

Chapter - VI

ASSETS AND INDEBTEDNESS

Assets and indebtedness are two important correlates of poverty. The first round survey collected detailed information on these two aspects. In this chapter we will make a detailed analysis of the pattern and access to assets and the incidence of indebtedness across various groups.

Assets

We begin with total assets (excluding land); cattle and land asset per capita in **table 6.1** to give an overall idea regarding the asset position and its distribution across various districts, castes and classes..

In total assets Gopalganj and Rohtas fare the best among the districts. Purnea turns out to be the poorest. The disparity in asset holding is quite high. Per capita asset holding in Gopalganj is 2.75 times higher than that of Purnea. In case of both cattle and landholding, Rohtas tops followed by Gaya. The inter-district disparity in cattle assets and land holding is relatively less.

In terms of class, for both total assets and landholding there is almost consistent increase from casual non-cultivating agricultural labour to landlord class up the ladder. However, in cattle holding, the upward movement peaks at middle peasants and then it comes down.

In terms of caste, picture is somewhat mixed. In terms of total assets Kurmi tops followed by Bhumihar. Backward caste Muslims are the poorest among all castes. In terms of cattle assets, however, Yadav ranks the highest followed by Bhumihar. Scheduled caste and backward Muslims come at the bottom. In terms of landholding, Bhumihar has the highest land per capita followed by Kurmi. Scheduled caste hardly owns any land.

Table 6.1: Per Capita Assets Holding of Different Types

	Per Capita Value of		
	Total assets(Rs.)	Cattles (Rs)	Land (Acre)
<i>District</i>			
Gaya	6114.43	776.41	0.22
Gopalganj	8444.12	641.24	0.19
Madhubani	4666.53	601.76	0.15
Nalanda	7627.06	710.61	0.19
Purnea	3062.46	611.36	0.21
Rohtas	8225.32	851.65	0.25
<i>Class</i>			
Non-Culti. Casual Agri. Lab.	2307.62	289.8	0.01
Non-Culti. Attached Agri. Lab.	2491.71	227.88	0.00
Culti. Casual Agri. Lab.	3567.99	711.8	0.11
Culti. Attached Agri. Lab.	3439.77	670.97	0.07
Poor-Middle Peasants	5640.53	824.55	0.14
Middle Peasants	8552.36	1314.32	0.34
Big Peasants	10216.92	1111.33	0.50
Landlord	14147.50	630.85	0.57
Non-Agriculturist	4844.32	194.62	0.02
<i>Caste</i>			
Brahmin & Kayastha	9148.40	696.29	0.38
Bhumihar & Rajput	12989.99	1154.67	0.56
Backward Caste I	3605.15	607.09	0.20
Kurmi	13990.38	950.45	0.45
Yadav	6313.28	1428.62	0.28
Koiri	9051.78	871.67	0.26
Other Backward II	6033.15	577.79	0.16
Scheduled Caste	3444.97	379.73	0.03
Scheduled Tribe	5185.64	698.53	0.19
Upper Caste Muslim	4594.29	602.69	0.26
Backward Caste Muslim	2560.8	418.19	0.10
All	5746.46	676.38	0.20

Mere higher level of assets does not ensure that the certain groups are better placed in terms of scope of future development. Level of productive assets and their distribution in different use will be more important in getting better idea regarding this dynamism. Again, higher level and proportion of non-productive asset is not necessarily unwarranted since they would reflect on quality of life.

Tables 6.2 and 6.3 show the distribution of total assets into productive and non-productive assets in absolute amount and percentage respectively. Productive assets are

further subdivided into four categories namely milch animal, other cattle, agricultural implements and non-agricultural assets.

The distribution between productive and non-productive assets gives interesting picture. The top position in asset per capita in Gopalganj has been due to its high level of non-productive assets whereas the close second position held by Rohtas district stands far higher in its level of productive assets. The average level of productive assets of Gopalganj district is even marginally lower than of Nalanda district. Interestingly, the poorest district Purnea has more than one-third of total assets in productive use but for all other districts productive assets did not even reach one-fourth mark of total assets.

Classwise, non-productive assets show almost high consistent rise from non-cultivating casual agricultural labour to landlord class. In case of productive asset (except land), there is also rise but it is not substantial particularly from middle peasants to landlord class. The reason being there is a fall in the share of productive assets in total assets from middle peasants to landlord class. The share of productive assets in total assets is one-fourth or more of total assets for cultivating agricultural labour and middle peasants.

Castewise, Bhumihar tops in non-productive assets and Kurmi in productive assets and Muslim backward caste has the lowest amount of assets in both productive and non-productive categories. The status of scheduled caste households is marginally better. But the share of productive assets in total assets is highest in case of upper caste Muslims and Yadav caste.

The distribution of productive assets into milch animal, other cattle, agricultural implements and non-agricultural assets shows considerable variation. Across district, because of higher level of productive assets, Rohtas district tops in milch animal, agricultural implements and non-agricultural assets. Only in the case of other cattle, Gaya tops. In ownership of agricultural implements and milch animal per household Rohtas district has almost double than that of the next highest district. It also gets reflected in the share of milch animal and agricultural implements in productive assets---having a share of one-fourth and one-third in productive assets. However, the poorest district Purnea also has one-fourth of the productive assets in milch animal.

Table 6.2: Distribution of Assets (in Rs.)

	Milch Animal	Other Cattle	Agricultural Implements	Non-Agricultural Assets	Productive Assets	Non-Productive Assets
<i>District</i>						
Gaya	2026.79	3204.17	1795.12	1190.52	8216.6	31047.27
Gopalganj	1628.50	3002.15	2549.89	2816.00	9996.55	56800.44
Madhubani	1243.81	2059.46	1457.80	876.76	5637.83	21256.42
Nalanda	2170.03	2488.58	2866.64	2665.18	10190.43	37887.69
Purnea	1290.52	1660.10	1129.63	957.16	5037.41	9588.16
Rohtas	4049.71	2811.10	5431.23	3655.16	15947.21	49592.37
<i>Class</i>						
Non-Culti. Casual Agri. Lab.	763.80	586.50	21.53	247.87	1619.70	8695.19
Non-Culti. Attached Agri. Lab.	673.75	456.25	14.95	76.90	1221.85	9258.91
Culti. Casual Agri. Lab.	1742.41	2544.39	695.78	604.94	5587.51	16556.68
Culti. Attached Agri. Lab.	1899.81	2144.87	265.91	373.07	4683.67	12708.07
Poor-Middle Peasants	2015.96	4750.28	740.82	840.65	8347.7	33637.44
Middle Peasants	3675.22	5357.32	3921.43	2264.95	15218.91	45651.84
Big Peasants	3081.21	4070.67	6698.51	3236.81	17087.2	59028.99
Landlord	2148.57	1956.96	5716.39	7461.51	17283.44	76182.95
Non-Agriculturist	595.95	330.51	16.73	2803.97	3747.16	21220.29
<i>Caste</i>						
Brahmin & Kayastha	2602.06	2144.28	5782.23	3118.73	13647.32	53903.53
Bhumihar & Rajput	3322	4249.58	6956.42	5275.05	19803.07	76350.01
Backward Caste I	1548.76	1794.46	348.96	402.14	4094.28	16738.71
Kurmi	2515.03	3573.22	6880.70	7548.29	20517.25	67312.94
Yadav	4461.39	5168.89	2277.30	1089.18	12996.76	31403.18
Koiri	2445.42	4090.25	2557.43	3232.10	12325.19	57238.33
Other Backward II	1250.93	2764.42	2163.88	1060.08	7239.32	32267.01
Scheduled Caste	914.69	1223.51	354.62	1016.26	3509.08	14644.14
Scheduled Tribe	1363.25	2320.94	460.26	410.17	4554.62	20810.69
Upper Caste Muslim	944.27	2055.88	3071.79	2014.80	8086.74	17963.76
Backward Caste Muslim	873.16	1383.25	372.45	656.20	3285.06	10002.49
All	1837.92	2387.94	2166.59	1731.84	8124.30	29556.12

