

IDPM FINANCIAL DIARIES COVER SHEET FORMAT
India: Rural

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

Category: Better off Initial wealth ranking: Better off Code: KBH09

Site: Kushphara **Principal respondent(s):** Mr. R & Tulsidas **Caste:** OBC (Pal)

R migrated to Barahulla as a child from his paternal village 5 km away to live with his mother's brother (*mama*). They were invited by *mama* to inherit his 15 bigha land since he had no sons. This inheritance dramatically changed their fortunes since the land in their paternal village was poor and inadequate (now managed by their father's brothers). Until 8 years ago they lived inside the village but, facing a lack of space, they shifted to the current homestead in a more distant hamlet, purchasing 1 bigha land for Rs.10,000 (managed by sale of grain & previous homestead). They are shepherds by caste/ traditional occupation but are focusing less on sheep rearing and increasingly on upgrading their farm. They usually manage the farm themselves with the help of a hired tractor but will also hire labour occasionally when they're in a hurry.

Tulsidas has migrated to Bombay several times in the past. There he works as a watchman @ Rs.1500-2000/ mth for several months at a time and is able to save around Rs.5000/ trip. He did not do this during research year. In Feb 01 he considers a trip but would prefer the alternative of finding a local job in a store (thinking of the Dramandganj wine shop).

Tulsidas has made the most of institutional credit through a variety of government channels and – in general - appears to have had a positive experience, while he is critical of the Society and tries to limit his dependence on it. While he relies on an extensive network of friends in and around the village for small loans in cash, goods and services, he avoids interest-bearing loans completely and is generally able to sell grain or sheep when in need of quick cash. Perhaps because of this he is not (yet) enthused by cash-based savings products and is focused foremost in ways to raise money to invest in his farm.

1. Initial household profile:

Name	Relationship to HH	Age	Education	Main Economic Activities	
R	Self	62	Illiterate	Farming	Sheep rearing
Kalawati Devi	Wife	60	Illiterate	Runs the home	
Tulsidas	Son	40	10 th Std	Farming	
Radha	Wife	35	Illiterate	Helps in the home	helps in farming
Sumita	Grand daughter	13	4 th Std	Helps in home	
Reeta	Grand daughter	10		Studies in 4 th Std	
Sushma Devi	Grand daughter	08		Studies in 2 nd	
Bindra	Grand son	03	-		
Neeta	Grand daughter	05 m	-		
Madhaw Pal	Son	29	8 th Std	Farming	Sheep rearing
Abira Pal	Wife	28	Illiterate	Helps in the home	helps in farming
Vindhyawasiny	Grand son	01	-		

2. Significant changes to household profile during research year:

None

3. Residence:

Tulsidas shifted during his childhood to Barahulla to inherit the inheritance of his mother's brother who had no sons. Their homestead is land purchased 8 years ago.

4. Tenure:

Owner-occupiers

5. Support networks:

Tulsidas's father's sister's husband (fufa) and sister's husband (behenoi), his own in-laws outside the village and his younger brother's in-laws are all important. He has good connections in the village, in particular with a grocery-shop owner (who forwards him Rs.23,000 to reach the deadline for renewal of his Green Card).

6. Public entitlements:

APL Ration Card holder

7. Food habits:

They eat well (no meat) and do not have to adjust their food with income.

8. Significant assets:

Asset type	Description	Value (if known or estimated)
Homestead Land	1 bigha rocky land	
Farm land (state if irrigated)	15 bighas fertile land	
Home (equipment, furnishings etc)	Large (12 room) mud house, tiled roof	
Machinery		
Livestock	2 buffalo, 4 oxen, 2 cows, 39 sheep	
Jewelry etc	N/a	

9. Significant changes to assets during research year:

- June 00: 2 oxen purchased for Rs.4000 (managed by sale of old ox & Bombay savings)
- Sept 00: 7 sheep sold for Rs.4000
- Mar 01: wool sold for Rs.400
- Aug 01: 7 sheep sold for Rs.4000

10. Income pattern: estimated annual income over research year: Rs.33,225

Name	Income source	Frequency ¹	Scale	Comments
Family	Paddy farming (15 bigha)	10 large sales of both crops (<Rs.5000)	35 Q (Rs.14,000)	Less than half what was expected. Tulsidas calls grain trader to his house for purchase
Family	Wheat farming		18 Q wheat (Rs.9000) 1 Q gram (Rs.1600)	Less than half what was expected
Tulsidas	Sharecropping in	Not sold	-	Potatoes – v. small amount
Tulsidas	Sheep rearing	2	Rs.8400	14 sheep sold in Sept 00 & Aug 01 & small amount of wool
Tulsidas	Hiring out of threshing machine	1	Rs.225	During harvest of wheat crop

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)

11. Expenditure pattern:

Expenditure item	Scale	Comments
General expenses	Rs.150/ mth	
Housing	-	
Clothing	Rs.3000	6 entries
Education	Rs.200	1 entry
Health	Rs.3300	6 entries, mostly for 2 outbreaks during Aug/ Sept each year (cholera during 01)
Travel	-	
Festivals & ceremonies	Rs.2270	10 entries mostly for marriages
Farm investment (fertilizer, seed, tractor, wages, irrigation)	(i)Rs.6000 (ii)Rs.7700	(i)Paddy, mostly for fertilizers & wages (ii)Wheat (farm a much larger area for rabi crop)
Livestock maintenance	Rs.112	Once for sheep medicines
Fee & paperwork for Green Card	Rs.950	Routine banker's fee

