



An analysis into the day to day socio-economic problems of the poor Nawabs :Evidence from

Lucknow, Uttar Pradesh.

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Abstract

The paper tries to focus on how the poor Shia Nawabs are able to survive and manage their monetary resources with minimal risk. The paper is based on fieldwork conducted among the Shia Nawab Zardozi (embroidery) workers in old city area of Lucknow, to study their day to day socio-economic problems along with their saving mechanisms in the informal sector. The process of such investments, benefits and risks are discussed so as to allow proper dissemination of knowledge on the working of such networks along with highlighting socio-economic problems in day to day life.

Keywords: Poverty, Informal Savings

Introduction

The culture which developed after the disintegration of the Mughal Empire came to be known as the Nawabi culture of Oudh. The culture was very refined and had different colours of ethos and was a symbol of integrity and peace. Thus Lucknow became a city where ‘Pahle – Aap’ after you became the phrase which reflected the mannerism of Lucknow’s past and was associated with the Nawabs of Oudh.

The word Nawab, is a plural of Naib: ‘Deputy’, but used honorifically as a title. This title was given by the Mughal government and was prefixed to the name of a high official and the Viceroy or Governor of a Province. At the time of disintegration of the Mughal Empire, some of the Nawabs became independent rulers, hence the word came to a common title for a Muslim sovereign in India. This practice continued among the Muslim aristocracy in Lucknow, even after the demise of the ruling dynasty.

After 1947 and the abolition of feudal rights ,the physical, social and cultural landscape of the people of Lucknow, especially the Nawab families started to change. Hence the social institutions and the economic status kept on degrading for the whole society and also of the Nawabs as well. Thus, the present paper on the socio economic profiles of the descendents of Nawabs, traces the sociological analyses of their economic life. The paper also contributes to the linking of

micro levels of analysis of money management which has helped many Nawab families today to manage their resources, when the whole world seems to be reeling under severe economic stress, caused by recession.

Methodology

The most important sources for the findings reported in this research are the words and actions of the poor Nawabs themselves. In particular, I have relied on a qualitative year long observation with indepth interviewing having both structured and unstructured interview schedules. A total of sixty households belonging to the descendents of Nawabs were selected on a random basis from the list which was provided by the Office of Shahgunj Trust, which still maintains a register which holds the names and addresses of all the surviving Nawabs of Lucknow. Two research areas were selected which had a majority of Nawabs, were Shahgunj near Nakhas and Ghazi Mandi in old city area of Lucknow.

The intensity of getting to know the characters in the research gave an indepth insights into the socio economic mode of life and as well as their financial behaviour though out the year. Stress was laid to gain a deeper and more personal understanding of the families of Nawabs and how they were coping with their present financial conditions. Thus keeping this in mind a complete qualitative analysis was used to capture the richness and complexity of poor Nawab's financial lives while being systematic enough in data collection, just to prevent it from being dismissed as a set of mere anecdotes.

The Daily Grind: Socio-economic Problems of the Nawabs

Recession has played an important role in deepening the woes of the poor, especially in the third world countries. The impact of recession can be seen affection all sector of the economy. One can notice that there are jobs losses ,loss of income and a tremendous increase in inflation. The problems are immense especially for the poor whos lives depend upon the daily earnings. The condition of poverty becomes more unimaginable when the earnings are less than 2\$ with fluctuations and erratic income. Thus, the present study is an ethnographic account of the Shia population, especially in this context the descendents of Nawabs in Lucknow, who are reeling under intense poverty and suffering as a result of living on pittance.

Case Study of Mohammad and Shaheena

Mohammad belonging to a family of Nawabs in Shahgunj was 37 when I met him and his wife Shaheena only 29, though their oldest son Iqbal was by then at least 14. They had three more children, all sons, and Shaheena was pregnant again and delivered her fifth

son midway through the research year ("No more!" she told us). Day by day, Mohammad and Shaheena focused on managing life on a dollar a day per head – and sometimes less. Their strategies, and those of other interviewees, are the subject of this chapter. I will see how their money management respond to the challenges of living on income that is both low and uncertain, and how doing so determines much of their financial lives.