Table 6.3: Percentage Distribution of Assets

District	Distribution of Productive Assets				Distribution of total Assets	
	Milch Animal	Other Cattle	Agricultural Implements	Non-Agricultural Assets	Productive Assets	Non-Productive Assets
<i>District</i>						
Gaya	24.67	39.00	21.85	14.49	20.93	79.07
Gopalganj	16.29	30.03	25.51	28.17	14.97	85.03
Madhubani	22.06	36.53	25.86	15.55	20.96	79.04
Nalanda	21.29	24.42	28.13	26.15	21.20	78.80
Purnea	25.62	32.96	22.42	19.00	34.44	65.56
Rohtas	25.39	17.63	34.06	22.92	24.33	75.67
<i>Class</i>						
Non-Culti. Casual Agri. Lab.	47.16	36.21	1.33	15.30	15.70	84.30
Non-Culti. Attached Agri. Lab.	55.14	37.34	1.22	6.29	11.66	88.34
Culti. Casual Agri. Lab.	31.18	45.54	12.45	10.83	25.23	74.77
Culti. Attached Agri. Lab.	40.56	45.79	5.68	7.97	26.93	73.07
Poor-Middle Peasants	24.15	56.91	8.87	10.07	19.88	80.12
Middle Peasants	24.15	35.20	25.77	14.88	25.00	75.00
Big Peasants	18.03	23.82	39.20	18.94	22.45	77.55
Landlord	12.43	11.32	33.07	43.17	18.49	81.51
Non-Agriculturist	15.90	8.82	0.45	74.83	15.01	84.99
<i>Caste</i>						
Brahmin & Kayastha	19.07	15.71	42.37	22.85	20.20	79.80
Bhumihar & Rajput	16.78	21.46	35.13	26.64	20.60	79.40
Backward Caste I	37.83	43.83	8.52	9.82	19.65	80.35
Kurmi	12.26	17.42	33.54	36.79	23.36	76.64
Yadav	34.33	39.77	17.52	8.38	29.27	70.73
Koiri	19.84	33.19	20.75	26.22	17.72	82.28
Other Backward II	17.28	38.19	29.89	14.64	18.32	81.68
Scheduled Caste	26.07	34.87	10.11	28.96	19.33	80.67
Scheduled Tribe	29.93	50.96	10.11	9.01	17.96	82.04
Upper Caste Muslim	11.68	25.42	37.99	24.91	31.04	68.96
Backward Caste Muslim	26.58	42.11	11.34	19.98	24.72	75.28
All	22.62	29.39	26.67	21.32	21.56	78.44

Across class, the consistent increase, as one goes up the ladder, observed in productive asset breaks down at disaggregated level. In case of milch animal and other cattle the highest amount is at the level of middle peasants. In case of agricultural implements, the increase reaches its highest level at big peasants' level. Only in case of non-agricultural assets it reaches the highest level at the landlord level. Interestingly, non-agricultural asset holding of landlord class is more than double that of the next highest holding class of big peasants. It shows that it is the landlord class who has diversified most in non-agricultural activities. It also gets reflected in their higher share of non-agricultural assets in productive assets. As expected, for non-agricultural class the proportion of investment in this activity is the highest. However, in the case of other type of productive asset holding they are almost at the bottom both in absolute amount and in share terms. For all agricultural labour class and poor middle peasants, their main productive asset is animal assets---for these classes milch animal and other cattle assets combined constitute nearly fourth-fifth or more of total productive assets. On the other hand, landlord and non-agricultural classes' possession in cattle assets are less than one-fourth of their total productive asset holding.

Across castes, interesting variation is observed. In terms of both milch animal and other cattle assets Yadav is at the top. It also gets reflected in share of milch animal and other cattle in productive asset. In milch animal its share is the highest and in other cattle its share is the second highest. However, the shares of other cattle in productive asset is the highest in the case of scheduled caste constituting more than half of their total productive asset. For Kurmi caste, their milch animal and other cattle asset in percentage term is one of the lowest across all castes. They are also relatively lower in case of upper castes of Brahmin & Kayastha and Bhumihaar & Rajput as well.

In the case of productive assets, both in agricultural implements and non-agricultural assets, Kurmi and Bhumihaar castes are at the top. But in terms of level of non-agricultural assets, possession of Kurmi caste is almost fifty percent higher than that of next highest caste Bhumihaar. It also gets reflected in their far higher share of non-agricultural assets compared to all other castes. But in case of agricultural implements, Brahmin caste holds the highest share in productive asset. Backward caste I and

scheduled tribe fall in the lowest rung in terms of both level and percentage share of agricultural implements and non-agricultural assets in productive assets.

Table 6.4 shows to what extent level of assets holding gets translated into quality of life. It depicts the quality of living in terms of inter-relation between housing and consumer durable – both falling in the category of non-productive assets. It is explained through matrix of housing status and status of ownership of consumer durable.

District-wise, Gopalganj, Nalanda and Rohtas on one side and Gaya, Madhubani and Purnea on the other fall in two contrasting pattern of quality of living with former being the better-off side. The better off districts at least have one-third pucca houses and surely one-fifteenth of households has modern gadgets. In contrast, worse off districts have one-tenth or much less pucca houses and less than one-fortieth households possess modern gadgets. But Purnea is much poorer than the other two poor districts of Gaya and Madhubani with nine-tenth of households having kutcha houses and seven-tenth of households having nothing or little consumer durables. Gaya seems to be the best among poor districts with about three-fifth of household having semi-pucca houses and about two-fifth households having some households items.

Among the better off districts, the contrast of living is most stark in Gopalganj with nearly half of their households living in kutcha houses and similar proportion having nothing or little consumer durables. In agriculturally prosperous Rohtas district, it is least stark with more than half of households living in semi-pucca houses and similar proportion having some items of consumer durables.

Examining the distribution of consumer durables and housing status it is clear that in all the districts, households give first priority to quality of housing and then to acquisition of consumer durables. It can be seen that, households having pucca houses have maximum occurrence in consumer durable category of ‘some items’. But in case of semi-pucca houses the picture is a contrast between north Bihar districts of Gopalganj, Madhubani and Purnea with that of south Bihar districts of Gaya, Nalanda and Rohtas. In north Bihar households semi-pucca houses have maximum occurrence in consumer durable category of ‘some items’ whereas, in south Bihar district the maximum occurrence in consumer durable category is ‘nothing or little’.

Table 6.4: Quality of Living -- Inter-relation between Housing and Consumer Durable

District:

Gaya

Consumer Durable	Nothing or Little	Some Items	Modern Gadgets	Total
Housing				
Kutcha	25.3	5.4	0.1	30.8
Semi-Pucca	31.9	26.1	0.8	58.8
Pucca	2.3	6.7	1.4	10.4
Total	59.5	38.2	2.3	100.0

Madhubani

Consumer Durable	Nothing or Little	Some Items	Modern Gadgets	Total
Housing				
kutcha	54	14.9	0.1	69
Semi-Pucca	11	11.6	0.9	23.5
Pucca	0.9	5.5	1.1	7.5
Total	65.9	32	2.2	100.1

Purnea

Consumer Durable	Nothing or Little	Some Items	Modern Gadgets	Total
Housing				
kutcha	67.7	20.8	0.9	89.4
Semi-Pucca	2.9	4.4	0.5	7.8
Pucca	0.9	1	1	2.9
Total	71.5	26.2	2.4	100.1

Class:

Non-Culti. Casual Agri. Lab.

Consumer Durable	Nothing or Little	Some Items	Modern Gadgets	Total
Housing				
kutcha	68	7.5	0.1	75.6
Semi-Pucca	16.3	5.7	0.1	22.1
Pucca	1.4	0.8	0.2	2.4
Total	85.7	14	0.3	100

Culti. Casual Agri. Lab.

