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Over 38 per cent Telangana households under burden of loans

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Representational image (File photo)

By V Nilesh


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HYDERABAD: Telangana has the fifth highest percentage of households that face indebtedness, among all States and union territories (UTs) in the country, according to a latest survey conducted by the Central government. According to the ‘Longitudinal Ageing Study in India’ (LASI) report, 47.6 per cent rural households and 22.8 urban households in Telangana were repaying a loan when the survey was conducted in 2017-18. On an average, 38.7 per cent households in the State had taken loans. This information assumes significance especially now, when many people from different parts of the State have complained of harassment by illegal loan app firms. This harassment has even driven a few to suicide.

To put things further into context, according to the latest National Crime Records Bureau data, Telangana had the third highest number of suicides with ‘bankruptcy or indebtedness’ as the cause in 2019. That year, 989 people killed themselves in the State, while Maharashtra saw the highest of 1,526 cases and Karnataka 1,432. Karnataka has the highest percentage of households facing indebtedness, according to the survey.

What can be inferred from this data? Dr M Ramulu, Assistant Professor in the Economics Department at the Osmania University, said, “There are a variety of social, economic, agricultural and cultural factors as to why indebtedness and suicide due to indebtedness is high in certain States. One major reason is switching from cultivating food crops to commercial crops and mono-cropping, which requires huge input costs but the economic outcome is not always favourable. This leads to indebtedness in many households. Most people in rural areas, where indebtedness is high, depend on agriculture for a livelihood.”

Another reason, especially in the case of youngsters taking loans from illegal apps, is poor employment opportunities. “This drives them to seek easy-to-get loans from illegal sources,” Dr M Ramulu, Assistant Professor in the Economics Department at the Osmania University, said. For people in need of money, who do not have jobs or draw a low salary, getting loans from banks and other legal sources is difficult. Therefore, these people turn to these loan apps.



JAW-DROPPING STATS

Here are the top five States in the country with households in debt, according to the 'Longitudinal Ageing Study in India' report

State	Average	Rural households in debt	Urban households in debt
Karnataka	52.5	62.5	33.1
Andhra Pradesh	44	52.6	25.2
Bihar	41	43.3	24.3
Odisha	40.7	41.6	36.7
Telangana	38.7	47.6	22.8

(all figures are in %)