



## **STUDY OF INCOME-EXPENDITURE STRUCTURE, SAVINGS AND INVESTMENT HABITS OF TENDU LEAF PLUCKERS: WITH SPECIAL REFERENCE TO KORBA DISTRICT OF CHHATTISGARH STATE**

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**Abstract:** - The ancient Indian social system has always encouraged savings. Investment in small, unorganised agriculture, artisanal, and usury sectors has also been an integral part of our tradition. The effect of these habits is visible not only in the urban areas but also in the rural economy, and the groups living around the forests have remained untouched by these changes. However, their sources of income generation have still not changed much. In the presented research paper, 838 pluckers from Korba district were selected. This selection was done on the basis of the district's forest area, the proportional number of pluckers and tendu leaf producers, the payments made to them, the number of primary forest produce co-operative societies, etc. Generally, a lack of savings is found in rural areas, and most of the people use traditional options for investment. Through this article, we will get to know about the income-expenditure structure and savings-investment habits of people living in forest areas, which is contrary to many of the above myths.

**Key words:** "Tendu leaf," "income," "investment," "savings," "forest produce," "Korba, and "Chhattisgarh.

**Introduction:** The Indian social system of traditional joint families has always been a society that encourages savings. Investment in small, unorganised agriculture, artisanal, and usury sectors has also been an integral part of our tradition. A person starts getting this habit from his family since childhood. Providing a piggy bank to the children from their childhood, keeping aside some amount from the money given to the housewives for their expenses, keeping some grains separately while cooking so that they can come in handy in critical situations—all these are small things that are traditional examples of saving. But the consumption and ostentatious spending styles of the modern nuclear family have taken a toll on those traditional habits. The impact of these habits is not only visible in urban areas but is also engulfing the rural economy. The groups living around forests are also affected by these changes. Although their sources of earning income have not changed much, they are still dependent on agriculture, labour, animal husbandry, milk business, small artisans, the collection of forest produce, etc. In general, a study has been done to know the economic condition of Tendu leaf pluckers in Korba district of Chhattisgarh state. In this, in detailed surveys related to their economic and social background, income level, indebtedness, purpose of tendu leaf collection, process, and problems related to tendu leaf collection, other sources of income, management of income, saving and investment habits, etc. have been included. There are total of 05 blocks including both the forest divisions under Korba district, of which 02 blocks are Korba and Kartla under Korba forest division and 03 blocks are Katghora, Pali, and Podi-Uproda under Katghora forest division. Apart from this, 06 forest ranges come under Korba division, which includes Lemru, Balko, Korba, Paraskhet, Kudmura, and Kartala, and 07 forest ranges come under Katghora forest division, which includes Pasan, Jatga, Kendai, Etmanagar, Katghora, Chaitma, and Pali. There are 23 primary forest produce cooperative societies in Korba block, 15 in Kartla, 11 in Katghora, 18 in Podi Uproda, and 15 in Pali, through which Tendu leaf is collected. A total of 900 Tendu leaf pluckers were selected from these two forest divisions, out of which some questions were not answered by some pluckers, so by removing them, 838 pluckers who answered all the questions were finally selected. This number is about one



percent of the total tendu leaf pluckers in the district. The selection of the number of pluckers from each development block was done on the basis of the forest area of the respective development block, the proportional number of pluckers and tendu leaf production, the payment made to them, the number of primary forest producers in the co-operative society, etc.