Consumer Durable	Nothing or Little	Some Items	Modern Gadgets	Total
Housing				
kutcha	48.8	12.9	0.3	62.0
Semi-Pucca	14.9	12.4	0.7	28.0
Pucca	3.9	6.0	0.1	10.0
Total	67.9	31.3	1.1	100.3

Gopalganj

Consumer Durable	Nothing or Little	Some Items	Modern Gadgets	Total
Housing				
kutcha	31.1	13.9		45.0
Semi-Pucca	8.0	13.0	0.7	21.7
Pucca	9.2	17.4	6.7	33.2
Total	48.3	44.3	7.4	100.0

Nalanda

Consumer Durable	Nothing or Little	Some Items	Modern Gadgets	Total
Housing				
kutcha	19.8	1.5	0.1	21.4
Semi-Pucca	26.1	17.4	2	45.5
Pucca	12.7	15.8	4.6	33.1
Total	58.7	34.7	6.6	100

Rohtas

Consumer Durable	Nothing or Little	Some Items	Modern Gadgets	Total
Housing				
kutcha	8.6	1.4		10
Semi-Pucca	28.4	27.7	1.7	57.8
Pucca	3.3	22.6	6.3	32.2
Total	40.3	51.7	8	100

Non-Culti. Attached Agri. Lab.

Consumer Durable	Nothing or Little	Some Items	Modern Gadgets	Total
Housing				
kutcha	60.8	8.3		69.1
Semi-Pucca	15.8	1.8		17.6
Pucca	13.5			13.5
Total	90	10		100

Culti. Attached Agri. Lab.

Consumer Durable	Nothing or Little	Some Items	Modern Gadgets	Total
Housing				
kutcha	56.9	13.8		70.7
Semi-Pucca	16.2	8.4		24.6
Pucca	3.5	1.2		4.7
Total	76.6	23.4		100

Table 6.4 Contd..

CLASS

Poor-Middle Peasants

Consumer Durable	Nothing or Little	Some Items	Modern Gadgets	Total
Housing				
Kutchra	22.8	13.2	0.2	36.2
Semi-Pucca	19.7	25.2	0.9	45.8
Pucca	6.7	8.3	3.0	18.0
Total	49.2	46.8	4.1	100.1

Big Peasants

Consumer Durable	Nothing or Little	Some Items	Modern Gadgets	Total
Housing				
Kutchra	14.9	13.8	0.3	29.0
Semi-Pucca	13.4	22.6	2.5	38.5
Pucca	3.9	20.9	7.7	32.5
Total	32.2	57.3	10.5	100.0

Non-Agriculturist

Consumer Durable	Nothing or Little	Some Items	Modern Gadgets	Total
Housing				
Kutchra	37.2	14.9	0.5	52.6
Semi-Pucca	19.2	16.3	0.5	36.0
Pucca	3.9	5.1	2.4	11.4
Total	60.3	36.3	3.4	100.0

CASTE:

Brahmin & Kayastha

Consumer Durable	Nothing or Little	Some Items	Modern Gadgets	Total
Housing				
kutchra	23.5	17.4	0.9	41.8
Semi-Pucca	7.8	19.8	2.3	29.9
Pucca	2.3	18.9	7.1	28.3
Total	33.6	56.1	10.3	100

Backward Caste I

Consumer Durable	Nothing or Little	Some Items	Modern Gadgets	Total
Housing				
kutchra	52.9	12.9	0.6	66.4
Semi-Pucca	13.9	9.8	0.4	24.1
Pucca	3.6	4.6	1.6	9.8
Total	70.3	27	2.6	99.9

Middle Peasants

Consumer Durable	Nothing or Little	Some Items	Modern Gadgets	Total
Housing				
kutchra	14.2	11.8	0.6	26.6
Semi-Pucca	20.2	25.3	0.7	46.2
Pucca	9.4	15.0	2.9	27.3
Total	43.8	52.0	4.2	100.0

Landlord

Consumer Durable	Nothing or Little	Some Items	Modern Gadgets	Total
Housing				
kutchra	9.3	11.8	0.4	21.5
Semi-Pucca	10.1	21.8	3.6	35.5
Pucca	3.8	26.9	12.4	43.1
Total	23.2	60.5	16.3	100.0

Bhumihar & Rajput

Consumer Durable	Nothing or Little	Some Items	Modern Gadgets	Total
Housing				
Kutchra	7.5	9.6	0.2	17.3
Semi-Pucca	15.8	24.6	4.5	44.9
Pucca	4.0	22.8	11.0	37.8
Total	27.3	57.0	15.7	100.0

Yadav

Consumer Durable	Nothing or Little	Some Items	Modern Gadgets	Total
Housing				
kutchra	25.2	11.3		36.5
Semi-Pucca	26.5	21.7	0.8	49
Pucca	4.4	9.0	1.1	14.5
Total	56.1	42.0	1.9	100.0

Table 6.4 Contd..**Kurmi**

Consumer Durable	Nothing or Little	Some Items	Modern Gadgets	Total
Housing				
kutcha	5.7	3.8	0.3	9.8
Semi-Pucca	13.1	10.1	4.1	27.3
Pucca	17.8	37.4	7.7	62.9
Total	36.6	51.4	12.0	100.0

Koiri

Consumer Durable	Nothing or Little	Some Items	Modern Gadgets	Total
Housing				
kutcha	12.3	5.8		18.1
Semi-Pucca	25.7	24.8	1.0	51.5
Pucca	11.5	17.0	1.9	30.4
Total	49.5	47.6	2.9	100.0

Other Backward II

Consumer Durable	Nothing or Little	Some Items	Modern Gadgets	Total
Housing				
kutcha	28.8	6.7	0.2	35.7
Semi-Pucca	21.1	20.7	1.0	42.8
Pucca	3.6	13.6	4.2	21.4
Total	53.6	41	5.4	100.0

Scheduled Caste

Consumer Durable	Nothing or Little	Some Items	Modern Gadgets	Total
Housing				
kutcha	51.9	7.3	0.1	59.3
Semi-Pucca	21.2	11.5	0.2	32.9
Pucca	5.0	2.3	0.7	8.0
Total	78.1	21	0.9	100.0

Scheduled Tribe

Consumer Durable	Nothing or Little	Some Items	Modern Gadgets	Total
Housing				
kutcha	50.4	7.7		58.1
Semi-Pucca	13.7	10.3		24.0
Pucca	13.7	4.3		18.0
Total	77.8	22.2		100.0

Upper Caste Muslim

Consumer Durable	Nothing or Little	Some Items	Modern Gadgets	Total
Housing				
kutcha	63.3	19.3	0.2	82.8
Semi-Pucca	3.7	6.9	0.2	10.8
Pucca	0.6	4.1	1.7	6.4
Total	67.7	30.3	2.0	100.0

Backward Caste Muslim

Consumer Durable	Nothing or Little	Some Items	Modern Gadgets	Total
Housing				
kutcha	64.8	17.3	0.1	82.2
Semi-Pucca	6.4	8.1	0.1	14.6
Pucca	0.6	2.2	0.5	3.3
Total	71.8	27.6	0.6	100.0

Across classes the picture turns out to be most stark. The poorest section is four classes of agricultural labour. Within it none of the attached labour households has any modern gadgets and hardly two percent of non-cultivating casual labour lives in pucca houses. Relatively speaking, housing status of cultivating casual labour and non-cultivating attached labour is somewhat better than other two agricultural labour classes. As a whole, among the classes of agricultural labour, status of the cultivating casual

labour is the best. Even among the best of the agricultural labour class, only one-eighth lives in pucca houses and hardly one percent of them have modern gadgets. In all agricultural labour classes, more than two-fifth of the households lives in kutcha houses. In contrast, in case of the landlords two-third of the households live in pucca houses and only one-fifth live in kutcha houses. In terms of consumer durables, every sixth landlord household possesses modern gadgets and only one-fourth of the households owns hardly any consumer durable. The other classes namely non-agricultural households, poor-middle peasants, middle peasants and big peasants fall in between in the ascending order. So the upward movement of classes follow systematic pattern. It can be seen that 12 per cent of non-agricultural households, 18 per cent of poor middle peasants, 27 percents of middle peasants and 33 percent of big peasants live in pucca houses. Again, more than half of non-agricultural households, 36 per cent of poor middle peasants, 27 percent of middle peasant and 22 percent of big peasants live in kutcha houses. Similar systematic pattern can also be seen in case of consumer durables as well.

