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## **CREDIT OR CAPACITY BUILDING, THE WAY OUT: REFLECTIONS ON THE GONDS OF TELANGANA**

Since the beginning of economic reforms in India, most of the agrarian studies had emphasised on the increasing need of institutional credit to the farmers, especially small, marginal and medium-sized farmers. On the other hand, NSSO (National Sample Survey Office) 70<sup>th</sup> round report, 2013 reveals that there is an increase in the indebtedness among the rural households in the country from 48.6 per cent in 2005 (NSSO 59<sup>th</sup> round report) to 52 per cent in 2013. The decline in public investment in the agricultural sector and increasing costs of agricultural inputs had made agriculture a debt trap. Increasing levels of indebtedness among the rural households require an in-depth understanding of the credit needs of the farmers. The present article based on the qualitative study of a Gond village in Schedule V area of Telangana, explains various means used by the villagers to avail institutional credit. Anthropological tools and techniques are employed for an in-depth understanding of the increasing indebtedness among the Gonds of the study village. The negative consequences of short-term credit and the alternative strategies employed by a Non-Government Organization (NGO) working in this village through various capacity building initiatives are explained from an anthropological perspective.

There are many studies on the importance of institutional credit in alleviating rural poverty and improving the livelihoods of small, marginal, and weaker sections of the Indian society. The policy of social and development banking<sup>1</sup> since independence had considered agriculture as the corner stone of India's growth and development. In fact, the first amendment made to the constitution in 1951 was to bring structural changes (abolition of Zamindari system) in the agriculture sector. Ever since the nationalisation of the private banks in 1969, there had been a strong emphasis on extending the institutional financial services to the unattended small and marginal farmers across India. There had been a rapid expansion of bank branches and multiple financial agencies are created (Regional Rural Banks in 1975, National Bank for Agriculture and Rural Development in 1982) for extending the banking services even at the cost of conventional values of the banking sector to remote and

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rural areas in India (Wiggins and Rajendran, 1987). With the advent of Green Revolution in the second half of the 1960s, the demand for agricultural credit had increased many folds. In Indian agrarian sector, there are two major sources of capital formation; private and public investments. During the 1980s, the average share of public investments in agriculture was placed at its highest level of 41.7 percent. However, in the next two decades, there was a steep fall in this share reaching 16 per cent by 2011 (Chavan, 2013). This trend exposes the fact that government is shying away from the responsibility of protecting the interest of small and marginal farmers whose dependence on the state has been increasing since the inception of the green revolution. It is an established fact that with the balance of payments crisis in the 1990s and consequent structural reforms undertaken by the government had drastically reduced the agriculture credit and extension services to the farming community. It was only in 2003-04, that government had announced to double the credit extended to agriculture sector within four years, which was achieved well within three years (Mohan, 2006). The annual budget statements since 2004 indicate increased institutional credit to the agriculture sector but the increase is significant in terms of short-term loans extended to the farmers. Throughout the 1970s and 1980s, the share of long-term agriculture credit was increasing and reached a high of 66 percent by 1991-92 but by 2010-11 it had fallen to 39.5 percent (Chavan, 2013).

India's innovative institutional credit extension services starting from cooperative societies to present-day micro-finance is extensively studied by government agencies, academic and non-academic institutions, and other international agencies. Most of these studies had one common conclusion that state's support to the agriculture sector is insufficient and needs more pumping of the institutional credit to ensure food security for such a largely populated country like India. Though many innovative credit delivery mechanisms are developed by different agencies of the state as per the needs and demands of the farm sector, yet the cases of farmers' suicides and agrarian crisis are not uncommon. In fact, the need for credit to agriculture sector in India was identified long before when the early British administrators appointed a committee on agrarian riots in 1875, on whose recommendations one of the earliest legislative measures pertaining to agricultural credit and indebtedness; The Deccan Agriculturalists Relief Act of 1879 was passed (Dantwala, 1952). In addition, British administrators on the recommendations of the Indian Famine Commission, 1882 had instituted two other proactive measures; the Land Improvement Loans Act of 1883 and the Agriculturalists Loans Act of 1884. Both are enabling legislative measures empowering provincial governments to advance loans from state's exchequer and to frame regulations and guidelines governing credit disbursal. Thereafter, there are many studies and researches conducted on the issues bothering agriculture sector in rural India. However, very few studies are done on the institutional credit and its impact on the Tribal populations of India (constituting nearly 8.7% of total

population of India), especially those living in the Schedule V areas of India. This paper seeks to explain the impact of short-term institutional credit on the Gonds of Gadiguda village, Telangana. The negative consequences of short-term credit and the alternative strategies employed by a Non-Government Organization (NGO) working in this village through various capacity building initiatives are explained from an anthropological perspective.