**Review of Literature:** Although the research work is the original work of the researcher, through the previous research done in this regard, he gets a clue in this field, due to which he moves towards his research. From the studies done in the past, the researcher also knows the extent, area, and research gap of his research work; through this, he tries to fill this deficiency with his study. Some representative studies done in the rural economy, income structure, savings, and economic and social sectors of forest dwellers and tribals are as follows:

There are 10 main reasons for economic inequality, of which 2 are moral reasons, 2 are political reasons, 3 are economic reasons, and 3 are social reasons. Ethical reasons include equal respect and equal opportunities for each person. Political reasons include social solidarity and democratic vibrancy. Economic reasons include human resource development, the reduction of conflicts, and cooperative solutions. Social reasons—improving health, improving living standards, improving ecology, improving stability, etc.—are the main parameters. *Weisskopf, T. E. (2017)*. In the long run, there is a change in the ratio of income to savings at different levels of income, while this change is not visible in the short run. The propensity to consume and the rate of new investment determine the amount of employment among them. *Hansen, A. H. (1948)*. Based on the studies done from time to time, there have been many changes in the savings behaviour and structures in the agriculture and non-agriculture sectors in India. India's savings rates have registered a steady rise since the 1970s. Rising savings rates in agriculture are driving growth, ultimately depending on the pattern of investment. A high rate of inflation has a negative impact on saving habits. *Krishnamurty, K., & Saibaba, P. (1981)*. The development of China's rural capital market requires careful policymaking, which will expand consumption and increase domestic demand. To increase consumption and domestic demand, the government should consider regulating the rural credit market in general and strengthening the functioning of the informal credit market in particular through payments made to them, the number of primary forest produce co-operative societies, etc. *Wan, G., Shi, Q., & Tang, S. (2009)*. There is a strong positive correlation between disposable income and savings, so there is a wide gap between the lowest income group and the highest income group. There is a need to encourage higher income groups to invest in some small-scale industries at the village level. This will increase employment opportunities in rural areas, which will reduce income inequality. *Siddiqi, M. W., MAZHAR-UL-HAQ, & WASIF, M. (1995)*. Individual self-control is needed, along with a sound investment policy, to promote savings. Payment of wages or salaries through bank accounts instead of cash payment increases household savings, and automatic savings transfers also encourage investment. Cash payments only increase consumption. *Somville, V., & Vandewalle, L. (2018)*. Rural farming families take decisions about production, consumption, savings, and investment together. The agriculture sector is a heterogeneous one, where a large number of household groups can be identified based on various socio-economic characteristics. Agricultural households are faced with several choices of production, consumption, savings, and investment. Resource allocation decisions are closely related to these. The pattern of Indian income distribution is more or less affected by many economic, social, political, and cultural factors. *Alamgir, M. (1976)*. Similar in structure to some developed economies, although the pattern in urban areas appears to be more unequal than in some developed countries, the difference is less in rural areas. Compared to the income distribution of underdeveloped countries, there are more inequalities in developed countries. *Ojha, P. D., & Bhatt, V. V. (1964)*. Changes in income also lead to changes in savings and expenditure, but these changes are not proportional. *Brady, D. S. (1946)*.

**Research Methodology:** Both primary and secondary data have been used to know the income structure, business nature, savings, and investment structure of tendu leaf pluckers. Under primary data, data has been collected from 838 tendu leaf pluckers of 5 blocks under both Korba and Katghora forest divisions of Korba district through a questionnaire and an interview. Similarly, for the secondary

data, the annual general meeting report of Chhattisgarh State Minor Forest Produce (Trade and Development) Cooperative Union Limited from 2014 to 2020 and the Annual Report of District Forest Produce Cooperative Union Limited, Katghora and Korba from 2014 to 2020 have been supported. From the year 2014 to 2020, along with Nistar Patrika, Tendu Leaf Collection Directory, and District Statistics Book, Korba, research papers, articles, and booklets mentioned in the reference list have also been used at their place. For the analysis of the data obtained above, pie charts and graphs have been used as appropriate for the simple presentation of data along with the statistical mean, chi-square test, and percentage. For data collection, from 2015 to 2020, 82 primary forest producers and primary cooperative society members under both forest divisions of Korba district were randomly selected; there is a possibility of extension in other districts and time periods.

**Research Hypothesis:**

**H<sub>01</sub>** Tendu leaf collectors of Korba district's expenditure structure will be found to have more burdens related to basic needs.