The inter-relation between housing status and consumer durables gives the following findings:

Across classes households owning pucca houses have maximum occurrence in consumer durable category of 'some items'. But in case of semi-pucca houses, all agricultural labour classes and non-agricultural classes households with semi-pucca houses have maximum occurrence in 'little or nothing' consumer durable category. But, classes in higher categories i.e. from poor middle peasants to landlord classes households with semi-pucca houses have maximum occurrence in the consumer durable category of 'some items'. In case of kutcha house-owning households except for landlord class for all other classes maximum occurrence is in 'nothing or little' consumer durable category.

The disparity in quality of living also gets reflected across castes as well. Kurmi, Koiri, Brahmin etc. and Bhumihar etc. are well-off section in rural Bihar and scheduled caste tribe and backward caste Muslims form the lower side with other backward caste II, Yadav, backward caste I and upper caste Muslim households falling in the middle. In quality of living, taking housing status and consumer durable ownership, the Kurmi and Bhumihar etc. occupy the top position with Kurmi being better endowed with housing and Bhumihar relatively better in ownership of consumer durables. Only 3 percent of

backward caste Muslims own pucca houses and none of the scheduled tribe households own any modern gadgets. More than four-fifth of backward and upper caste Muslim households lives in kutcha houses. Among the better off castes, two-fifth of Brahmins stay in kutcha houses and one-third of them hardly own any consumer durable. Similar is the case of other backward caste II. So caste disparity among two relatively better off castes is quite high. The well off caste of Koiri shows much lower status in terms of consumer durable with almost half of the households hardly owning any consumer durable.

The inter-relation between housing status and consumer durable shows that similar to class, across castes households owning 'pucca' houses have maximum occurrence in consumer durable category of 'some items'. The picture is contrasting in the case of ownership of semi-pucca houses. Brahmin etc. and Bhumihar etc. show maximum occurrence in the consumer durable category of 'some items', whereas for all other castes the maximum occurrence is in the category of 'little or nothing'. Interestingly, Bhumihar households living in kutcha houses also have maximum occurrence in the consumer durable category of 'some items'.

To sum up, it can be seen that in total assets Gopalganj district tops closely followed by Rohtas. Purnea lies at the bottom. But in both land and cattle assets Rohtas tops. The highest productive asset is in Rohtas. Its productive asset holding is fifty percent more than the Nalanda district that follows it. Gopalganj tops in total asset per capita because of its very high level of non-productive assets. Better position of Rohtas district in productive assets is due to its higher quality of milch animal and much higher level of agricultural machinery and implements. So growth in mechanisation of agriculture and development of animal husbandry has gone hand in hand. But only one-fourth of its total assets is productive. But the poorest Purnea district has one-third of its total assets in productive uses. It gets reflected in quality of living with nine-tenth and seven-tenth of its households living in kutcha houses and very little consumer durable. But higher level of non-productive assets in Gopalganj has not led to better quality of living of its populace in relation to Rohtas district. In terms of quality of housing and consumer durable households in Rohtas is better off than that of Gopalganj. It shows that the distribution of non-productive asset is starker in Gopalganj.

Across classes, in total assets and landholding consistent rise from casual non-cultivating agricultural labour to landlord class is observed. But the smooth upward movement breaks down at disaggregated level. In both milch animal and other cattle the peak is reached at middle peasants and in respect of agricultural implements it is reached at big peasants. From agricultural labour to poor peasants productive asset holding is mainly in milch animal. It shows that animal husbandry is vigorously taken up to middle peasants and big peasants use most improved technology in agricultural operation. But highest level of productive asset holding achieved by landlord class is due to their far higher level of non-agricultural assets. It shows that landlord class has diversified into non-agricultural activity with vigour. As expected, non-agricultural class has the highest proportion of productive assets in non-agricultural assets. Even the non-productive asset holding of landlords are considerably higher than the next better off class of big peasants. It gets reflected in their best quality of living among all classes. Two-fifth of landlords live in pucca houses and every sixth landlord household has some modern gadgets. In contrast, two-third of all labour class lives in kutchha houses and similar proportion hardly has any consumer durable.

In the case of the castes, the picture is somewhat mixed. Kurmi tops in total assets followed by Bhumihaar etc. Scheduled caste and backward caste Muslims lie in the bottom. Bhumihaar etc. has the highest landholding. Yadav has far higher level of milch animal asset and relatively high level of other cattle assets than all other castes showing its dominance in animal husbandry. Kurmi caste tops in productive asset holding because of its much larger non-agricultural productive assets reflecting its diversification in non-agricultural activities. However, proportion of productive asset in total asset is highest in relatively poor upper caste Muslims followed by Yadav. Bhumihaar etc. is endowed with much larger proportion of non-productive assets. But it gets reflected in their ownership of better type of consumer durable with almost every sixth household having modern gadgets. But much larger proportion of Kurmi households lives in pucca houses. In contrast, four-fifth of backward and upper caste Muslims lives in kutchha houses and scheduled tribes and backward caste Muslims hardly own any modern gadgets.

The above-mentioned scenario shows the stark contrast in asset holding and quality of living in terms of geographical spread, class and caste.

Indebtedness

In this section we begin with average level of debt per household and proportion of household indebted by both traditional and institutional sources(see **table 6.5**).

The level of indebtedness and percentage of households indebted district-wise shows that . Madhubani is the most indebted district followed by another north Bihar district of Gopalganj, which is followed by agriculturally prosperous district of Rohtas. Traditional loan per household is highest in Madhubani district followed again by Gopalganj. Gaya has lowest level of debt and also lowest proportion of households indebted. In case of modern debt, interestingly Purnea has highest level of debt even when proportion of households taking loan from this source is less than even 10 percent. Inter-district variations in the level of indebtedness from modern source is not much with the exception of Nalanda. Here, the least proportion of households is also indebted among all districts. However, proportion of households indebted from modern source is high for more prosperous district of Gopalganj and Rohtas.

Class-wise, mean amount of traditional debt rises from non-cultivating casual labour to poor middle peasants, then fall for middle peasant and again rises up to landlord class but never to rise to the level of middle peasants' category. Percentage of indebted households is highest for attached labour (more than half) and lowest for landlord class (less than one-fourth) with other classes falling in between. Proportion of indebted households shows continuous fall from poor middle peasants to landlord class. The rise in mean level of traditional debt from middle peasants to landlord class is caused by higher level of traditional debt per household.

Caste-wise, it can be seen that mean level of traditional debt is highest for Brahmin caste and lowest for scheduled caste and tribes. Backward caste II (i.e. Kurmi, Yadav, Koiri and other backward castes II) fall below Brahmin although mean level of traditional debt is far lower. The reason being both average debt of indebted households as well as proportion of indebted households is far higher in Brahmin caste.