According to the Census 2011, Gond is the second largest tribe, with a population of 4,357,918 constituting 35.6 per cent of total Tribal population of India. Historically Gonds inhabited the central India extending from Satpura plateau in the north to the southern banks of river Godavari. There are different Gond groups, namely the Murias, the Hill Marias, Bisonhorn Marias and Raj Gonds inhabiting in different states of present Indian Union. It was the East India Company which initiated the process of understanding the tribes in India much before first war of Indian Independence 1857. Company's administrators were asked to design policies based on field work among tribal habitations. 'On the basis of experiences and recommendations of administrators like Richard Temple and W. Grigson, they adopted an approach of social benevolence and a policy of *laissez-faire*, accompanied by an economic penetration of tribal areas for the exploitation of natural wealth and resources of the region occupied by tribals' (Mehta, 1984). Earlier studies were done with a focus on designing better policies for exploitation of resources, but the advent of anthropologists into the study areas have brought a shift in focus from understanding weaknesses of tribes to a holistic understanding of the tribals under study. W. Grigson's 'Study of the Maria Gonds of Bastar (1927)' and Capt. Forsythe's study among the Gonds of Satpura region have for the first time highlighted the diversity and unique aspects of Gondi life, followed by a good number of studies among Gonds living in different regions of central India. However, there was little knowledge about Gonds of Hyderabad state under Nizam's rule until the work of Christopher von Fürer-Haimendorf among Raj Gonds of Adilabad. His work titled '*The Raj Gonds of Adilabad* (1948)' gives first and a complete ethnography of Gonds inhabiting the present day Adilabad district of Telangana state. Later studies on Raj Gonds of Adilabad were carried out to understand the social change and impact of various policies implemented by the government agencies over a period of time.

### **Village Profile**

The study village Gadiguda is located south of the Deccan plateau in India. It is 52 km East of Adilabad District, Telangana. Gadiguda is surrounded by Jainoor Mandal towards South, Utnoor Mandal towards South, Indervelly Mandal towards west, Sirpur (U) Mandal towards South. Gadiguda is accorded Gram Panchayat<sup>2</sup> status catering to administration needs of 42 villages and hamlets surrounding it. The history of Gadiguda village can be traced back to nearly 100 years as the first Gond family to settle here belongs to Gond by

name Athram Bheem Rao. In due course of time, Gonds from nearby regions have migrated to this village in search of farming lands. It is interesting to know how this village got its name as '*Gadiguda*'. According to elders of this village, the name *Gadiguda* can be split into two words; one as *gadi* which means a storage facility made with the indigenous knowledge for storing agricultural produce and especially seeds. At one point in time this village had nearly 30 such *gadis* highlighting the extensive use of such indigenous innovation. Another word *guda* is derived from *gudem*, a Telugu word used to refer a small hamlet. The *gadis* are built in different shapes and sizes as per the need of the community. These are not owned by individual households but by groups formed based on clan (*sagas*). At present these facilities have become obsolete and not in use anymore because of increased access to middlemen and to the agriculture market located just 27 km at Narnoor Mandal. Every year at the end of harvest, produce is loaded onto trucks and sent to the market yard. However, Gonds of Gadiguda had expressed that the indigenous technology involved in building such facility and its efficiency is much higher when compared to our present-day storage systems.

Gadiguda village has a population of about 798 people (Table-1 gives the population composition of Gadiguda village). In total, there are 188 households out of which 113 households belong to Gonds. The remaining 75 households account for non-Gonds with a population of 222. The Non-Gonds includes people from other Tribes such as Andh, Kolam, Koya, Pradhan, Thotis and OBCs (Other Backward Classes) who had migrated to this village 15-20 years back. The land distribution of Gadiguda village is presented in the Table-2. It is evident from the Table-2 that 70% of the total households have land area in the range of 1 to 10 acres. However, out of the total 828 acres of land under cultivation by Gonds of Gadiguda village, only 17% (144 acres) is *Doddo* (a native word for fertile land having irrigation facility). The remaining land i.e., 83% (684 acres) of the total land under cultivation is called as *Pathar* (dry land having no irrigation facility and is entirely dependent on the rains). Therefore, one can say that effectively each household on an average possess not more than 1.27 acres of *Doddo*. Gadiguda falls in the semi-arid region of Telangana with a high dependency on rainwater for agricultural needs. Geological and weather conditions of this region are favourable to the cultivation of crops like pulses, millets, and other drought-resistant crops.