It is not just the low value, but also the uncertain timing of their incomes that makes money management so important for poor households, and so it was for Mohammad and Shaheena. Institutions such as the United Nations and the World Bank usually focus on explaining why incomes, totaled over the year, are so low, and what can be done to raise them. But the unpredictable ups and downs of income are also an important part of what it is to be poor, and they cause many of the specific challenges faced by the households I came to know.

The low returns and uncertain availability of work opportunities lead households like Mohammad's to patch livelihoods together from different sources, each irregular and unpredictable. For a while, Mohammad, who generally pedaled a hired rickshaw. On good days, he earned Rs112.5 \$ 2.50. Most of the time, though, he pedaled a rickshaw – extremely demanding work that only the very fittest can do day after day. Mohammad, like most men of his age, found it too exhausting to do for more than four days a week. Even when he was working, his earnings fluctuated with weather conditions, political strife, harassment by the police, and simple good and bad luck.

Towards the end of the year, their teenage son, Iqbal, got a job in a garment factory at Rs 1215 (\$ 27) a month, Iqbal, who had never attended school regularly, then gave up scavenging for scrap materials for a dealer in their area. His younger brother Salauddin, 10 continued to rag-pick, and earned Rs 270 (\$ 6) in a good month. After the new baby was born, Shaheena returned to a job working as a maid, earning some Rs 450 (\$10) a month. Taken together, total house-hold income peaked at an average of Rs 141.3 (\$ 3.14) a day for the seven of them. In bad times, it fell as low as Rs 85.5 (\$ 1.90) a day.

Making these uncertain income flows deliver a stable home life was a constant preoccupation for Mohammad and Shaheena. Most of the time they succeeded. They never had to beg, but they did skip meals and the quality of their food varied. Sometimes I found them eating hot meals three times a day – mostly rice and lentils, sometimes a bit of fish, or, as a rare treat, beef. Usually, though, they ate twice, and in really bad times

just once a day. But at least they ate something every day, and it is a tribute to their resourcefulness that they managed that.

Mohammad and Shaheena and their family survived thanks in part to financial tools. In the year I spent with them, Mohammad and Shaheena did not, for example seek a "microcredit" loan to fund the expansion of a small business. True, Mohammad could have earned more if he owned his rickshaw rather than renting, and a loan would have hastened the purchase. But, as I show below, he had good reasons not to do so. Others looking at the couple's situation might instead stress the importance of helping people like them to save to build up meaningfully large assets. Borrowing and saving for the long term are indeed important to poor households, as later chapters show but long-term goals are not the primary financial concern of most households I met. Instead households like that of Mohammad and Shaheena borrowed and saved mostly to meet pressing short-term needs, their main objective was cash-flow management. Being able to manage immediate needs is a precondition for considering long-term ambitions – but the way that poor people achieve it has received scant attention from policymakers and others arguing for financial access for the poor.

The most basic objective for households like that of Mohammad and Shaheena is to make sure that there's food on the table every day, and not just on days when income flows in. The poor households I met actively employ financial tools not despite being poor but because they are poor. When it came to managing money, Mohammad and Shaheena put a premium on the flexibility and convenience of their financial tools, even though those tools are not always reliable. Their juggling reminds us that money is fungible – it can be split and combined in a number of ways.