Table 6.5: Mean level of Debt and Percentage of Households Indebted

	Mean Level of Debt			Percentage Indebted	
	Traditional	Modern	Total	Traditional	Modern
<i>District</i>					
Gaya	1028.25	1173.05	2201.30	14.10	12.00
Gopalganj	3799.05	1026.28	4825.33	41.30	15.40
Madhubani	4184.71	1210.91	5395.62	61.30	11.20
Nalanda	1609.49	700.06	2309.55	20.10	6.30
Purnea	1184.88	1474.39	2659.27	23.90	9.00
Rohtas	2736.59	1117.50	3854.09	36.70	14.70
<i>Class</i>					
Non-Culti. Casual Agri. Lab.	1366.24	140.90	1507.14	32.40	3.00
Non-Culti. Attached Agri. Lab.	1576.13	11.25	1587.38	52.30	0.50
Culti. Casual Agri. Lab.	2445.14	454.63	2899.77	36.70	8.30
Culti. Attached Agri. Lab.	3501.75	307.98	3809.73	71.20	8.60
Poor-Middle Peasants	3876.07	486.83	4362.90	39.30	11.30
Middle Peasants	2538.59	2076.00	4614.59	30.10	18.00
Big Peasants	2822.41	2578.05	5400.46	25.40	22.20
Landlord	3383.71	3680.05	7063.76	23.50	16.10
Non-Agriculturist	2179.37	1402.78	3582.15	28.60	11.10
<i>Caste</i>					
Brahmin & Kayastha	4534.44	3179.54	7713.98	38.70	19.40
Bhumihar & Rajput	2415.30	1695.64	4110.94	22.20	17.70
Backward Caste I	2217.62	368.18	2585.80	35.60	6.50
Kurmi	2901.64	2195.90	5097.54	21.60	12.80
Yadav	2437.38	720.32	3157.70	31.80	11.60
Koiri	2503.51	1280.70	3784.21	28.30	13.80
Other Backward II	2889.16	694.30	3583.46	33.40	9.30
Scheduled Caste	1220.43	542.03	1762.46	34.20	8.90
Scheduled Tribe	1237.61	196.58	1434.19	19.70	7.70
Upper Caste Muslim	1428.95	4051.86	5480.81	31.10	14.70
Backward Caste Muslim	2493.00	487.35	2980.35	39.40	7.20
<i>Land</i>					
No Land	1572.68	371.81	1944.49	34.90	5.30
0-1.0 Acre	2892.78	674.11	3566.89	39.70	10.80
1.0-2.5 Acre	2865.43	1207.45	4072.88	29.50	13.90
2.5-5.0 Acre	2878.04	2195.23	5073.27	24.80	25.30
5.0-10.0 Acre	3674.85	6569.94	10244.79	19.80	24.30
10.0-20.0 Acre	2630.95	10478.28	13109.23	8.90	23.80
20+ Acre	8965.52	18603.44	27568.96	31.00	31.00
All	2371.03	1164.64	3535.67	33.60	10.90

Class-wise, both mean level of modern debt and proportion of indebtedness show more systematic variation. Mean level of modern debt rises consistently from agricultural

labour class to landlord class and proportion indebted also show similar rise up to the level of big peasants.

Similar to traditional debt, in modern debt also the Brahmin etc. shows high level of debt per household as well as highest proportion of household indebted. Upper caste Muslim comes second highest in mean level but with somewhat less proportion of indebted households. In contrast, scheduled caste and tribes and backward caste I occupy the bottom rung with low level of mean debt and the least proportions of their households are indebted from this source.

Land sizewise, mean level of institutional debt shows very systematic rise as one moves up the landsize group. But in case of traditional debt, no pattern is observed except for low level of debt of 'no land' households and substantial higher level of debt in the case of land size group '20+ acre'.

In case of interest rate charged by traditional loan the households in Purnea district pay interest at astronomical level, more than 100 per cent per annum. Lowest interest rate charged is in Madhubani with little over 50 percent. In all other districts interest charged fall in the narrow range of 66--74 percent.

Class-wise, the interest charged, shows less variability. No doubt, the lowest rung of class i.e. agricultural labour classes (except for cultivating attached labour and non-agricultural classes pay more than 70 percent rate interest with non-cultivating attached labour paying as high as 88 percent rate of interest. Interested in the case of the traditional loan, shows very little variation.

Apart from the quantum of debt, the burden of debt gets reflected by interest charged on them. **Table 6.6** presents interest rate charged by institutional and traditional sources across different sections of households. Interest rate charged by institutional source show very little variation ranging from 13 to 14 percent rate of interest.

Table 6.6: Interest Paid by Institutional and Traditional Source

	Interest Paid per Annum(%)	
	Institutional	Traditional
<i>District</i>		
Gaya	13.69	71.16
Gopalganj	13.05	67.51
Madhubani	13.66	56.50
Nalanda	13.49	66.83
Purnea	13.57	106.33
Rohtas	13.71	74.43
<i>Class</i>		
Non-Culti. Casual Agri. Lab.	13.68	79.53
Non-Culti. Attached Agri. Lab.	14.00	88.21
Culti. Casual Agri. Lab.	13.57	71.97
Culti. Attached Agri. Lab.	13.52	62.03
Poor-Middle Peasants	12.92	63.83
Middle Peasants	13.35	57.43
Big Peasants	13.63	63.21
Landlord	13.51	55.35
Non-Agriculturist	13.50	71.02
<i>Caste</i>		
Brahmin & Kayastha	13.54	61.89
Bhumihar & Rajput	13.68	57.15
Backward Caste I	13.54	67.99
Kurmi	13.87	63.73
Yadav	13.55	59.60
Koiri	13.24	57.42
Other Backward II	13.32	61.96
Scheduled Caste	13.41	72.74
Scheduled Tribe	14.00	120.00
Upper Caste Muslim	13.97	93.84
Backward Caste Muslim	13.30	84.31
<i>Land</i>		
No Land	13.59	77.34
0-1.0 Acre	13.51	65.55
1.0-2.5 Acre	13.44	62.80
2.5-5.0 Acre	13.62	69.50
5.0-10.0 Acre	13.45	51.78
10.0-20.0 Acre	13.40	70.80
20+ Acre	13.56	60.00
All	13.53	70.73

Caste-wise, the variation is again quite high being more than that of the district in case of traditional loans. Scheduled tribes households pay a whopping 120 percent rate of interest. Lower than those are upper and backward caste Muslims. Landed caste of Bhumihar, etc. Koiri and Yadav pay lowest rate of interest i.e. less than 60 percent. Other

castes fall in between. So, the castes with lowest asset holding, the most vulnerable one, pay the highest rate of interest. The average interest paid by all households in traditional loan is still very high at about 70 percent per annum.

Not all loans from traditional source are obtained against paying exorbitant interest rate. Some of the loans are taken by mortgaging land and some are obtained at no interest rate. The former shows the severity aspect of traditional loan and the latter the most favourable condition. These are presented in **table 6.7**.

Mortgaging of land is highest in Gaya district so much so that nearly one-tenth of all traditional loans is against mortgaged land. In Madhubani and Rohtas district it is the minimum. Madhubani incidentally has also least proportion of households availing loans at no interest rate. Conversely, the districts of Gaya and Gopalganj with very high proportion of traditional loan against mortgaged land also experience very high proportion of indebted households manage ready and loan at no interest (more than one month).

Class-wise, more variation is observed. Landlord class is seen to be the highest recipient of traditional loan against mortgaged land whereas non-cultivating agricultural labour and non-agriculturist households expectedly turn out to be the lowest recipient. In case of getting loans at no interest, high proportion of poor middle peasants and non-cultivating attached labour manage to get traditional loan at no interest.

Across caste, in case of both mortgaged land and loans at no interest the better off caste households constitute the highest proportion. Bhumihaar and Koiri caste households score very high on both these counts. However, Kurmi caste seems to be in best position. Hardly one percent of them gets traditional loans against mortgaged land and nearly one-fourth of Kurmi households manage loans at no interest. The poor castes like scheduled caste and tribe, backward caste I and backward caste Muslim households indulge much less in these processes of obtaining loans.

Land sizewise, households with higher land size holding occupy highest position in these practices. One-third of all households of '10.0-20.0' acre size groups and '20+' acre size group get loans by mortgaging land and at no interest rate respectively. The households with land size group '5.0-10.0' acre get lowest proportion of loans in these two procedures as well.

