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Savings and Income Generation

An overwhelming majority of villagers, and possibly all women in villages, cannot avail themselves of banking facilities because of various factors like distance, inconvenient timings, illiteracy, the small sums of money involved in their transactions, etc., Money lenders' charging up to 200% interest are the only sources of credit, and their trade is flourishing and tribe increasing. To encourage the saving habit as well as to facilitate small loans, we plan to start savings schemes in all our villages gradually. The first such scheme was started at Bargharia in February 1990. It was successful beyond our expectations and the four others we started in December/ early January are also working well. There are minor variations in how the schemes are run in the five villages but the basic principles remain the same. Each member has a passbook and can deposit any amount, even a sum as small as 10p. at almost any time of, the day and evening, to a person/ persons designated by the youth group in the village. Leaving aside some money for possible withdrawals, the amount collected is deposited with the local post office or bank in a joint account in the name of two or three people chosen by the youth group. Loan applications are processed by the group and terms and conditions determined at joint meeting with the applicant.

The following table gives a clear picture of the project as on 31.3.91

Name of village with starting date	Number of depositors	Total money deposited	No. of loans	Purpose of loans
Bargharia (16.2.90.)	268	Rs.70,000/-	7	Agriculture-2 Rice business-2
Name of village with starting date	Number of depositors	Total money deposited	No. of loans	Purpose of loans
Durgapur (9.12.90)	130	Rs. 8,000/-		House repair-1 Settting up shop-1 Fish breeding-1
Andharmanik (25.12.90)	53	Rs. 1,872/-		

Chandalati (31.12.90)	114	Rs. 5,822/		
Fatullyapqr (1.1.91)	176	Rs. 12,885/-	4	Agriculture-3 Land reclamation-1
	741	Rs. 97,919	11	

Most of those who got a loan from the PSS would never have qualified for a bank loan because of their negligible assets, or would have had trouble negotiating the cumbersome formalities in the banking process. At Bargharia some aspects of the management of the PSS have been entrusted to the Mahila Samity. So apart from developing the saving habit and meeting the credit needs of the poorer sections of rural society, the PSS has the potential of developing into a village - level participatory democratic forum. Many of the depositors are women who, when they are able to put by something of their own for their own later needs, attain an independence which is more than just economic. A survey was carried out at Fatullyapur to find out what depositors who do not ask for loans do with what they save over weeks. It revealed that small but regular savings had helped 17 women buy hens, three women buy goats, one man buy a cow, and four men start a rice business.

Last year we set up a unit at Andharmanik to produce **leather gloves** which we were to sell to an exporter in Calcutta. We employed 12 people but, faced with problems from the beginning we were forced to shut the unit halfway through this year. As such it must be called a failure but we gained valuable experience. The main problems were the escalating price of machines, the need for extensive and expensive training, lack of good trainers, uncertain supply of raw materials and a volatile market in leather, problems of transporting raw materials from, and the finished products to Calcutta, periodic slumps in demand and delay in receiving payments. What hurt us most, however, was the inordinate delay of the bank to approve our application for a loan under the self-employment scheme of the Government of India. Right from the beginning the bank kept coming up with what often appeared to be flimsy objections and by the time it was satisfied and was asking us to accept the loan our venture had already collapsed because of total drying up of the cash flow.

Like the glove unit we had set up, again at Andharmanik, a small unit to make **ground spices** even before Swanirvar was formally registered. This gave employment to five women and one man. It was a very low-key affair, something in the nature of a tentative and exploratory

gesture. In December 1990 we transferred it to Chandalati and in three months it grew five times. Here are the basic details

Capital expenditure	Rs. 496.65
Raw materials	Rs. 11266.40
Labour and supervision	Rs. 1072.50
Grinding charges	Rs. 618.00
Transport costs	Rs. 179.35
Sales	Rs. 10328.05
Stock in hand	Rs. 3991.85

Whereas total sales in the previous year were Rs.3000, after the shift to Chandalati and beginning work with a new emphasis, we have sold stuff worth Rs.10,330/- in just three months. In the next few months we should be able to double our monthly sales. The local youth group manages the work and five women of the village do the winnowing, weighing, packing, sealing etc.

We have recently started a honey processing and bottling unit at Andharmanik but there is little to say on its work in this report because by 31 March we were only getting set for work. A sealing machine had been bought and honey was being collected from various producers. Considering our preparations and the great demand for honey in Calcutta especially from around late October, there should be quite a lot to report on this project in our next annual general meeting, provided, of course, we succeed in getting some more capital. The only thing I shall say now is that this is the first step in our goal of setting up producers' cooperatives in our area. Interestingly, not even 10% of the honey production potential in the region is exploited.

As part of our plans to upgrade and diversify traditional crafts we are running two one-year training programmes in two crafts with 15 trainees in each. Both programmes are totally funded by the Office of the Development Commissioner (Handicrafts), Ministry of Textiles, Government of India.

The two crafts we chose are terracotta and mat weaving. In the first, we have come up with a large number of new shapes, sizes and colours which should be popular as decorative items. We have also attempted to make clay pipes to replace the cement pipes now used in smokeless Chullas. If the former prove to be durable, they will be much cheaper. In the second

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craft, apart from making mats in unconventional shapes and sizes, we have come up with nice, attractive bags, which elicited a lot of admiring enquiries at a fair in Calcutta.

Our biggest problem is how to go about marketing these new products. To get a feedback from potential customers we must either hold exhibitions in Calcutta, or carry our wares regularly to Calcutta shops. Both are beyond our resources and we are still trying to come up with a viable strategy.