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University of Ulster

2008

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September 2008

Abstract

This study examines the issue of debt distress of rural labour households (agricultural and non-agricultural labour), in all the major Indian states, using data from the 61st round, pertaining to 2004-05, of the National Sample Survey (NSS). We conduct this study at various levels and using different methodological approaches. First, using a definition of "debt distress", set out in detail in the following section, we calculate the value of debt distress for every rural labour household (RLH) in the NSS. Then we aggregate these households to rank states, districts, and social groups according to the degree of their distress. Second, using the tools of inequality analysis, we compute the degree of inequality in the distribution of distress among indebted RLH and ask how much of this inequality can be explained by the fact households (a) live in different states and (b) belong to different social groups? Third, using the tools of regression analysis, we examine the strength of the factors impinging on whether a household is a debtor household and, if it is, the strength of the factors determining whether it obtained loans from institutional sources or from money lenders and whether it took a loan for "productive" or "non-productive" purposes.

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1. Introduction

One of the less known aspects of India's growth performance is that while overall GDP has grown at impressive rates (averaging 6.3% per annum over the period 1988-2006) much of this growth has been generated by the manufacturing and services sector (averaging, respectively, 6.8% and 7.8% per annum over 1988-2006) and that growth in agriculture, at an average of 3.4% per annum over 1988-2006, has been woefully inadequate to raise the living standards of the nearly 60% of India's population who depend on it for their living.[1] Indeed, a major area of concern in India's political economy is the "distress" of farmers saddled with large and, often, crippling debts which in many cases have led to farmers committing suicide (Suri, 2006).

However, much of the study of the distress of farmers has been conducted at the level of specific Indian states and, in particular, for those states in which there has been a rash of distress-induced suicides: for example, Satish (2006) has examined farmers' suicides for Punjab; Mishra (2006) for Maharashtra; Sridhar (2006) for Andhra Pradesh; Deshpande (2006) for Karnataka; and Mohankumar and Sharma (2006) for Kerala. This study, by contrast, examines the issue of debt distress of rural labour households (agricultural and non-agricultural labour), in all the major Indian states, using data from the 61st round, pertaining to 2004-05, of the National Sample Survey (NSS). We conduct this study at various levels and using different methodological approaches.

First, using a definition of "debt distress", set out in detail in the following section, we calculate the value of debt distress for each of the rural labour households

[1] See Panagariya (2008, p. 11).

(RLH) in the NSS. Then we aggregate these households to rank states, districts, and social groups according to the degree of their distress. Second, using the tools of inequality analysis, we compute the degree of inequality in the distribution of distress among indebted RLH and ask how much of this inequality can be explained by the fact households (a) live in different states and (b) belong to different social groups? Third, using the tools of regression analysis, we examine the strength of the factors impinging on whether a household is a debtor household and, if it is, the strength of the factors determining whether it obtained loans from institutional sources or from money lenders and whether it took a loan for "productive" or "non-productive" purposes.

2. Households' Debt Distress Ratio

We define the "debt distress ratio" (DDR) of a household as its total outstanding debt (including interest) expressed as a proportion of its monthly consumer expenditure: thus a DDR of 2 for a household means that its total outstanding debt is twice its monthly consumer expenditure. Table 1 show that the DDR of RLH was highest in the state of Kerala (4.1), followed by Andhra Pradesh (3.0) and Haryana (2.5) and lowest in Jharkhand (0.3), Jammu and Kashmir (0.2), and Assam (0.2).[2] The relation between the DDR in a state and the proportion of RLH in the state who were in debt was far from perfect: both high and low DDR states reported a large proportion of debtor households – 70% of households in Kerala (DDR= 4.1) and 62% of households in West Bengal (DDR= 0.6) were debtor households. For India in its entirety, half of RLH were in debt with a DDR of 1.7.

At an all-India level, 15% of RLH took loans from institutional sources (government, banks, and cooperative societies) and 19% took loans for productive

[2] The DDR for a state was computed by summing, respectively, the total outstanding debt and the total expenditure of all rural households in the state and expressing the former as a proportion of the latter.

purposes (including purchase of land and construction of building). However, 29% of loans were made by institutions and 40% of loans were for productive purposes. This suggests that, per RLH, institutional loans, and loans made for productive purposes, were considerably larger than non-institutional loans and loans made for non-productive purposes: for example, the size of loans per RLH from institutional sources was 2.3 times that of loans from non-institutional sources and the size of loans, per RLH, for productive purposes was 2.8 times that of loans for non-productive purposes. [3]

Table 2, 3 and 4 presents the information contained in Table 1 for, respectively, all RLH, agricultural labour RLH, and non-agricultural labour RLH in the 100 Indian districts with the highest DDR.[4] Table 2 shows that, considering all RLH, the district with the highest DDR was Karauli in Rajasthan: in Karauli, the DDR was 13.2, 40% of households were debtor households, and none of the outstanding loans were from institutional sources or for productive purposes. At the other extreme, the district with the 100th highest DDR was Dewas in Madhya Pradesh with a DDR of 2.3, in which 95% of RLH were in debt and, as with Karauli in Rajasthan, none of the outstanding loans were from institutional sources or for productive purposes.

It is also possible to investigate whether certain social groups are more in debt than others. Using NSS data, we distinguished between the following caste-religious groups:

[3] (0.29/0.15)*(0.85/0.71) and (0.4/0.19)*(0.81/0.6).
[4] There are 593 districts in India with a District Commissioner (or District Collector) acting as the administrative head of each district. The median and mean populations of these 593 districts were, respectively, 1.47 and 1.73 million persons: the most and the least populous districts were Medinipur in West Bengal (population: 9,638,473) and Yanam in Pondicherry (population: 31,362).

1. *Adivasis*[5]
2. *Dalits*[6].
3. Non-Muslims from the Other Backward Classes (OBC).[7]
4. Muslims from the OBC.
5. Muslims not from the OBC.
6. Forward Caste Hindus (hereafter, simply "Hindus").[8]

Table 5, 6 and 7 presents the information contained in Table 1 for, respectively, all RLH, agricultural labour RLH, and non-agricultural labour RLH belonging to the six social groups above. Tables 6 and 7 show that, across all these groups, the proportion of debtor households was slightly greater for agricultural labour households (56%) than for non-agricultural labour households (54%). Table 5 shows that, considering all RLH, the largest proportion of debtor households were Hindu (59% of all RLH) and the smallest proportion of debtor households were Adivasi (39% of all RLH). However, the DDR was highest for Muslims from the OBC community (7.2 for all RLH) and lowest for non-OBC Muslims and Adivasis (0.8 and 0.9, respectively).

[5] There are about 85 million Indians classified as belonging to the "Scheduled Tribes"; of these, *Adivasis* (meaning original inhabitants") refer to the 70 million who live in the heart of India, in a relatively contiguous hill and forest belt extending across the states of Gujarat, Rajasthan, Maharashtra, Madhya Pradesh, Chhattisgargh, Jharkhand, Andhra Pradesh, Orissa, Bihar, and West Bengal (Guha, 2007).

[6] Dalits, who number about 18 million, refer to those who belong India's "Scheduled Castes" and may be broadly identified with the "untouchable" castes i.e. those with whom physical contact – most usually taken to be the acceptance of food or water – is regarded by upper-caste Hindus as ritually polluting or unclean.

[7] These are persons who, while not belonging to the Scheduled Tribes or Scheduled Castes, nevertheless belong to economic and socially backward groups.

[8] Forward caste Hindus were Hindus who were not included in the OBC/Dalit/ST categories. However, since the designation of groups in the OBC category is a state responsibility a particular (caste) group may be included in the OBC category in one state (i.e. be excluded from forward caste Hindus) but be excluded from the OBC category in another state (i.e. be included in forward caste Hindus).

3. Inequality Analysis

We first computed the Gini coefficient associated with the distribution of the DDR, *across all the 8,504 debtor households in the sample*.[9] This value was 0.69. Next, we computed the Gini coefficient associated with the distribution of the DDR across all the districts, *with each district being assigned as many DDR values as the number of households*.[10] This value was 0.48. Lastly, we computed the Gini coefficient for the distribution of the DDR across the states *with each state being assigned as many DDR values as the number of households within the state*. The value of the Gini coefficient falls as the unit of computation moves from the household (0.69), to the district (0.48), to the state (0.36).