Table 6. 7: Percentage of Indebted Households Mortgaged Land and Paid no Interest

	Percentage of Households in Traditional Loan	
	Mortgaged Land	Paid No Interest
<i>District</i>		
Gaya	9.54	24.05
Gopalganj	7.21	28.83
Madhubani	2.11	4.46
Nalanda	6.32	18.96
Purnea	5.57	7.82
Rohtas	2.22	8.44
<i>Class</i>		
Non-Culti. Casual Agri. Lab.	1.27	3.61
Non-Culti. Attached Agri. Lab.	2.87	22.00
Culti. Casual Agri. Lab.	3.35	11.13
Culti. Attached Agri. Lab.	7.65	10.93
Poor-Middle Peasants	4.72	25.47
Middle Peasants	2.61	16.61
Big Peasants	8.58	15.61
Landlord	14.14	17.68
Non-Agriculturist	2.21	10.62
<i>Caste</i>		
Brahmin & Kayastha	8.00	9.52
Bhumihar & Rajput	14.44	20.32
Backward Caste I	3.15	8.07
Kurmi	1.27	22.78
Yadav	6.35	14.64
Koiri	11.06	28.97
Other Backward II	5.05	20.17
Scheduled Caste	0.78	8.62
Scheduled Tribe		
Upper Caste Muslim	1.00	11.94
Backward Caste Muslim	3.34	9.08
<i>Land</i>		
No Land	0.33	7.37
0-1.0 Acre	5.54	12.67
1.0-2.5 Acre	10.14	18.04
2.5-5.0 Acre	9.27	22.58
5.0-10.0 Acre	1.24	1.96
10.0-20.0 Acre	33.33	
20+ Acre	11.11	33.33
All	4.39	11.85

The purpose for which institutional loans are taken gives indication about the extent of their productive use and the kinds of productive purposes they serve. **Table 6.8** presents the purpose of institutional loans having four categories namely capital investment in agriculture, current investment in agriculture, non-agricultural investment and others (all other purposes clubbed together).

District-wise, it can be seen that, highest proportion of households availing institutional loans is for current investment in agricultural purpose except for Gopalganj district where for non-agricultural investment uses are the maximum. It also gets reflected in the highest proportion of non-agricultural assets holding as already seen in table 2 of asset section. Interestingly, both in agriculturally prosperous Rohtas district and agriculturally most backward Purnea district, more than half of the households take institutional loan for current investment in agriculture. Incidentally, smallest proportion of households using institutional loan for capital investment in agriculture and in non-agricultural investment is in Rohtas district. Households in Madhubani district are investing almost in equal number in three purposes namely current investment in agriculture, capital investment in agriculture and in non-agricultural investment. Gaya district households are actually siphoning the fund to other non-productive uses in maximum proportion.

Class-wise, quite expectedly, middle peasants to landlord households take institutional loans mostly for current and capital investment in agriculture. In similar fashion, it is also true for non-cultivation agricultural labour and non-agriculturist households in non-agricultural investment. Surprisingly, more than half of poor middle peasants is using institutional loans for non-agricultural investment. The siphoning of institutional loan for other purposes is indulged maximum by cultivating agricultural labour households.

Table 6.8: Institutional Loan by Purpose

	Percentage Distribution of Purpose of Loan Taken			
	Capital Investment In Agriculture	Current Investment In Agriculture	Non-Agri. Investment	Others
<i>Distric</i>				
Gaya	8.50	44.80	23.30	23.40
Gopalganj	13.60	34.20	36.60	15.60
Madhubani	29.60	29.60	28.30	12.50
Nalanda	26.50	47.80	21.20	4.41
Purnea	12.30	56.30	16.90	14.50
Rohtas	7.80	56.70	16.10	19.40
<i>Class</i>				
Non-Culti. Casual Agri. Lab.	16.00	21.30	46.80	16.00
Non-Culti. Attached Agri. Lab.			100.00	
Culti. Casual Agri. Lab.	15.70	35.40	20.10	28.80
Culti. Attached Agri. Lab.	4.50	29.50	25.00	40.90
Poor-Middle Peasants	1.60	32.80	55.70	9.80
Middle Peasants	12.50	51.60	25.00	10.90
Big Peasants	21.60	54.10	13.90	10.40
Landlord	21.50	45.90	19.30	13.30
Non-Agriculturist	5.70	25.00	54.50	14.80
<i>Caste</i>				
Brahmin & Kayastha	19.80	51.70	17.50	11.00
Bhumihar & Rajput	22.80	52.30	12.10	12.80
Backward Caste I	14.40	44.70	25.80	15.20
Kurmi	36.20	34.00	21.30	8.50
Yadav	12.90	42.40	22.00	22.70
Koiri	15.50	66.20	5.60	12.70
Other Backward II	8.00	30.00	39.00	23.00
Scheduled Caste	15.90	27.60	40.10	16.40
Scheduled Tribe		44.40	55.60	
Upper Caste Muslim	15.80	60.00	12.60	11.60
Backward Caste Muslim	9.40	35.90	32.50	22.20
<i>Land</i>				
No Land	8.00	32.40	38.90	20.70
0-1.0 Acre	11.50	37.60	32.80	18.10
1.0-2.5 Acre	16.00	43.60	19.30	21.10
2.5-5.0 Acre	18.50	63.40	14.20	3.90
5.0-10.0 Acre	39.50	42.00	5.00	13.40
10.0-20.0 Acre	32.50	62.50	5.00	
20+ Acre	55.60	33.30	11.10	
All	16.40	43.70	24.40	15.50

Caste-wise, more than half of households belonging to landed castes of Brahmin etc. Bhumihar etc. and Koiri caste takes institutional loans for current investment in agriculture. Among castes, maximum proportion of Kurmi caste households uses institutional loan for capital investment in agriculture i.e. more than one-third, far higher than any other caste. Scheduled caste and tribe and other backward caste II households' use of institutional loan is maximum (more than two-fifth) in non-agricultural investment purpose. However, investment of Koiri caste households in non-agricultural sector is the least. Kurmi caste households invest in most balanced manner in all these sources of productive investment. Yadav and other backward caste II households indulge in diverting fund to other purpose in most significant manner and least diversion is noticed in case of Kurmi caste households.

Land sizewise, more proportion of institutional loans are utilised in capital investment in agriculture as one goes up the ladder of land sizeholding. In non-agricultural investment almost a reverse trend is observed except for highest land size holding size group. In case of current investment in agriculture, there is considerable variation across land size groups without any distinct trend. Smaller size group holding indulges more in siphoning of institutional loan for other purpose than larger land holding households.

Traditional loans are taken for more wide ranging purposes than institutional loans. These are largely taken for unproductive purposes since institutional loan for consumers are hardly available in rural Bihar. **Table 6.9** lists several purposes for which traditional loans are used. These include non-productive purposes like consumption, illness and exceptional social expenditure and productive purpose like current and capital investment in agriculture and non-agricultural investment and other specified purposes.

Across districts, maximum proportion of traditional loans is taken either for illness or for exceptional social expenditure. In Gaya, Gopalganj and Rohtas these are taken mostly for exceptional social expenditure and for Madhubani, Nalanda and Purnea districts these are taken mostly for illness. The poorest district of Purnea tops in utilising maximum proportion of traditional loans for consumption purposes. Use of traditional debt for current investment in agriculture has more than three time proportional occurrence in Rohtas district than any other district reflecting the need for institutional

loans for this purpose in Rohtas district. However, more than four-fifth of all traditional loans in all districts is used for non-productive purposes.

