIAL DIARIES COVER SHEET FORMAT
India: Rural

Interview taken by: Sushil Kumar date: 15th September 2001

Category: Better off Initial wealth ranking: Better off Code: KBH03

Site: Barahulla **Principal respondent(s):** Mr. K, Mr. J, & Mr. R **Caste:** Brahmin

K's family has roughly 200 bighas fertile land (around 150 of which is in Barahulla), an unusually large holding, the result of donations from VP Singh's family (Raja Manda) – the traditional royal family of the region – who donated land to his family. They were traditionally purohits to Singh's family. K's father was Gram Pradhan for 45 years continuously.

Before 1959 (the abolition of Zamindari system) they had 500 acres but sold 300 acres to manage the Land Ceiling act and wider government/ political pressure. The last sale was in 1981 when they sold 25 bighas for Rs.60,000 to purchase a tractor. In 1980 they started a flour mill for Rs.15,000 (recovered over 10 years). They built their home in 1992 at a cost of Rs.125,000.

Because of their increasingly productive farm, K's family is able to make intermittent investments (as above) in addition to afford general expenses and a continuous stream of marriages (an average of Rs.150,000/ marriage). The family has intensified its agricultural production significantly over the last 1-2 decades, bringing more of it under double-crop, partial mechanisation and increasing yield through improved irrigation and inputs. Their access to irrigation insulates them from drought. They now plan to start horticulture regularly on 5-10 bighas land since they expect it to be a good income opportunity.

In addition to farming, the family's income is supplemented by its Ration Shop franchise which it has held since 1987 (during K's tenure as Gram Pradhan). They say they were pressurised to take the franchise by the block administration that had faced problems with the previous holder and had faith that the K's family would manage it in an honest way. They say it's more hassle than benefit to manage.

Since 1999 when K's family took out their first Green Card overdraft facility from Allahabad Bank, the family has relied increasingly on this product and is correspondingly less dependent on relatives and the Society. They are very happy with the arrangement and can satisfy most of their financial needs in this way. With 3 accounts (providing a total overdraft limit of Rs.120,000) they also enjoy high flexibility. Their farm's production provides a steadily increasing surplus which is invested in marriages and – periodically – fixed assets. Recently they have shown interest in cash-based savings products by taking out 2 LIC policies but would not perhaps have done this without the heavy persuasion of the agent, a friend of one of the brothers. As a local political leader known for his integrity, K can easily ensure the government system works well for him, in terms of additional sources of income (legitimate and "informal"), terms of sale (through FCI) and political pressure as required to protect his own and those who are loyal to him. His case demonstrates the close nexus between high caste power and government resources.

1. Initial household profile:

Name	Relationship to HH	Age	Highest school grade	Main Economic Activities
Bhupnarayan Pandey	Father	68	6 th Std	Helps in farming
K	Self	45	12 th Std	Farming
Urmila Devi	Wife	41	Literate	House wife
Yogendra Kumar	Son	5	2 nd Std	Attends school
Anju Kumari	Daughter	7	2 nd Std	Attends school
A child	Son	0		
J	Brother	40	12 th Std	Farming and operates flour mill
Vimla Devi	Wife	37	10 th Std?	House wife
Anand Kumar	Nephew	20	12 th Std	Helps in farming
Prem Shankar	Nephew	15	9 th Std	Attends school
Vinay Kumar	Nephew	13	4 th Std	Attends school
Anupam Kumar	Nephew	5	2 nd Std	Attends school
Keshaw Prasad	Nephew	3	-	-
Om Prakesh	Brother	35	Graduate	Farming
Pushpa Devi	Wife	31	??	House wife
Arti Kumari	Niece	12	6 th Std	Attends school
Santosh Kumar	Nephew	8	4 th Std	Attends school
Radha Kumari	Niece	1	-	
R	Brother	33	12 th Std	Farming, operates jeep on rent
Raj Kumari	Wife	31		House wife
Bhaskar Pandey	Nephew	14	8 th Std	Attends school
Mamta Kumari	Niece	10	6 th Std	Attends school
Vinod Kumar	Nephew	8	4 th Std	Attends school
Sangeeta	Niece	6	2 nd Std	Attends school
Puja	Niece	4	-	

2. Significant changes to household profile during research year:

Raja has started operating as an LIC agent from June 01.

3. Residence:

The family has been in Barahulla for several generations, becoming more powerful when they acquired land (around 100 years ago) by donation from local royal family of VP Singh.