Nawabs and Chikankari

There were other waged jobs and have one or more members of the household working in the Zardozi and Chikan karkhanas (workshops). Some nineteenth-century accounts suggest that Lucknow Chikan was not made by embroiderers for their personal use, but primarily, if not exclusively, for exchange. The differentiation of fine from cheap work was evident well over 100 years ago. William Hoey's account of northern Indian industries and George Watt's catalogue of the 1903 Delhi handicrafts exhibit some 20 years later allude to women (and children) as the makers of cheap work, meaning that all other workers, by default, must have been men. "Men appear to have made fine work in their karkhanas

(workshops), while women and children worked at home under their direction on cheap piece work, typically containing only one kind of stitch (as the cheapest work does today). Possibly, early female embroiderers were upper-class women whose families fell on hard times following the Uprising of 1857, although whether they were applying a skill previously adapted to use value production or only encountered embroidery as exchange value production is unknown." Fine work was made on a contract basis for an elite local clientele. Aristocratic men, ordering caps and angarkhas (long, embroidered coats) were important consumers of fine chikan" Sharar (1975).

Irregular and Low Incomes

With changing times both Chikankari and Zardozi artisans were affected by low incomes and seasonal variations in earnings. The diary sample here, shows the income of Nawabs who are involved in Zardozi (embroidery) as an occupation. I am highlighting Zardozi (embroidery) here for a simple fact that almost all the households had at least one member who was involved in Zardozi (embroidery).

The family needs for food, shelter, education of their children and health concerns are all taken care of from whatever is earned on a weekly basis. Either the Zardozi are self employed or they are Karigar at a certain Karkhana. The Nafri (wage) is very low which ranges between Rs 110 to Rs.140 for 8 hours of work. Being self employed, the Zardozi brings work from local boutiques or Offices (who bag orders from exporters and showrooms in metros). These Offices are sometimes run by a Karkhandar (person who employs wage labourers in his Karkhana for Zardozi, at a certain Nafri (daily wage). As the orders are huge, they in turn distribute the work to their Branches (group of Zardozi working for a particular Karkhandar). But these days, in local Zardozi parlance, the term Office refers to a place for getting the work, and the person distributing the work to the Zardozi, might not be a Karkhandar himself.

The distribution of work is based on the work skills of the Zardozi concerned and their interpersonal understandings. The Office makes sure that the self employed Zardozi embroidering a piece of cloth does it at the lowest possible Nafri. It is at the time of negotiations that the cloth and design in the form of a printed picture or a Khaka is given to the Zardozi, who then tries to quantify the number of Nafri which will be needed in order to prepare the piece of cloth. The rates are then decided at that moment, but the dilemma remains that the Nafri might exceed the amount negotiated with the Office,

which happens quite often. Many a times the Office rejects the completed piece of cloth in case housefly excreta or discoloration of threads is spotted at the time of delivery. The Zardoz is helpless as he has to keep the completed Nag (rejected embroidered piece) with himself and has to pay the Nafri from his own purse to all those Zardozi Karigars employed during the completion of the embroidered piece. The Office in turn cuts the cost of the cloth from the payment amount kept as dues. These dues guard the Office against losses which could incur due to the discoloration or any other patches which reduces the quality of the completed fabric.

Syed Sajid Husain (50) a self employed Zardoz works in his own Karkhana, along with his two sons- Shahzade, (21) and Raja (10). Sajid tries to give insights into the intricacies and work principles involved in Zardozi and reasons as to why the Zardoz are not able to get the work directly from the metro cities and shops, and have to depend upon the Offices for work.

A few voices have been raised during the last couple of years to increase the Nafri, but to no avail. The government has turned a blind eye to the demands of this poor artisan class.

Seasonal Earnings of Nawab Households attached to Zardozi

The average income for a household in Shahgunj (Fig.1) during the *Madda (Lean Earning Period)* and *Season (High Earning Period)* this year was Rs 2582.98 (\$53.79) and Rs 6150.73 (\$128.13) respectively, while

