

IMPACT OF RURAL INDEBTEDNESS: A STUDY IN PATIALA DISTRICT, PUNJAB, INDIA

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Abstract

Credit is a critical input for agricultural operations as the farmers have to purchase inputs like fertilizers, pesticides and make payments for irrigation, labour and hiring machinery, etc., for agricultural operations. The main objective of this paper is to highlight the consequences of indebtedness among the farmers. For this purpose a sample comprising of total 120 farmers was selected for intensive investigation from Samana Block (Mavikalan, Kakrala, Kularan and Chupki) and Patran Block of Patiala District (Hemcheri, Duggal, Ghagga and Kangarh). Data was collected with the help of structured questionnaire pertaining very simple questions in respect of credit utilization from four categories of farmers i.e. Marginal farmers (Upto 2.5 acres), Small farmers (2.5-5.0 acres), Medium farmers (5.0-10.0 acres) and large farmers (10.0 acres and above).

Keywords: Rural Indebtedness, Marginal Farmers, Availability of Credit, Hiring Machinery, Borrowings.

Introduction

An important aspect that has emerged in last three decades is that the credit is not only obtained by the small and marginal farmers for survival but also by the large farmers for enhancing their income. For agricultural operations, availability of credit is a critical input as the farmers have to purchase inputs like fertilizers, pesticides and make payments for irrigation, labour and hiring machinery, etc., for agricultural operations. Small and marginal farmers are dependent on credit as they are resource poor.

Attitude of Farmers towards Borrowing

During the field work an effort was made to know the attitude of the farmers towards the borrowings and data related to it is shown in Table 1. Data reveals that 73.33 per cent of the respondents felt that loans are difficult to be repaid, 64.17 per cent of the respondents told that loans are necessary for the farmers. Further, sixty per cent of the respondents were of the view that loans should be taken by the farmers. About 58 per cent of the respondents said that loans can be helpful for the farmers. Half of the respondents i.e. 50.00 per cent were of the view that easy availability of the loans leads to indebtedness while 45.00 per cent of the respondents held the view point that loans can be helpful at time of emergency. 40.00 per cent of the respondents were of the opinion that loans should not be taken by the farmers.

Table 1 : Distribution of Respondents on the Basis of their Attitude Towards Borrowing

Particulars	Marginal	Small	Medium	Large	Grand Total
Loans should be taken by farmers	13(65.00)	18(48.65)	21(55.26)	20(80.00)	72(60.00)
Loans can be helpful for farmers	14(70.00)	21(56.76)	18(47.37)	17(68.00)	70(58.33)
Loans are necessary for farmers	9(45.00)	24(64.86)	26(68.42)	18(72.00)	77(64.17)
Loans are helpful at the time of emergency	10(50.00)	11(29.73)	19(50.00)	14(56.00)	54(45.00)
Loans should not be taken	7(35.00)	19(51.35)	17(44.74)	5(20.00)	48(40.00)
Loans are difficult to repay	20(100.00)	31(83.78)	29(76.30)	8(32.00)	88(73.33)
Easy availability of loans leads to indebtedness	13(65.00)	24(64.86)	19(50.00)	4(16.00)	60(50.00)

*Multiple response, Figures in Parentheses Indicate Percentages

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