

Fixed Deposits of Grain Turn To Gold

By: Sarada Lahangir



Consider what life was like in Kotrakund village located in Boipariguda block of Odisha's Koraput district. Mukta Pradhani, 40, a widow from this village, had a family land holding that amounted to about two acres of un-irrigated land. Her meagre wages as a farm

labourer just could not keep her family of five fed. "Every year, I used to borrow money from the 'sahukar' (money lender) at 50 per cent interest. Some time ago, I reached a situation where I could not repay the money. The 'sahukar' then sent in his men to take away all my harvest. Those were horrible days. There was no food in the house, and my children were starving," she reveals.

Take Reli Khilo, 47, who lives in Sisapadarvillage of Nandapur block. He works as a 'dongar' (hill cultivator) near his village and applied to the government for his rights over forest land. But since he did not possess proper agricultural implements, he found he could not get enough from the land to feed his family of eight. When he went to the gram panchayat to explain his dilemma, he was advised to take a loan from a local 'sahukar'. Khilo went on to take a loan of four 'manas' (20 kilos) of grain, but could not repay it because of a failed harvest. He went back to the 'sahukar' to ask for some more time and was instructed to send his 11-year-old son to work as bonded labour for the 'sahukar'. Says Khilo, "I spent a whole day waiting outside the sahukar's door, trying to convince him that I will repay his loan in a

year's time. He didn't even look at me. I felt miserable. It was like losing one's self-respect." Only later did Khilo discover that the local gram panchayat was totally under the total control of the 'sahukars'.

Stories like these are not unusual in the villages of Koraput, a district with tribals constituting more than half its population, most of who work as agricultural labour. For people already living on the edge, any reversal – a crop failure or a death in the family – can push them into the abyss of debt and bondage, and cases of children being sold have been reported in the local media.

The high levels of rural indebtedness in these villages provoked social activist Bidyut Mohanty, based in Koraput district, to study the issue more closely. He found that some villagers here were repaying the 'sahukar' 10 manas (50 kilos) for a loan of 5 manas (25 kilos) – an interest rate of 200 per cent – and realised that they needed urgent help. That was how the idea of introducing a grain bank – that would charge affordable interest rates – was decided on.

Mohanty, who heads Society for Promoting Rural Education and Development (SPREAD), a non-governmental organisation, convened a meeting of villagers about three years ago. The initial target area was the Nandapur and Lamtaput blocks of Koraput district, which are largely inhabited by tribals displaced during the 1956 construction of the Machhkund dam. Recalls Mohanty, "At that meeting in Kutumb village in Balel Gram Panchayat of Lamtaput block, it was unanimously decided that all the households of the village would contribute either paddy or ragi to set up a grain bank. Each household contributed three to five kilos of paddy and ragi, respectively, and our organisation agreed to contribute an equal or greater amount."

It is the Self Help Groups (SHGs) that managed the village grain banks. The loans were paid by the president or secretary of the local SHG, and he or she was made specifically responsible for maintaining accounts and records. Any grain stocks in

excess of what was required to be maintained was sold in the open market and the proceeds invested with the village SHG to earn an interest.

At present, contributions from villagers in these two blocks have amounted to 33 quintals of paddy and 42.22 quintals of ragi, while SPREAD has contributed 198 quintals and 264 quintals of rice and ragi, respectively. During the first year, loans were given to 520 families – totaling 770 kilos of paddy and 1,120 kilos of ragi. Repayment of loans always takes place after the harvest, when farmers have disposable income.

At present, SPREAD alone has set up about 200 grain banks in Koraput. Business for the ‘sahukars’ has never been worse and Mukta Pradhani is delighted with this turn of events. “Since the formation of the grain bank in my village three years ago, I have not approached the ‘sahukar’ even once, and I have been able to keep my family fed,” she avers.

Khilo is equally relieved, and is extremely enthusiastic about the concept of a grain bank. He made sure that his was one of the 38 households in Sirsa Padar village of Kolabira gram panchayat to become a member of the local grain bank and he recently took a loan of five manas of paddy, which he is confident he will be able to repay, come the harvest, along with the interest as decided by the village committee. The man who felt so denuded of self-respect because of the high-handed ways of the ‘sahukar’ today looks on the grain bank as a symbol of self-respect and community ownership.

Others like Sonu Khinda, another landless tribal villager in Kutumb village of Lamtaput block – a cattle herder by occupation who has been forced to migrate to Andhra Pradesh for a few months every year to buttress his earnings – finds that the grain bank in his village has brought a new financial stability to his life. Although he still has to take the occasional loan to tide over difficult domestic situations, he can breathe easy now since he is no longer at the mercy of a ‘sahukar’.

By not having to meet their exorbitant interest rates, he is no longer caught in the vicious cycle of debt, hunger and ever-increasing debts. He says he feels in better control of his life.

Recognising the positive impact of grain banks in ensuring food security, international agencies like the World Food Programme have helped to set up hundreds of grain banks in states like Odisha, Madhya Pradesh and Rajasthan that have seen high levels of malnutrition.

Finally, it is about what Reli Khilo describes as “self-respect”. As food activist Sukhram Gadenga, who is associated with SPREAD, put it, “There’s no doubt about it, grain banks have helped to provide greater autonomy for the tribals in this region.”