

All-India Debt And Investment Survey, 1991-92 - Salient Features *

(Part 2 of 2)

Section - III

Summary of Results

- (i) The proportion of cultivators in rural areas is estimated to have declined to 66.1 per cent in 1991 from 76.3 per cent in 1981. In the urban areas, the proportion of self-employed households has marginally increased during the period 1981-1991.
- (ii) The average value of total assets per household in rural areas is estimated at Rs.1,07,007 and for urban areas at Rs.1,44,330. The average value is estimated to be the lowest in the case of Orissa for both rural and urban areas. While Haryana had the highest average value of total assets per household in rural areas, Punjab had the highest average value of total assets per household in urban areas.
- (iii) Classifying the households by asset size classes, it is observed that less than 10 per cent of households reporting assets worth Rs.2.50 lakhs and above accounted for a little less than 50 per cent of the total value of assets of all rural households. In urban areas, on the other hand, nearly 66 per cent of the value of total assets was held by 14.2 per cent of the households reporting assets in the same size class. The trends in concentration ratio of assets would possibly indicate there is no change in inequality of asset holdings of rural households between 1981 and 1991. However, there is a marginal reduction in the inequality of asset holdings of urban households during the same period.
- (iv) Land constituted the major component of assets of cultivator households while land and buildings each had almost equal share (about 38-40 per cent) in the case of non-cultivator households in rural areas, in 1991. The shares of above components have marginally increased between 1981 and 1991 in respect of all rural households. In the case of urban households, land and buildings together constituted about three-fourths of the total value of assets held by them, in 1991, and the share of both the components have increased over 1981.
- (v) The share of household durables in total assets has decreased between 1981 and 1991 in respect of both rural and urban households.
- (vi) The incidence of indebtedness in respect of rural households is estimated to be 23.4 per cent and for urban households at 19.3 per cent. The incidence of indebtedness marginally increased between 1981 and 1991 in respect of both rural and urban areas. The average debt per household was estimated to be about Rs.1,906 for rural areas and Rs. 3,618 for urban areas.
- (vii) Looking at the credit agencies which provided debt to households, it is estimated that 15.6 per cent of the rural households reported debt to institutional agencies while 9.8 per cent reported debt to non-institutional agencies. In urban areas, 11.8 per cent of

households reported debt to institutional agencies whereas 9.4 per cent owed to non-institutional agencies.

- (viii) Among the institutional agencies, commercial banks had the highest share in total outstanding debt of rural and urban households followed by co-operative societies/banks. The share of co-operative societies/banks in total debt of rural households is estimated to have declined between 1981 and 1991 whereas that of professional money lender has increased marginally during the same period.
- (ix) Nearly 70 per cent of the total debt of urban households was owed to institutional agencies in 1991 compared to the share of 60 per cent in 1981. The share of commercial banks, however, had decreased between 1981 and 1991.
- (x) Classifying the debt according to the purpose of loan, it is observed that 40 per cent of the debt in the case of rural households and nearly 74 per cent of urban households was for household expenditure purpose in 1991.
- (xi) The debt for productive purposes (i.e. for current and capital expenditure in farm and non-farm business) has declined steeply between 1981 and 1991 in respect of both rural and urban households. The decline in the share was compensated by a steep rise in the share of household expenditure, for both rural and urban households.
- (xii) About 4 per cent of rural households and 7 per cent of urban households have reported interest free loans in 1991. At the other extreme, 4 per cent of rural households and about 3 per cent of urban households reported loans at the interest rate of '30 per cent or more'. The corresponding amount outstanding against this high interest range accounted for about 10 per cent and 8 per cent of the total amount outstanding, respectively, for rural and urban households.