Table 6.9: Traditional Loan by Purpose

	Percentage Distribution of Purpose of Loan Taken						
	Consumption	Illness	Exceptional Social Exp.	Curr. Invest. in Agri.	Cap. Inv in Agri.	Inv. In Non-Agri.	Others
<i>District</i>							
Gaya	21.07	30.27	36.02	5.75	1.53	1.92	3.45
Gopalganj	11.96	22.85	52.91	3.37	0.31	1.23	7.36
Madhubani	18.03	36.25	35.83	2.10	1.32	4.07	2.40
Nalanda	16.53	36.31	22.22	6.23	5.42	4.61	8.67
Purnea	18.60	33.24	26.12	5.28	2.11	5.28	9.37
Rohtas	18.10	21.85	34.88	17.66	1.10	2.87	3.53
<i>Class</i>							
Non-Culti. Casual Agri. Lab.	25.34	39.90	26.02	0.49	0.19	3.20	4.85
Non-Culti. Attached Agri. Lab.	18.60	36.74	33.95			4.19	6.51
Culti. Casual Agri. Lab.	17.06	31.36	37.38	5.33	3.06	2.07	3.75
Culti. Attached Agri. Lab.	13.01	30.08	38.75	4.88	1.9	4.61	6.78
Poor-Middle Peasants	2.83	33.49	46.23	4.72	0.94	4.72	7.08
Middle Peasants	12.01	20.78	44.81	11.36	1.95	1.62	7.47
Big Peasants	12.12	18.77	43.52	12.97	2.05	6.14	4.44
Landlord	14.85	29.7	33.17	5.94	4.46	6.44	5.45
Non-Agriculturist	23.00	41.59	23.89	2.21		3.10	6.19
<i>Caste</i>							
Brahmin & Kayastha	10.57	25.47	45.85	8.68		4.91	4.53
Bhumihar & Rajput	17.02	27.66	36.17	11.17	0.53	3.19	4.26
Backward Caste I	14.27	34.24	35.73	3.80	2.85	3.40	5.71
Kurmi	8.75	18.75	33.75	23.75	6.25	1.25	7.50
Yadav	13.81	17.13	40.61	11.33	4.70	5.25	7.18
Koiri	8.97	24.14	57.24	6.90		1.38	1.38
Other Backward II	15.69	40.62	30.53	1.40	3.36	4.20	4.20
Scheduled Caste	19.37	39.53	32.03	2.46	0.22	3.14	3.25
Scheduled Tribe	17.39	30.43	30.43		4.35		17.39
Upper Caste Muslim	29.35	33.33	21.89	5.47	0.5	5.47	3.98
Backward Caste Muslim	25.19	30.14	30.60	1.85	1.39	2.78	8.04
<i>Land</i>							
No Land	22.33	37.77	30.38	1.04	0.55	3.07	4.87
0-1.0 Acre	15.11	33.26	37.04	5.01	1.31	2.98	5.3
1.0-2.5 Acre	10.81	20.24	44.77	8.92	4.63	3.77	6.86
2.5-5.0 Acre	8.73	11.51	40.87	25.00	0.79	8.73	4.37
5.0-10.0 Acre	17.17	17.17	32.32	12.12	11.11	8.08	2.02
10.0-20.0 Acre		40.00	40.00		6.67	6.67	6.67
20+ Acre			88.88			12.12	
All	17.25	31.67	35.44	5.17	1.66	3.63	5.19

Across classes, variations are far more than the districts. Use of traditional loan for illness is maximum for non-cultivating agricultural labour and non-agriculturist class. For all cultivating classes ranging from agricultural labour to landlord use of traditional loans is maximum for exceptional social purposes. More than 10 percent of traditional loans taken by middle peasants and big peasants are utilised for current investment in agriculture exhibiting the need for institutional loans for these classes of cultivators. However, use of traditional loans for other purposes do not show any definite trend with little variation as well.

Across castes, upper caste households and well-to-do landed backward caste households use traditional loan maximum for exceptional social expenditure purpose. For other castes, use of traditional loans are either maximum for illness or it is little less than exceptional social expenditure. Interestingly, nearly one-fourth of all traditional loans taken by Kurmi households is used for current investment in agriculture. Also it is more than 10 percent for Bhumihar etc. and Yadav caste reflecting the need of institutional loan for this purpose.

Across landsize groups, except for households with 'no land', for all landholding households, use of traditional loan is highest for exceptional social expenditure purpose. More than one-fifth of traditional loans taken by landless households is used for consumption showing their precarious economic condition. One-fourth of all traditional loans taken by households with '2.5-5.0' acre landholding are used for current investment in agriculture reflecting huge shortage of productive capital for these sections of households.

Table 6.10 presents percentage amount of productive loans obtained from institutional and traditional sources.. The percentage of productive loans source-wise shows the manner in which the institutional sources have been able to meet the productive investment requirement of Bihar plain covered in our survey. The districtwise break-up shows that in agriculturally developed district of Rohtas more than one-third of the productive investment is still met by traditional source.

Class-wise, it can be seen that agricultural labour classes and poor middle peasant household still meet a good proportion of their productive investment from traditional sources. So institutional loans for this section of households needs to be more

streamlined. Particularly, attached labour classes hardly have any access to institutional loans.

Across castes, it can be seen that backward caste I, Yadav, other backward caste II and backward Muslims still rely substantially on traditional loans even for productive investment. Traditional source even now meets more than one-third of their productive investment showing relatively less access to institutional loans for these caste groups. Land sizewise, highest two landsize groups '10.0-20.0' acre and more than 20+ acre households' need for productive investment is more or less met by the institutional sources. But households with 5 acre or less landholding still depends substantially on traditional sources for their productive investment requirement.

In the end, it will be interesting to compare and contrast the distribution of productive use of institutional and traditional loans. **Table 6.11** gives the contrasting picture of institutional and traditional loan by productive purpose. For institutional loan across district it shows that the maximum use of productive loan is for current investment in agriculture. For traditional loan also it is true except for Madhubani district where maximum use is made for current investment in non-agriculture. Relatively speaking, institutional loans are relatively more used in capital investment in non-agriculture than traditional loans except for Purnea district. In contrast, traditional loans are relatively more used for current investment in non-agriculture than institutional loans.

Across classes, institutional loans in non-agricultural productive investment mainly go to capital investment for almost all classes whereas for several classes traditional loans go mostly to current investment in non-agriculture. But for agricultural sector both institutional loans and traditional loans go largely to current investment.

Across caste, no clear picture can be observed. However, for almost all landsize group, in case of non-agricultural sector institutional sources largely finance the capital investment and traditional sector largely finance the current investment requirement. But for agricultural sector, both traditional and institutional loans are largely taken for current investment requirement in agriculture.

Table 6.10: Percentage Distribution of Productive Loan by Source

	Source of Productive Loan (%)	
	Traditional Loan	Institutional Loan
<i>District</i>		
Gaya	6.84	93.16
Gopalganj	21.23	78.77
Madhubani	26.87	73.13
Nalanda	25.74	74.26
Purnea	9.76	90.24
Rohtas	35.64	64.36
<i>Class</i>		
Non-Culti. Casual Agri. Lab.	31.54	68.46
Non-Culti. Attached Agri. Lab.	89.89	10.11
Culti. Casual Agri. Lab.	37.48	62.52
Culti. Attached Agri. Lab.	77.37	22.63
Poor-Middle Peasants	28.21	71.79
Middle Peasants	11.26	88.74
Big Peasants	19.51	80.49
Landlord	12.24	87.76
Non-Agriculturist	11.67	88.33
<i>Caste</i>		
Brahmin & Kayastha	16.71	83.29
Bhumihar & Rajput	18.41	81.59
Backward Caste I	37.20	62.80
Kurmi	12.40	87.60
Yadav	43.90	56.10
Koiri	6.90	93.10
Other Backward II	45.08	54.92
Scheduled Caste	14.07	85.93
Scheduled Tribe	10.51	89.49
Upper Caste Muslim	4.15	95.85
Backward Caste Muslim	33.71	66.29
<i>Land</i>		
No Land	18.85	81.15
0-1.0 Acre	21.55	78.45
1.0-2.5 Acre	31.99	68.01
2.5-5.0 Acre	28.87	71.13
5.0-10.0 Acre	12.58	87.42
10.0-20.0 Acre	4.09	95.91
20+ Acre	0.92	99.08
All	19.59	80.41

