

INDEBTEDNESS AMONG KONDA REDDY TRIBAL HOUSEHOLDS IN KHAMMAM DISTRICT OF TELANGANA

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ABSTRACT

The State of Telangana known for its rigorous implementation of economic reforms, and the spate of farmers' suicides since the latter half of the nineties provides compelling evidence to the prevalence of crisis in agriculture. The main objective of the study is to examine the magnitude; extent and structure of overall indebtedness position among the Konda Reddy households in Khammam district and identify the factors affecting their indebtedness. The paper suggests certain recommendations to improve the institutional agricultural credit system and to regularize and continuously monitor the functioning of non-institutional sources of finance.

Keywords: Indebtedness, Khammam, Konda Reddy, Telangana.

INTRODUCTION

Konda Reddy tribal people are economically poorest people in the belt comprising Telangana and Andhra Pradesh. They inhabit on the banks situated on either side of the river Godavari in the hilly and forest tracts of East and West Godavari and Khammam districts of Telangana. Their mother tongue is Telugu, and these people are recognized as a Primitive Tribal Group (PGTs). They are primarily shifting cultivators and largely depends on flora and fauna, bamboo collection of forest and prepare the bamboo mat, bamboo baskets to sell in the local markets for their livelihood. They collect and sell non –timber forest produce like tamarind, adda leaves, myrobolan, broomsticks, and bamboo, etc. They cultivate largely jowar, which is their staple food. They also grow ragi, red gram, bajra, beans, paddy and pulses, etc., to supplement their meager income. These people live below the poverty line. The primitive tribal people face many problems in handicrafts, agriculture, issue of financial assistance, forest produce collection and other. One of the main economic problems of the tribe is indebtedness. 67 per cent Konda Reddy households are indebted in the study area. Indebtedness is one of the biggest and most serious problems in the study area. Indebtedness is a significant obstacle for rural development. It is an indicator of the weak financial infrastructure of our country in the rural areas.

PROFILE OF THE STUDY AREA

Khammam district has the largest concentration of tribal population in Telangana. The district has Scheduled Tribes population of 5,58,958 which is about 13.24% of the total tribal population of the state. Out of the total 46 mandals, about 29 mandals are populated by tribal groups like Koyas, Lambadi and Konda Reddy and about 2 mandals are partially populated by tribes. Primitive Tribal Group (PGTs) Konda Reddy are highly concentrated in V.R.Puram mandal. There is hundred per cent Konda Reddy population in villages of Darapalle and Tekuluru.

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PROFILE OF THE DARAPALLE VILLAGE

Darapalle is a small village/hamlet in VR Puram mandal in Khammam District of Telangana. It comes under Darapalle Panchayath. It is located 146 km towards east from Khammam district headquarters. Darapalle is surrounded by Kunavaram mandal towards west, Velairpad mandal towards South, Vemsoor mandal towards South, and Kukkunur mandal towards west. Bhadrachalam, Manuguru, Kothagudem, Kovvur are the nearby cities to Darapalle. Total area of Darapalle is 65 hectares.

PROFILE OF THE TEKULURU VILLAGE

Tekuluru is a small village/hamlet in VR Puram mandal in Khammam District of Telangana. It comes under Tekuluru Panchayath. It is located 146 km towards east from Khammam district head quarters. Bhadrachalam, Manuguru, Kothagudem, Kovvur are the nearby cities to Tekuluru. Total area of Tekuluru is 324 hectares.

OBJECTIVES OF THE STUDY

- To examine the magnitude, extent and structure of indebtedness among tribal households in the study area.
- To bring into light the traditional money lending agencies.
- To identify the factors causing indebtedness among tribal and obtain their suggestion for improving their standard of living.

HYPOTHESES

- There is a positive correlation between the size of the household and the extent of the indebtedness.
- There is a positive correlation between the size of the landholding and the extent of the indebtedness.
- Purpose-wise distribution of indebted households for agricultural operations alone is more as compared to others purposes.

METHODOLOGY

Data Collection: This study is based on both primary and secondary sources of data collected from each household, relating to various parameters of social status and financial status, through well designed and structured questionnaire and interview. The required secondary data was also collected through books and various official reports; Articles published in different journals, various seminars and conference papers and, local collectorate office, ITDA, CESS, State level office reports etc.

Analytical Framework: To meet the set objectives of the present investigation, as far as possible, simple tables and averages have been used to present the findings of the study. Graphs have also been used.

Sample Size: In the present study, we have taken 50 sample respondents from each village selected randomly; making a total of 100 from this mandal.