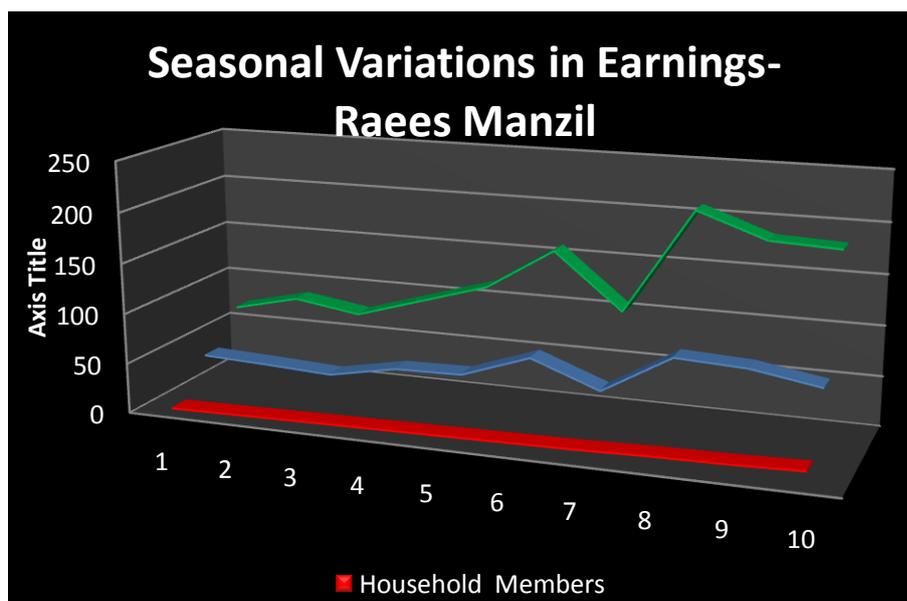


Figure.1 Seasonal household variations in US Dollar -Shahgunj

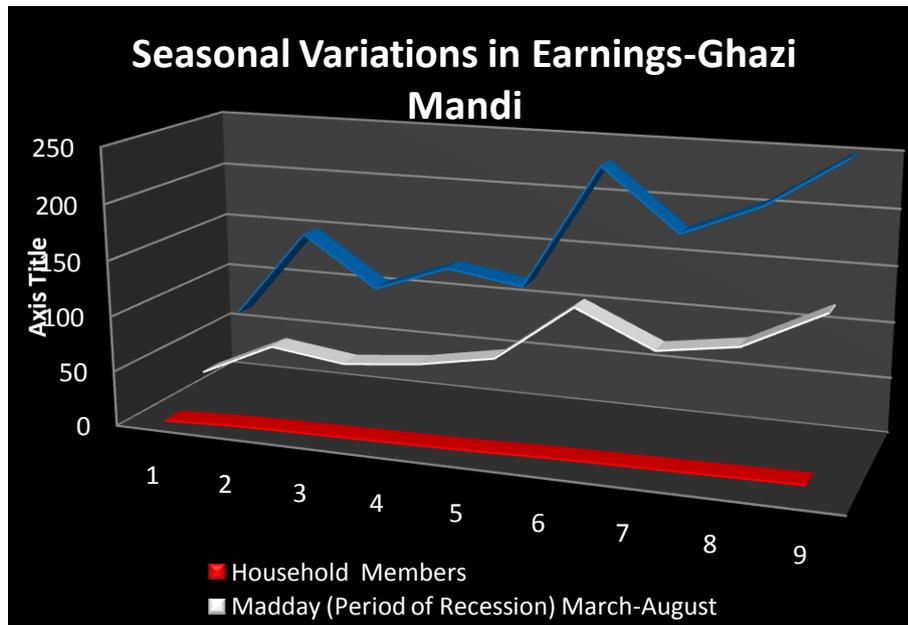


Figure 2. Seasonal household variations in earnings-Ghazi Mandi that of Ghazi Mandi (Fig. 2) area during the Madda was Rs 3762.40 (\$78.39) while Rs7567.77 (\$157.66) in the Season.

These averages don't show the true picture of earnings because these are not individual earnings per month, but an average of a composite aggregate of all the household members working on Zardozi.

