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A study of defaulter and non-defaulter tribal households in Andhra Pradesh

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Abstract

The problem of indebtedness amongst tribals was not only an indication of their poverty but also reflects the wider economic malaise, i.e., lack of education, low purchasing/bargaining power and lack of resources for engaging in gainful activity and meeting emergent expenditure. The objective of the paper is to identify the factors responsible for defaulter and non-defaulter tribal households. Majority of the respondents were in the age group of 31-50 in both the regions. The literacy rate is marginally higher among non-defaulters (56.3) compared to defaulters (52.5) in Seethampeta opposite is true in case of Rampachodavaram such proportions are 51.3 and 60. A major proportion of them belong to cultivators. People with more than 10 years of membership is marginally higher in both the defaulters and non-defaulters categories in Seethampeta compared to Rampachodavaram. The average landholding size of defaulters in Seethampeta is 2.9 acres to that of 3.2 acres in Rampachodavaram. More than 41 per cent of the borrowers in Seethampeta come under wilful defaulters category and none expressed such reason in Rampachodavaram. Of the seven reasons for defaulting, five reasons had a lions' share among the defaulters in Seethampeta compared with Rampachodavaram.

Keywords: Age, education, ST loans, borrowings, defaulter, non-defaulter, cropping, GPCMS

Introduction

One of the major objectives of Indian planning is to achieve balanced development not only among different regions, but also among different sections of the society. It is a well-known fact that the tribal population in the country lies at the lowest rung of the ladder of socio-economic development, In spite of the emphasis given to tribal development in the successive plans, the results have not fully percolated into the tribal areas, and the tribal people remained backward both socially and economically.

The problem of indebtedness amongst tribals was not only an indication of their poverty but also reflects the wider economic malaise, i.e., lack of education, low purchasing/bargaining power and lack of resources for engaging in gainful activity and meeting emergent expenditure. As this problem continues, the menace of indebtedness pushes the tribals further into extreme conditions of poverty and forces them to dispense with their meager resources to pay off the loans at exorbitant rates of interest. The problem of tribal indebtedness often got aggravated and compounded with the Government subsidy-cum-loan schemes.

The incidence of indebtedness among agricultural households is observed that households having bigger land size carry a higher debt burden as compared to the ones with lower land size classes. Incidence of indebtedness is higher in agriculturally advanced states such as Andhra Pradesh, Punjab and Karnataka than in the less advanced states such as Bihar, Uttar Pradesh and Odisha. This is mainly because in these states Bihar, Uttar Pradesh and Odisha availability of agricultural credit per hectare of net sown area is very low compared to the national average in terms of incidence of indebtedness. Agricultural households of Punjab, Uttar Pradesh, Andhra Pradesh, West Bengal, Karnataka, Odisha and Rajasthan have greater indebtedness than other selected states of India. (Maurya, SK and Vishwakarma, N, 2021) [2]. All India Debt Investment Survey (AIDIS, 70th round National Sample Survey Office (NSSO) survey) in 2013 (GOI 2013) found that incidence of indebtedness among the rural cultivators had almost reached the level of pre-bank nationalization period of 1960.

At the national level, 46 per cent of the cultivators and 29 per cent of non-cultivator households were indebted. Share of credit to farmers from money lenders has actually increased to 29.6 per cent in 2013. The money lenders' hand has been strengthened in the rural areas mainly due to the apathy of the public sector banks to disburse the small ticket credit to small and marginal peasants (Pathak A 2020) [1]. The main reason for the tribal household's indebtedness is their budget deficit which prompts them to go for loans to fill up this deficit to meet their needs. About 94 per cent of the tribal in Keonjhar are dependent on farming, 46 per cent of them get their income from wages which implies their dependence on others' land for earning their income. Study found that the Doms paid them only a single bottle of wine for a lease of fruit bearing orange trees worth ₹1500 or 6 jack fruit trees yielding fruits of the same value for years. The tribal are forced to approach the private lenders to meet their consumption expenditures and lavish spending on social customs and rituals, addiction of intoxicants, health care needs etc being the major ones besides others. Many of them were found to be engaged as bonded labour on their own land which is now in the possession of the money lenders Sanjeeta K. Devi and Swapnamoyee P Palit (2019) [3]. The awareness levels of tribal people with respect to various financial products and services" and their ability to select the appropriate one in the Wayanad district among the tribal people. It was significantly different (at 5 per cent level) in all the fifteen variables of IFI between rural and urban tribes Ramanujam, V and V.R. Dhanyamol (2019) [4]. Chi-square test reveals that there is no significant difference among tribe communities in respect of having bank accounts. Literature on financial exclusion/banking exclusion suggests five factors viz. Price exclusion, marketing exclusion, condition exclusion, access exclusion, self-exclusion and Geographical exclusion that could lead to financial/banking exclusion. Only 10.5 per cent of tribes have reported that they opened accounts following pressure from banks. The study concludes that there is significant difference among tribal communities as far as the factors that influence them to open accounts are concerned Pradeep Kumar, B (2015) [5].