4. Tenure:

K is owner occupier of his residence. The land on which the Kol tola is constructed belongs to K and was settled by his family (around 50 years ago) in order to supply labour for his farm.

Therefore all the Kols of the tola (60 + families) are tenants of Pandey's family. Over the next few years their tenancy could be threatened as the Pandeys procure farm labour in other ways, become more mechanized and bemoan the changing attitudes and declining loyalties of the Kols.

5. Support networks:

K's family is extremely influential in the area (which relates perhaps to unusually large landholding and their traditional standing as purohiths to the region's feudal lords) and they can approach bureaucrats and politicians easily for assistance. K himself was Pradhan for the last-but-one term (and in the last term – when the seat was reserved for SC/ST, the Pradhan was a Kol with close relations to his family). While the Pradhan's seat is now occupied by another Brahmin (who won the June 00 election by 4 votes against KS), a large proportion of the village remains loyal to K. The family has several relatives in comfortable positions but do not call on their support since they have no need; they're more likely to offer support to them. The family has good connections with FCI whose minimum support price is frequently higher than market. The FCI became active in the area 2 years ago.

6. Public entitlements:

Ration shop dealership: Since 1987 the family has held the license to manage the GoI's ration shop, supplying essential commodities at a fixed price to ration card holders. The post is renewed automatically unless there is a complaint. Grain (mostly wheat), kerosene & sugar are procured from government godowns and sold to villagers at the fixed price allowing for a margin.

Health volunteer (Swasthya Rakshak): For last 25 years K has been responsible for helping roll out government schemes/ campaigns in health sector (after receiving brief training). For this he receives a small stipend of Rs.50/ month. For the last 3 years there has been no work in this capacity since the government is not supplying anything to distribute.

7. Food habits:

They eat well all year round

8. Significant assets:

Asset type	Description	Value (if known or estimated)
Homestead Land	3 bigha land, trees, 1 well, grain mill, husk store, mud-house separate kitchen	-
Farm land (state if irrigated)	[90 bigha – first interview] 200 + bigha fertile land	1 fertile bigha sells for Rs.50,000
Home (equipment, furnishings etc)	1 storey fully permanent brick house (10 rooms?), TV, radio, music deck	-
Machinery	Jeep, tractor, motorcycle, 1 pumpset, 1 flour mill, several bicycles	

Livestock	4 oxen, 5 buffalos, 6 cows & 12 calves	
Jewelry etc	Not available	
Other (state)	Mango & mahua trees	

9. Significant changes to assets during research year:

- Traded in old tractor for brand-new one (cost Rs.230,000); building a temple on homestead
- 4 oxen, 5 buffaloes, 6 cows, 12 calves. At research end family has same, while two transactions happened in the year: (I) 3 calves given to Jeet Bahadur's married daughter; (ii) 3 calves presented to Jeet Bahadur as gift for his work as purohit.

10. Income pattern: estimated annual income over research year: **Rs.448,800**

Name	Income source	Frequency	Scale	Comments
Family	Paddy farming:	2	500 Q/ Rs200,000	Mostly in single sale of Rs.91,000 to FCI when support price was Rs.1/ kg higher than market. He can sell to FCI due to strength of connections/ personal network
Family	Wheat & pulses farming:	6	230 Q/ Rs.120,000 23 Q gram/ Rs.40,000 10 Q other/ Rs.12,000	Sells every 2-3 months to traders
Family	Leased land	3 installments	30 bighas for total of Rs.35,000	2 installments at start of paddy season (Jun/ Jul 00), balance in Jan 01 leaving Rs.2000 o/s
Raja	Hiring out jeep as taxi	8	Rs.24,000 (Rs.1000-Rs.6000)	For marriages, general taxi service from BH & surrounding villages
Jeet Bahadur/ Raja	Ration shop dealership	3	Rs.7000 (R.600-Rs.5000)	[Income is likely to be mthly in the range of Rs.2000-3000 but KSP was not willing to tell]
Jeet Bahadur/ Raja	Unofficial sales of rations	N/a	N/a	To April 01 family had a regular stream of income which stopped when the FCI procurement officer got transferred.
Jeet Bahadur	Services as a marriage priest	2	Rs.5500 (Rs.500-Rs.5000)	Largely during local marriage season in & outside village. Probably higher (<Rs.10,000)
Prem Shankar/ Anand	Flour mill	2	Rs.1700 (Rs.300-Rs.700)	Between May-July 01 [could be a lot more]
Om Prakash	Tractor hire	1	Rs.800	Only for special requests
Kamla Shankar	Health Volunteer	Mthly	Rs.300/ month	Regular stipend from GoI [but also earns extra through in-house pharmacy]