Period of the Study: Survey of the study was conducted during the months of March to June 2014, and the study analysis was done during July-December, 2014.

FARMER WISE INCIDENCE OF INDEBTEDNESS AMONG KONDA REDDY HOUSEHOLDS IN KHAMMAM

Table 1: Darapally village Farmer- wise incidence of Indebtedness among tribal households in Khammam (Major source)

S. No	Source	Farmer wise(Amount in rupees)					
		Marginal1	Marginal II	Small 1	Small II	Other	Total
1	Landlords outstanding	0	0	0	0	0	0
2	Relations Outstanding	4600	1923	2647	2727	0	2460
3	Moneylenders Outstanding	0	1154	588	909	20000	2300
4	Cooperative Outstanding	0	0	0	2727	0	600
5	National Bank Outstanding	0	0	0	0	0	0
6	Dwacra outstanding	0	0	0	3636	0	800
7	Other Outstanding	0	0	0	0	0	0
8	Total	4600	3077	3235	10000	20000	6160

(Note: ≤ 1.5 acre = Marginal Farmers, 1.51 – 2.5 acre = Marginal 2 Farmers, 2.51 – 3.5 acre = Small 1 Farmers, 3.51 – 5 acre = Small 2 Farmers, 5.0 acre - \geq = Others Farmers)

Source: Field Data

The analysis too indicates a similar trend. On an average, each farmer household is indebted by an amount of Rs.6160. The indebtedness depends on different source in the study area. Here, there is a positive correlation between size of the land category and amount of indebtedness. Two types of Small farmers have four sources of the credit. As compared to this, Marginal 1 farmers households depends on relations credit source. Marginal 2 farmers households depends on relatives and moneylenders, Small 1 farmer households also depends on same sources. But Small 2 farmer households depends on relatives, moneylenders and cooperative, dwacra sources. According to analysis, large farmers depends only moneylenders source, and they pay high interest rates hence, fluctuations in agriculture returns will lead to more indebtedness among them.

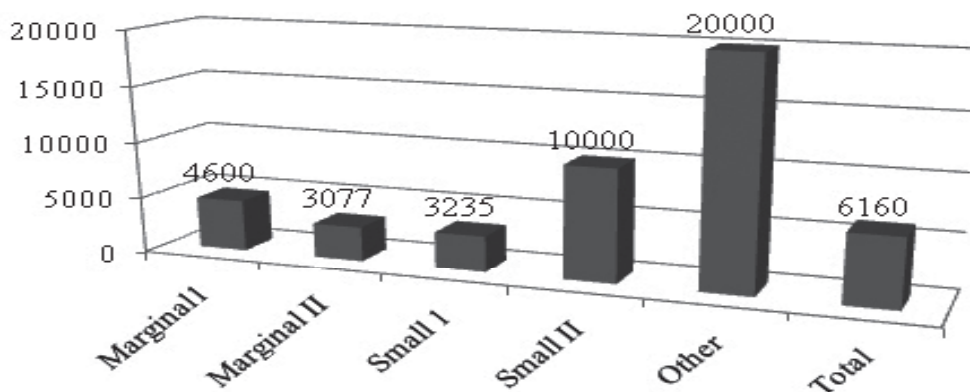


Figure: Farmer wise incidence of Indebtedness among tribal households in Darapalle village

(Note: ≤ 1.5 acre = Marginal Farmers, 1.51 – 2.5 acre = Marginal 2 Farmers, 2.51 – 3.5 acre = Small 1 Farmers, 3.51 – 5 acre = Small 2 Farmers, 5.0 acre - \geq = Others Farmers)

Source: Field Data

Thus, farmer-wise analysis indicates that informal sources are the major source of the finance for the farmers in Khammam district. There is a positive correlation between size of the land holding and outstanding loans. Konda Reddy farmers in Khammam district are more exposed to high cost credit, and informal credit source i.e., relations and moneylenders. Moneylenders are major sources for credit in the study area. They are paying high interest rates. Hence, fluctuations in agriculture returns will lead to more indebtedness. Analysis of the source of indebtedness suggest that at the farmer level, the average outstanding loan is in following order:relations(Rs.2460), moneylenders(Rs.2300), cooperative outstanding (Rs.600), and dwacra (Rs.800).