Andhra Pradesh is one of the major states with predominant tribal population accounting for 5.33 per cent of the total population, as per the 2011 Census. The tribal unrest in Andhra Pradesh attracted the attention of academics to reflect on tribal indebtedness. The main objective of the paper is to compare the defaulter and non-defaulter tribal households in Rampachodavaram and Seethampeta mandals. The study has been chosen two mandals viz., Rampachodavaram in East Godavari district and Seethampeta in Srikakulam district of Andhra Pradesh. A total of 160 samples were collected each from Seethampeta and Rampachodavaram mandals to conduct the study on financing of tribal agriculture through Girijan Primary Co-operative Marketing Societies (GPCMS) in Andhra Pradesh. Of the total samples, 80 samples each were defaulters and non-defaulters in both mandals. The reference period of the study was August-November, 2020.

Age Group

In Seethampeta mandal, the highest defaulting age group is 41-50 years with a weightage of 37.5 per cent, the second most defaulting age group is 31-40 years with 33.8 per cent. The lowest defaulting age group is 60 plus years where the weightage is 2.5 per cent. The weightage among other age groups was 15.0 per cent for below 30 years, 11.3 per cent for 51-60 years. Such share for non-defaulters stood at 40.0 per cent for 41-50 years, 23.7 per cent for 31-40 years, 18.7 per cent for below 30 years, 13.8 per cent for 51-60 years and 3.8 per cent for above 60 years. Of the total samples collected amongst defaulters in Rampachodavaram, 46.2 per cent were from 31-40 years, 26.3 per cent from 41-50 years, 16.3 per cent from 51-60 years, 10.0 per cent from below 30 years and 1.2 per cent above 60 years. Among the non-defaulters, such share remained at 42.5 per cent for 31-40 years age group, 32.5 per cent for 41-50 years, 12.5 per cent for below 30 years, 11.2 per cent for 51-60 years and 1.2 per cent for above 60 years. The details of age wise distribution in both the regions are presented in Table 1. It is observed that age group 41-50 has the highest concentration of both defaulters (37.5%) and non-defaulters (40%) in Seethampeta while in Rampachodavaram such proportions are 46.2 and 42.5 per cent in age group of 31-40 respectively among defaulters and non-defaulters

Table 1: Age group of the defaulter and non-defaulter households in the two regions

| Si. No. | Age Group | Seethampeta | | | | Rampachodavaram | | | |
|---------|-----------|-------------|-------|----------------|-------|-----------------|-------|----------------|-------|
| | | Defaulters | | Non-Defaulters | | Defaulters | | Non-Defaulters | |
| | | No. | % | No. | % | No. | % | No. | % |
| 1 | Below 30 | 12 | 15.0 | 15 | 18.7 | 8 | 10.0 | 10 | 12.5 |
| 2 | 31-40 | 27 | 33.8 | 19 | 23.7 | 37 | 46.2 | 34 | 42.5 |
| 3 | 41-50 | 30 | 37.5 | 32 | 40.0 | 21 | 26.3 | 26 | 32.5 |
| 4 | 51-60 | 9 | 11.2 | 11 | 13.8 | 13 | 16.3 | 9 | 11.3 |
| 5 | Above 60 | 2 | 2.5 | 3 | 3.8 | 1 | 1.2 | 1 | 1.2 |
| | Total | 80 | 100.0 | 80 | 100.0 | 80 | 100.0 | 80 | 100.0 |

Source: Field Survey

Caste Category

Table 2 presents the data of defaulters and non-defaulters by caste category in study area. In Seethampeta, the share of Jatapu and Savara castes among both defaulter and non-defaulters stood at 62.5 per cent and 37.5 per cent respectively. In Rampachodavaram, Konda Dora has the highest defaulter and non-defaulter ratio of 35 per cent each. The ratio of defaulters and non-defaulters stood equal for all

other castes with 27.5 per cent for Konda Reddy, 15 per cent for KondaKapu, 12.5 per cent for Konda Kammari and Valmiki (10%) in Rampachodavaram. There are different castes across the two sample areas. More than 62 per cent of defaulters and non-defaulters belongs to Jatapu in Seethampeta. Konda Dora and konda Reddy are the major castes in Rampachodavaram.

