

**IDPM FINANCIAL DIARIES COVER SHEET FORMAT**  
**India: Rural**

*Interview taken by: Sushil Kumar date: 16th September 2001*

Category: Medium Initial wealth ranking: Medium Code: KBH06

**Site:** Barahulla **Principal respondent(s):** Mr. NY (self), Mr. KH (son) **Caste:** OBC (Yadav)

NY's family have lived in Barahulla for generations. They have two homesteads: one in the village, the other plot of land is officially owned by Gram Panchayat, which the family began occupying 6-8 years ago. NY's family keep their husk and animals here. Three years ago this land was awarded to a landless Kol by the Gram Panchayat, but the family has not moved. They are currently seeking an arrangement to compensate the Kol for the land. By research end, NY agrees to pay a Rs.4,500 compensation payment, but he is struggling to raise this money. Meanwhile the Kol has been given user-rights to 6 bisha of NY's land (Feb 01)

The family lives on income earned from their farm and from KH's carpet weaving. Purchased ten years ago for Rs.21,000, the family farm has 2/12 bighas. The land is fertile and well irrigated. This year, and for several years earlier, the family has take in extra land on sharecropping to bring in additional income to cover repairs for his house. However, this year's crop failed. They also engage in occasional wage labour.

Because of the vagaries of their farm, KH is now considering cattle rearing although, fodder is a concern. Prospective SGSY could help with this. In general, the family is becoming gradually better off; however this year and last year have been especially difficult.

KH largely manages his financial needs with interest-free loans from friends, relatives, and suppliers, forwarding goods on credit. However, depending mostly on his farm, he requires capital for investment and for shortfalls when farm output is poor. These days he's seeking to acquire a Green Card but has been turned away unless he pays Rs.1000 "informal fee". He's recently joined an SHG with the express purpose of benefiting from SGSY loan (to be spent on a variety of agricultural and other needs). On occasion, he's had to fall back on loans on interest several times to cope with cash shortfall in the face of a disastrous harvest. He's not an enthusiast of cash-based savings products finding himself as yet unable to manage all the in-kind investments and obligations lined up before him (developing farm, education of children, house repair and investment in cattle if he has surplus, quite apart from loans to be repaid).

**1. Initial household profile:**

| Name          | Relationship to HH | Age | Education           | Main Economic Activities | Other Economic Activities |
|---------------|--------------------|-----|---------------------|--------------------------|---------------------------|
| NY            | Self               | 70  | Illiterate          | Helps son in farm        | Attends cattle            |
| KH Lal        | Son                | 30  | Illiterate          | Farming                  | Carpet weaving            |
| ?             | Wife               | 29  | Illiterate          | Runs the home            |                           |
| Mangla Yadav  | g-son              | 9   | 5 <sup>th</sup> Std | Attends school           |                           |
| Salik Yadav   | g-son              | 7   | 3 <sup>rd</sup> Std | Attends school           |                           |
| Shanti Kumari | g-daughter         | 4   | -                   |                          |                           |
| Phota         | g-son              | 2   | -                   |                          |                           |

**2. Significant changes to household profile during research year:**

None

**3. Residence:**

The family has lived in Barahulla for generations.

#### 4. Tenure:

Owner-occupiers of 1 homestead in village; the other (Patparia) is Panchayat land occupied illicitly by NY's family 6-8 years earlier and currently under dispute since it was allotted to a Kol 3 years ago.

#### 5. Support networks:

KH relies on his wife's brother and sister's husband, his uncle (mama) and 2-3 friends in the village.

#### 6. Public entitlements:

APL Ration Card holders

#### 7. Food habits:

They eat in average way and their food is not affected by income shortages.

#### 8. Significant assets:

| Asset type                        | Description   | Value (if known or estimated) |
|-----------------------------------|---|-------------------------------|
| Homestead Land                    | 2 homesteads over 14 bisha, one of which (in Patparia) is under dispute |                               |
| Farm land (state if irrigated)    | 12 bighas of which 2 bighas is fertile                                  |                               |
| Home (equipment, furnishings etc) | 2 mud houses with tiled roofs, bicycle                                  |                               |
| Machinery                         | Fodder grinding machine   |                               |
| Livestock                         | 2 oxen, 1 cow, 1 buffalo  |                               |
| Jewelry etc                       | N/a   |                               |

#### 9. Significant changes to assets during research year:

1 cow dies. At research end they have 1 cow & 1 calf

#### 10. Income pattern: estimated annual income over research year: Rs.11,000

| Name     | Income source               | Frequency <sup>1</sup> | Scale                       | Comments  |
|----------|-----------------------------|------------------------|-----------------------------|---|
| Family   | Paddy farming (4 bighas)    | Not sold               | 7 Q (Rs.2,800) <sup>2</sup> | Disastrous  |
| Family   | Wheat farming (2 bighas)    | Not sold               | 6 Q (Rs.3,000)              | Very poor   |
| KH       | Sharecropped land (1 bigha) | Not sold               | 50 kg paddy, 80 kg wheat    | (His share since landlord made more than 50% investment). Disastrous.   |
| KH       | Carpet weaving              | Off-season (Oct-May)   | <Rs.4000                    | K is increasingly despondent about this livelihood. He can't make a decent income and is frequently paid less than expected by contractor |
| K & wife | On-farm wage labor          | Intermittent           | <Rs.1000                    | Within village when not busy with own farming   |
| KH       | Off-farm wage labor         | One-off                | Rs.150                      | Nearby. K does not like to leave village for work since father is old   |

<sup>1</sup> In the case of farm income, this column refers to frequency of grain sales made (or if grain is not sold at all this is noted)

<sup>2</sup> Kanhaiya reports the farmgate price would be Rs.350/ Q at this time (not Rs.400/ Q which we've used as our average).