11. Expenditure pattern:

Expenditure item	Scale	Comments
General expenses	Rs.800/ month	Of which Rs.300-400/ month taken on credit from Ayodhya, repaid quarterly. Balance bought on cash from grain sale
Housing	Rs.15,300	Rs.15,000 cumulative construction cost for temple (in process).
Clothing	Rs.700/ month	
Education	Rs.4200	8 entries
Health	Rs.1700	6 entries for whole family
Travel	Rs.200-Rs.400	2 entries, visits to relatives
Festivals & ceremonies	Rs.2600	2 entries for festivals
Farm investment (fertilizer, seed, tractor, wages, irrigation)	Rs.53,000 - inputs & Rs.60,000 – wages	20 entries for both seasons, 45% fertilizer & rest tractor diesel, seeds.
Equipment repair & maintenance	Rs.11,000	9 entries: motorcycle, jeep, tractor, flour mill fuel & maintenance

12. Financial services/devices used during research year:

Type	Number of instances	Value(s)	Comments
Loans from government banks	3 Green Card (o/d) accounts with limits:-	(i) Rs.30,000; (ii) Rs.40,000; (iii) Rs.50,000	In names of 3 family members, mostly for farm investment (inc. part-purchase of new tractor), 6 withdrawals & 4 deposits with transaction average size Rs.14,000.
Loan from government bank	1	Rs.150,000	@ 13%/ year from AB, Drummondganj; 2 repayments totaling Rs.80,000; tie-up between tractor company & AB. Found out about deal first through AB Ayodhya.
Co-operative loans taken	4 loans	Rs.1200- Rs.10,000 (total Rs.26,200)	6 transactions (average size Rs.5300), all in-kind for fertilizer, borrowed largely in Aug & Nov.
Groceries bought on credit	Every quarter	Rs.1200	Accumulates small debt with Ayodhya-based grocer & repays quarterly
Goods bought on credit	2	Rs.3000- Rs.10,000	All for fertilizer from Ayodhya & Koraon
Selling grain in advance	5	Rs.48,000, average. deal Rs.10,000	Important & flexible source of credit for family, from 2 traders based in Ayodhya & Koraon for 10-15 days.
Reciprocal gifts out	4	Rs.5600	Towards marriages of relatives
Services sold on credit	Several	Rs.15,000	Accumulated debts owed for use of Pandey's grain mill. Feel they can't get most of this back and no longer aspire to run it as a business venture
Bank savings account	1	Rs.1000- Rs.1200 (mid Sept 01).	All'd Bank Ayodhya Branch in Jeet Bahadur's name, Used as current account drawn down for agriculture. [They don't see the point of savings products]
Life insurance	2	Premiums of (i)Rs.7000 & (ii)Rs.5000/ year	(i)maturity 10 yrs @ Rs.75,000 (taken Apr 01); (ii)maturity 15 years @ Rs.50,000 (taken Sept 01). LIC agent (Raja's friend) heavily persuaded; thinking of future security & marriage payments. Jun 01 Raja becomes an LIC agent

13. Cheating:

None

14. Comments on financial services and devices:

The brothers agree that after the Green Card product, they have virtually no need to turn elsewhere to fulfill their financial needs since it is flexible and the 3 cards between them provide a large overdraft facility. They took their first card in 1999. Prior to this they were far more dependent on the Society.

Pandey doesn't perceive any clear difference in the products/ behavior of different banks operating in the area. At the same time Green Card – offered by Allahabad Bank – appears to have increased the relevance of banks in their life. While the family has recently taken two LIC policies they did this largely at the persuasion of the agent (a friend of Raja's). To invest regularly in cash savings for them is possible (since they have a regular surplus) but not something they've done before. Traditionally they've scheduled their surplus in to marriages of family members and purchase/ construction of assets intermittently. As the local economy slowly becomes evermore cash-based, they perceive a value in such products although the increase in the supply of easily accessible debt is far more significant than switch towards cash-based savings.

15. Recording financial service transactions:

The Pandeys keep all vouchers & notes details in a thick notebook.

16. This year compared to previous years:

This year has been typical and similar to last year.

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