Table 2: Caste category of the defaulter and non-defaulter households in the two regions

| S. No. | Caste | Seethampeta | | | | Rampachodavaram | | | |
|--------|--------------|-------------|-------|----------------|-------|-----------------|-------|----------------|-------|
| | | Defaulters | | Non-Defaulters | | Defaulters | | Non-Defaulters | |
| | | No. | % | No. | % | No. | % | No. | % |
| 1 | Jatapu | 50 | 62.5 | 50 | 62.5 | - | - | - | - |
| 2 | Savara | 30 | 37.5 | 30 | 37.5 | - | - | - | - |
| 3 | Konda Dora | - | - | - | - | 28 | 35.0 | 28 | 35.0 |
| 4 | Konda Reddy | - | - | - | - | 22 | 27.5 | 22 | 27.5 |
| 5 | KondaKapu | - | - | - | - | 12 | 15.0 | 12 | 15.0 |
| 6 | Valmaki | - | - | - | - | 8 | 10.0 | 8 | 10.0 |
| 7 | KondaKammari | - | - | - | - | 10 | 12.5 | 10 | 12.5 |
| | Total | 80 | 100.0 | 80 | 100.0 | 80 | 100.0 | 80 | 100.0 |

Source: As ex ante

Educational Status

The sample characteristics for defaulters and non-defaulters by education category is presented in Table 3. Most of the defaulters and non-defaulters belong to the literate group in both the regions. According to the data, 52.5 per cent of the defaulters in Seethampeta were literate, followed by 40.0 per cent illiterate and 7.5 per cent with primary education. In Rampachodavaram, 60.0 per cent of the defaulters were literate followed by 38.8 per cent illiterate and 1.2 per cent with primary education. Amongst non-defaulters too, the share remains almost similar. In Seethampeta, a total of 56.3 per

cent non-defaulters were literate followed by 33.7 per cent illiterate and 10.0 per cent with primary education. Such share for non-defaulters in Rampachodavaram remained at 51.3 per cent for literate, 36.3 per cent for illiterate and 12.4 per cent with primary education. Across the two regions, the literacy rate is marginally higher among non-defaulters (56.3) compared to defaulters (52.5) in Seethampeta opposite is true in case of Rampachodavaram such proportions are 51.3 and 60.

Table 3: Educational status of the defaulter and non-defaulter households in the two regions

| Si. No. | Educational Status | Seethampeta | | | | Rampachodavaram | | | |
|---------|--------------------|-------------|-------|----------------|-------|-----------------|-------|----------------|-------|
| | | Defaulters | | Non-Defaulters | | Defaulters | | Non-Defaulters | |
| | | No. | % | No. | % | No. | % | No. | % |
| 1 | Illiterate | 32 | 40.0 | 27 | 33.7 | 31 | 38.8 | 29 | 36.3 |
| 2 | Literate | 42 | 52.5 | 45 | 56.3 | 48 | 60.0 | 41 | 51.3 |
| 3 | Primary | 6 | 7.5 | 8 | 10.0 | 1 | 1.2 | 10 | 12.4 |
| | Total | 80 | 100.0 | 80 | 100.0 | 80 | 100.0 | 80 | 100.0 |

Source: As ex ante

Occupation

An analysis of occupation of the respondents show that most are cultivators and agricultural labour. Table 4 shows that among the defaulters in Seethampeta 56.3 per cent were cultivators, 41.3 per cent were agricultural labour and 2.4 per cent were in non-agriculture labour. Among the non-defaulters in Seethampeta 52.4 per cent were cultivators, 46.3 per cent were agricultural labor and 1.3 per cent are non-agricultural labour. Among defaulters in Rampachodavaram, 61.2 per cent were from cultivators and 38.8 per cent from agricultural labour. Such share for non-defaulters in

Rampachodavaram stood at 57.4 per cent for cultivators, 41.3 per cent for agricultural labour and 1.3 per cent for non-agriculture. This clearly shows that a major proportion of the defaulters are the cultivators in both the sample mandals while Rampachodavaram has slightly higher proportion compared to Seethampeta (61.2 to 56.3). Exactly the same kind of trend is found among the non-defaulters. In the agricultural labour households, both defaulters and non-defaulters are more in Seethampeta compared to Rampachodavaram.

