

# How to Liberate the Poor Tribals from the clutches of the Money-lenders? A Strategic Plan of Action in Kumaram Bheem–Asifabad district, Telangana State

Fr. Dr. M. G. Selvin Raj SJ

**Abstracts:** The tribal poor fall into debt-trap not because of irresponsibility, but because of structural vulnerabilities: unstable income, lack of accessible credit, and absence of safety nets. Therefore, liberation from money-lenders cannot be achieved through moral appeals or sudden bans. It requires systemic reform — financial, institutional, legal, and social — replacing exploitation with dignity, accessible credit, and economic security. Thus, this article aims at providing not solutions but strategic action plan to counter this menace in the lives of the poor tribals in particular reference to the tribals live in Kumaram Bheem – Asifabad District, Telangana State.

**Key Words:** Money-lenders, Debt-trap, Micro-credit, exploitation, social security, dignity, accessibility, self-reliance etc.

## I. INTRODUCTION

Generation after generation, the tribal communities of Kumaram Bheem–Asifabad district continue to remain poor despite their relentless hard work on their ancestral lands. Their economy is largely subsistence-oriented rather than market-oriented. Borrowing is not primarily for business expansion or investment, but for survival — food, health, agriculture, social obligations, and emergencies.

Money-lenders thrive in contexts where:

- Institutional credit is inaccessible or delayed
- Income is seasonal and uncertain
- Social security systems are weak
- Emergencies are frequent and unattended
- Legal protection against exploitation is ineffective

## II. THE CONTEXT OF EXPLOITATION

Although cash circulation within tribal communities is limited, monetary needs are unavoidable. Money is required for:

- Daily household consumption
- Social and religious ceremonies
- Cattle maintenance
- Travel
- Agricultural inputs before monsoon

Savings and investments are rare, not due to carelessness but due to minimal surplus income. Consequently, emergency resilience is almost absent.

Most borrowing takes place not within the tribal community but between tribals and non-tribal merchants in towns such as Asifabad, Kerameri, and Jainoor. These merchants:

- Provide seeds, fertilizers, and pesticides on credit
- Maintain loan records themselves
- Charge high interest rates
- Fix cotton prices unilaterally
- Add transport charges
- Compel farmers to sell produce only to them

The exploitation is double-layered:

1. High interest at the time of borrowing
2. Low crop price at the time of selling

If the loan is not cleared, the balance rolls over with additional interest, creating a perpetual debt trap. Thus, liberation requires a long-term, coordinated, systemic plan.

## III. STRATEGIC PLAN OF ACTION

1. Make SHGs and MCUs the First Line of Defence

Self-Help Groups (SHGs) and Micro-Credit Unions (MCUs) must move beyond savings-only models and become emergency-credit institutions.

Action Points:

- Ensure at least one active SHG or MCU in every tribal hamlet
- Create a Village Emergency Fund (₹50,000–₹1,00,000 per SHG)
- Provide instant loans for health, food, migration, and ceremonies
- Simplify procedures — minimal paperwork
- Ensure loan decisions within 24 hours

When SHGs and MCUs respond promptly to emergencies, moneylenders become unnecessary.

## 2. Strengthen Tribal Cooperative Credit Systems

Formal banks often fail due to delays, rigid documentation requirements, and misalignment with seasonal incomes.

Action Points:

- Revive Large Adivasi Multi-Purpose Societies (LAMPS)
- Provide short-term consumption loans
- Link Minor Forest Produce (MFP) advances to cooperatives
- Align repayment schedules with forest and harvest cycles

Accessibility and timing matter more than formality.

## 3. Replace High-Interest Crop Loans with Timely Institutional Credit

Tribal farmers borrow mainly for:

- Seeds
- Fertilizers and pesticides
- Animal maintenance
- Labour expenses

Critical Reforms:

- Deliver loans before monsoon
- Allow loans without strict land-title requirements

- Distribute agricultural inputs through cooperatives
- Prioritize speed and simplicity over procedural complexity

In agriculture, timing is more important than interest rates.

## 4. Address the Health-Crisis Debt Trap

Medical emergencies are a major cause of debt bondage.

Immediate Measures:

- Strengthen 108/104 emergency services
- Improve road connectivity to interior villages
- Ensure universal health cards
- Create Village Health Emergency Funds
- Deploy mobile medical units
- Promote awareness of cashless treatment entitlements

When healthcare becomes accessible, moneylenders lose their leverage.

## 5. Regulate Moneylenders Firmly but Gradually

Complete prohibition may be unrealistic, but regulation is necessary.

Measures:

- Mandatory registration of moneylenders
- Interest-rate ceilings
- Strict action against land seizure and debt bondage
- Protection of essential documents and forest produce
- Accessible grievance redressal mechanisms

Fear of law reduces abuse.

## 6. Link Employment to Credit Repayment

Irregular income fuels dependence on moneylenders.

Practical Solutions:

- Wage advances during lean seasons under employment schemes
- Wage-linked micro-loans with gradual deductions
- Assign forest-related work during off-seasons
- Build trust-based lending models

Stable income reduces desperation borrowing.

#### 7. Promote Legal Awareness and Financial Literacy

Awareness must be contextual and practical.

Focus Areas:

- Rights under forest and self-governance laws
- Role of Gram Sabha
- Practical understanding of interest calculation
- Awareness of formal banking options
- Basic budgeting skills

Use tribal languages and involve Anganwadi workers, ASHAs, SHG and MCU leaders.

Awareness combined with alternatives leads to behavioural change.

#### 8. Launch a District-Level Anti-Usury Campaign

Debt exploitation must be treated as a structural injustice.

Action Points:

- License moneylenders
- Criminalize illegal lending
- Fast-track debt-related cases
- Ban confiscation of essential assets
- Establish Collector-led coordination task forces
- Conduct monthly review meetings

Without coordination, moneylenders adapt faster than the State. Liberation will not come by removing money-lenders alone, but by making them irrelevant.

#### 9. Political Empowerment

Economic justice requires political voice.

- Support farmer collectives and unions

- Provide legal aid for debt disputes
- Ensure representation in local governance

Exploitation thrives where power imbalance exists.

#### 10. Technology as an Enabler

Technology must include, not exclude.

- Train tribal youth in digital banking
- Direct Benefit Transfers without intermediaries
- Cash-flow based credit assessment

Technology should reduce friction, not create new barriers.

### IV. CONCLUSION

The debt trap in Kumaram Bheem–Asifabad district is not merely an economic issue; it is a structural injustice rooted in historical marginalization, seasonal livelihoods, weak institutional presence, and unequal power relations. Money-lenders fill a vacuum created by inaccessible credit systems, fragile healthcare infrastructure, irregular employment, and limited legal awareness.

Therefore, liberation cannot be achieved through isolated interventions. It requires a coordinated ecosystem approach that integrates:

- Accessible and timely credit
- Strong village-level institutions
- Functional healthcare systems
- Employment security
- Legal protection and enforcement
- Political empowerment
- Context-sensitive financial literacy

The goal is not simply to eliminate money-lenders, but to render exploitative lending unnecessary. When tribal communities have reliable emergency funds, timely crop loans, fair market access, healthcare security, legal protection, and political voice, dependence on moneylenders will naturally decline.

True liberation will emerge not from confrontation alone, but from constructing alternatives rooted in dignity, justice, solidarity, and self-reliance. Only when the tribal poor gain control over credit,

markets, and decision-making processes will the cycle of generational indebtedness finally be broken.