Remembering that the Gini coefficient is computed as half the mean of the difference in the DDR between pairs of households/districts/states, divided by the mean DDR for the relevant unit – these results imply that: (i) the *difference in the DDR between two households chosen at random* will be 138% of the average score: since the mean DDR of debtor households was 3.7, this difference will be 5.1; (ii) the *difference in the DDR between two districts chosen at random* will be 96% of the average score: since the mean DDR of districts was 1.69, this difference will be 1.66; (iii) the *difference in the DDR between two states chosen at random* will be 72% of the average score: since the mean DDR of districts was 1.75, this difference will be 1.26.

Armed with a knowledge of the household DDRs, one can compute how much of the overall inequality in their distribution can be explained by a particular factor. For example, how much of the inequality in the 8,504 DDR values can be accounted

[9] That is, households for which the NSS recorded a positive outstanding debt.
[10] This means that if the average DDR for a district with N households was X, the value of the inequality indices was computed with N values of X for this district. Districts with a DDR of zero (that is, in which there were no debtor households) were not included in the calculations.

for by the fact that different households live in different states or that households belong to different social groups. We answered this question using the method of inequality decomposition.

Suppose that the sample of *N=8,504* households is divided into *M* mutually exclusive and collectively exhaustive groups with N_m (*m=1…M*) persons in each group. Let $\mathbf{p} = \{p_i\}$ and $\mathbf{p_m} = \{p_i\}$ represent the vector of DDR values of, respectively, all the households in sample (*i=1…N*) and the households in group *m*. Then an inequality index $I(\mathbf{p}; N)$ defined over this vector is said to be additively decomposable if:

$$I(\mathbf{p}; N) = \sum_{m=1}^{M} I(\mathbf{p_m}; N_m) w_m + \mathbf{B} = \mathbf{A} + \mathbf{B}$$

where: $I(\mathbf{p}; N)$ represents the *overall* level of inequality; $I(\mathbf{p_m}; N_m)$ represents the level of inequality within group *m*; **A** – expressed as the weighted sum of the inequality in each group, w_m being the weights – and **B** represent, respectively, the *within-group* and the *between-group* contribution to overall inequality.

If, indeed, inequality can be 'additively decomposed' along the lines of the above equation, then, as Cowell and Jenkins (1995) have shown, the proportionate contribution of the between-group component (**B**) to overall inequality is the income inequality literature's analogue of the R^2 statistic used in regression analysis: the size of this contribution is a measure of the amount of inequality that can be 'explained' by the factor (or factors) used to subdivide the sample (household's state of residence; social group of household)

Only inequality indices which belong to the family of *Generalised Entropy Indices* are additively decomposable (Shorrocks, 1980). These indices are defined by a parameter θ and, when $\theta=0$, the weights are the population shares of the different

groups (that is, $w_j = N_j / N$); since the weights sum to unity, the within-group contribution **A** of equation (4) is a weighted average of the inequality levels within the groups. When $\theta=0$, the inequality index takes the form:

$$I(\mathbf{p};N) = \left(\sum_{i=1}^{N} \log(p_i / \overline{p}) \right) / N$$

where: $\overline{p} = \sum_{i=1}^{N} p_i / N$ is the mean value of the DDF over the entire sample. The inequality index defined above is known as the Theil's (1967) Mean Logarithmic Deviation (MLD) and, because of its attractive features in terms of the interpretation of the weights, it was the one used in this study to decompose inequality in the household DDR values. Our calculations showed that when the sample was subdivided according to the state in which the household resided, 24% of overall inequality could be explained by between state differences; on the other hand, when the sample was subdivided according to the social group of the household, 11% of overall inequality could be explained by between social group differences.

4. Regression Analysis

An important question in analysing the indebtedness of rural households was to examine the influence of household characteristics and circumstances on: (i) the probability of a household being a debtor household; (ii) the probability of a debtor household taking a loan from an "institutional" source[11] rather than from a non-instituional source; (iii) the probability of a debtor household taking a loan for a "productive" purpose[12] rather than for a "non-productive" purpose.

In order to answer this question we estimated a logit model in which the dependent variable, $Y_h=1$ if household h had the characteristic in question (was a

[11]Government, cooperative society; bank.
[12] Purchase of land, construction of building, or other productive purpose.

debtor household; took a loan from an institutional source; took a loan for a productive purpose), $Y_h=0$ if it did not.The logit equation is $\frac{\Pr(Y_h=1)}{1-\Pr(Y_h=1)} = \exp\{\sum_{k=1}^{K} X_{jk}\beta_j\} = \exp\{z_j\}$ for M coefficients, β_j and for observations on K variables. The coefficients reported in the columns of Table 8 are $\exp(\beta_k)$: for a unit change in the value of the k^{th} variable (x_k to x_k+1), the values of the other variables unchanged, the odds $\frac{\Pr(Y_h=1)}{1-\Pr(Y_h=1)}$ are expected to change by $\exp(\beta_k)$. Following a unit increase in the value of a variable, a coefficient estimate equal to 1 implies that the odds ratio remains unchanged while a coefficient estimate greater (less) than 1 implies that the odds ratio rises (falls).

Table 5 shows that the odds of a household being a debtor household or, if a debtor household, taking a loan from an institutional source or for a productive purpose, were unchanged as its monthly expenditure, or the area of land cultivated by it, increased. However, the odds of being a debtor household or, if a debtor household, taking a loan from an institutional source or for a productive purpose were twice as high for households in "forward" states compared to households in "backward" states.[13]

Compared to forward caste Hindus (the residual social group), the odds of being a debtor household were 25% higher for Dalit and (non-Muslim) OBC households and 66% higher for (non-OBC) Muslims. For debtor households, the odds of obtaining a loan from institutional sources, and for using the loan for productive purposes, were higher for well-educated households compared to poorly educated households: compared to households in which everyone one was illiterate, the

[13] Forward states were: Andhra Pradesh, Gujarat, Haryana, Karnataka, Kerala, Maharshtra, Punjab, Tamil Nadu, and West Bengal. Backward states were: Assam, Bihar, Chattisgargh, Himachal, Jammu & Kashmir, Madhya Pradesh, Orissa, Rajasthan, Uttar Pradesh, Jharkhand, and Uttaranchal.

probability of obtaining a loan for productive purposes rose steadily as the maximum education level of household numbers increased culminating in households in which there was at least one graduate

4. Marriage, Health, and Education

The NSS reported on the purpose for which households took loans: on average, as Figure 1 shows, approximately one-third (34%) of loans were for the purposes of marriage, education, and health (MEH loans). However, the proportion of MEH loans to total loans varied by social group: it was highest for Dalits (40%) and lowest for Muslims from the OBC (19%). The proportion of loans taken for productive purposes was highest for Muslims from the OBC (74%) and lowest for Hindus (24%).

Figure 2 shows the breakdown of MEH loans by the separate categories: marriage, education, and health. In aggregate, 64% of loans taken for these three puposes were for marriages, 31% was for health, and only 4% was for education. However, even here there were large variations by social group: Muslims from the OBC and Adivasis took MEH loans largely for purposes of marriage (77% and 72%, respectively) while, for Hindus, 53% of MEH loans were for health.

Figure 3 shows the proportion of MEH loans in total loans by forward and backward states. MEH loans comprised 31% of total loans in forward states but 43% of loans in backward states; by contrast, 44% of loans taken in forward states, but only 25% of loans in backward states, were for productive purposes.

Table 9 shows the regression estimates from four equations whose dependent variables – the amounts of loans outstanding for, respectively, marriage, medical, educational, and all purposes – are determined by a number of explanatory variables. Compared to households in backward states, households in forward states, on average,

borrowed more for all three purposes; compared to non-agricultural labourers, agricultural labourers borrowed less for marriage; compared to forward caste Hindu households, Adivasi, Dalits, OBC (muslim and non-muslim) households borrowed significantly more for marriage but significantly less for medical purposes.[14] There was no significant difference between the social groups for borrowing for education. Compared to households in which everyone was illiterate, loans taken for marriage and medical purposes were significantly lower for households in which the highest level of education was a graduate or above.

5. Conclusions

Most studies of rural indetedness in India have focused on farmers' suicides. However, as this paper has pointed out, in the context of rural labour households, the issue of rural indetedness is far more pervasive and pernicious than suggested by the sad death of farmers. The contribution of this study was to build, from household data, a profile of district-level indetedness and a profile of social group indetedness using the concept of "debt distress ratio". The limitation of this study was that- because of the exigencies of NSS data - it was restricted to rural *labouring* households (even though they might have owned land) and excluded non-labouring households. Notwithstanding this limitation, the study has drawn attention to different nature of loans (productive versus unproductive), their varying sources, and, in particular, loans taken for marriage, health, and education.