ITDA (Integrated Tribal Development Agency) Utnoor is the nodal agency for planning and implementation of the developmental initiatives in this village. It was during the fifth five-year plan (1974-78); a school was established in this village. Initially, Marathi was used as the language of instruction but in 1983 with the rise of a regional party (Telugu Desam Party) at the state level, medium of instruction was changed to Telugu. At present, there is one residential school in Gadiguda catering to the educational needs of villagers under Gadiguda Panchayat and other nearby villages (priority is

given to Gonds and other Scheduled Tribes in admissions to this school). Coming to health care facilities, this village has one Primary Health Center (PHC) with one government appointed doctor at service. Auxiliary Nurse Midwifery (ANMs) and Accredited Social Health Activists (ASHA) workers are the foot soldiers in extending timely and adequate health care services to the people. Activities like seasonal vaccination drive for children and in general to the entire population of this village and other health related awareness events are conducted on regular basis. It is interesting to note that majority of Gonds of this village still prefer to approach ethnomedical practitioners called '*Bhakthals*' for their health needs. However, for serious and recurring diseases, they prefer to approach government health care facilities. Even before the introduction of three tier Panchayat Raj system in erstwhile state of Andhra Pradesh, Gonds had maintained a traditional village council consisting of '*Narpatlal*' (Head of the village), '*Sarpatlal*' (Assistant Chief with the government), '*Raipatlal*', '*Gatyal*' (Treasurer), '*Dewari*' (Priest), '*Karobari*' (Writer) and Havildar (Messenger). Each member of the council has a specific role to perform. All these posts are hereditary in nature. Notwithstanding one can be replaced if he is found not suitable for the post. With the introduction of Panchayat (Extension to Scheduled Areas) Act, 1996 the village at present has two political head; a traditional head and other is an elected head. Interestingly these two organisations are complementary in their functions especially in the cases of decision making and implementation of various initiatives at the village level. Traditional village council takes precedence in the matters of civil disputes between members of the community. The elected head acts as a bridge between state agencies and traditional council.

The religious practices of the Gonds, the most distinctive feature of Gond religion is the cult of the Phratry and Clan deities described by the generic term '*Persa Paen*' or Great God. There is a firm belief that the *Persa Paen* affords to all the members of the clan his protection and in return demands their offering and acts of worship. Gonds identify each month with a specific god/goddess in a calendar year. All the seasonal agricultural activities are carried out only after invoking their clan deity. Over the years though the agricultural tools and technology changed, Gonds could still hold their religious practices intact.

### **Methodology**

The entire study is based on qualitative inputs from the respondents. Anthropological data collection techniques such as Schedules, Interviews and Case study method are employed while being the participant-observant in the community under study. In anthropological studies, schedules help in acquiring required data in a structured format and is in fact prepared and filled by a researcher in this case. Three separate schedules are addressed to

the stakeholders involved in various agriculture activities (people, community leaders and public functionaries). A common household schedule is also addressed to community members. In-depth interviews are conducted for understanding the stakeholder's experiences and views on various initiatives undertaken in their community. In-depth individual interviews with open-ended questions are addressed to respondents. A set of questions is repeated to all the respondents to have a valid, reliable and comparable data collection. In addition, by employing interview technique I could ask spontaneously generated questions to probe for clarification of participants' responses and to follow new, relevant issues that arise during the interaction process. Participant observation as a qualitative method had helped me in understanding the phenomenon from the emic perspective and it plays crucial role in triangulation of the data collected while doing analysis to arrive at conclusions. Participant observation as such augments cause of *the imponderabilia of actual life*' which means;

'... a series of phenomena of great importance which cannot possibly be recorded by questioning or computing documents, but should be observed in their full actuality.... such things as the routine of a man's working day, the details of his care of the body, of the manner of taking food and preparing it.'