Small Scale lending and Borrowing

To manage day to day, the households patched and stretched their savings and their loans, a strategy that was called into play whenever an employer failed to pay on time, a spell of unemployment hit, or a visitor suddenly arrived, to name just a handful of reasons. Perhaps because saving is something that an individual or a household can do without involving others, virtually every household saved. For example, not a single one of the 60 households, even the very poorest, was without some form of do it yourself saving. And yet for none of these households was saving-at-home a sufficient strategy: all of them had to turn to others in their community to bolster their capacity to manage their money. So while saving was the most ubiquitous instrument, much more cash food through loans, when I looked at all withdrawals from saving and loans taken by the households, including the very smallest transactions of each type, loans outnumbered savings withdrawals by four to one.

Overwhelmingly, the loans were taken locally, in the "informal market". 88 percent of all borrowing deals were informal, a figure that climbs to 92 percent for the poorest part of the sample.

While moneylenders loom large as lenders of last resort, charging fees that can stretch the capacities of borrowers, informal-sector borrowing usually means paying zero interest, and in general the smaller the sum the more likely is to be the case.

After home savings, interest free borrowings was by far the most frequently used financial instrument in all three countries. It complements rather than contrasts with the households' attempts to save at home, because interest free borrowing and lending is in essence a way of harnessing the savings power of a neighbourhood or family network to address the cash-flow problems of its individual members. To tap into this network the diary households needed to be part of it: the portfolios of the poor are thus portfolios of transactions and relationships. Better-off people might manage money on an everyday basis with a credit card. For the poor households in our study, the main strategy was to turn to each other, using one-on-one lending and borrowing between friends, family, and neighbours.

These interest free borrowings and lendings were ubiquitous among all the households. Interest free borrowing and interest free lending relate to each other in interesting ways. Often there is an understanding that the borrower will return the favor and lend when the need arises: I call this "reciprocal" lending and borrowing. In other cases, the borrowing flows one way and the creditor in one deal is unlikely to become the debtor in the next: this might be called "obligatory" lending since it depends on the lender's sense that he or she is obliged to help out the borrower with a loan. "Obligatory" lending appears to be common in where there are many fewer reports of interest-free lending by the diary households themselves than of interest-free borrowing. This suggests that many poor people go to wealthier people (people outside the range of our enquiry) for such loans – better off family members or employers, for example, who feel some sense of responsibility to help out.

Conclusion

Stark realities emerge from this research and that has always bewildered me for several reasons- the foremost being how people are able to survive with such low incomes. One of the biggest challenges of living on two dollar a day is that it doesn't always come, which

makes it impossible to plan out future expenditure and calculate one's own capacity to save or repay. My concern remains with how these Nawabs will be able to meet the challenges which the world will be posing for them in the near future? Expenses are mounting, inflation in India is unstoppable and showing an upward trend, education and health remains unattended due to a poor household economy.

From my conversations with the Nawabs they have an urge to move forward and free themselves from the clutches of the *Offices/Boutiques/Shops* who, with their corrupt practices, are pushing them over the edge. They believe there is nothing wrong with the profession, but traditionally, the way the Nawabs are victimized by a handful of middle men who have controlled their access to markets, dictated business terms, and siphoned off profits, creates images in their minds which are full of misery filled with an intense feeling to shun this occupation. There have been instances where the Nawabs have requested me to look for alternative jobs, so that at least the younger generation can move out and earn without being crushed on a daily basis for a few bucks.

They are fighting a lone battle for their families but they need help in order to educate their children and give them a better life which is free from corruption and erratic in earnings.

Although the Nawab households are under intense pressure to earn night and day, each member does his bit which keeps them far from hand to mouth. They remain close to their neighbours helping them when emergencies strike, but when bringing designs and orders from the Office they tend to hide it even from their closest friend- for now it is their livelihood at stake. Reducing the plight of these poor Nawabs will require access to alternative jobs and they need to learn skills which they can apply when they have no work. A steady economic foundation is the need of the hour, along with helping them save money through instruments that are safe and easy to use. The lack of financial literacy remains a concern for them.

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