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Table1: Debt Distress Ratios for Rural Households in Major Indian States

State	Rank of States by Distress Ratio	Rank of States by Total Hhd Exp.	Distress Ratio	Prop. of Indebted Hhd	Prop. of Hhd taking loans from Institutional sources	Prop. of loans taken from Institutional sources	Prop. of Hhd taking loans for Productive Purposes	Prop. of loans taken for Productive Purposes
Kerala	1	5	4.1	70	43	48	30	61
Andhra Pradesh	2	1	3.0	69	11	15	24	40
Haryana	3	15	2.5	62	15	26	20	26
Tamil Nadu	4	6	2.4	49	12	21	16	35
Punjab	5	12	1.8	52	10	19	14	21
Rajasthan	6	11	1.8	40	9	6	9	11
Uttar Pradesh	7	3	1.5	47	13	29	19	31
Maharashtra	8	2	1.5	44	27	52	25	52
Karnataka	9	7	1.1	32	19	36	23	39
Madhya Pradesh	10	10	1.1	40	10	19	11	17
Chhattisgarh	11	14	1.0	51	15	30	25	46
Gujarat	12	8	1.0	53	5	15	11	25
Himachal Pradesh	13	18	0.9	36	21	35	13	21
Uttaranchal	14	19	0.8	28	15	23	19	28
Orissa	15	13	0.6	32	17	35	22	36
West Bengal	16	4	0.6	62	6	15	16	32
Bihar	17	9	0.6	38	4	10	7	19
Jharkhand	18	17	0.3	21	6	11	10	22
Jammu & Kashmir	19	20	0.3	44	0	0	1	3
Assam	20	16	0.2	60	0	0	1	1
All India			1.7	50	15	29	19	40

Table 2: Loan Information for the 100 Districts with the Highest Debt Distress Ratios: all Rural Labour Households

State	Top 100 Distresses District	Rank of Districts by Distress Ratio	Rank of Districts by Total Household Expenditure	Distress Ratio	Prop. of Indebted Households	Prop. Of households taking loans from Institutional sources	Prop. of loans taken from Institutional sources	Prop. of households taking loans for Productive Purposes	Prop. of loans taken for Productive Purposes
Rajasthan	**Karauli**	1	457	13.2	40	0	0	0	0
Uttar Pradesh	**Mathura**	2	323	9.6	48	47	16	43	84
Kerala	**Thiruvanantha-puram**	3	2	8.1	85	25	13	33	84
Uttar Pradesh	**Hamirpur**	4	421	8.0	47	35	85	35	85
Haryana	**Mahendragarh**	5	395	7.2	48	57	22	0	0
Haryana	**Bhiwani**	6	393	6.8	82	17	16	10	21
Kerala	**Kottayam**	7	3	6.0	92	47	54	32	57
Kerala	**Pathanamthitta**	8	128	5.8	76	42	81	32	79
Tamil Nadu	**Kanniyakumari**	9	239	5.8	55	27	40	57	81
Haryana	**Panchkula**	10	392	5.4	23	33	20	33	20
Tamil Nadu	**Vellore**	11	73	5.3	45	10	7	36	80
Tamil Nadu	**Perambalur**	12	397	5.2	77	2	1	0	0
Rajasthan	**Rajsamand**	13	319	5.2	95	20	6	0	0
Andhra Pradesh	**Kurnool**	14	36	5.1	84	26	35	36	46
Haryana	**Kaithal**	15	368	4.7	64	0	0	0	0
Andhra Pradesh	**Cuddapah**	16	109	4.7	61	0	0	29	51
Andhra Pradesh	**Mahbubnagar**	17	17	4.7	84	18	20	60	77
Andhra Pradesh	**Karimnagar**	18	44	4.4	51	10	14	44	55
Tamil Nadu	**The Nilgiris**	19	242	4.4	49	24	4	14	83
Karnataka	**Mandya**	20	165	4.4	78	7	5	14	31
Tamil Nadu	**Virudhunagar**	21	92	4.4	60	31	56	8	7

Haryana	**Jind**	22	222	4.4	76	24	25	31	29
Kerala	**Kannur**	23	155	4.3	36	91	95	72	79
Madhya Pradesh	**Sheopur**	24	501	4.2	83	0	0	0	0
Tamil Nadu	**Dharmapuri**	25	89	4.1	60	19	28	17	16
Tamil Nadu	**Viluppuram**	26	63	4.0	65	12	31	14	31
Andhra Pradesh	**Anantapur**	27	72	4.0	86	13	19	30	43
Andhra Pradesh	**Nalgonda**	28	23	3.9	62	3	1	20	18
Maharashtra	**Solapur**	29	33	3.9	58	31	70	28	56
Andhra Pradesh	**Medak**	30	47	3.9	63	11	13	30	30
Tamil Nadu	**Ramanathapuram**	31	201	3.8	76	15	8	33	37
Tamil Nadu	**Cuddalore**	32	122	3.7	63	1	1	1	2
Uttar Pradesh	**Bulandshahr**	33	97	3.6	77	11	8	29	41
Madhya Pradesh	**Ratlam**	34	286	3.6	35	16	11	31	31
Pondicherry	**Pondicherry**	35	293	3.5	46	3	2	30	54
Tamil Nadu	**Tirunelveli**	36	123	3.5	52	21	20	17	41
Andhra Pradesh	**West Godavari**	37	15	3.4	61	3	4	17	21
Kerala	**Ernakulam**	38	5	3.4	74	48	61	23	35
Punjab	**Fatehgarh Sahib**	39	278	3.4	85	3	6	10	12
Uttar Pradesh	**Aligarh**	40	160	3.4	59	28	22	30	37
Andhra Pradesh	**Srikakulam**	41	43	3.4	57	15	14	23	42
Gujarat	**Dohad**	42	164	3.3	59	16	12	36	39
Punjab	**Kapurthala**	43	402	3.3	56	0	0	0	0
Punjab	**Patiala**	44	134	3.3	54	17	13	16	16
Rajasthan	**Nagaur**	45	216	3.3	47	0	0	14	41
Rajasthan	**Jhunjhunun**	46	147	3.3	79	10	8	0	0
Punjab	**Mansa**	47	411	3.3	38	6	6	6	6
Punjab	**Bathinda**	48	265	3.2	71	4	1	18	35

Rajasthan	**Bhilwara**	49	317	3.1	38	20	18	22	19
Tamil Nadu	**Sivaganga**	50	237	3.0	85	22	17	16	15
Karnataka	**Mysore**	51	114	3.0	55	9	22	9	33
Andhra Pradesh	**Visakhapatnam**	52	35	3.0	67	12	14	18	37
Kerala	**Kollam**	53	11	3.0	77	38	65	24	39
Uttar Pradesh	**Allahabad**	54	40	2.9	62	19	49	3	3
Madhya Pradesh	**Ujjain**	55	196	2.9	99	4	6	10	13
Andhra Pradesh	**East Godavari**	56	1	2.8	91	6	13	18	41
Madhya Pradesh	**Rajgarh**	57	145	2.8	96	11	11	11	11
Uttar Pradesh	**Azamgarh**	58	235	2.8	70	3	9	3	6
Rajasthan	**Dausa**	59	367	2.8	60	5	4	38	62
Andhra Pradesh	**Chittoor**	60	70	2.8	58	31	27	27	38
Haryana	**Kurukshetra**	61	332	2.8	71	13	61	12	8
Kerala	**Thrissur**	62	10	2.7	77	34	75	17	46
Rajasthan	**Ganganagar**	63	139	2.7	43	0	0	0	0
Uttar Pradesh	**Kushinagar**	64	180	2.7	55	25	36	25	8
Andhra Pradesh	**Vizianagaram**	65	93	2.7	58	17	36	23	38
Tamil Nadu	**Thanjavur**	66	31	2.6	81	5	7	14	22
Andhra Pradesh	**Prakasam**	67	30	2.6	77	7	10	12	31
Punjab	**Sangrur**	68	45	2.6	71	8	42	8	11
Haryana	**Rewari**	69	467	2.6	44	15	17	5	17
Punjab	**Nawanshahr**	70	329	2.6	90	33	30	29	36
Orissa	**Ganjam**	71	214	2.6	65	4	27	4	17
Karnataka	**Hassan**	72	174	2.5	38	24	45	32	52
Kerala	**Malappuram**	73	22	2.5	45	58	76	48	44
Madhya Pradesh	**Morena**	74	398	2.5	63	9	27	0	0
Kerala	**Alappuzha**	75	27	2.5	62	43	62	36	42

