

Indebtedness of the Scheduled Castes Agricultural Labour Households: A State-wise Analysis

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Studies focusing on the indebtedness of agricultural labour households belonging to the Scheduled Castes (SCLHs) are seldom seen. In this paper, therefore, an attempt is made to study the incidence as well as extent of indebtedness of agricultural labour households belonging to the Scheduled Castes. Statewise cross section data pertaining to five time points (1974-75, 1977-78, 1983, 1987-88 and 1993-94) available through Rural Labour Enquiry reports have been used for the analysis. It is found that the share of institutional debt in the total debt of SCLHs has increased from 5.76 per cent in 1974-75 to 30.10 per cent in 1993-94. Similarly, the share of productive purpose debt to the total debt of the same group has also increased from 8.81 per cent to 21.63 per cent during the same period. While the incidence of indebtedness of the Scheduled Castes labour households has declined between 1974-75 and 1993-94 in most of the states, the same is found to be higher than the national level average among the agriculturally advanced states at all time points. The average amount of debt (in real value) of the Scheduled Castes labour households has increased between 1974-75 and 1993-94 in almost all the states, but the value of debt is found to be smaller among the agriculturally less developed states. It appears from the analysis that the extent of indebtedness of agricultural labour households is higher in those states that have higher percentage of landless labour households, percentage of the Scheduled Castes labour households to the total agricultural labour households and share of productive purpose debt to the total debt.

I Introduction

Though indebtedness is common among the rural households, the intensity of indebtedness is expected to be severe among the Agricultural Labour Households belonging to the Scheduled Castes (SCLHs). There are many reasons for this. First, SCLHs are predominantly landless labourers and earnings from wages are the only source of income. Second, wages paid to the agricultural labourers are quite low when compared to other categories of labourers (Parthasarathy, 1996; Datt, 1996). Third, the employment opportunities available to the agricultural labourers are seasonal and very limited due to limited irrigation facilities in major parts of India. Above all these, even though the money wages are rising, the real wages have not been showing significantly increasing trends (Jose, 1988; Narayanamoorthy and Deshpande, 2001; 2001a). This has led to a perpetually increasing demand for additional cash resources. At times wage earnings are not even sufficient to meet the consumption needs. Therefore, they are forced to incur debt for meeting their consumption expenditures and other social

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