A term used by Bronislaw Malinowski in his work titled '*Argonauts of the Western Pacific: An account of native enterprise and adventure in the archipelagoes of Melanesian New Guinea*' originally published in 1922. During fieldwork, participant observation was used extensively to get deeper insights on the institutional credit and various dimensions of it in relation to capacity building by an NGO.

### **Understanding the Credit Cycle**

The people of Gadiguda village had started experiencing intense state interventions since 1974 with the establishment of ITDA at Utnoor. Initial interventions are primarily aimed at improving delivery of basic education and health services. Schools and primary health centres are established at strategic locations to increase the accessibility to all the STs inhabiting the schedule five (V) area villages. Until the end of the 1990s, there was not significant change in the agricultural practices of this village. The majority of the farmers cultivated food crops especially pulses and a wide variety of millets. According to *Sarmidi* (Traditional village head of the Gonds of Gadiguda), twenty years back Gadiguda had entirely a different cropping pattern, the major crops grown earlier were most suited to the geo-climatic conditions of the Gadiguda region. Entire farming was dependent on the seasonal rainfall and crops had sufficient water to sustain. People were not unhappy about the income from the agriculture. It was during 1994-2004, when there was continuous deficit rainfall for more than 7 years Gonds looked for state's help. People started buying diesel motors from their savings and water from perennial streams was drawn to help standing crops to not to die. Since 2004, farmers were provided with

short-term loans to supplement their immediate expenditure needs. Grameen banks were assigned to provide loans to Gram Panchayat (GP). Telangana Grameen Bank caters to the financial needs of the Gadiguda village and other villages and hamlets under GP. Applications for loans are called usually in the month of May-June; loans will be sanctioned only for those who have an account in that bank. Bank gives loans for those who have land patta or any other collateral. For a new applicant, an initial loan of Rs 5000/- will be given, upon repayment of this money by the end of cropping season, he/she will be sanctioned a new loan. This time the loan amount is increased to Rs 15000/- or Rs 25000/- depending upon the value of collateral, which in most cases is *patta* land. However, it is known to everyone including lending agency i.e., Bank authorities that the amount sanctioned is not sufficient to meet the expenditure involved. As a result, people either reduce their expenditure by buying low quality/spurious seeds or the area of land under cultivation. According to Deshpande and Prabhu (2005), more than 50% farmers in India have availed loans just to meet current expenditures. As per the National Sample Survey Organization (NSSO), 59<sup>th</sup> round report (2003) titled 'Situation Assessment Survey of Farmers, Indebtedness of Farmer Households' estimates 48.6 percent of the farmers in India as indebted. A similar survey was again conducted by NSSO for the period July'2013 to December' 2013. The indebtedness among the rural households in India had increased to 52 percent. As per this report, Andhra Pradesh had the highest share of indebted agricultural households in the country (92.9 percent) followed by Telangana (89.1 percent). Reflecting the similar figures, in Gadiguda village there are 113 Gond households out of which 55 households have outstanding debts in the banks and 44% of these households have debt more than annual income of each household. The indebtedness among the Gonds of Telangana is far higher when compared to levels of indebtedness among the scheduled tribes in India. By employing in-depth interviews with the heads of the households having debt more than annual income, I was explained in detail how villagers access credit. There are three different means employed by Gonds of Gadiguda to avail loans from banks. Each one of these is explained as below.

In the first case, to get a new loan sanctioned by bank, the borrower (Gonds) has to pay a part of the loan amount. To pay this amount, he/she borrows money from the middlemen (Non-Gonds) on the promise that once the loan is sanctioned the borrowed money would be returned with additional money which is calculated to be Rs 40 per every Rs 1000 borrowed. Gonds usually borrow very small amounts which in most cases is less than 25% of total loan amount. This way both borrower and middlemen gets the money. This practice is very popular among the Gonds of Gadiguda. Over the years Gonds of Gadiguda village have developed their own mechanism eliminating the need for middlemen. In the second case, often two to three people pool their savings and pay this amount towards one of the borrower's loan repayment. Once he gets loan sanctioned, he will give part of the loan amount

towards partial repayment of loans of the other two. This way all three people get their loans sanctioned without the help of middlemen.