Rajasthan	**Churu**	76	168	2.5	44	0	0	0	0
Goa	**North Goa**	77	424	2.4	36	60	90	60	90
Uttar Pradesh	**Agra**	78	331	2.4	48	3	26	7	6
Andhra Pradesh	**Warangal**	79	38	2.4	74	7	12	20	37
Haryana	**Rohtak**	80	492	2.4	15	0	0	0	0
Tamil Nadu	**Salem**	81	56	2.3	25	19	30	21	40
Maharashtra	**Osmanabad**	82	171	2.3	48	42	44	55	69
Kerala	**Wayanad**	83	218	2.3	58	49	67	46	75
Andhra Pradesh	**Krishna**	84	7	2.3	65	11	13	24	35
Andhra Pradesh	**Rangareddi**	85	130	2.3	70	29	45	36	50
Uttar Pradesh	**Ghaziabad**	86	268	2.3	60	43	63	10	12
Tamil Nadu	**Pudukkottai**	87	113	2.2	45	3	1	24	65
Haryana	**Panipat**	88	443	2.2	49	22	44	22	22
Maharashtra	**Sangli**	89	108	2.2	17	26	89	37	90
Rajasthan	**Bundi**	90	494	2.2	9	0	0	0	0
Maharashtra	**Gondiya**	91	343	2.2	20	77	99	77	99
Uttar Pradesh	**Muzaffarnagar**	92	87	2.2	63	13	11	22	24
Maharashtra	**Jalgaon**	93	49	2.2	42	36	51	21	19
Kerala	**Palakkad**	94	26	2.2	57	62	78	22	34
Jharkhand	**Lohardaga**	95	509	2.1	34	0	0	0	0
Kerala	**Kozhikode**	96	34	2.1	40	56	73	37	47
Uttar Pradesh	**Etah**	97	229	2.1	65	12	30	23	33
Haryana	**Hisar**	98	224	2.1	42	44	41	31	28
Madhya Pradesh	**Dewas**	99	118	2.1	81	14	19	6	13
Kerala	**Idukki**	100	19	2.1	90	38	43	29	58

Table 3: Loan Information for the 100 Districts with the Highest Debt Distress Ratios: Agricultural Labour Rural Households

State	Top 100 Distresses District	Rank of Districts by Distress Ratio	Rank of Districts by Total Household Expenditure	Distress Ratio	Prop. of Indebted Households	Prop. Of households taking loans from Institutional sources	Prop. of loans taken from Institutional sources	Prop. of households taking loans for Productive Purposes	Prop. of loans taken for Productive Purposes
Uttar Pradesh	**Mathura**	1	359	22.4	53	0	0	35	92
Uttar Pradesh	**Jalaun**	2	499	15.0	100	100	100	100	100
Haryana	**Bhiwani**	3	472	12.3	100	0	0	100	100
Haryana	**Gurgaon**	4	454	12.2	100	50	36	50	36
Punjab	**Kapurthala**	5	432	11.2	47	0	0	0	0
Haryana	**Panchkula**	6	371	11.0	40	24	17	24	17
Tamil Nadu	**Virudhunagar**	7	232	9.1	52	33	70	0	0
Haryana	**Rohtak**	8	465	8.8	58	0	0	0	0
Haryana	**Rewari**	9	497	8.6	48	0	0	100	100
Kerala	**Kannur**	10	304	8.0	50	82	90	84	90
Haryana	**Kaithal**	11	337	7.5	73	0	0	0	0
Andhra Pradesh	**Cuddapah**	12	146	7.2	80	0	0	25	43
Andhra Pradesh	**Kurnool**	13	25	6.2	89	28	37	40	50
Madhya Pradesh	**Morena**	14	421	5.5	53	0	0	0	0
Maharashtra	**Solapur**	15	21	5.5	75	33	72	30	57
Tamil Nadu	**Perambalur**	16	279	5.4	80	0	0	0	0
Uttar Pradesh	**Deoria**	17	357	5.4	76	19	46	0	0
Rajasthan	**Karauli**	18	415	5.3	31	0	0	0	0
Tamil Nadu	**The Nilgiris**	19	171	5.3	58	24	4	15	84
Uttar Pradesh	**Azamgarh**	20	286	5.3	72	0	0	0	0
Andhra Pradesh	**Karimnagar**	21	38	5.2	53	12	17	61	69
Karnataka	**Mandya**	22	109	5.2	85	7	5	14	31
Tamil Nadu	**Cuddalore**	23	111	4.9	77	0	0	0	0

Uttar Pradesh	**Meerut**	24	336	4.9	61	0	0	42	17
Andhra Pradesh	**Mahbubnagar**	25	10	4.9	86	19	25	59	75
Tamil Nadu	**Dharmapuri**	26	87	4.8	70	20	34	12	3
Rajasthan	**Bundi**	27	446	4.8	17	0	0	0	0
Uttar Pradesh	**Agra**	28	395	4.8	30	25	54	0	0
Madhya Pradesh	**Ratlam**	29	292	4.6	51	19	18	27	21
Punjab	**Patiala**	30	231	4.6	71	6	1	6	1
Punjab	**Mansa**	31	347	4.5	37	0	0	0	0
Uttar Pradesh	**Bulandshahr**	32	113	4.5	97	17	11	29	51
Tamil Nadu	**Salem**	33	166	4.5	32	34	41	36	54
Andhra Pradesh	**Anantapur**	34	53	4.5	94	14	20	30	40
Pondicherry	**Pondicherry**	35	330	4.5	70	4	3	28	40
Tamil Nadu	**Viluppuram**	36	54	4.4	69	9	25	13	26
Tamil Nadu	**Kanniyakumari**	37	343	4.4	50	29	35	28	49
Madhya Pradesh	**Sheopur**	38	436	4.2	81	0	0	0	0
Tamil Nadu	**Ramanathapuram**	39	225	4.2	97	22	14	42	45
Andhra Pradesh	**Nalgonda**	40	18	4.2	60	2	1	15	10
Maharashtra	**Osmanabad**	41	228	4.1	66	52	46	62	75
Andhra Pradesh	**Medak**	42	24	4.0	63	9	13	30	23
Punjab	**Nawanshahr**	43	381	3.9	81	30	17	28	41
Andhra Pradesh	**Visakhapatnam**	44	61	3.8	84	13	20	16	37
Rajasthan	**Ganganagar**	45	132	3.8	51	0	0	0	0
Tamil Nadu	**Sivaganga**	46	234	3.8	90	14	13	24	19
Andhra Pradesh	**West Godavari**	47	7	3.8	67	4	5	17	19
Rajasthan	**Churu**	48	313	3.8	79	0	0	0	0
Kerala	**Ernakulam**	49	154	3.7	97	49	88	29	53
Kerala	**Kozhikode**	50	101	3.7	63	63	87	39	45

Haryana	**Ambala**	51	394	3.7	85	37	65	43	76
Punjab	**Bathinda**	52	181	3.7	80	4	1	18	35
Haryana	**Jind**	53	303	3.7	80	9	8	43	39
Andhra Pradesh	**Srikakulam**	54	34	3.6	64	15	18	22	45
Rajasthan	**Jaipur**	55	448	3.5	53	0	0	0	0
Tamil Nadu	**Tirunelveli**	56	167	3.5	59	24	32	11	41
Karnataka	**Mysore**	57	83	3.5	65	8	23	8	29
Kerala	**Thiruvanantha-puram**	58	78	3.5	89	33	61	38	56
Punjab	**Ludhiana**	59	283	3.5	75	10	19	11	4
Maharashtra	**Sangli**	60	99	3.2	21	31	89	43	90
Gujarat	**Dohad**	61	247	3.1	67	26	28	30	36
Andhra Pradesh	**Chittoor**	62	60	3.1	66	34	36	23	26
Haryana	**Sonipat**	63	244	3.1	93	12	9	7	1
Madhya Pradesh	**Jabalpur**	64	329	3.1	21	0	0	0	0
Kerala	**Thrissur**	65	28	3.1	89	30	72	19	50
Karnataka	**Dakshina Kannada**	66	269	3.1	72	37	47	31	75
Andhra Pradesh	**East Godavari**	67	1	3.0	95	6	11	20	44
Uttar Pradesh	**Muzaffarnagar**	68	266	3.0	62	0	0	0	0
Uttar Pradesh	**Kushinagar**	69	170	3.0	58	30	42	29	3
Andhra Pradesh	**Rangareddi**	70	195	2.9	79	42	63	52	70
Uttaranchal	**Dehradun**	71	460	2.9	61	0	0	0	0
Punjab	**Fatehgarh Sahib**	72	441	2.9	77	30	74	46	83
Madhya Pradesh	**Rajgarh**	73	67	2.8	98	11	11	11	11
Gujarat	**Rajkot**	74	267	2.8	52	24	26	41	49
Andhra Pradesh	**Krishna**	75	3	2.8	72	12	13	24	36
Madhya Pradesh	**Ujjain**	76	116	2.8	100	5	7	6	7
Tamil Nadu	**Vellore**	77	183	2.8	44	11	7	38	61

