

1

Savings and Income Generation

Pallo Sanchay Samabaya (PUS):

An overwhelming majority of villagers cannot avail themselves of banking facilities because of various factors like distance, rigid and inconvenient timings, illiteracy, inflexible rules, apathy of bank staff, particularly to small transactions, etc. Moneylenders charging up to 200% interest are thus the only source of credit, and people cannot do without them. To encourage the savings habit as well as to facilitate the availability of small loans we formed rural savings and loan cooperatives

(Palli Sanchay Samabaya, or PSS). The following tables give a picture of the progress of the PSS's till 31.3.92

Table I

Name of village & date of starting	No. of depositors as on 31.3.92	Deposits in 1991-92		Approx. average deposit per member
		Maximum (in Rs.)	Minimum	
Fatullyapur - (1.1.1)	213	25,600	9,725.	Rs. 100
Chandalati (31.12.90)	153	8,880	5,016	Rs.50
Andharmanik (25.12.90)	115	2,845	1,022	Rs. 30

Table II

Loans given between April 1991 and March 1992

Month	Chandalati		Patullyapur	
	Purpose	Amount	Purpose	Amount
April, 1991			Cultivation (rice)	Rs. 500
			Cultivation (Jute)	Rs. 1000
			Paddy-rice	Rs. 1000
			Land improvement	Rs. 500
June	Shop	Rs. 500		
July			Rickshaw van	Rs. 500

			Setting shop	Rs. 1000
August	Wheat-grinder stone	Rs. 300		
September	Rickshaw van	Rs. 100		
	Basket weaving	Rs. 100		
December	Rickshaw repair	Rs. 100		
	Rickshaw van	Rs. 2000		
	Balwadi training	Rs. 100		
January	Vegetable trade	Rs. 400		
1992	Daughter's marriage	Rs. 100		
February	Bamboo for house	Rs. 500	Shop	Rs. 600
	House construction	Rs. 200		
	House construction	Rs. 100		
March	Rice cultivation	Rs. 150		
	Tit (sesame) cultivation	Rs. 400		
Total loans	13		8	
Total amount		Rs. 3,050		Rs. 7,100

Most of these 21 borrowers would not have qualified for a bank loan because of their negligible assets, and/or would have had problems negotiating the cumbersome formalities in the banking process. Besides those who took loans, there are those who withdrew a substantial part of their own savings at one time. We surveyed 74 such people -34 men and 40 women at Fatullyapur and found that 21 used the money to buy -chicken, three goats, four cows, 27 food, three rice, five to pay for studies, six for medical treatment, two to visit relatives, one to buy land, another to buy a harmonium, and the last to put the money in a bank fixed deposit.

We have run this scheme for about a year and a half and it seems that we have almost reached the limits of mobilizing deposits from-these generally very poor families. This naturally restricts the number of loans that can be given at any given time. Nevertheless there are some interesting aspects to this programme. Many of the depositors are women, who, when they are able to put by something for their own later needs, attain an independence and confidence which are more than just economic. There are instances like that of a woman depositing a small sum every day after selling eggs, or of a brick-kiln worker depositing Re. 1 daily; another notable incident is that of a man forgoing his loan in favour of another applicant whom he

thought to be more needy than himself, even though he knew it would be a long time before he would be eligible for a fresh loan. We are yet to form a representative committee of the depositors to manage the savings schemes, but we are progressing towards that goal, with the hope that ultimately the women's groups in every village will take charge of such work. .

Honey

We have not yet succeeded in forming a honey, producers' group, but our honey-processing unit is running well. In 1991-92 we sold about 200 kgs of honey worth Rs. 12,000. We could have sold 5-10 times more, given the demand but, first, we did not have the money to buy more raw honey and, second, we did not have a proper marketing network. In 1992-93 we hope to train around 30 people in bee keeping and then set them up as honey producers. Considering the plenitude of honey-bearing flowers like mustard, coriander, drumsticks (sajne), sesame (til), jujube (kul), etc. in our region, it is a pity that only about 10% of the honey producing potential: is utilized. This is one of the most viable of economic activities which can be expanded. There is -some local demand for honey but - the main market is in Calcutta. If we can arrange for regular outlets we can improve our sales considerably, for our bottling and processing unit now has some idea of consumer preferences, demand periods etc.

Ground spices

The unit at Chandalati comprising 5 women and a man and producing packaged ground spices (Haldi, Dhania, Jeera and Chilli) has done quite well. The basic details are,

EXPENDITURE	Rs.	INCOME	Rs.
Raw material	74,11.7.20.	Sales	95,593.75
Equipment and stationery	370.50	Stock	16,142.50
Wages	5,386.50		
Grinding	2,630.60		
Transport.	1,983.75		
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	84,488.55		101,735.25

The total quantity sold was approximately 1800 kg. In 1990-91 our average monthly sales were about Rs, 3,000, whereas they were about Rs. 8,000 this year, though we must remember that along with the volume of sales, the average price per kilo has gone up. The unit has recently obtained the Government licence to produce food products. This will enable us to increase

sales more, though; here too, we face the problem of having inadequate marketing outlets. One uncomfortable feature of this project is that the wages earned are only about 5% of the total turnover, which is far from the ideal in an income generating activity.

We are sure this can be changed, once we understand more about the intricacies of the spices trade. This year was a useful learning period for us; because of a sudden escalation in the price of raw spices we had to suffer a loss for a few crucial months. We are unlikely ever to have enough capital to buy the year's stock when prices are the lowest, so we shall have this problem from time to time, but now that the spices unit has a better idea about seasonal demand it should be able to minimize such losses. The unit is now able to keep its own accounts, make inventories, decide on stocks and pricing, etc.

Handicrafts

As part of a plan to upgrade and diversify traditional crafts, we ran two one-year training programmes in terracotta and mat weaving, with 15 trainees in each. The programmes were funded totally by the Development Commissioner (Handicrafts), Ministry of Textiles, Government of India.

The terracotta training ended in August 1991 and that in mat weaving in September 1991. The latter was not too successful in the final reckoning; we did make some attractive bags, but they require further modifications to be commercially produced. In terracotta we came up with quite a few items—planters, vases, ash trays, table lamps, decorative pots of various shapes and sizes. A unique feature of our products was the colour and lustre we were able to get on our products. To judge market reaction we organized an exhibition of the products soon after the training was over. Encouraged by the visitors' response we approached the Bengal Home Industries Association; one of the better-known crafts shops in Calcutta and they are buying regularly our potters' products. We have found a few other individual buyers too, but Swanirvar cannot continue for much longer to market these goods. The whole process of securing orders, coordinating production, implementing design modifications, ensuring quality control, arranging transportation, stocking in Calcutta and supplying to retail outlets, is too much for us to handle. We are talking to a few private entrepreneurs in Calcutta and hope to find soon someone who will continue to give a fair deal to the artisans while taking charge of everything else.