

IDPM FINANCIAL DIARIES COVER SHEET FORMAT
India: Rural

Interview taken by: Sushil Kumar *date:* 16th October 2001?

Category: Medium Initial wealth ranking: Medium Code: KKP13

Site: Kushphara **Principal respondent(s):** Mr. NL (son) & Mr. SM (self) **Caste:** Kushwaha

The family has had their small farm of 2.5 bighas for generations, but only started farming on it 15-20 years ago. They received the legal title for the land in 1980. In 1996 the family purchased homestead land for Rs.8000 from NL's uncle, who was shifting his family to his in-laws home, and thus couldn't raise the capital necessary to purchase arable land on offer. They financed this through a mix of interest-free & interest-bearing loans from relatives and intermittent lenders respectively. The family repaid the loans with income from grain sales, durry weaving, and PO-based fixed deposit.

SM has two sons, NL (who is married when we meet him and acting family head) and Raj Bahadur who is married during the research year). The family supplement their own small farm with sharecropping as well as NL's durry weaving. Last year, the family started leasing land by borrowing capital from relatives. The family states that this strategy is more profitable than share-cropping, which they now plan to stop altogether. While NL is serious and responsible, combining earnings with his pursuit of higher studies, his brother is flippant and roams around on the pretext of finding good wages for work but usually returns with very little. On one occasion NL brings him back forcefully from Allahabad and pins him down to weave duries with him. In addition to his durry weaving, NL engages annually in a seasonal cloth-trading business between February and May. They are considering investing in buffalo & ghee production on a commercial scale (but lack space and capital, and fear the risk of disease).

The family is thrown into crisis when SM has a stroke at the research end (early Sept 01) and is left paralysed on one side. The family proves able to raise substantial resources (Rs.15-20,000) for his treatment through relatives and village friends, and we witness the extent of security they enjoy through contacts and well-placed relatives. It is overwhelmingly by means of substantial, interest-free loans from relatives and friends that the family manages financially, borrowing only small sums occasionally on interest. NL also links with shopkeepers to assist his personal and business cash flow. While the family has had experience with cash savings products in the past (Post Office savings accounts) they say they can't manage them these days. At research end, they are heavily indebted and struggling to cope with treatment for SM's unexpected stroke.

1. Initial household profile:

Name	Relationship to HH	Age	Education	Main Economic Activities	Additional economic act'
SM Kushawaha	Self	42	Illiterate	Farming	share-cropping
SM Devi	Wife	38	Illiterate	Housewife	
NL	Son	19	10 th Std	Attends school.	Durry weaving & helps in farming
Shyam Kumari	Daughter-In-law	17		Housewife	
Satish	Grandson	1		-	
Raj Bahadur	Son	16		Durry weaver	
Dinesh	Son	14	6 th Std	Attends school	
Usha	Daughter	6	2 nd Std	Attends school	

2. Significant changes to household profile during research year:

Raj Bahadur got married in July 01 and his new wife arrives in the family home.

3. Residence:

The family has lived in Kushphara for generations.

4. Tenure:

Owner-occupiers

5. Support networks:

SM has many relatives who are in a better financial position than him, including his uncle (mama), sister-in-law and his son's in-laws. In the village they have good relations with Ramdev Kushwaha (KKP09), Krishna Lohar their neighbour and 2-3 wealthy Patels on whom they particularly rely for interest-free loans in emergencies. NL's durry contractor also helps in a crunch up to Rs.500 or so.

6. Public entitlements:

APL Ration Card holders

7. Food habits:

They eat well (vegetables and ghee are regularly consumed) but don't spend too much, making ghee at home.

8. Significant assets:

Asset type	Description	Value (if known or estimated)
Homestead Land	3 bisa land & 4 bisa threshing ground, hand-pump	
Farm land (state if irrigated)	2.5 bigha fertile	[could be more]
Home (equipment, furnishings etc)	6-room tiled-roof mud house, radio, bicycle	
Machinery	Fodder machine, agricultural fan for husking	
Livestock	2 oxen, 1 buffalo, 1 cow	
Jewelry etc	Purchased on occasion of Raj Bahadur's marriage	Rs.4500 (should be more)

9. Significant changes to assets during research year:

Oct 00: purchased new buffalo calf for Rs.1200

Feb 01: NL starts up seasonal cloth trading, closing in May 01 with stock balance of Rs.2000

10. Income pattern: estimated annual income over research year: Rs.42,450

Name	Income source	Frequency ¹	Scale	Comments
Family	Paddy farming	Rs.8,500 in 6 sales >Rs.500	25 Q	Satisfactory
Family	Wheat		5 Q	Very poor since 2 bighas were flooded. Expecting 10-12 Q
Family	Sharecropping in (2 bigha)		15 Q paddy 10 Q wheat 0.6 Q mustard	Satisfactory. But generally farmers don't provide good quality land & don't keep to contract on inputs.
Family	Land leased in (1 bigha)		7 Q paddy 3 Q wheat	
NL & Raj Bahadur	Durry weaving		Rs.5350	Whenever free from education & farming. Have loans at home
SM	Bidi rolling	Through year	Rs.1500	Very irregularly when free from farming
NL	Mobile cloth selling	From Feb-May 01	Rs.1200	Seasonal, part-time business. This was his second year
Family	Buffalo	Occasional	Rs.800/ year	Occasionally sell surplus ghee & milk