Since Telangana Grameen Bank is single financing agency for this village, all the accounts and other loans taken by an individual are linked and reflected in the bank database. Which means one can view the outstanding loans taken by an individual just by clicking open the account name. I was told by one of the borrowers, that bank asks an individual to at least repay one loan before applying for new loan. Usually, DWCRA group loans, self-employment loan or any other type of loans are linked to crop loan. Therefore, every year to get crop loan sanctioned, one has to at least clear dues of any one loan. The obvious choice for any individual is to clear the dues of self-help or DWCRA loans because the due amount is less in these cases. Though the above-said methods employed by Gonds in repayment of loans may look innovative the essential point is that they are further and further pushed into debt. Interestingly I also found other reason which encourages Gonds to borrow institutional credit even when there is no immediate need for it. One of the respondents who has an outstanding debt with the bank had said to me that tribal lands in fifth schedule areas can't be confiscated by banks, therefore, they prefer to keep availing loans every year. Another observation made by the villagers and said to me is that since three general elections (1999-2004, 2004-2009, 2009-2014) held for state assembly every political party is making a promise to own the responsibility of clearing all outstanding debts of farmers in their party manifesto. In fact, it was during the year preceding every general election there is sudden increase in institutional credit disbursal in the electoral constituencies which are suffering from agrarian distress. One can have a better understanding of this trend by looking at the research findings of Shawn Coel in his article titled '*Fixing Market Failures or Fixing Elections? Agricultural Credit in India*', 2009. Shawn Coel writes as below....

I find evidence of political lending cycles. Moreover, credit is targeted toward districts in which the majority party just won or just lost the election. This targeting is observed only in election years. Finally, a separate pattern of targeting is observed for loan write-offs than for lending. Write-offs are greatest in the districts in which the winning party enjoyed the most electoral success. This pattern is observed only following an election, not prior to it' (Shawn Coel, 2009: 248).

People have seen debts being waived by last two governments. Therefore, majority of borrowers have decided not to completely repay the crop loan or for that matter any loan amount. The above description about the various means used by the Gonds of Gadiguda village in availing loans every year reveals that the approach of short-term institutional credit as a means to alleviate agrarian distress had failed. The introduction of institutional credit into the Schedule V areas had many other unintended consequences especially change in the cropping pattern as observed in the Gadiguda village.



During my interviews with elders and youth of this village regarding crop loan, they opined that even when the harvest is bumper, they are not able to repay the loans. Most of the loan amount dries up in buying seeds, fertilisers, and pesticides. Seed prices are increasing on annual basis and cotton (*kappas*) is the most cultivated crop in this village which require huge amount of fertilisers and pesticides to get optimum yield. Indicating the widening gap between input costs and Minimum Support Price (MSP), Balasahib (2008) in his article titled "Agricultural Indebtedness: Crisis and Revival" mentions that during 1990-91 to 2000-01, Input costs went up by 114.4 percent but output prices rose by 100.2 percent. In addition, volatile market for cotton further puts the tribal farmer's life in highly vulnerable position. Many in the academic circles especially economists' forecasts good returns for the farmers if the monsoon is adequate but in reality, farmers of this village get cheated in either way. If the rains are good, production increases as a result markets are flooded with marketable surplus and everyone knows how market reacts to marketable surplus; the price of the produce gets lowered to the minimum. This way farmer is cheated even if the monsoon is kind on him or otherwise. This is what most often reflected by the Gonds during my interactions with them. Especially when crops are cash crops the difficulties multiply owing to multiple external factors which are not in control of the Gonds of Gadiguda.

Apart from crop loans other sources of institutional credit available for Gonds are DWCRA (DWCRA groups are also called as SHGs in this village) and Self-employment loans. Development of Women and Children in Rural Areas (DWCRA) aims at involving rural women forming as groups and to actively take part in social developmental initiatives such as education, health, nutrition, sensitization, and awareness programs in rural areas. Usually a DWCRA group consists of 15-20 women with elected leader and secretary. DWCRA scheme started in the year 1982-83, on a pilot basis in 50 selected districts of India. The main objective of this scheme is to encourage rural women, especially women belonging to Below Poverty Line (BPL) category to pool their savings and start some group activity with the matching financial support by the banking system. Initially all groups started with the motto 'save a rupee per day'. In Gadiguda village there are 10 DWCRA groups with each group consisting of 15 women members. The intention of forming DWCRA is to include every member of the group and collectively contribute to the savings and interest payment on the amount received as loan. Interestingly, names of the groups are taken from their pantheon (of deities) such as *Persapen, Jangu Devi, Bhimdev, Santhoshi Mata, Manjula Devi, Dhanalaxmi, Guru Baba, Tirupathi, Hanuman Guru, and Duraga Devi*. DWCRA is in fact one of the first initiative to recognize the ability of the women to effectively contribute to society. The assumption behind idea of DWCRA groups was that when women have control over monetary aspects in a family, then that family would be in a better position especially in matters related to children's health,