12. Financial services/devices used during research year:

Type	Instances	Total Value (Range)	Comments
Interest-free loans taken	6	Rs.29,300 (Rs.110- Rs.28,000)	5 small loans from friends & neighbors for agriculture & mixed expenses repaid within 1-2 weeks; Rs.28,000 from Kushwaha grocer to repay All'd Bank Green Card deadline mostly repaid after few days (when opens subsequent Green Card account) with Rs.1700 o/s at research end
Loans from government banks	2	(i)Rs.27,000 & (ii)Rs.30,000 credit limits	2 Allahabad Bank Green Card overdraft facilities @ 13%/ year. (I)Max limit taken a year ago (mid 2000) for house construction & loan repayment; after paying Rs.4000 + whole principle (followed up with vigor by bank officers) managed by borrowing from grocer for few days, he renewed the account with same limit in March 01. (ii)Opens a new account (mother's name) to repay a grocer. With total credit limit of Rs.57,000, Tulsidas hopes he will not have to rely on grocer again and can fulfill all his needs from this source.
Co-operative loan taken	1	Rs.2000	In fertilizer, repaid within mth. Until Sept 01 limit was determined by land holding. To increase his limit Tulsidas gave Rs.100 cash deposit which raised his limit to Rs.3000 (i.e. Rs.100 x 10 extra).
Groceries on credit	3	(i)Ave. credit Rs.200/ mth (ii)Rs.600 o/s (iii)Rs.1000 o/s	(i)Good relation with Kushwaha grocer (also lends TP Rs.28,000 for few days); ave o/s balance Rs.2000 but reaches Rs.4000 in June 01. (ii) Patel grocer – no transactions but good relations (iii) Koroan grocer - no transactions but good relations
Goods bought on credit	2	Rs.1300	Clothes from regular shop in Koraon
Services on credit	3	Rs.1000) (Rs.150- Rs.500)	Tractor service, doctor's fees & flour mill. Mostly o/s at research end
Selling stock in advance	2	Rs.200 & Rs.300	Cash in against future delivery of grain, once for Kumbh Mela pilgrimage & other at request of neighbor in need
Interest-free loans given	2	Rs.100 & Rs.4000	Rs.4000 to someone from another village mostly repaid. Tulsidas has long-standing relation with this person and had the money available.
Savings in the home	Inter-mittent	<Rs.1000	This is cash kept back temporarily in the home but gets quickly spent
Bank savings account	1	Rs.250 balance	Allahabad Bank, Ayodhya (Tulsidas's name). Opened to facilitate savings and as possible way to access government loans/ benefit from schemes but doesn't use it often. Saved <Rs.6000 over several months but withdrew to

			pay for brother's medical treatment 3 years ago. Hasn't used it since then.
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13. Cheating:

None

14. Comments on financial services and devices:

Tulsidas frequently uses grocer's credit when he's short of cash. He prefers to do this since he sells grain in bulk which makes his income intermittent/ erratic, so he smoothes it by using his good credit relations.

Tulsidas is not happy with the Society since it can't always provide fertilizer when he needs it and it is a hassle to access and make transactions. For this reason he tries to find the cash to purchase fertilizer direct (or through private borrowing). Nonetheless he recently raised his credit limit at the Society by making a cash deposit. He says the Society behaves in a discretionary way depending on personal relations. For example, a good friend of the Society Secretary will not get issued an RC (a recovery certificate, which hands recovery over to the Tehsil/ police) but will rather get his loan renewed/ rescheduled to avoid late payment charges.

Tulsidas makes full use of his Allahabad Bank Green Card. When he seeks to renew his account after one year he is forced to repay the whole principle before he is able to draw the same amount (again to his limit) the next day. He manages this (at considerable cost in time and trouble) by a few-days' loan from his Kushwaha grocer friend. He is nonetheless happy with the product.

Tulsidas benefited from an IRDP loan of Rs.14,000 (including full subsidy component of Rs.3,900) from AB Ayodhya with which he purchased a diesel engine. He repaid over the next 3-4 years in two installments with Rs.3500 interest. He then opened a current account in the same bank to save for emergency needs but withdrew the money for his brother's health 3 years ago and has been unable to save regularly since then (he was travelling to Bombay & the weather was providing better harvests at that time). While there was no direct link, he suggests that the acquisition of his first Green Card 1.5 years ago in AB was assisted by his familiarity with the rules/ process (he'd made the effort to inform himself). He was already known to Branch Manager at this time.

On several accounts (avoiding unofficial fees and smooth handling of government banking procedures) Tulsidas has had relatively positive experiences with government loan facilities. He says this is less to do with personal connections than to do with the confidence with which he conducts business. If you go to them like a humble person and don't know the rules, he says, they'll take advantage of you.

Tulsidas hasn't yet ventured in to cash-based savings products although he has some awareness (but not of the new generation variety). He's currently more focused on in-kind investments and his most significant plan is to use his credit limit on Green Card (once his farming debts are cleared) to hire a drilling machine to sink a bore well. (Due to rocky land & low water level this would require Rs.25,000 to sink, still at the risk of finding no water). This would remove the main constraint to his farming. He also keeps sheep (50+) which he maintains at this number with very little investment. He is able to "draw down" these assets as and when he requires cash.

15. Recording financial service transactions:

He keeps records of large loans in and out and tracks what interest is due on his loans to bank.

16. This year compared to previous years:

This year has been good compared to others and the harvest was good.

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