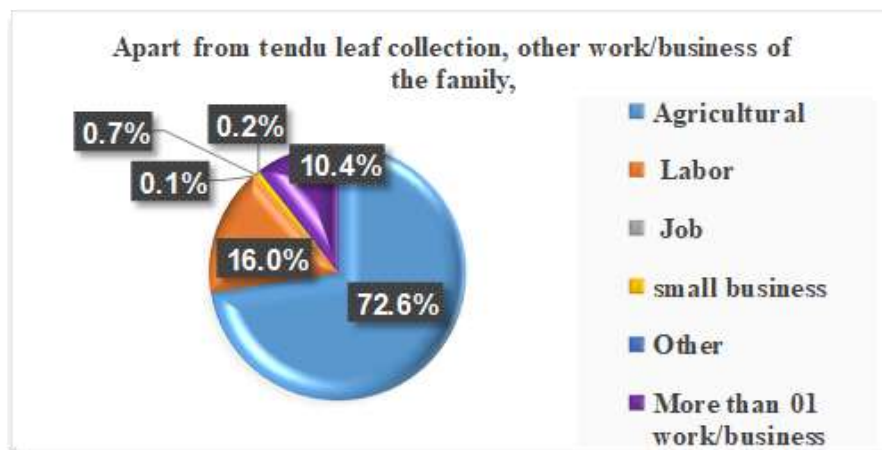
**H<sub>02</sub>** Tendu leaf collectors of Korba district will find a traditional tendency towards investment.

**H<sub>03</sub>** Tendu leaf collectors of Korba district will not be found to reduce the tendency to save.

**Analysis:** The analytical study of the structure of income, expenditure, savings, and investment of Tendu leaf pluckers under Korba district is as follows:

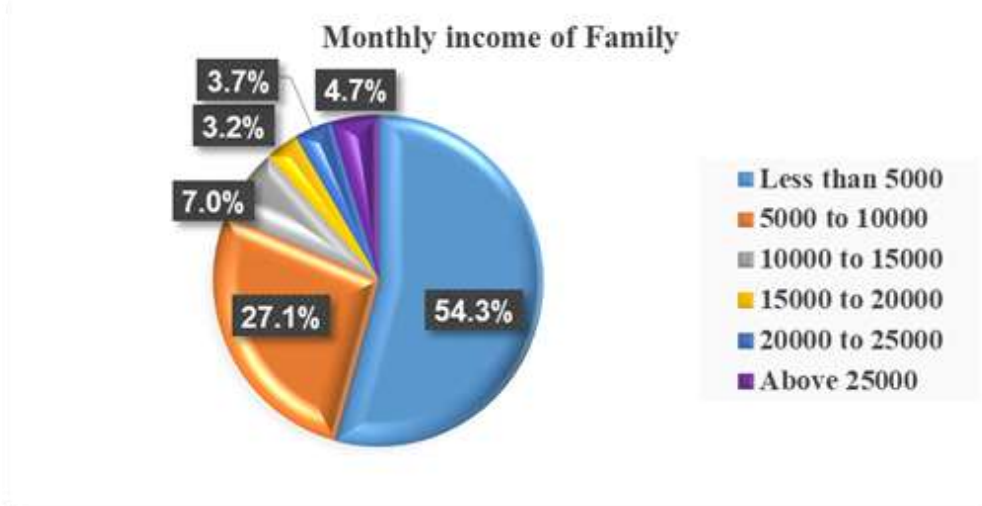
**In addition to tendu leaf collection, other work or occupations of the family include:**

Graph Number: 1



Tendu leaf pluckers give only seasonal employment; apart from this, tendu leaf pluckers are engaged in various works. Most of the pluckers are engaged in agriculture or related unorganised sector activities. About 73 percent of tendu leaf pluckers do agriculture in addition to these works; about 16 percent of pluckers are wage earners; only 0.10 percent of pluckers are employed; about 0.8 percent of pluckers are engaged in small business; and about 0.2 percent of pluckers are engaged in other works. About 9.9 percent of the pluckers do more than one type of work and business, of which about 8.80 percent are wage labourers with agriculture, 0.20 percent are others with agriculture, 1.20 percent do both wage and small business along with agriculture, and only 0.2 percent are wage pluckers. They also do jobs together. It is clear from these figures that about 97.50 percent of pluckers are engaged in agriculture and labour activities.