11. Expenditure pattern:

Expenditure item	Scale	Comments
General expenses	Rs.75/ mth	
Housing	-	
Clothing	Rs.110	
Education	Rs.1000	6 entries for notebooks & school fees, mostly NL
Health	Rs.3500	6 entries, overwhelmingly for SM's treatment following stroke, early Sept 01
Travel	Rs.160	2 entries, visits to relatives
Festivals & ceremonies	Rs.20,500	Mostly for Raj Bahadur's marriage
Farm investment (fertilizer, seed, tractor, wages, irrigation)	(i)Rs.4600 (ii)Rs.850	(i)Own farm for 2 seasons. No labor costs since family do it themselves (ii)Sharecropping in
Land rent for leased land	Rs.2000	1 bigha for 2 years
Livestock maintenance	Rs.300	Health

¹ 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)

12. Financial services/devices used during research year:

Type	Inst-ances	Total Value (Range)	Comments
Interest-free loan taken	8	Rs.14,300 (Rs.300-Rs.2000)	For marriage, land lease, health and investment in cloth business, from relatives and village friends. Three large loans Aug 01 for SM's health & land lease + small loans for marriage o/s at research end
Private loan taken on interest	3	Rs.1300 (Rs.100-Rs.800)	@ 4 - 8%/ mth from villagers mostly for seasonal cloth business started up in Mar 01 & farming. Rs.600 o/s at research end
Goods bought on credit	3	Rs.900 (Rs.100-Rs.450)	In fertilizer & cloth for mobile trading from one shop each in Koraon, repaid after farming/ trading. NL's cloth credit rating is increasing as his business proves reliable but pays a higher rate than would pay in cash so tries to avoid.
Sale of stock in advance	1	Rs.300	Advance from durry customer for durry delivered 5 days later
Services bought on credit	3	(i)Rs.200-Rs.3400 (ii)Rs.150 (iii)Rs.250	(i)Tractor hire for farming & marriage of Raj Bahadur from several relatives & villagers (ii)Grain milling, only once (ii)Pumpset hire only once
Savings in the home	1	<Rs.50	Mudbank. Deposits Rs.10-15 regularly but doesn't reach balance higher than Rs.50, then withdraws for gen expenses
Post Office savings account	1	Rs.70	General savings account opened 3 years ago to save durry income regularly but was not very disciplined. Max balance of Rs.600. Saved and withdrew last year for cloth business. Has not been able to save since starting his seasonal business.

13. Cheating:

While they weren't cheated as such the family faced a headache when they tried to cash NL's grandmother's fixed deposit in PO after her death. Because she had not nominated anyone it was very difficult to get the money (Rs.3000) released. Post Master was asking for certificates which they couldn't provide and they were ultimately given pay-out Rs.1000 less than full amount of Rs.4000.

14. Comments on financial services and devices:

The family has kept a mud bank for the last 3 years. This was NL's idea. While they can't achieve a balance higher than Rs.40-50, it's helped them to manage small cash crises.

They have no interest in borrowing from banks (e.g. Green Card), Cashpor or even the Society although they're aware of these options. They're not business-minded and say they'd never need more than Rs.1000-Rs.1500. "What's the point in taking loans on interest and following all regulations just for daily needs?" says NL. They worry about such repayment schedules since their income is seasonal (farming) although it's supplemented by durry weaving. They have witnessed the trouble and humiliation of other villagers who are being chased for repayments. Nonetheless NL is thinking about these options once his father's health has improved.

By contrast they have some past experience with cash savings products. In 1992 SM opened a Post Office recurring deposit account @ Rs.50/ mth which yielded Rs.4000 in 1997 (Rs.3000 of which was used to repay a loan of Rs.2000 @ 3%/ mth (i.e. Rs.3000) towards land purchase from a Rajput moneylender). They opened the account at the persuasion of their neighbour Krishna Lohar (who already had one). Since then they haven't managed to put another fixed deposit together although they like the principle. They'll try to make another savings account in PO or

elsewhere. They also try generally to avoid borrowing from moneylenders although some circumstances compel it.

Managing a small business (cloth trading), NL is in constant need of short-term credit to purchase working stock. He can do this from his cloth supplier but pays a higher rate so usually tries to manage through his friends and relatives.

He is not aware of Kushwaha Samaj although he likes the idea.

15. Recording financial service transactions:

No

16. This year compared to previous years:

This year has recently become disastrous with SM's health crisis from Sept 01

----- end of format