Table 4: Occupation of the defaulter and non-defaulter households in the two regions

| Occupation | Seethampeta | | | | Rampachodavaram | | | |
|---------------------|-------------|-------|----------------|-------|-----------------|-------|----------------|-------|
| | Defaulters | | Non-Defaulters | | Defaulters | | Non-Defaulters | |
| | No. | % | No. | % | No. | % | No. | % |
| Cultivators | 45 | 56.3 | 42 | 52.4 | 49 | 61.2 | 46 | 57.4 |
| Agricultural Labour | 33 | 41.3 | 37 | 46.3 | 31 | 38.8 | 33 | 41.3 |
| Non-Agrl. Labour | 2 | 2.4 | 1 | 1.3 | 0 | 0.0 | 1 | 1.3 |
| Total | 80 | 100.0 | 80 | 100.0 | 80 | 100.0 | 80 | 100.0 |

Source: As ex ante

Type of House

Table 5 gives the data on the types of houses of the sample respondents in the study area. The data reveals that more number of people live in semi-pucca houses in both the mandals, followed by those living in pucca houses and kutchha houses. Another interesting observation is that highest number of non-defaulters in both the mandals live in semi-pucca houses (Seethampeta: 50 and

Rampachodavaram: 45 per cent). At the same time highest number of defaulters also live in the semi-pucca houses in both the sample mandals (Seethampeta: 45 and Rampachodavaram: 43.2 per cent). The share of those staying in kutchha house is 25.0 per cent for defaulters and 22.5 per cent for non-defaulters in Seethampeta. The composition of defaulters in Rampachodavaram remained at 19.8 per cent for kutchha, 43.2 per cent for semi-pucca and

37 per cent for pucca house. Such share for non-defaulters in Rampachodavaram stood at 18.8 for kutcha, 45 for semi pucca and 36.2 for pucca houses. The analysis clearly shows that more than two thirds of the households in both the

mandals live in kutcha or semi-pucca houses which reflects on their economic status. This shows that there is a need to construct pucca houses through housing schemes implemented by the Government.

Table 5: Type of House of the defaulter and non-defaulter households in the two regions

| S. No. | Type of House | Seethampeta | | | | Rampachodavaram | | | |
|--------|---------------|-------------|-------|----------------|-------|-----------------|-------|----------------|-------|
| | | Defaulters | | Non-Defaulters | | Defaulters | | Non-Defaulters | |
| | | No. | % | No. | % | No. | % | No. | % |
| 1 | Kutcha | 20 | 25.0 | 18 | 22.5 | 16 | 19.8 | 15 | 18.8 |
| 2 | Semi Pucca | 36 | 45.0 | 40 | 50.0 | 35 | 43.2 | 36 | 45.0 |
| 3 | Pucca | 24 | 30.0 | 22 | 27.5 | 30 | 37.0 | 29 | 36.2 |
| | Total | 80 | 100.0 | 80 | 100.0 | 80 | 100.0 | 80 | 100.0 |

Source: As ex ante

Number of Workers

The number of workers in defaulter and non-defaulter households in the two regions is presented in Table 6. According to the data, majority of the households in both the regions (Seethampeta and Rampachodavaram) for both defaulters and non-defaulters have two to three workers in their household. The field data shows that 42.5 per cent and 47.5 per cent of the defaulters have two and three workers

each respectively in their family. For non-defaulters the corresponding percentages were 43.7 (two workers) and 38.8 (three workers). There is a similar trend for both defaulters and non-defaulters in Rampachodavaram mandal. The average number of workers slightly higher for defaulters at 2.5, and 2.4 for non-defaulters in Seethampeta and such figures were 2.4 and 2.2 respectively in Rampachodavaram.