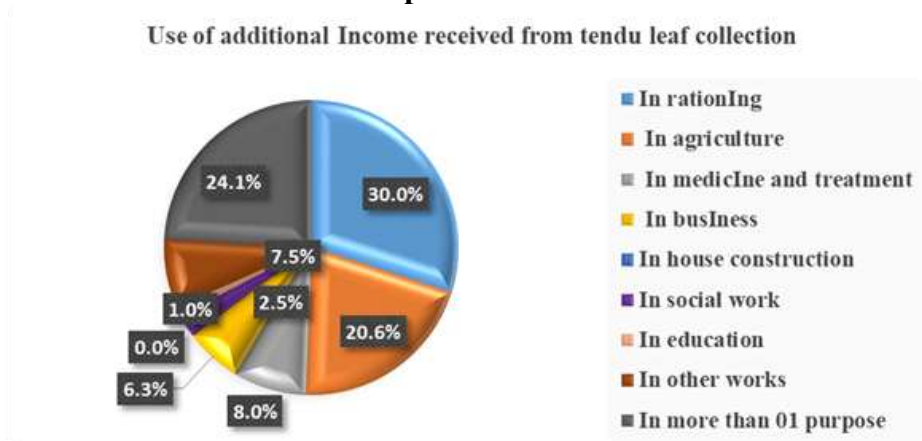
**Classification of Tendu leaf pluckers on the basis of monthly income-Graph Number: 2**



On the basis of the income of Tendu leaf pluckers, it is known that about 54 percent of these pluckers belong to the very poor category, whose family's monthly income is less than Rs. 5,000, approx. Income of 27 percent of Tendu leaf pluckers is between Rs. 5000 and 10000; about 7 percent of pluckers' income is between Rs. 10000 and 15000; only 3 percent of pluckers have income of Rs. 15000 to 20000; only 4 percent of pluckers have income of Rs. 20000 to 25000 per month; and only 5 percent of pluckers have monthly income of more than 25000. This shows that about 81 percent of tendu leaf pluckers are very poor, whose annual income is less than one lakh rupees, but there are also about 5 percent of pluckers whose income is more than 25 thousand rupees, and even after this, they are engaged in these works. These figures also reveal that the average monthly income of a family of Tendu leaf pluckers is Rs. 6945.

