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Economic classification of a community using locally generated criteria

Parmesh Shah

We (a team of about 5 staff members of the Aga Khan Rural Support Programme (India)) conducted a five day RRA exercise in a Gujarat village in April last year. With a view to classifying the economic status of the community we held meetings with individuals and with focus groups. The information collected during the group meetings was then tested during subsequent discussions.

Two sets of interviews were held separately in groups. The first one with two religious heads. Both these people were very articulate and knew the vast majority of households in the village and their economic status. The second one was with a group of three men who could be conventionally classified as small, marginal and landless. Approximately two hours was spent with each group.

We read out a few names randomly from the list of households given to us and asked the respondents to categorise the same in four categories of their economic well being. The criteria for doing this classification was left to them. Why four categories and not more was purely for convenience and to avoid complex overlapping between categories. This served our primary objective of getting an economic classification as well as the criteria for the same on which we could proceed to classify the entire village community. More perceptive information was got in the second interview, but there were no significant variations between the two, in fact the second interview provided information which complemented the first with greater detail.

The respondents categorisation in four categories was based on keeping the first category for the most well-off family and the fourth for the poorest. In between these two

limits they were asked to classify the rest. Such a classification was well understood, as was evident from the fair representation across the four categories.

There are a total of 249 Ismaili families in the village. It was from this number that we chose 23 household names, at random, for the first group to classify. Then all the names against which there was some hesitation, debate, doubt among the respondents in classification were taken up to find out the criteria for classification. This was later followed up by asking respondents specifically to state their criteria for each of the four categories. We also asked about the other communities in the village to see how their economic status related to the Ismaili households.

• Findings

The respondents classified the households on criteria which took account of the overall economic status of each family.

They listed down the following criteria:

- Health of the family members;
- Education of their children, emphasis on the male child;
- Asset ownership;
- Credit worthiness;
- Bank balance;
- Land ownership;
- Part time job if any;
- Number of dependants in the family, emphasis on female unmarried members; and,
- Size of the house.

It is interesting to note that the sequence of classification criteria takes into consideration first the indicators of economic well-being and then the real factors which make them. For instance land ownership, a critical factor, was stated later on, while the rest of the factors are more effects of economic well-being than causes.

Animal husbandry and horticulture were not considered criteria for measuring the economic status, and so were never listed specifically.

The above list of criteria does not necessarily represent all the factors which determine the economic status of a village community. Yet it is quite useful in giving an understanding of the dynamics of rural incomes classification through an RRA kind of exercise which, when compared with the standard income classification tools like a baseline survey, has given insights into qualitative and open ended questions which are usually left out. Further it gives an opportunity to analyse the sequence and the kind of information obtained, to review the same and draw conclusions in a logical manner.

We can now proceed to the responses generated for each criteria used for classification, starting from the first criteria to the last.

Health of family members

Health was more a result of the economic well-being of the family, than a cause. An interesting finding was the fact that there are such obvious compromises which a family has to make for basic health care.

Only the most well-off in the village are in a position to avail preventative treatment, which includes check-ups as well as prevention. It also meant that they could spend more on medical care.

Only curative treatment was availed by the second category of respondents.

The third category can afford to spend less on curative treatment, at times leading to relapses.

The fourth category relied on the Aga Khan Health Services

Education - of children

Education of the children and not adult education, featured in their priority. Education was considered of great significance in getting a job. The absence of facilities to provide market oriented skilled training was regretted, and help was requested. In fact it was the third category of respondents who were most distressed about the state of education. Some responses were of the type:

The richer families can send their children for education anywhere outside the village/district and bear the costs. They can get them trained for any skilled trade, and get an independent business started for them. But, given their wealth, they don't even need to get their sons educated! These responses from the poorer villagers, clearly show that education opportunities are not equally available for everyone and that education can be purchased by those who can pay for it.

The second category of respondents can only send their children for education within the district, but cannot afford to get them an independent business. This means that they do not have enough money/savings from their agriculture to spare for such investment. Or maybe if they do have such money, the opportunity cost/returns from investing in agriculture are certain and higher.

The third category of respondents said they could only educate their children up to school leaving level, not higher than that. That is why they are most worried about the future of their children who seem to be going through a rather worthless education with no hope of either any skilled employment or a job in near future. With the small land holding incapable of absorbing additional labour the other option is hard manual daily wage labour.

The last category of respondents could educate their children only up to primary stage, in the village, or not even that.

This gives us a brief yet useful current status of education level, the expectations of the people from the same and the dilemma of those who look forward to education as the only means of avoiding poverty. In the Ismaili community both girls and boys are educated

yet only the education of the male child enables him to earn and this is considered critical.