Table 6: Number of workers in defaulter and non-defaulter households in the two regions

| S. No. | Number of Workers | Seethampeta | | | | Rampachodavaram | | | |
|--------|------------------------|-------------|-------|----------------|-------|-----------------|-------|----------------|-------|
| | | Defaulters | | Non-Defaulters | | Defaulters | | Non-Defaulters | |
| | | No. | % | No. | % | No. | % | No. | % |
| 1 | One | 4 | 5.0 | 9 | 11.2 | 7 | 8.8 | 17 | 21.3 |
| 2 | Two | 34 | 42.5 | 35 | 43.7 | 37 | 46.3 | 34 | 42.5 |
| 3 | Three | 38 | 47.5 | 31 | 38.8 | 35 | 43.7 | 27 | 33.8 |
| 4 | Four & Above | 4 | 5.0 | 5 | 6.3 | 1 | 1.2 | 2 | 2.4 |
| | Total | 80 | 100.0 | 80 | 100.0 | 80 | 100.0 | 80 | 100.0 |
| | Average No. of Workers | 2.5 | | 2.4 | | 2.4 | | 2.2 | |

Source: As ex ante

Membership in GPCMS

Table 7 gives the data on the membership in GPCMS of defaulters and non-defaulters in the two regions. About 52.5 per cent of defaulters have membership of GPCMS for more than seven years while 47.5 per cent of the non-defaulters have similar standing in Seethampeta. In Rampachodavaram the corresponding figures for defaulters and non-defaulters

were 42.5 and 38.8 per cent respectively. People with more than 10 years of membership is marginally higher in both the defaulters and non-defaulters categories in Seethampeta compared to Rampachodavaram and less than four years of membership experience with GPCMS is lower among two categories in Seethampeta than that of Rampachodavaram.

Table 7: Membership in GPCMS of the defaulter and non-defaulter households in the two regions

| Membership in Years | Seethampeta | | | | Rampachodavaram | | | |
|---------------------|-------------|-------|----------------|-------|-----------------|-------|----------------|-------|
| | Defaulters | | Non-Defaulters | | Defaulters | | Non-Defaulters | |
| | No. | % | No. | % | No. | % | No. | % |
| ≤ 4 | 13 | 16.2 | 10 | 12.5 | 14 | 17.5 | 23 | 28.7 |
| 5 | 10 | 12.5 | 16 | 20.0 | 18 | 22.5 | 13 | 16.2 |
| 6 | 9 | 11.3 | 11 | 13.8 | 12 | 15.0 | 10 | 12.5 |
| 7 | 12 | 15.0 | 13 | 16.2 | 10 | 12.5 | 9 | 11.3 |
| 8 | 16 | 20.0 | 15 | 18.8 | 13 | 16.2 | 15 | 18.8 |
| 9 | 14 | 17.5 | 10 | 12.5 | 11 | 13.8 | 7 | 8.7 |
| 10 & Above | 6 | 7.5 | 5 | 6.2 | 2 | 2.5 | 3 | 3.8 |
| Total | 80 | 100.0 | 80 | 100.0 | 80 | 100.0 | 80 | 100.0 |

Source: As ex ante

Landholding Particulars

Table 8 shows the landholding particulars of the defaulters and non-defaulters in the selected sample region. The data on landholdings reveal that 35 per cent (largest group) in Seethampeta and 48.8 per cent (largest group) in Rampachodavaram of the defaulters were having a landholding of the size of 3 acres. This is closely followed by 32.5 and 27.5 per cent of the defaulters having 2 acres of

landholding in Seethampeta and Rampachodavaram respectively. Among non-defaulters, 43.8 per cent in Rampachodavaram has 3 acres while in Seethampeta 38.8 per cent of the non-defaulters are having a landholding of only 2 acres. In both the sample mandals, the highest concentration of defaulters is found in the 3 acre landholdings. The average landholding size of defaulters in Seethampeta is 2.9 acres to that of 3.2 acres in

Rampachodavaram. Similarly among the non-defaulters also the Rampachodavaram tribal households has slightly larger average landholding (2.8 acres) to those in Seethampeta (2.5

acres). In the whole of the sample regions, there is no wet land, as expected because of the hilly terrain where the tribe people live.