**Use of additional income obtained from tendu leaf collection.**

**Graph Number: 3**

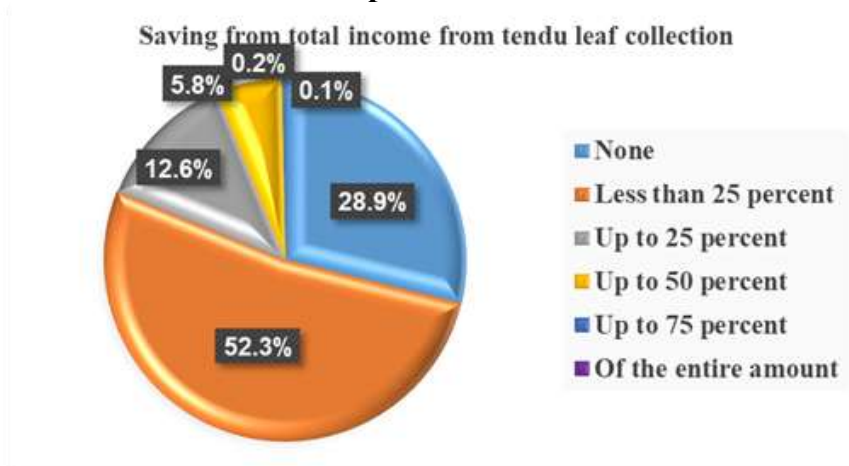


Each plucker uses the additional income obtained from tendu leaf collection for different purposes based on their needs. About 30 percent of tendu leaf pluckers use the extra income only for their daily needs and rations; about 21 percent of pluckers use the extra income in farming; about 8 percent of pluckers use the extra income for medicines and treatment; about 6 percent of pluckers use additional income in business; no pluckers use additional income in house construction; about 2 percent of pluckers use additional income in marriage and social work; and about 1 percent of pluckers use additional income in other occupations. About 8 percent of the pluckers use the additional income for other purposes, while about 24 percent use the additional income for more than one purpose. In these, about 3 percent are in ration and farming; about 3.70 percent are in ration, farming, medicine, and treatment; about 1 percent are in ration, farming, and social work; 4.50 percent are in ration and social work; and about 1 percent are in ration, farming, medicine, and treatment and social 0.50 percent

in work, 1 percent in ration, farming, medicine and treatment, and business; 2 percent in ration and house construction; 4.10 percent in ration and education; 2 percent in ration and other work; 1.10 percent in farming and medicine and treatment; 0.80 percent in agriculture, medicine and treatment, and business; and 0.50 percent in medicine and treatment and business.

**Savings from the total income received from tendu leaf collection**

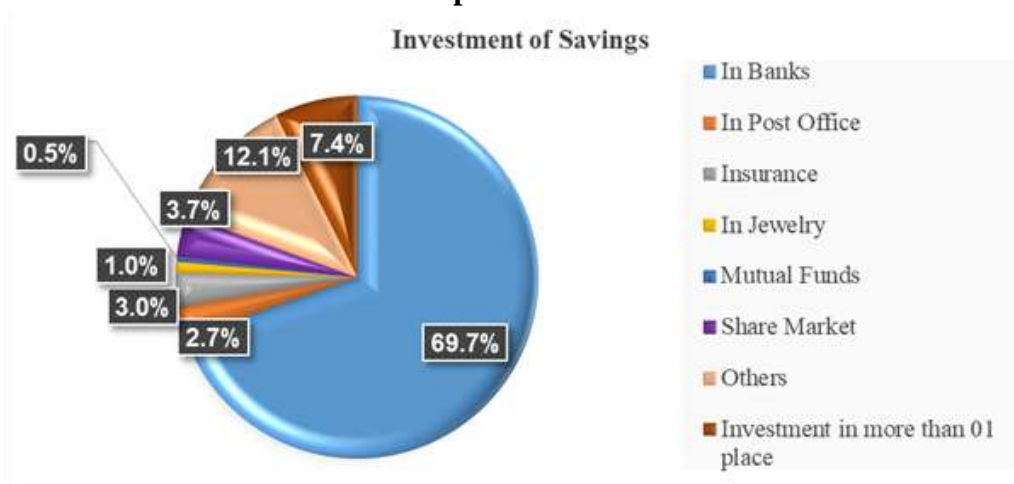
**Graph Number: 4**



Each plucker saves a different amount of the total income received from tendu leaf collection. About 28.9 percent of tendu leaf pluckers do not save anything from the total income received from tendu leaf collection; about 52.3 percent of tendu leaf pluckers save less than 25 percent of the total income received from tendu leaf collection; and about 12.6 percent of pluckers save up to 25 percent. 5.80 percent of pluckers are able to save up to 50 percent; 0.20 percent are able to save up to 75 percent; and only 0.10 percent of pluckers are able to save the entire income.