education, and total wellbeing of the family. In Gadiguda village, DWCRA groups were formed in the year 2000, under 'VELUGU' project with each group being given a loan of Rs 2000/- per member per annum.

The subsequent governments had continued this initiative under a different scheme name called 'Indira Kranthi Pathakam' from 2004. The major responsibilities of president and secretary of each group is to collect savings from each member (initially Rs50/- per head per month, later the savings increased to Rs100/- per head per month) at the end of each month and convene a meeting to discuss any matters related to the group. The collected money will be deposited in the group account, which is created in designated bank. In Gadiguda village, DWCRA groups were initially were very active, according to leader of '*Tirupathi*' group, they use to conduct group meetings on 24<sup>th</sup> day of every month without fail. During meeting, they will select two members of group to do the work of depositing money in the banks, this way they want to expose each member of the group to formal banking system. This initiative had in fact made many women of this village to come forward and actively take part in financial aspects of the family. Now women have first-hand experience of depositing, withdrawal and applying for loan. Since, they have awareness they don't prefer as well as do not encourage male members of family to approach private money lender. With banks making every process easy and quick, the need for money lender and middlemen had declined in this village. However, the intention of scheme was in a way sidelined when it comes to starting an economic activity with every member's participation in it. The loan sanctioned was distributed among each member of the group equally, and most often this amount goes into agricultural inputs or for any other private expenditure. Interestingly I found that in each household the women members especially daughter-in-law (if not Daughter) and mother-in-law are found in two different groups to avail the benefit. Once the loan amount is received, all these individual amounts received by each individual of single household are pooled and in majority of the cases it is utilized in paying agricultural labor wages and other immediate expenditures in agriculture activities. The loan will be repaid if the returns from agriculture are sufficient but if the returns are not sufficient then the loan becomes an additional burden on the family. As mentioned earlier that, banks have linked all the accounts of each account holder and had put a condition that to renew crop loan, at least one of the loan amount must be settled. Since, the DWCRA loan amount is very less, which is Rs. 6000/- per head per annum when compared to crop loan, most people prefer to first repay the DWCRA loan. In order to make every group a sustainable entity, government has started an insurance scheme to provide a financial support in case of death or permanent disability of an individual belonging to a group. 'ABAYAHASTAM' is one such scheme with a premium of Rs365/- per head per annum (which equals to one rupee per day per member). Initially, every member of the group was asked to be part of this insurance scheme. Over a period, many members failed to pay the premium

because of lack of guidance and none of the groups actively took up this preventive measure seriously. In similar lines, government had started a scheme called '*SRINIDHI*' to support the group if a member default on repayment.

However, both these schemes failed to attract the Gonds of Gadiguda village. Thus, if a member of group defaults whole group is under stress as a result DWCRA groups had become more vulnerable. There are two groups in Gadiguda which are completely defunct because members of the group over a period defaulted and as a consequence total group became dysfunctional. In one of the interviews with one of the members of these failed groups, she said one member did not pay her installment for two consecutive months and when asked by the group members to pay the dues she expressed her helplessness. At the end of year, bank refused to sanction new loan to these groups citing their dues. It's been two years that these two groups did not receive any loan from the bank. I also came to know that DWCRA groups are in a dilemma about their repayment because, whenever there are general elections in state, all political parties are promising to waive off all the outstanding dues of DWCRA groups. Therefore, they have a tacit understanding that it's not a better option to pay the loan preceding an election year. At present, all most all the groups have an outstanding debt of approximately one lakh rupees per group towards bank. Though the intention behind the extending institutional credit to DWCRA is to empower women<sup>3</sup> in all possible ways but the results are unforeseen. In-depth interviews with the elder women of a household revealed that traditionally Gonds do not practice Neolocal residence pattern<sup>4</sup> but just to avail more credit under DWCRA category, though they live under the same roof, they claim to be living in separate households. This practice over the years may lead to changes in the family organization among the Gonds of Gadiguda village. One can see a rising number of nuclear families among the Gonds in Gadiguda village. A similar trend is observed regarding the MGNREGA (Mahatma Gandhi National Rural Employment Guarantee Act) scheme under which every 'household' (emphasis added) is entitled for 100 days of employment. For a joint family consisting of 10-12 members, 100 days of wage employment would not provide sufficient means of earning for the entire family. Therefore, they prefer to be registered as three or four households to maximize the benefits under the MGNREGA scheme.