Table 6.11: Percentage Distribution of Productive Loans by Purpose

	Institutional Loans				Traditional Loans			
	Curr. Inv. In Agriculture	Cap. Inv. In Agriculture	Curr. Inv. In Non-Agri.	Cap. Inv. In Non-Agri.	Curr. Inv. In Agriculture	Cap. Inv. In Agriculture	Curr. Inv. In Non-Agri.	Cap. Inv. In Non-Agri.
<i>District</i>								
Gaya	58.48	11.11	13.45	16.96	62.5	16.67	16.67	4.17
Gopalganj	40.48	16.10	11.22	32.20	68.75	6.25	18.75	6.25
Madhubani	33.83	33.83	7.14	25.19	28.00	17.60	32.80	21.60
Nalanda	50.00	27.78	1.85	20.37	38.33	33.33	18.33	10.00
Purnea	65.84	14.40	10.70	9.05	41.67	16.67	18.75	22.92
Rohtas	70.34	9.66	1.38	18.62	81.63	5.10	9.18	4.08
<i>Class</i>								
Non-Culti. Casual Agri. Lab.	25.32	18.99	22.78	32.91	12.50	5.00	67.50	15.00
Non-Culti. Attached Agri. Lab.			100.00				22.22	77.78
Culti. Casual Agri. Lab.	49.69	22.09	11.04	17.18	50.94	29.25	9.43	10.38
Culti. Attached Agri. Lab.	50.00	7.69	3.85	38.46	42.86	16.67	16.67	23.81
Poor-Middle Peasants	36.36	1.82	18.18	43.64	45.45	9.09	36.36	9.09
Middle Peasants	57.93	14.02	2.44	25.61	76.09	13.04	4.35	6.52
Big Peasants	60.39	24.07	3.94	11.60	61.29	9.68	15.32	13.71
Landlord	52.99	24.79	8.55	13.68	35.29	26.47	32.35	5.88
Non-Agriculturist	29.33	6.67	18.67	45.33	41.67		25.00	33.33
<i>Caste</i>								
Brahmin & Kayastha	58.12	22.22	4.7	14.96	63.89		18.06	18.05
Bhumihar & Rajput	60.00	26.15	4.62	9.23	75.00	3.57	10.71	10.71
Backward Caste I	52.68	16.96	15.18	15.18	37.84	28.38	28.38	5.41
Kurmi	37.21	39.53		23.26	76.00	20.00	4.00	
Yadav	54.90	16.67	4.90	23.53	53.25	22.08	10.39	14.29
Koiri	75.81	17.74		6.45	83.33		16.67	
Other Backward II	38.96	10.39	10.39	40.25	15.63	37.50	21.88	25.00
Scheduled Caste	32.99	19.07	14.95	32.99	42.31	3.85	46.15	7.69
Scheduled Tribe	44.44		44.44	11.11		100.00		
Upper Caste Muslim	67.86	17.86	11.90	2.38	47.83	4.35	4.35	43.48
Backward Caste Muslim	46.15	12.09	5.49	36.26	30.77	23.08	23.08	23.08
<i>Land</i>								
No Land	40.83	10.09	18.35	30.73	22.35	11.76	44.71	21.18
0-1.0 Acre	45.93	14.00	10.75	29.32	53.90	14.06	14.06	17.97
1.0-2.5 Acre	55.3	20.28	5.07	19.35	51.49	26.73	10.89	10.89
2.5-5.0 Acre	65.98	19.26	4.10	10.66	72.41	2.30	17.24	8.05
5.0-10.0 Acre	48.54	45.63	0.97	4.85	38.71	35.48	22.58	3.23
10.0-20.0 Acre	62.50	32.50		5.00		33.333	33.33	33.33
20+ Acre	33.33	55.56		11.11				100.00
All	51.76	19.42	8.35	20.47	49.43	15.86	20.46	14.25

Suming Up

To sum up, mean level of traditional debt is highest in Madhubani district and maximum proportion of households is also indebted from this source. But they manage to get it at lowest interest rate (56 percent) and least proportion of households is mortgaging

land. In contrast, poorest Purnea (in asset term) shows lowest level of traditional debt and a low percentage of indebted households. But they pay exorbitant interest rate (106 percent) and a small percentage of these loans are at no interest. Relatively prosperous Gopalganj district, no doubt, shows high level of debt from this source and substantial proportion of indebted households but more than one-fourth of such loans are interest free. Classwise, as one goes up the class ladder from agricultural labour to landlord class, level of traditional debt goes up but interest rate charged also declines. Land sizewise, landless households show high percentage of indebtedness with low level of debt and they pay highest interest rate with small proportion of household (7 percent) managing to get it at no interest. In contrast, highest landsize group '20+ acre' indicates much larger level of debt and high proportion of indebtedness but they manage traditional loan at relatively low interest rate (60 percent) and even one-third of such loans are interest free. Caste-wise, Kurmi seems to be best off with high level of debt, moderate proportion of indebted households, more than one-fifth of such loans being interest free and hardly anybody mortgaging land. Scheduled tribe is in worst position paying whopping (120 percent) interest rate and none of them receives loan at no interest.

In the case of institutional loans, interestingly Purnea shows highest level of debt with small proportion (less than one-tenth) of households taking loans. In relatively prosperous Gopalganj and Rohtas, higher proportion of households has managed to get loan from this source. Class-wise more systematic pattern is observed. Both level of institutional debt and proportion of household indebted show rise from agricultural labour to landlord and to big peasants respectively. Caste-wise, scheduled caste, scheduled tribe and backward caste I households manage to get meagre amount of institutional loan and that too much small proportions of households. Land sizewise, larger size groups get much higher level of institutional debt but not necessarily higher proportion of households in these groups are taking loans. Interest rate variation in institutional loans is quite low.

Examining the purpose of loan district-wise, it can be seen that the use of institutional loan is highest for current investment in agriculture except for Gopalganj district where its maximum use is in non-agricultural investment. It gets reflected in its highest proportion of non-agricultural assets among districts. Class-wise, from middle

peasants to landlord class, largest use of institutional loan is in current investment in agriculture. Expectedly, largest uses of loan for non-cultivation classes are in non-agricultural investment. Surprisingly, more than half of institutional loans of poor-middle peasants is used for non-agricultural purposes. Castewise, landed castes of Bhumihaar etc., Brahmin etc. and Koiri largely take institutional loan for current investment in agriculture. But Kurmi caste makes largest use of it in capital investment in agriculture showing their dynamism in agricultural development. Scheduled caste and scheduled tribes mostly use it in non-agricultural investment. Land sizewise, except for highest landsize group '20+ acre' that use it maximum for capital investment in agriculture, rest of all land owning groups use it maximum for current investment in agriculture.

To what extent institutional loans are able to meet the productive investment requirement of rural Bihar. The findings show that the institutional loans have been unable to meet the growing requirement of productive loan. It can be seen from the fact that most agriculturally prosperous Rohtas district's one-third of productive investment requirement is still met by traditional loans whereas for poorest Purnea district, institutional loans meet 90 percent of its productive investment requirement. Classwise, poor classes up to poor-middle peasants, castewise Yadav, other backward caste II and backward caste Muslim and landholding up to '5 acre' still has to rely substantially on traditional loan for productive use. Institutional loans for these sections of the populace need to be streamlined.

Traditional loans are mostly used for unproductive purposes. Across districts, traditional loans are used maximum either for illness or for exceptional social expenditure. Class-wise for all non-cultivating classes, its highest use is for illness and that for other classes it is for exceptional social expenditure showing vulnerability of non-cultivating classes. Caste-wise similar pattern is observed. For upper castes and landed backward castes, maximum use of it is made for exceptional social expenditure and for the rest poorer castes it is for illness. Land sizewise, except for landless households that use it maximum for illness, for all other land-owning households its use is most for exceptional social expenditure.