**Classification of tendu leaf pluckers on the basis of investment of savings-**

**Graph Number: 5**



They also save some of the extra income they get from Tendu leaf collection and invest the said savings through various means. Based on the above figures, about 68.7 percent of the pluckers invest their savings only in the bank, about 2.7 percent in the post office, about 3 percent in insurance, about 1 percent in jewellery, 0.50 percent in mutual funds, 3.70 percent in the stock market, about 5.4 percent in lending at interest, about 7.6 percent in other mediums, and about 7.4 percent invest in more than one of the above places. In these, 0.20 percent in jewellery, share market, and others, P.O. 0.20 percent in insurance and insurance, 0.20 percent in insurance and other, 0.20 percent in insurance, mutual fund, and stock market, 0.40 percent in bank and other, 0.20 percent in bank and jewellery, 0.20 percent in jewellery and 0.20 percent in mutual fund, bank, and P.O. 2.40 percent in bank and insurance, 1.80 percent in bank, insurance, and jewellery, 0.40 percent in bank, insurance, and mutual fund, and others, Bank, Insurance and Invests 0.20 percent in the stock market.



**Conclusion and suggestion:** Tendu leaves provide seasonal employment to the pluckers for an average of only 2 months every year; in addition to this, the pluckers are engaged in various works. Most of the pluckers are engaged in agriculture or related unorganised sector activities. About 97.50 percent of tendu leaf pluckers in Korba district are engaged in agriculture, labour, or both. The average monthly income of a family of Tendu leaf pluckers is Rs. 6945. Each plucker uses the extra income received from Tendu leaf collection for different purposes, depending on their needs. About 57 percent of the tendu leaf pluckers use the additional income only for their daily needs, such as basic needs like food and medicine, and about 21 percent use the additional income in agriculture as well. If we talk about savings, then about 28.9 percent of tendu leaf pluckers are unable to save anything from the total income received from tendu leaf collection, and about 52.3 percent of tendu leaf pluckers are able to save less than 25 percent of the total income received from tendu leaf collection. There has been a surprising polarisation in matters of investment, with only 5.4 percent of people investing in forest-dependent traditional activities such as lending on interest. Nearly three-quarters of pluckers invest their savings in a bank, post office, or insurance, a change driven by direct payments through bank accounts. The surprising thing is that about 4.40 percent of the pluckers invest their savings in mutual funds and the stock market as well.

**Hypothesis Testing:** It is clear from the analysis of chart number 3 that about 57 percent of Tendu leaf pluckers use the extra income only for their daily needs like rations and medicines, hence this hypothesis is established that "Korba district's expenditure structure of Tendu leaf pluckers will be found to have a tendency to exceed the burden of basic needs." Similarly, from the analysis of graph number 5, it is clear that only 5.4 percent of tea leaf pickers invest in traditional investment options, so this hypothesis is wrongly established. That "traditional trend of investment will be found in the tendu leaf pluckers of Korba district." It is clear from the analysis of graph number 4 that only 28.9 percent of tendu leaf pluckers are unable to save anything from their extra income, and the rest definitely save, so this hypothesis is wrongly established that "Tendu leaf pluckers of Korba district will not be found to have less tendency to save."

Therefore, the following suggestions are recommended for the economic promotion of tea pluckers and forest dwellers:-

1. There is a lack of banking facilities in these areas, so they should be expanded so that tendu leaf pluckers can save more of their income. And better investment options can be made available to them.
2. There is a lack of internet facilities in rural areas, or the speed is low, so it is necessary to provide easy, fast, and cheap internet services in these areas.
3. At a time when other economic activities are closed in rural and forest-dependent areas, employment-oriented work should be started. Schemes like the Mahatma Gandhi Rural Employment Guarantee should be expanded, and its budget should also be increased. This can include things like tree plantations, water conservation, energy conservation, biodiversity, food processing, conservation, and the production of herbal medicines.
4. There is a need to run courses that encourage skill development and self-employment. Financial literacy should be promoted in rural areas to prevent cybercrime and to learn about better investment options.
5. Loan schemes need to be simplified so that the youth can be encouraged towards self-employment.
6. Basic infrastructure in these areas There is a lack of infrastructure like pucca roads, electricity, drinking water in houses, irrigation facilities, etc., so these should be expanded.

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