Table 8: Landholding particulars of the defaulter and non-defaulter households in the two regions

| Size of Landholding (in Acre) | Seethampeta | | | | Rampachodavaram | | | |
|----------------------------------|-------------|-------|----------------|-------|-----------------|-------|----------------|-------|
| | Defaulters | | Non-Defaulters | | Defaulters | | Non-Defaulters | |
| | No. | % | No. | % | No. | % | No. | % |
| < 1 | 10 | 12.5 | 13 | 16.2 | 5 | 6.2 | 9 | 11.2 |
| 2 | 26 | 32.5 | 31 | 38.8 | 22 | 27.5 | 27 | 33.8 |
| 3 | 28 | 35.0 | 25 | 31.2 | 39 | 48.8 | 35 | 43.8 |
| 4 & above | 16 | 20.0 | 11 | 13.8 | 14 | 17.5 | 9 | 11.2 |
| Total | 80 | 100.0 | 80 | 100.0 | 80 | 100.0 | 80 | 100.0 |
| Type of Land (in Acre) | | | | | | | | |
| Dry Land | 232 | 100.0 | 200 | 100.0 | 256 | 100.0 | 224 | 100.0 |
| Wet Land | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total | 232 | 100.0 | 200 | 100.0 | 256 | 100.0 | 224 | 100.0 |
| Average Land | 2.9 | | 2.5 | | 3.2 | | 2.8 | |

Source: As ex ante

Cropping Pattern

Table 9 provides an explanation of the cropping patterns of defaulters and non-defaulters in the sample areas. Paddy, cashew and red gram are the three top crops cultivated by defaulters in Seethampeta. The share of these three crops is 24.1 per cent, 20.7 per cent and 10.3 per cent respectively. The non-defaulters in Seethampeta follow a different pattern as paddy; red gram and ragi are the three prioritized crops with a share of 31.2, 12.4 and 10.0 per cent respectively. The top choice for crops for both defaulters and non-defaulters is paddy for Rampachodavaram. There share is

32.8 and 31.4 per cent respectively. The other preferred crops are cashew and ragi in the region. The average cropped areas for defaulters and non-defaulters are 2.90 acres and 2.50 acres in Seethampeta and 3.2 acres and 2.8 acres in Rampachodavaram. Paddy is the major crop in both areas, about 33 and 31 per cent of the total cropped area come under this crop in defaulters and non-defaulters in Rampachodavaram and these figures are 24 and 31 per cent respectively in Seethampeta. Cashew had a lions' share (20.7%) and grains like samalu, korralu and ganti are also grown in these areas.

Table 9: Cropping pattern of defaulter and non-defaulter households in the two regions (Average Area in Acres)

| Crop | Seethampeta | | | | Rampachodavaram | | | |
|-----------|-------------|-------|----------------|-------|-----------------|-------|----------------|-------|
| | Defaulters | | Non-Defaulters | | Defaulters | | Non-Defaulters | |
| | Area | % | Area | % | Area | % | Area | % |
| Paddy | 0.70 | 24.1 | 0.78 | 31.2 | 1.05 | 32.8 | 0.88 | 31.4 |
| Ragi | 0.13 | 4.5 | 0.25 | 10.0 | 0.25 | 7.8 | 0.15 | 5.4 |
| Maize | 0.18 | 6.2 | 0.14 | 5.6 | 0.00 | 0.0 | 0.00 | 0.0 |
| Pineapple | 0.09 | 3.1 | 0.08 | 3.2 | 0.00 | 0.0 | 0.00 | 0.0 |
| Sesamum | 0.20 | 6.9 | 0.13 | 5.2 | 0.22 | 6.9 | 0.08 | 2.9 |
| Cashew | 0.60 | 20.7 | 0.22 | 8.8 | 0.32 | 10.0 | 0.25 | 8.9 |
| Redgram | 0.30 | 10.3 | 0.31 | 12.4 | 0.16 | 5.0 | 0.16 | 5.7 |
| Greengram | 0.00 | 0.0 | 0.00 | 0.0 | 0.14 | 4.4 | 0.20 | 7.1 |
| Blackgram | 0.00 | 0.0 | 0.00 | 0.0 | 0.18 | 5.6 | 0.15 | 5.4 |
| Horsegram | 0.00 | 0.0 | 0.00 | 0.0 | 0.20 | 6.3 | 0.06 | 2.1 |
| Samalu | 0.15 | 5.2 | 0.20 | 8.0 | 0.14 | 4.4 | 0.16 | 5.7 |
| Korralu | 0.13 | 4.5 | 0.10 | 4.0 | 0.06 | 1.9 | 0.17 | 6.1 |
| Topoica | 0.00 | 0.0 | 0.00 | 0.0 | 0.14 | 4.4 | 0.10 | 3.6 |
| Cotton | 0.00 | 0.0 | 0.00 | 0.0 | 0.05 | 1.6 | 0.12 | 4.3 |
| Ganti | 0.13 | 4.5 | 0.08 | 3.2 | 0.13 | 4.1 | 0.13 | 4.6 |
| Turmeric | 0.12 | 4.1 | 0.15 | 6.0 | 0.00 | 0.0 | 0.00 | 0.0 |
| Jowar | 0.00 | 0.0 | 0.00 | 0.0 | 0.16 | 5.0 | 0.19 | 6.8 |
| Groundnut | 0.17 | 5.9 | 0.06 | 2.4 | 0.00 | 0.0 | 0.00 | 0.0 |
| Total | 2.90 | 100.0 | 2.50 | 100.0 | 3.20 | 100.0 | 2.80 | 100.0 |