Uttar Pradesh	**Mainpuri**	78	385	2.8	86	0	0	0	0
Tamil Nadu	**Pudukkottai**	79	88	2.8	49	4	1	29	71
Andhra Pradesh	**Warangal**	80	26	2.8	84	8	12	19	39
Kerala	**Kollam**	81	144	2.8	77	47	73	28	37
Rajasthan	**Jodhpur**	82	405	2.7	31	0	0	0	0
Kerala	**Wayanad**	83	215	2.7	52	50	62	52	76
Andhra Pradesh	**Prakasam**	84	22	2.7	82	8	14	11	20
Maharashtra	**Jalgaon**	85	45	2.7	50	38	51	22	18
Uttar Pradesh	**Saharanpur**	86	123	2.7	71	23	23	30	46
Uttaranchal	**Hardwar**	87	284	2.6	36	30	30	46	38
Gujarat	**Surendranagar**	88	124	2.6	100	2	1	8	3
Punjab	**Gurdaspur**	89	327	2.6	95	0	0	20	29
Kerala	**Kottayam**	90	42	2.5	94	46	76	28	41
Karnataka	**Hassan**	91	97	2.5	37	23	44	31	51
Kerala	**Palakkad**	92	36	2.5	73	61	70	19	25
Punjab	**Sangrur**	93	50	2.5	80	5	15	4	6
Maharashtra	**Satara**	94	47	2.4	99	27	17	9	24
Karnataka	**Chikmagalur**	95	209	2.4	37	29	30	67	78
Tamil Nadu	**Thanjavur**	96	39	2.4	70	3	1	11	7
Andhra Pradesh	**Vizianagaram**	97	79	2.4	66	16	19	17	17
Maharashtra	**Pune**	98	51	2.3	97	32	57	14	31
Madhya Pradesh	**Dewas**	99	68	2.3	89	14	19	6	13
Rajasthan	**Kota**	100	443	2.3	55	0	0	0	0

Table 4: Loan Information for the 100 Districts with the Highest Debt Distress Ratios: Non-Agricultural Labour Rural Households

State	Top 100 Distresses District	Rank of Districts by Distress Ratio	Rank of Districts by Total Household Expenditure	Distress Ratio	Prop. of Indebted Households	Prop. Of households taking loans from Institutional sources	Prop. of loans taken from Institutional sources	Prop. of households taking loans for Productive Purposes	Prop. of loans taken for Productive Purposes
Rajasthan	**Karauli**	1	408	36.5	74	0	0	0	0
Kerala	**Pathanamthitta**	2	121	13.1	75	59	97	38	94
Madhya Pradesh	**Ratlam**	3	394	11.3	48	0	0	49	49
Madhya Pradesh	**Vidisha**	4	393	10.8	75	0	0	0	0
Kerala	**Thiruvanantha-puram**	5	1	9.6	92	23	10	32	86
Uttar Pradesh	**Hamirpur**	6	181	9.0	53	35	85	35	85
Haryana	**Mahendragarh**	7	156	8.2	55	57	22	0	0
Tamil Nadu	**Kanniyakumari**	8	111	7.8	71	26	41	69	90
Tamil Nadu	**Vellore**	9	23	7.4	53	10	7	34	84
Kerala	**Kottayam**	10	2	7.3	95	47	52	34	59
Pondicherry	**Pondicherry**	11	282	7.0	66	0	0	33	70
Haryana	**Bhiwani**	12	155	6.7	86	18	19	5	7
Tamil Nadu	**Thanjavur**	13	50	5.7	80	18	41	9	40
Madhya Pradesh	**Sheopur**	14	460	5.6	100	0	0	0	0
Andhra Pradesh	**Srikakulam**	15	135	5.4	83	15	5	27	32
Haryana	**Jind**	16	98	5.4	81	35	32	23	25
Madhya Pradesh	**Ujjain**	17	395	5.3	100	0	0	43	49
Rajasthan	**Rajsamand**	18	82	5.2	96	20	6	0	0
Maharashtra	**Gondiya**	19	225	5.0	28	100	100	100	100
Bihar	**Buxar**	20	462	4.9	51	0	0	0	0
Tamil Nadu	**Perambalur**	21	517	4.9	71	100	100	0	0
Karnataka	**Mysore**	22	382	4.9	22	26	12	49	73
Uttar Pradesh	**Aligarh**	23	64	4.8	80	36	26	38	43

Andhra Pradesh	**Medak**	24	159	4.7	77	22	12	30	62
Andhra Pradesh	**Mahbubnagar**	25	61	4.7	90	10	3	61	86
Tamil Nadu	**Tirunelveli**	26	103	4.6	58	16	7	29	41
Karnataka	**Hassan**	27	451	4.5	75	50	64	50	64
Goa	**North Goa**	28	253	4.4	66	60	90	60	90
Andhra Pradesh	**West Godavari**	29	145	4.4	79	0	0	17	32
Kerala	**Kannur**	30	84	4.4	39	100	100	61	67
Gujarat	**Dohad**	31	94	4.3	65	5	1	42	41
Andhra Pradesh	**Vizianagaram**	32	147	4.3	48	21	66	52	78
Kerala	**Ernakulam**	33	3	4.3	91	48	58	21	32
Uttar Pradesh	**Mathura**	34	205	4.3	69	78	79	48	51
Haryana	**Kurukshetra**	35	199	4.1	69	17	78	0	0
Andhra Pradesh	**Kurnool**	36	67	4.1	96	18	25	25	30
Andhra Pradesh	**Anantapur**	37	188	4.0	82	4	14	34	58
Andhra Pradesh	**Cuddapah**	38	176	4.0	51	1	0	47	90
Orissa	**Nayagarh**	39	351	3.9	40	8	14	0	0
Gujarat	**Amreli**	40	272	3.9	69	64	89	64	89
Tamil Nadu	**Ramanathapuram**	41	133	3.8	66	0	0	16	25
Andhra Pradesh	**Nalgonda**	42	29	3.8	75	3	2	32	39
Rajasthan	**Jhunjhunun**	43	31	3.8	77	9	5	0	0
Andhra Pradesh	**Khammam**	44	139	3.7	80	4	3	8	8
Rajasthan	**Nagaur**	45	60	3.7	47	0	0	17	43
Punjab	**Fatehgarh Sahib**	46	79	3.6	91	0	0	6	6
Maharashtra	**Kolhapur**	47	65	3.6	82	24	35	24	39
Orissa	**Ganjam**	48	89	3.6	70	7	32	5	17
Uttar Pradesh	**Auraiya**	49	411	3.5	32	0	0	0	0
Haryana	**Panipat**	50	327	3.5	53	10	34	0	0