Asset ownership - farm implements

Farm implements were classified as assets of primary importance

First category - besides a tractor, all other assets were required in pairs, by this category of farmer. That means a pair each of bullocks, of spraying pump, ploughs. Also a thresher, and a bullock cart.

Second category - while the implements remained the same, pairs of the same asset were not needed for cultivating the smaller landholding.

Third category - only a pair of bullocks and a plough. Inability to keep/purchase other essential implements.

Fourth category - no agriculture related implements or assets kept. Inability to maintain even a pair of bullocks.

Farm implements/assets were viewed in relation with the size of land holding. Inability of the farmer to keep the basic implements privately, was viewed as contributing to his poverty, while more capital intensive asset investment in a thresher, for example, was a result of higher yields.

Credit worthiness and bank balance

First category - never in debt. More than Rs. 25,000/- in bank balance.

Second category - in debt only for big capital investments like a tractor. Regularly pays the loan instalments. Gets credit from the bank, not from anyone in the village. A maximum of Rs.25,000/- bank balance.

Third category - in debt for reasons to do with an unusual monsoon/drought which affects the high investment made in sowing. Thus the debt trap is avoided only if the monsoon comes regularly. For instance a farmer with outstanding dues from the 1987 drought year, would be able to repay these over the three good harvests following a good monsoon of

1988, before the monsoon of 1989. But still the farmer would require credit for buying seeds for the Kharif/monsoon crop of 1989, and in the event of a bad monsoon, the debt cycle would begin again. Bank balance nil.

Fourth category - always in debt. No question of any savings.

The first two categories of farmers can manage to tide themselves over during droughts, can earn and save enough to acquire assets. The third category is affected by droughts and as their state is worsening rapidly, the Ismaili religious head joked that there were many who are falling into the category of landless every year. At least five such families from Ismailis were on the edge of their land in debt this year. The buyers of the same were the richer Ismailis of the first and second categories. Those families in the fourth category, to whom no one in the village now risks giving credit, belonged to the Siddhis and a lot of the other communities.

Land ownership

First Category - 50 to 60 bigas (20 to 24 acres) was the average land holding of this category of the most well-off families. Implicit in this was that the land was irrigated by a private source, was fertile and optimally utilised for intensive multi-cropping throughout the year.

Second Category - average 30 to 40 bigas of land. As in the first case such land would be prime agriculture land.

Third Category - 15 to 20 bigas land holding. A mix of dry and irrigated land with varying productivity, not the prime land of the village.

Fourth Category - less than 5 bigas or landless.

Interesting is the 10 biga gap between each land classification. This could be to accommodate an approximation for factors related to varying features of land and that land is not a uniform resource. Yet in the commercialised agrarian economy of the village, land is the single most critical income source next only to some outside employment. Among the seven households listed under the first category are exceptions like the richest trader.

Part-time job (employment outside/in the village, but not daily wages)

The first two categories were either full time farmers or traders of groundnut who did not bother with a part time paid job. But part time employment did make a difference in the economic status of the last two categories. This was evident during some of the arguments between respondents during the classification.

Such a part time job would not be a manual daily wage earning one but it could never be on a par with the farming incomes of the top two categories.

House size

The size of the living quarters of the family and the number of rooms it had was an indicator of economic well-being.

The first category respondents had four to five rooms, one to store fodder, one for grain, one for a general purpose store and two for living.

The construction material, the size of the courtyard, the location in the village, the height, etc were not mentioned. Presumably only the number of rooms are of consequence.

The second and third category respondents were distinguished again on the number of rooms of their homes. Thus there were many combinations of store cum-living-room or fodder-cum-grain room or grain-cum-living room.

• Conclusions

Among the Ismaili community of 249 families, only 7 were put in the first category, 10 in the second, 189 in the third category and 43 in the fourth category.

When asked to classify other communities among these four categories, only 7 Muslims and 2 Koli Patels could be up in the third category. And the remaining (i.e. out of a total of 535 families) in the fourth category which works out as a high percentage of families in the third and fourth categories.

The results show a very large difference in the standard of living and wealth of the top two categories from the rest, and this is becoming more pronounced over the years. Thus any intervention in agriculture will benefit the most well-off sections first, unless it has to do with an exclusive package for say the Sathni (previously landless) farmers.

We took the opportunity of this RRA exercise to discuss possible income-generating projects, especially with the poorer groups in the village, and to classify the policy of AKRSP(I) to work with rural people regardless of which religious community they belong to.

- **Parmesh Shah**, Aga Khan Rural Support Programme, Choice Premises, Swastik Cross Road, Navrangpura, Ahmedabad 380009, Gujarat, India.