Source: As ex ante

Source-wise Borrowings

Table 10 revealed the data on the source-wise borrowings of defaulters and non-defaulters in the study regions. The sources of borrowing were classified into four groups, namely friends & relatives, money lenders, traders and GPCMS. The highest loan amount was provided by GPCMS to the non-defaulters Rs. 32400 (82.5%) and defaulters Rs.30800 (74.6%) in Seethampeta region. In case of Rampachodavaram, the highest amount received by

defaulters Rs. 31600 (79%) and non-defaulters Rs. 30350 (81%). Next to GPCMS, traders and money lenders provided loans to the tribal households in the two regions and friends & relatives provided a meager amount of loan in both the regions. The average amount of loan borrowed by defaulters (Rs. 41300) and non-defaulters (Rs. 39250) were marginally more in Seethampeta compared with Rampachodavaram which was reported at Rs. 40000 and Rs. 37500 respectively in Seethampeta and Rampachodavaram.

On the whole, the highest proportion of loan amount was provided by GPCMS to the non-defaulters in both the regions which accounted for 82.5 and 80.9 respectively in Seethampeta and Rampachodavaram. While those defaulters in Rampachodavaram and Seethampeta reported that 79 and 74.6 per cent loans were provided by the GPCMS. Traders provided 13.3 and 8.2 per cent of the loan amount to the

defaulters and non-defaulters in Seethampeta, while it was 8.9 and 7.7 per cent in Rampachodavaram. This shows that both the defaulters and non-defaulters have received more than 3/4th of the loans from the GPCMS. However, both traders and money lenders are still having influence by providing considerable amounts of loans to the tribals in the agency areas.

Table 10: Source- wise Borrowings (Average) of the Defaulter and Non-Defaulter Households in the Two Regions:2019-2020

| Source | Seethampeta | | | | Rampachodavaram | | | |
|---------------------|-----------------|-------|---------------------|-------|-----------------|-------|--------------------|-------|
| | Defaulters (80) | | Non-Defaulters (80) | | Defaulters (80) | | Non-Defaulters(80) | |
| | Amount | % | Amount | % | Amount | % | Amount | % |
| Friends & Relatives | 1500 | 3.6 | 1050 | 2.7 | 1950 | 4.9 | 2200 | 5.9 |
| Money Lenders | 3500 | 8.5 | 2600 | 6.6 | 2900 | 7.3 | 2050 | 5.5 |
| Traders | 5500 | 13.3 | 3200 | 8.2 | 3550 | 8.9 | 2900 | 7.7 |
| GPCMS | 30800 | 74.6 | 32400 | 82.5 | 31600 | 79.0 | 30350 | 80.9 |
| Total | 41300 | 100.0 | 39250 | 100.0 | 40000 | 100.0 | 37500 | 100.0 |