Uttar Pradesh	**Allahabad**	51	6	3.4	72	19	48	1	1
Kerala	**Kollam**	52	4	3.4	86	36	64	23	40
Rajasthan	**Bhilwara**	53	90	3.4	41	20	18	22	19
Tamil Nadu	**Viluppuram**	54	75	3.4	54	27	48	18	46
Maharashtra	**Dhule**	55	157	3.3	50	52	85	46	76
Kerala	**Alappuzha**	56	10	3.3	77	44	64	37	44
Punjab	**Sangrur**	57	46	3.3	67	17	78	19	17
Tamil Nadu	**Thiruvarur**	58	102	3.2	96	5	4	28	38
Andhra Pradesh	**Chittoor**	59	126	3.1	51	13	1	47	74
Uttar Pradesh	**Agra**	60	224	3.1	95	0	0	8	12
Andhra Pradesh	**Visakhapatnam**	61	19	3.1	62	9	7	22	38
Haryana	**Hisar**	62	142	3.1	54	53	49	44	37
Andhra Pradesh	**Prakasam**	63	39	3.1	77	3	4	16	51
Rajasthan	**Dausa**	64	127	3.1	67	5	4	38	62
Tamil Nadu	**Dharmapuri**	65	91	3.0	45	15	11	33	57
Kerala	**Thrissur**	66	7	3.0	83	38	78	16	43
Uttar Pradesh	**Etah**	67	178	3.0	73	0	0	0	0
Andhra Pradesh	**Karimnagar**	68	48	2.9	47	3	5	4	6
Kerala	**Malappuram**	69	5	2.9	47	57	73	49	44
Tamil Nadu	**Cuddalore**	70	269	2.9	71	11	13	8	24
Punjab	**Patiala**	71	70	2.8	52	27	27	25	33
Tamil Nadu	**Nagapattinam**	72	57	2.8	81	16	16	20	30
Uttar Pradesh	**Bulandshahr**	73	85	2.8	66	0	0	30	14
Tamil Nadu	**Namakkal**	74	200	2.7	38	31	77	31	77
Uttar Pradesh	**Varanasi**	75	148	2.7	40	29	81	29	81
Tamil Nadu	**Dindigul**	76	108	2.7	41	25	9	31	17
Maharashtra	**Pune**	77	13	2.7	69	13	76	23	82

Kerala	**Kasaragod**	78	95	2.6	40	75	83	32	22
Pondicherry	**Karaikal**	79	361	2.6	78	15	15	68	87
Uttar Pradesh	**Muzaffarnagar**	80	41	2.6	87	19	17	31	37
Rajasthan	**Chittaurgarh**	81	352	2.6	23	0	0	0	0
Karnataka	**Chamarajanagar**	82	296	2.6	59	34	32	38	27
Tamil Nadu	**Erode**	83	81	2.5	44	25	60	26	37
Orissa	**Jagatsinghapur**	84	323	2.5	45	0	0	32	21
Rajasthan	**Tonk**	85	248	2.5	49	0	0	0	0
Tamil Nadu	**Virudhunagar**	86	33	2.5	76	30	30	13	20
Tamil Nadu	**Tiruchirappalli**	87	169	2.5	46	0	0	22	50
Andhra Pradesh	**East Godavari**	88	11	2.4	90	9	23	4	19
Madhya Pradesh	**Gwalior**	89	379	2.4	97	0	0	0	0
Maharashtra	**Nandurbar**	90	214	2.4	66	0	0	0	0
Tamil Nadu	**Sivaganga**	91	202	2.4	90	34	29	3	3
Himachal Pradesh	**Solan**	92	280	2.4	39	39	74	13	12
Rajasthan	**Alwar**	93	20	2.3	68	25	15	32	25
Kerala	**Palakkad**	94	15	2.3	46	64	89	30	46
Maharashtra	**Jalgaon**	95	100	2.3	42	23	49	16	23
Himachal Pradesh	**Kinnaur**	96	490	2.3	81	0	0	0	0
Haryana	**Rewari**	97	244	2.3	44	16	21	0	0
Uttar Pradesh	**Kushinagar**	98	150	2.3	51	14	21	14	21
Uttar Pradesh	**Ambedkar Nag.**	99	223	2.3	88	30	71	0	0
Madhya Pradesh	**Dewas**	100	468	2.3	95	0	0	0	0

Table 5: Debt Distress Ratios by Social Groups, all RLH

Social Group	Rank of Social Group by Distress Ratio	Rank of Social Group by Total Household Expenditure	Distress Ratio	Prop. of Indebted Households	Prop. Of households taking loans from Institutional sources	Prop. of loans taken from Institutional sources	Prop. of households taking loans for Productive Purposes	Prop. of loans taken for Productive Purposes
Adivasi	5	4	0.9	45	10	18	16	29
Dalits	4	2	1.4	51	12	25	15	28
OBC (non-Muslim)	2	1	2.0	50	18	33	23	41
OBC (Muslim)	1	6	3.5	42	20	21	16	74
Muslim (non-OBC)	6	5	0.8	56	7	22	12	24
Hindu (FC)	3	3	1.9	52	17	30	23	46
All India			1.7	50	15	29	19	40

Table 6: Debt Distress Ratios by Social Groups, Agricultural Labour RLH

Social Group	Rank of Social Group by Distress Ratio	Rank of Social Group by Total Household Expenditure	Distress Ratio	Prop. of Indebted Households	Prop. Of households taking loans from Institutional sources	Prop. of loans taken from Institutional sources	Prop. of households taking loans for Productive Purposes	Prop. of loans taken for Productive Purposes
Adivasi	6	3	1.0	48	10	20	16	29
Dalits	3	2	1.5	57	11	20	15	28
OBC (non-Muslim)	2	1	2.1	56	16	30	23	39
OBC (Muslim)	4	6	1.2	48	18	44	15	29
Muslim (non-OBC)	5	5	1.1	66	6	23	14	25
Hindu (FC)	1	4	2.3	61	15	24	25	46
All India			1.7	56	13	27	19	36

Table 7: Debt Distress Ratios by Social Groups, non-Agricultural Labour RLH

Social Group	Rank of Social Group by Distress Ratio	Rank of Social Group by Total Household Expenditure	Distress Ratio	Prop. of Indebted Households	Prop. Of households taking loans from Institutional sources	Prop. of loans taken from Institutional sources	Prop. of households taking loans for Productive Purposes	Prop. of loans taken for Productive Purposes
Adivasi	5	4	0.9	39	10	12	16	29
Dalits	4	2	1.8	53	15	32	16	29
OBC (non-Muslim)	2	1	2.6	56	21	37	23	43
OBC (Muslim)	1	5	7.2	55	23	17	18	81
Muslim (non-OBC)	6	6	0.8	60	8	20	8	20
Hindu (FC)	3	3	2.1	59	20	39	20	47
All India			2.3	54	18	32	19	47

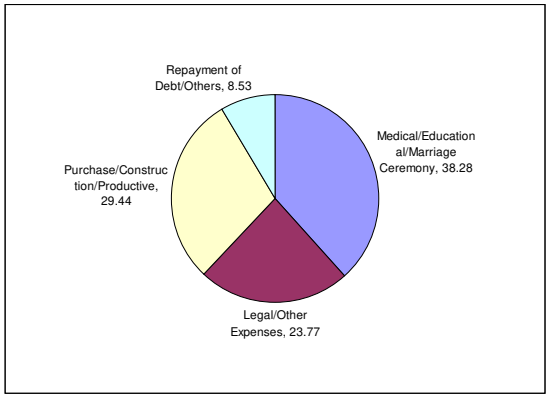
Table 8: Logit and Regression Equations of Household Debt

	Debtor Household	Loans from Insitutional Source	Loans for Productive Purpose
Total household monthly expenditure	1.000***	1.000	1.000
	(6.61)	(1.48)	(0.75)
Forward States	2.101***	2.442***	2.514***
	(15.10)	(8.83)	(10.21)
Land cultivated	1.000***	1.000**	1.000***
	(3.04)	(2.22)	(5.31)
Agriculture Labourer	1.371***	1.068	1.188**
	(6.56)	(0.72)	(2.03)
Adivasis	0.992	0.742	0.927
	(0.08)	(1.61)	(0.47)
Dalits	1.253***	1.084	1.035
	(2.83)	(0.57)	(0.26)
Other Backward Classes (non-Muslim)	1.251***	1.205	1.108
	(2.94)	(1.42)	(0.83)
Muslim (OBC)	0.818	2.328***	0.954
	(1.39)	(3.46)	(0.18)
Muslim (non-OBC)	1.626***	0.271***	0.369***
	(4.26)	(4.46)	(4.41)
Informal Education	1.217	0.860	0.639
	(1.28)	(0.39)	(1.33)
Below Primary	1.259***	0.870	1.018
	(2.80)	(0.71)	(0.11)
Primary and Middle	1.250***	1.492**	1.157
	(3.17)	(2.51)	(1.10)
Seconday, Higher Secondary and Diploma	0.983	2.243***	1.112
	(0.19)	(4.59)	(0.68)
Graduate and Above	0.800	4.766***	1.007
	(1.21)	(5.31)	(0.02)
Number of dependents in household	1.121	1.418**	0.786
	(1.23)	(2.45)	(1.60)
Constant			
Observations	8046	3735	3735

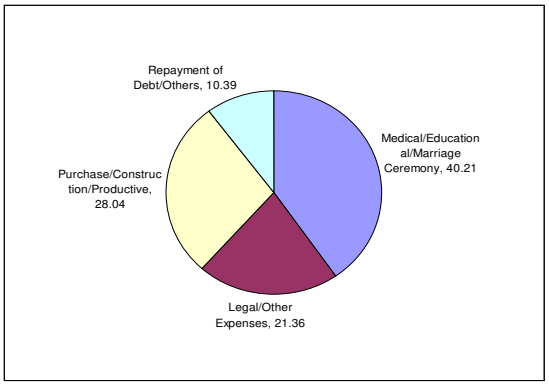
Absolute value of z statistics in parentheses
* significant at 10%; ** significant at 5%; *** significant at 1%
Notes:
Debtor household = 1, if household has taken loan, 0 otherwise
Loans from Institutional Source = 1 if debtor household has taken loan from institutional source, 0 otherwise
Loans for productive purpose = 1 if debtor household has taken loan for productive purpose, 0 otherwise
Institutional Source: government, cooperative society; bank.
Productive Purpose: purchase of land, construction of building, or other productive purpose.