### **Credit for Capacity Building of Farmers**

The general notion among the administrators is that providing a concessional credit would help the farmers to adopt new technologies, encourages investment in machinery and augment the use of quality inputs for increased productivity (Sahu, Rajashekar, 2005). However, the above argument stands valid when the concessional long-term loans are made available to the farmers. But in reality, the loans availed by the farmers are

short-term loans with moderate interest rates. In Gadiguda, the works of an NGO; Centre for Peoples Forestry (CPF) needs mention. In collaboration with government agencies, it had implemented various capacity building initiatives for the Gonds. To name a few, eligible farmers are provided long term loans for purchase of diesel motors, sprinklers, and pipes (Table-3 provides the details beneficiaries) for enhancing the productivity of crops. These diesel motors along with sprinklers had increased the access to water in nearby perennial stream thus increasing the land under cultivation. Gadiguda Village council was always taken into confidence while planning and implementation of schemes by CPF. Natives of the villages are employed by CPF to assist in field operations and feedback mechanism. It is the village council that provides the list of most eligible farmers to avail a specific benefit under the schemes provided by the CPF. Subsidies and low-interest long-term loans are given based on the criteria of 'poorest of the poor' as prescribed by the village council. Village council takes the responsibility of making sure that the beneficiary does not become default on payments. Diesel motors, sprinklers and pipes availed by beneficiaries are also helping generate additional income, as these are shared with the neighbouring well off farmers on rent basis. Beneficiaries are also given hands-on training on efficient utilisation of diesel motors and sprinklers. It is interesting to observe Gond farmers repairing their own diesel motors with ease and perfection. The only negative aspect of diesel motors is that each farmer should spend an additional input expenditure in buying the diesel from retail outlets located 53Kms from Gadiguda.

CPF had introduced long term and Strategic interventions such as Integrated Watershed Management Project (IWMP) which had significantly altered the farming practices of the farmers making them more sustainable. Under IWM Project, different types of water harvesting structures are built. Based on the elevation of the ground and water stream course, at different points structures are built. For less than one-meter height Loose Bolt Structure (LBS), Rock Fill Dam (RFD) for heights more than one (1) meter and Check Dams are built if the height is more than two meters. IWMP had reduced the impact of vagaries of monsoonal rains as there will always be some water in these structures as contingency. All these structures are built with the help of locals. This initiative not only gave additional income to locals but also provided firsthand experience of building rainwater harvesting structures.

CPF is also actively engaging with Gonds to shift from the present cropping pattern dominated by the cash crops to the pulses and millets through various awareness Programs. There are a good number of farmers who are experiencing the benefits of cultivating soya beans as an alternative for cotton crop. According to the Gonds, the benefits of Soya outweighs that of Cotton as Soya has very low input costs, short-term crop and moreover it requires less water for optimum yield. Above all farmers who are cultivating Soya are now able to repay their outstanding debts with bank and are in fact acting as agents

of change in their community. To reduce the input costs and increase the income for farmers, CPF is actively taking part in awareness programs on use of organic manure and pesticides. Recently CPF had installed an RO-water purifier to help villagers to get purified drinking water. RO water purifier is now completely maintained and operated by the village council, the cost of 25 litres RO purified water is pegged at three rupees for villagers but for outsiders, it is ten rupees. Though the elders in this village didn't like the taste of RO purified water women of this village had expressed their satisfaction with this facility and had opined that incidence of water-borne diseases among children since the last rainy season reduced drastically in this village.

