

Indebtedness of the farmers among different categories in Etawah district

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Abstract

The study was conducted in Etawah district of Uttar Pradesh and 240 respondents, representing 2 blocks and 8 villages of the district constituted the study sample. The main objective of this study was examine the causes of indebtedness of the farmers among different castes. The correlation between upper and middle caste, middle and lower caste 0.62, 0.81 were significant at the level of 0.05 probability. The upper and middle caste, middle and lower caste were similar opinion, upper and lower were differed in their perception regarding the seriousness causes of indebtedness.

Key words: Indebtedness, borrower farmers, castes, causes of indebtedness.

Introduction

Rural indebtedness has long been one of the most pressing problems of India. Rural people have been under heavy indebtedness of the village money lenders and sahuikars. The burden of this debt has been passed on from generation to generation as much as the principal interest went on increasing, for the most of the debt has been unproductive. According to wolf "The country has been in the grip of Mahajas. It is the bend of debt that has shocked agriculture."

The question of indebtedness in the context of rural India has always been viewed as a problem rather than a harbinger of prosperity. This has been so primarily due to the preponderance of the deficit nature of rural family budget especially in case of agriculturists possessing small holdings and all other having poor means of income. The vagaries of weather, the small and uneconomic size of land holdings, a high rate of illiteracy, the mounting burden of old debt awaiting repayment the extravagant unproductive spending on marriages and social ceremonies are some of the important factors responsible for the gravity of the problem of rural indebtedness prevailing at the time. Indebtedness is a sin when incurred disproportionately to ones repaying capacity and is not put to productive use in right manner. Keeping these facts in view, a study was conducted to investigate causes of

indebtedness of the farmers among different caste categories.

Methodology

The present study was conducted in purposively selected district Etawah, Uttar Pradesh. There were eight blocks in district out of which two blocks Barpura and Mahewa were selected randomly. Further, four villages from each block were also selected randomly. Thus in all eight villages from two blocks of Etawah district were selected for the study. For the selection of respondents a list of bank borrower was prepared and 240 respondents were selected randomly from 680 borrowers. The structured interview schedule was used for collecting data from respondents. The data were analyzed and interpreted by using statistics like percentage, mean score, rank order and correlation coefficient.

Results and discussion

It is evident from table 1 that, about 46.00 percent of the respondents were from middle age group followed by young age and old age group while 71.25 percent were literate. Half of the respondents were belonged to upper caste followed by middle and lower respectively. Majority of respondents were from Hindus regarding the size of land holdings, majority of the respondents 67.50 per cent had small land holdings.

Table 1: Socio-Economic characteristics of respondents
N = 240

S.No.	Variables	Frequency	Percentage
1.	Age		
	Young	25	14.58
	Middle	110	45.83
	Old	95	39.58
2.	Education		
	Illiterate	69	28.75
	Literate	171	71.25
3.	Caste		
	Upper	126	52.50
	Middle	73	30.42
	Lower	41	17.08
4.	Religion		
	Hindu	235	97.92
	Muslim	5	2.08
5.	Land holding size		
	Small	162	67.50
	Medium	68	28.33
	Large	10	4.17
6.	Annual Income		
	Low	6	2.50
	Medium	181	75.42
	High	53	22.08
7.	Occupation		
	Agriculture	179	75.58
	Agriculture with labour	4	1.67
	Agriculture with service	10	4.17
	Agriculture with business	47	19.58
8.	Family Type		
	Nuclear	104	43.33
	Joint	136	56.67
9.	Family size		
	Small (<5)	93	38.75
	Large (>5)	147	61.25

In case of annual income majority of the respondents were from middle 75.42 per cent income group while occupation 75.58 per cent of respondents were farming. A sizable of the respondents 56.67 per cent belonged to joint family system and their family size was large.

Thus the findings indicate that the respondents have fairly satisfactory economic status as majority

of them were engaged in one or the other occupation besides agriculture.

It is apparent from the table 2 that causes of indebtedness elicited from different castes. The most important cause of indebtedness was inadequate and not in time disbursement of loan by the farm credit agencies with mean score 2.08 and extravagant and improvident borrowing was the least serious with mean score 1.13. In case upper caste of farmer was the most serious cause of indebtedness 2.23, lack of marketing facilities and extravagant and improvident borrowing was the least serious with mean score 1.13. In case of upper caste of farmer was the most serious cause of indebtedness 2.23, lack of marketing facilities and extravagant and improvident borrowing was least serious with mean score 1.22. Further reported that middle caste farmers were most serious cause of indebtedness, inadequate and not in time disbursement of loan by the farm credit agencies with mean score 2.08 and extravagant and improvident borrowing was the least serious 1.06. In case of lower caste farmers were most serious and least serious with mean score 2.01 and 1.10 with similar causes of indebtedness as middle caste.

To find out the association between caste categories of farmers regarding causes of indebtedness spearman's rank order correlation was applied. The correlation between upper and middle caste, middle and lower caste 0.62, 0.81 were significant and upper and lower caste 0.36 were not significant at the level of 0.05 probability. It represents that upper and middle caste, middle and lower caste were similar opinion, upper and lower caste were differed in their perception regarding the seriousness causes of indebtedness.

Conclusion

It is concluded that inadequate and not in time disbursement of loan by farm credit agencies was the most serious cause of indebtedness another most serious cause was lack of marketing facilities. Thus, there is need to adequate and timely disbursement of loan by farm credit agencies for better utilization of credit by the farmers. Therefore effort should be made by the government to develop the marketing facilities for getting the proper price of farmer's products and control the indebtedness.

Table 2: Causes of indebtedness of the farmers among different categories

S. Causes of indebtedness No.	Upper caste N=126		Middle caste N=73		Lower caste N=41		Overall N=240	
	Mean Score	Rank	Mean score	Rank	Mean score	Rank	Mean score	Rank
1. Family illiteracy	1.82	7	1.98	4	1.68	8.5	1.82	6
2. Ignorance	1.86	6	2.05	2	1.94	4.5	1.95	3.5
3. High interest rate	1.48	11	1.48	10	1.71	7	1.56	10
4. Imbalance, adulterated, unorganised pricing of farmers product	1.96	4	1.92	5.5	1.96	3	1.95	3.5
5. Burden of traditional and ancestral debt	1.24	14	1.29	12	1.56	11	1.36	14
6. Improper use of loan by the farmers	1.76	8	1.92	5.5	1.94	4.5	1.87	5
7. Inadequate and not in time disbursal of loan by farm credit agencies	2.14	3	2.08	1	2.01	1	2.08	1
8. Crop failure	1.68	9	1.79	7	1.62	10	1.70	7
9. Various complicated norms	1.67	10	1.50	11	1.50	12	1.55	11
10. Defective method of charging interest	1.88	5	1.15	14	1.28	13	1.44	12
11. Lack of marketing facilities	2.23	1	1.60	9	1.15	14	1.66	8
12. Fragmentation of holdings	1.30	12	1.62	8	1.81	6	1.58	9
13. High cost of inputs	2.20	2	2.02	3	1.98	2	2.07	2
14. Risk in agriculture	1.27	13	1.28	13	1.68	8.5	1.41	13
15. Extravergent and improvident borrowing	1.22	15	1.06	15	1.10	15	1.13	15
	rs = 0.39 NS		rs = 0.81*		rs = 0.62*			

*Significant at 0.05% level of probability

NS - Non significant

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