Figure1

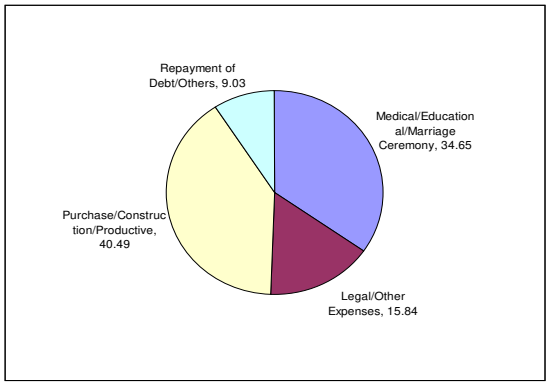
Adivasis



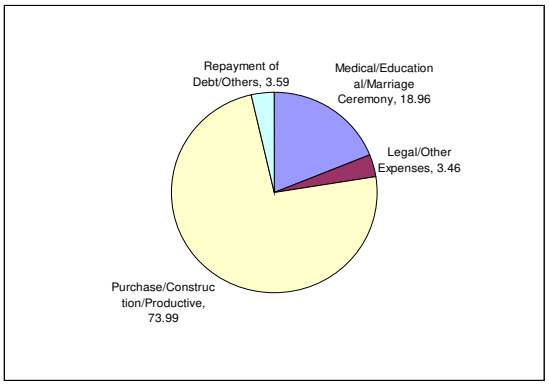
Dalits



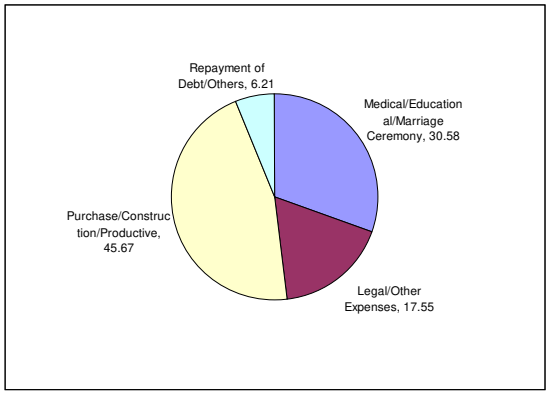
OBC(non-Muslim)



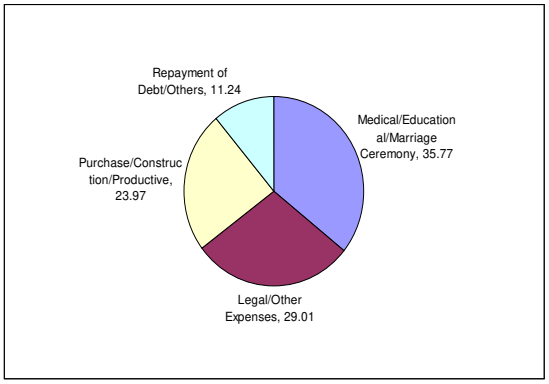
OBC (Muslim)



Muslim (non-OBC)



Hindu (FC)



All

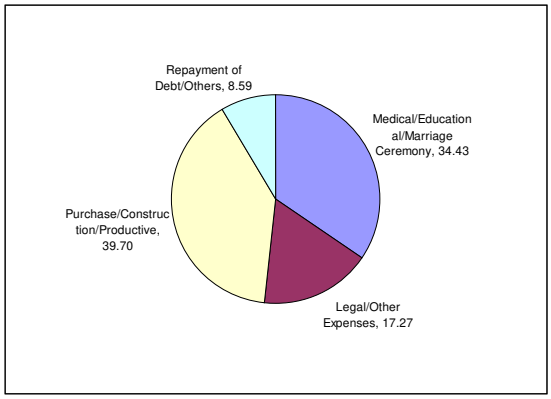
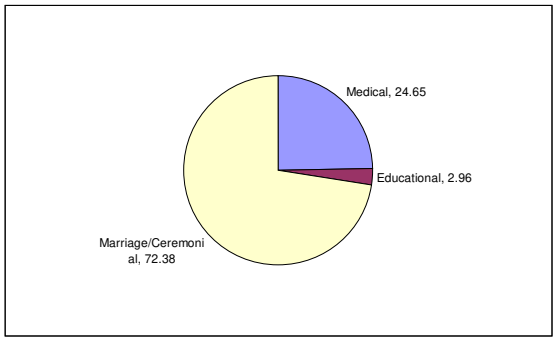
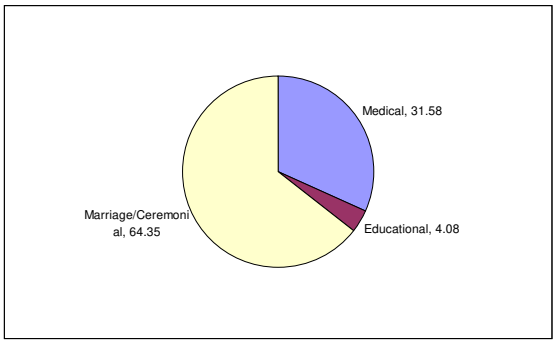


Figure 2

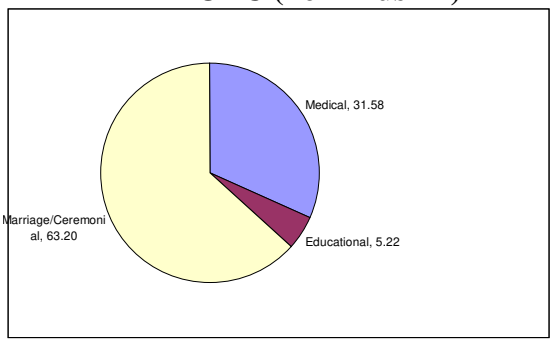
Adivasis



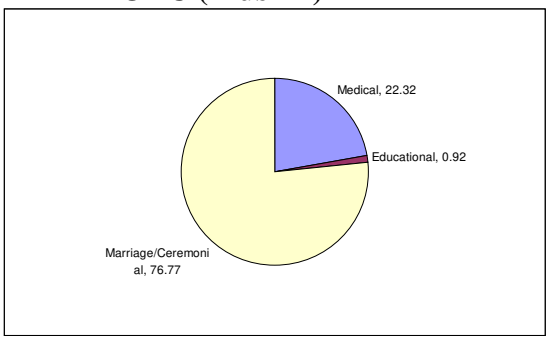
Dalits



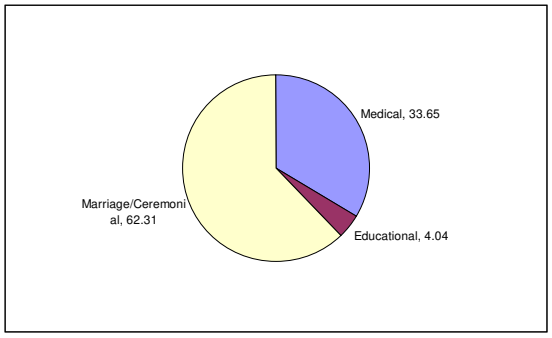
OBC (non-Muslim)