Table 2: Farmer wise incidence of Indebtedness among tribal households in Tekuluru village (Major source)

S. No	Source	Farmer wise					
		Marginal1	Marginal II	Small 1	Small II	Other	Total
1	Landlords outstanding	0	0	0	0	0	0
2	Relations Outstanding	5000	2200	1500	2267	2168	2180
3	Moneylenders Outstanding	5000	3400	6600	5200	4056	4880
4	Cooperative Outstanding	0	0	0	0	0	0
5	National Bank Outstanding	0	0	0	0	0	0
6	Dwacra outstanding	0	0	0	0	1111	400
7	Other Outstanding	0	0	0	0	0	0
8	Total	10000	5600	8100	7467	7333	7460

(Note: ≤ 1.5 acre = Marginal Farmers, 1.51 – 2.5 acre = Marginal 2 Farmers, 2.51 – 3.5 acre = Small 1 Farmers, 3.51 – 5 acre = Small2 Farmers, 5.0 acre ≥ = Others Farmers)

Source: Field Data

The average indebtedness in the study area amounts to Rs.7460 for the year 2012-13. The highest indebted farmers are Marginal 1 (Rs.10,000) followed by Small 1 farmers (Rs.8100), Small 2 farmers(Rs.7467), other farmers households (Rs.7333) and Marginal 2 farmers (Rs.5600). Relatives and moneylenders are the major source in the study area. Almost all farmer households depends on informal credit source and they pay high interest rates, hence fluctuations in agriculture returns will lead to more indebtedness.

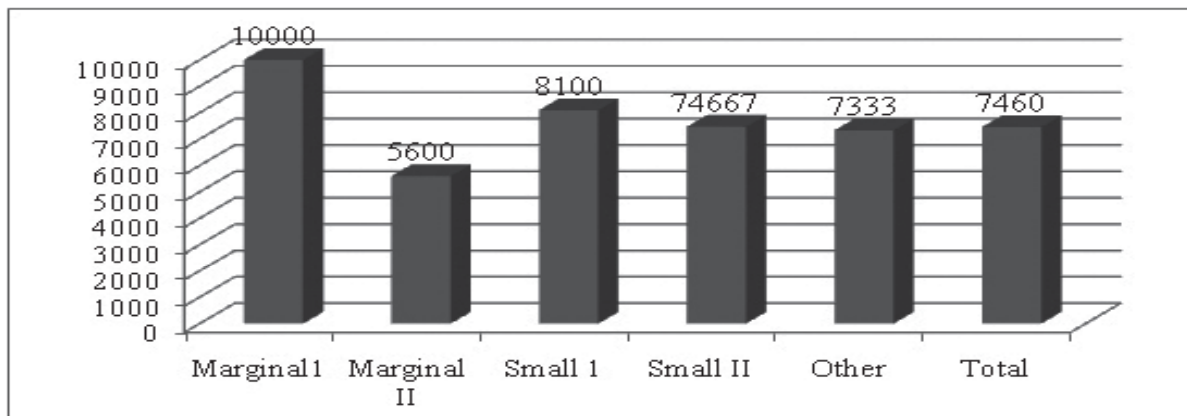


Figure 2: Farmer wise incidence of Indebtedness among tribal households in Tekuluru village

(Note: ≤ 1.5 acre = Marginal Farmers, 1.51 – 2.5 acre = Marginal 2 Farmers, 2.51 – 3.5 acre = Small 1 Farmers, 3.51 – 5 acre = Small2 Farmers, 5.0 acre ≥ = Others Farmers)

Source: Field Data

The data indicates that informal sources are the major source of the finance for the farmers in Khammam district. Konda Reddy farmers in Khammam district are more exposed to high cost credit, and informal credit source i.e. relations and moneylenders. At the farmer level, relations outstanding and moneylenders outstanding are the major source of the credit, accounting for an average of Rs.2180, followed by moneylenders at an average amount of Rs.4880. Similar trend was observed among households of all the other farmers' categories.

CONCLUSIONS AND SUGGESTIONS

It can be concluded from above analysis that 67 per cent of Konda Reddy farmer household in the sample area of Khammam are indebted and every farm size categories are equally indebted in percentage terms. The amount of indebtedness was higher in Tekuluru .

To improve the economic condition of farmers, following measure are suggested to tackle the situation:

- (i) Regularize and continuously monitor the functioning of non-institutional source of finance;
- (ii) Strengthen the functioning of cooperatives in the hill areas;
- (iii) Improve the functioning and lending procedure of the commercial banks;
- (iv) Implement the crop insurance scheme through ITDAs in agency areas;
- (v) Organize mass campaign against intoxicants and extravagant expenditure on social festivities.

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