Source: As ex ante

Reasons for Default of ST Loans

Defaulters in both the regions were asked to indicate the important reasons for loan default to the GPCMS. Among the reasons stated for default consists of having no knowledge/awareness of due dates, society officials not approaching the borrowers for repayment (not following up with the borrowers), inadequate income generation from agriculture, crop failure, unforeseen family expenditures, debts with high rate of interest from non-institutional lenders were to be repaid first and willful defaulting. These details presented in Table 11 shows as many as 22(27.5%) and 13(16.3%) of defaulters stated that they had no knowledge of due dates for repayment of their loans in Seethampeta and Rampachodavaram regions respectively, A higher proportion of defaulters (42.5%) indicated that society officials did not approach for repayment of loan in Seethampeta while such proportion was 33.8 percent in Rampachodavaram. The major reasons for defaulting loans to the GPCMS were stated to be inadequate income from agriculture (reported at 82.5 per cent in Seethampeta and 72.2 per cent in Rampachodavaram), crop failure 65 and 47.5 per cent and unforeseen family expenditure 49 and 50 per cent respectively in these two sample mandals. About

19per cent in Seethampeta and 10 per cent of the defaulting borrowers in Rampachodavaram reported that debts with high rate of interest were repaid first to avoid hardships and litigations. The willful defaulters were found only in Seethampeta region (41.3%). The analysis clearly show that there were four main reasons for defaulting in both the regions namely, inadequate income from agriculture (82.5%), crop failure (65%), society officials not approaching for repayment (42.5%), and unforeseen family expenditure (40%) in Seethampeta while the corresponding figures for Rampachodavaram were 72.5, 47.5, 33.8 and 50 per cent respectively. Surprisingly 41.3 per cent of the borrowers in Seethampeta come under willful defaulters category and none expressed such reason in Rampachodavaram of the seven reasons for defaulting, five reasons had a lions' share among the defaulters in Seethampeta compared with Rampachodavaram. The data suggests that there was a need to reschedule the period of repayment of agricultural credit by the GCC whenever crop failure occurred in tribal areas and to have better follow up by the officials of GCC for loan recovery, keeping in mind the illiterate nature of tribe populations and their lack of financial knowledge.

Table 11: Reasons for Default of ST loans by the defaulter households in the two regions

| Reasons | Defaulters | | | |
|---|------------------|------|----------------------|------|
| | Seethampeta (80) | | Rampachodavaram (80) | |
| | No. | % | No. | % |
| No knowledge of due dates | 22 | 27.5 | 13 | 16.3 |
| Society officials did not approach me for repayment | 34 | 42.5 | 27 | 33.8 |
| Inadequately income from agriculture | 66 | 82.5 | 58 | 72.5 |
| Crop failure | 52 | 65.0 | 38 | 47.5 |
| Unforeseen family expenditure | 32 | 40.0 | 40 | 50.0 |
| Debts with high rate of interest were repaid first | 15 | 18.8 | 8 | 10.0 |
| Willful default | 33 | 41.3 | 0 | 0.0 |

Source: As ex ante

Conclusion

To sum up, the highest proportion of defaulters and non-defaulters are in the age group of 41-50 in Seethampeta, whereas in Rampachodavaram such proportion are high in the age group of 31-40. In Seethampeta jatapu caste is predominant and kondadora is more Rampachodavaram. In both the regions illiterate are more among defaulters compared with non-defaulters. Cultivators are significantly more in defaulters as well as non-defaulters in

Rampachodavaram region. Majority of the tribal households are living in semi-pucca houses in the study area. Three and two worker families are more among defaulters and non-defaulters respectively in both the regions. About 35 per cent of defaulters having three acres of land and it is 39 per cent of non-defaulters having two acres of land in Seethampeta, whereas 49 per cent and 44 per cent of defaulters and non-defaulters having three acres of land in Rampachodavaram. The proportion of more than three acres

of owned land accounted for higher in defaulters and non-defaulters in Rampachodavaram compared with Seethampeta. The highest proportion of loan amount was provided by GPCMS to the non-defaulters in both the regions which accounted for 82.5 and 80.9 respectively in Seethampeta and Rampachodavaram. Of the seven reasons for defaulting, five reasons had a lions' share among the defaulters in Seethampeta compared with Rampachodavaram. The major reasons for the tribal indebtedness has been influenced by several social, geographical, economic and other cultural factors combining with each other. The data suggests that there was a need to reschedule the period of repayment of agricultural credit by the GCC whenever crop failure occurred in tribal areas and to have better follow up by the officials of GCC for loan recovery, keeping in mind the illiterate nature of tribe populations and their lack of financial knowledge.

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