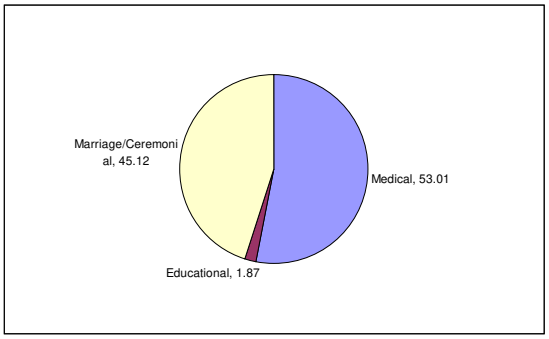
OBC (Muslim)



Muslim (non-OBC)



Hindu (FC)



All

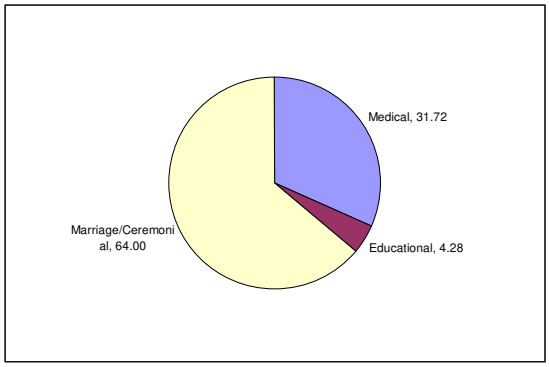
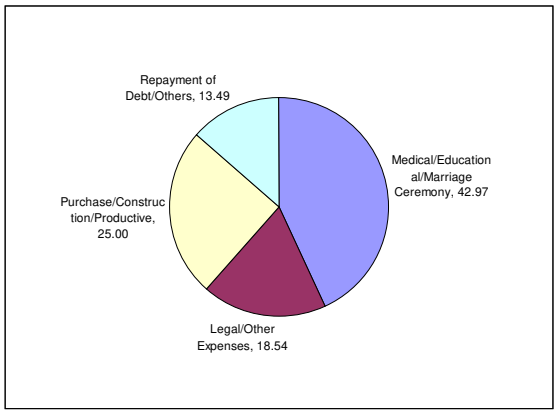
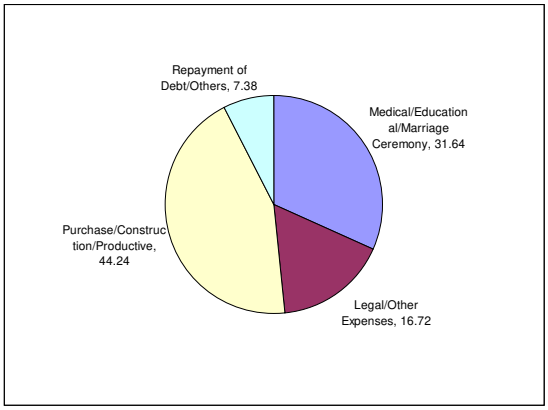


Figure 3

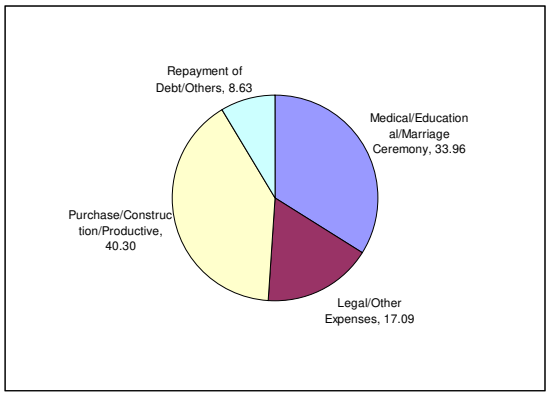
Backward States



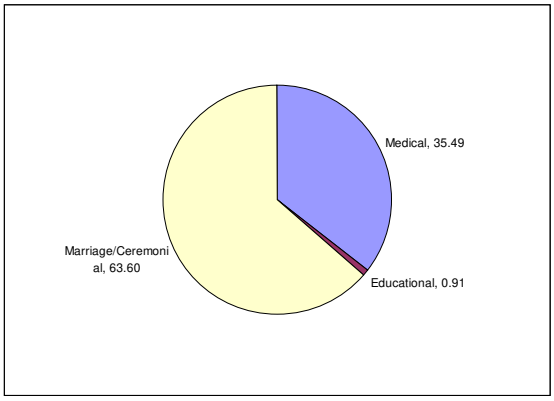
Forward States



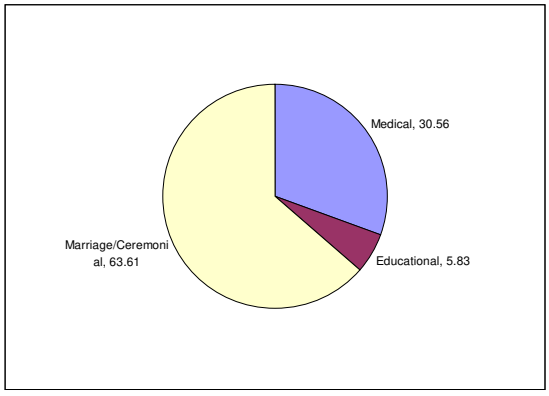
All



Backward States



Forward States



All

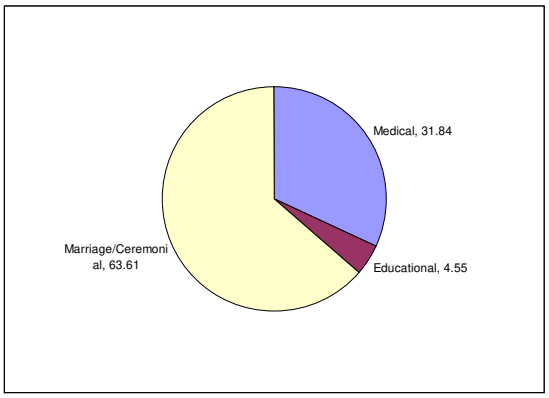


Table 9: Regression Estimates of Marriage, Medical, and Education Loans

	Marriage Loans	Medical Loans	Education Loans	Amount Outstanding
Total household loans	0.039***	0.013***	0.006***	
	(35.40)	(33.19)	(21.73)	
Total Household Monthly Expenditure				2.907***
				(10.23)
Forward States	47,397.090***	19,588.552***	4,160.299***	4,177.694***
	(15.59)	(17.69)	(5.26)	(5.53)
Land cultivated	-1.830	2.603***	-0.150	2.279***
	(0.80)	(3.13)	(0.25)	(3.87)
Agriculture Labourer	-10,728.536***	183.345	235.587	-1,449.087*
	(3.74)	(0.18)	(0.32)	(1.94)
Adivasis	10,760.835*	-10,411.015***	-1,798.725	-1,010.295
	(1.93)	(5.13)	(1.24)	(0.70)
Dalits	18,556.970***	-4,125.131**	-1,790.514	319.541
	(3.96)	(2.42)	(1.47)	(0.26)
Other Backward Classes (non-Muslim)	28,034.320***	-697.721	232.420	3,127.516***
	(6.26)	(0.43)	(0.20)	(2.71)
Muslim (OBC)	110,353.980***	-14,114.476***	-3,606.421	13,848.627***
	(12.34)	(4.33)	(1.55)	(5.98)
Muslim (non-OBC)	-11,100.572*	-8,803.643***	-2,017.899	-3,153.587*
	(1.74)	(3.79)	(1.22)	(1.92)
Informal Education	-7,379.223	-1,890.910	-895.327	-2,482.626
	(0.79)	(0.55)	(0.37)	(1.02)
Below Primary	-7,913.814	-2,903.444	-1,332.553	-1,670.831
	(1.55)	(1.56)	(1.00)	(1.26)
Primary and Middle	-9,988.710**	-4,009.671**	-276.353	-1,529.343
	(2.32)	(2.55)	(0.25)	(1.35)
Seconday, Higher Secondary and Diploma	4,349.535	-3,153.739*	2,834.354**	2,131.716
	(0.84)	(1.68)	(2.11)	(1.55)
Graduate and Above	-19,884.306*	-8,818.054**	4,181.893	39.988
	(1.82)	(2.21)	(1.47)	(0.01)
Number of dependents in household	20,183.281***	-837.881	5,822.355***	2,233.956*
	(3.92)	(0.45)	(4.34)	(1.68)
Constant	7,482.868	12,964.663***	377.134	-1,801.047
	(1.26)	(5.99)	(0.24)	(1.11)
Observations	3735	3735	3735	3735
R-squared	0.42	0.38	0.18	0.19

Absolute value of t statistics in parentheses
* significant at 10%; ** significant at 5%; *** significant at 1%