**11. Expenditure pattern:**

| Expenditure item   | Scale                              | Comments  |
|--|------------------------------------|---|
| General expenses   | Rs.40/ mth                         | Don't need to purchase grain  |
| Housing  | Rs.500                             | Seek to raise more on credit; when they fail they use own labor to repair house (Jan) |
| Clothing   | Rs.500                             | 3 entries mostly for children   |
| Education  | Rs.300                             | 3 entries for school-going daughters  |
| Health   | Rs.500                             | 3 entries mostly for K's wife   |
| Travel   | Rs.100                             | Bringing wife from parents  |
| Festivals & ceremonies   | Rs.800                             | 50% on marriages, balance festivals   |
| Farm investment (fertilizer, seed, tractor, wages, irrigation) | Rs.2000 – paddy<br>Rs.1200 – wheat | Mostly fertilizer with tractor hire & small wages                                     |

**12. Financial services/devices used during research year:**

| Type                            | Instances            | Total Value (Range)             | Comments   |
|---------------------------------|----------------------|---------------------------------|--|
| Interest-free loans taken       | 4                    | Rs.4300<br>(Rs.250-<br>Rs.2000) | For house repair & legal costs (land dispute) from relatives (still o/s) & agriculture from landlord & friends (repaid after harvest. Relatives are relaxed (late Nov)   |
| Private loans taken on interest | 4                    | Rs.1700<br>(Rs.200-<br>Rs.1000) | At 5-10% from co-villagers for general expenses, gifts & (in one case) loan repayment. All repaid within 1-2 mths with some interest (according to stated rate).   |
| Wage advance taken              | 1                    | Rs.800                          | From KH's carpet contractor, cut from subsequent wage. Does not usually give advances but made exception since KH was desperate  |
| Groceries bought on credit      | Running with 3 shops | Total ave o/s<br>Rs.400         | For small groceries & festival costs   |
| Goods bought on credit          | 2                    | Rs.230 &<br>Rs.700              | Both from Ayodhya-based shop repaid after farming season   |
| Savings with SHG                | 1                    | Rs.50/ mth                      | Since Aug 01, newly formed mixed group of 10 (unusual); [Sounds like SGSY – hopes to get Rs.50,000 (for him) after 6 mths from AB Ayodhya of which Rs.17,000 subsidy. Plans to purchase buffaloes, repair house & repay loans] |
| Bank savings account            | 1                    | Rs.500                          | Current account with Allahabad Bank, Ayodhya. Opened to receive IRDP loan 10 years ago. Dormant  |

**13. Cheating:**

None

**14. Comments on financial services and devices:**

Nachkau & KH both see cash savings products (such as LIC, fixed deposits etc) as out of their league. They're not aware of them and have no interest since they insist they're too poor to consider them. KH has relatively low awareness of cash-based savings products and is convinced he can't spare the cash anyway. If he does generate surplus from his farm it gets quickly used up in house, education for his children and farming for the next year. He shares this lack of awareness with others from Patparia: no agents or field officers come there. He's not yet thinking in a focused way about his son's or daughter's future.

In the past KH has successfully taken and repaid a loan of Rs.6000?? Under IRDP from Allahabad Bank Ayodhya towards purchase of family's only fertile land 10 years ago. He repaid over 6 years – he no longer uses the account he opened for this purpose.

Through his friends KH has heard about the Green Card and approaches the manager alone. In Nov/ Dec 00 KH tries to acquire a Green Card from Allahabad Bank (where he already has a current account), on the one hand for house repair/ start-up of grocery store, on the other towards starting a carpet manufacturing unit. He is turned away by the branch manager on the basis that it's off-season for agriculture (this reason is not recognized in rules). A broker then tells him he can fix it up for a fee of Rs.700 which then increases to Rs.1000 which KH feels unable to manage. Ultimately he's resolved to go to a money lender for his needs because, while fully aware of what he'd save in interest payments, he doesn't like the rigidity and bureaucratic pressure which comes with bank loans.

He knows several intermittent lenders in the village but generally manages to avoid borrowing from them since he has a good personal network. But this year the paddy crop is disastrous and he is pushed to borrow several times on interest (from within the village) for agricultural & other costs.

**15. Recording financial service transactions:**

None

**16. This year compared to previous years:**

Last year was a disastrous year for the farm

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