### **Conclusion**

Institutional credit extended by the commercial, RRBs and cooperative banks are short-term loans with high to medium interest rate loans. These loans continuously impose the burden and stress on the farmers in short run and increase the distress in farming community. The above qualitative study provides ample evidence to argue that short-term loans had made tribal farmers more dependent on the state. This study does not suggest withdrawal of institutional credit to farming community but it emphasises on the long-term credit at lower interest rates to be extended to farmers. Elders in this village in many instances cherished their past cropping pattern by saying that they did not take loans for cultivating lands even during the worst of droughts yet, survived because they cultivated food crops like different types of millets and pulses which are most suited to grow in the geological and climatic conditions of this village. The sudden shift in cropping pattern owing to the availability of short-term loans had pushed half of the Gond households into debt trap. In Gadiguda as mentioned earlier the number of households with debt more than annual income is increasing after every harvest season. The Government should encourage cultivation of crops which are most suited to the soil and climatic conditions of the region by strengthening agricultural extension services. On the other side, the same village is experiencing a gradual change in the behaviour and thinking of the farmers with the capacity building initiatives implemented out by CPF. The major difference between the institutional credit provided by the banks and CPF is that the later emphasises on capacity building of the farmers whereas former caters to the immediate financial needs not taking into consideration of the long-term effects of short-term and high-interest rate loans on the lives of the tribal farmers. The Integrated Water Management Project (IWMP) executed by the CNF is providing better results in terms of soil conservation, increasing the moisture content in the soil and availability of water in the check dams throughout year. The farmers who received diesel motors and sprinklers are experiencing better returns and are helping the neighbouring farmers by sharing their skills and resources. Most of these farmers had shifted to pulses, millets and soya as risks associated with these are minimal. With increased savings, these

farmers are going for capital investments to increase the land under cultivation. Overall the evidence from the study suggests that short-term institutional credit had increased the indebtedness among the farmers and pushing the farmers to take extreme step like suicide (so far, no Tribal farmer from Gadiguda village had committed suicide). On the other hand, long-term low interest rate loans coupled with strong extension services are yielding better results.

#### NOTES

1. For more details on policy of social and development banking see Wiggins and Rajendran (1987), Chavan (2007) for details on reforms in banking sector see also Ramachandran and Swaminathan (2004).
2. Recently Gadiguda Gram Panchayat was accorded the status of Mandal Head Quarter.
3. See the article 'Is credit a means to women empowerment? An anthropological study of SHGs, 2008' by V. Sucharita and P.Venkata Rao.
4. The neolocal residence is a type of post-marital residence when a newly married couple resides separately from both the husband's natal household and the wife's natal household.

**Table 1**  
**Population Composition of the Study village (Gadiguda)**

Tribe/Caste	In Numbers		In Percentage (%)		Total
	Male	Female	Male	Female	
Gonds	278	298	48	52	576
<i>Pradhans</i>	34	30	53	47	64
<i>Kolam</i>	1	2	33	67	3
<i>Andh</i>	3	1	75	25	4
<i>Mathura</i>	5	4	55	45	9
<i>Kammara</i>	4	5	45	55	9
<i>Kirthi</i>	3	1	75	25	4
<i>Kathi</i>	3	1	75	25	4
<i>Lohar</i>	3	4	43	57	7
<i>Koya</i>	3	4	43	57	7
<i>OCs</i>	2	3	40	60	5
<i>SCs</i>	28	31	47	53	59
<i>OBCs</i>	16	13	55	45	29
<i>Muslim</i>	10	8	55	45	18
<i>Total Non-Gonds</i>	115	107	52	48	222
<b>Total</b>	<b>393</b>	<b>405</b>	<b>49</b>	<b>51</b>	<b>798</b>

**Table 2**  
**Land Distribution (Gonds Only)**

SI.No	Size of Landholding (in Acres)	Number of Households	Percentage of Households (%)
1.	0-5 (Excluding landless)	44	39
2.	6-10	35	31
3.	11-15	13	11.5
4.	16-20	4	3.5
5.	21-25	4	3.5
6.	26-30	1	0.8
7.	Landless	12	10.6

**Table 3**  
**Integrated Water Management Project beneficiaries**

Cost	Total Number of Beneficiaries	Amount Paid by CPF	Amount Paid By Beneficiary (first-installment)
Diesel Engine (Rs. 28500/-)	20	Rs. 22800/-	Rs. 5700/-
Sprinkler Set (Rs. 18417/-)	28	Rs. 14734/-	Rs. 3684/-

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