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ROLE OF MEDIA IN EDUCATING LIGS TO AVOID UNWANTED EXPENSES AND SAVE THEM FROM THE VICIOUS DEBT CIRCLE

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***Abstract:** This article throws light on the plight and hardships faced by many Low Income Group (LIG) people, who are caught in the web of debts on account of unwanted and unnecessary expenditure. An effort has been made to study the factors influencing the people to indulge in unwanted expenditure and consequences. In the guise of false pride and score reputation in the neighbourhood, many are spending beyond their capacity in organizing functions and celebrations.*

Introduction

Financial management is an art, skill and practice. It can be a challenge for many, irrespective of their financial background. Of late, a trend or a practice is fast catching up among many in Low Income Group (LIG) people in Hyderabad, where in many are seen spending beyond their capacity in performing rituals, conducting functions and celebrations. And, this is happening year after year and subsequently drawing many into debts.

Interestingly, the practice appears to be more predominant in urban areas than in rural. While, very few manage to emerge successful, many unable to clear their debts, take extreme steps. On a broader perspective, the media confines to reporting about such incidents and not much emphasis is laid on cause and effect mechanism in the entire scenario.

Scope and Methodology

There are many slums in Hyderabad and an attempt was made to ascertain the factors that make people to splurge without considering their ability and budget in conducting functions. Accordingly, a few people were interviewed in different basthis of Sitaphalmandi, Addagutta, Bojagutta, Manikeshwar basthi and other areas.

A questionnaire was prepared and the people and their families were asked to share their views on the practice of spending more for functions and other celebrations annually. A sample was collected and the gist of the same is presented in this article.

Implications

Celebration is all about inviting friends and relatives to celebrate an occasion or an achievement. But in the quest to prove a point or show off or continue the decades-old practice in their families, many are ending up taking loans for high interest rates. Unable to clear the loans, many families go haywire and some people take extreme steps of committing suicides.

What is debt?

It is generally defined as something that is owed or that one is bound to pay to or perform for another. Though on the face of it, many are aware of this, most have been through the tough times in clearing their debts and many have lost their hard earned reputation, finances and credibility. Not to mention about the incidents, when people committed suicides unable to clear their debts.

This phenomenon is common in all sections of the society but is predominantly persisting more in the Low Income Groups (LIGs).

But why do people take loans? The reasons can vary. Necessity, unavoidable circumstances (medical emergency), desire to own few things or services or splurging on unwanted things to boast about one's opulence or capability. Now, call it an influence or the fear of getting criticised in the neighbourhood, more and more people in the LIGs are falling into the vicious debt circle. While, only a minimal percentage is emerging successful in clearing the last hurdle, majority are losing their property and at times their lives after getting trapped in the web of debts, which keeps mounting on them with every passing day, month and year. In the end, forcing them to take extreme measures to bail out of the circumstances – suicide is the preferred option for many.

Though it may sound strange or unbelievable but many in the neighbourhood come up with different heart wrenching stories. A maid, a auto driver, a watchman or a security guard, most of them come up with different stories but the general picture is succumbing to rising expenses, which are mostly uncalled for and unwanted. And most importantly, which can be avoided.

Take the case of A. Satyanarayana, an auto driver by profession. A resident of Sitaphalmandi, his wife Sujatha, two daughters – Malathi and Renuka and a teenager son Satish are dependent on him. After toiling hard for over 16 hours a day, he ends up earning nearly Rs.700 a day.

Working for about 25 days, his monthly income is about Rs.17,500. After deducting expenses, including liquor consumption, vehicle maintenance and others, his income comes down to Rs.12,500. Sujatha his wife will have to manage the monthly provisions, education expenses of the children and other miscellaneous expenditure from the amount handed over to her. His daughters are studying fifth and sixth standard and the annual fee is about Rs.10,000 a year for each child. Add to this, the annual intermediate college fee of Rs.25,000.

Major portion of Satyanarayana's annual income goes into the education of his children. After trying to make both ends meet, the expenses keep mounting on him every month. This is mainly due to the occasions, birthdays, anniversaries and festivals that are to be celebrated.

While festival celebrations are inevitable, the seeds for rising unwanted expenditure are sown in celebrating a few occasions like "Onila Panduga for girls and "Pattu Panchala Panduga" for boys, which are generally conducted during 11 years of children.

In a desire to boast about the capability and not compromising on the budget, Satyanarayana took loan and organised the celebrations on a grand note. A lavish

dinner was offered and the one BHK house (tenant) was decked up with lights and flowers. The loan was obtained on high interest and since then, he is paying the interest and finding it a task to clear the principal amount.

Admitting the challenge and hardship, Satyanarayana says “My neighbour conducted Pattu Panchala panduga offering biryani and other delicacies to guests. If I don’t offer a decent dinner, my family will be criticised for my inability to host a function. Izaa ka sawal saab,”.

In an effort to meet the rising expenditure, Sujatha started working as a maid in three houses, earning about Rs.4500 a month. Yet, Satyanarayana’s family reels under debt and struggles to make both the ends meet.

Greater Hyderabad Municipal Corporation launches an initiative

Assessing the plight of such people and to bail them out, the Urban Community Development of Greater Hyderabad Municipal Corporation (GHMC) has roped in over four and half lakh self help group women for conducting awareness programmes on the adverse effects of splurging money. Among the four and half lakh self help group women, the municipal corporation selected few women and categorized them into Slum level Federation (SLF) and Town Level Federations (TLF). Accordingly, there are 1041 SLFs and 26 TLFs in the municipal corporation. Once the agenda is set by the municipal corporation, these federations visit slums and colonies and conduct different awareness programmes for the people. The SHGs conduct two interactive sessions every month and finalise the agenda for the sessions to be conducted in different areas by the SLFs and TLFs.

After the agenda is finalized covering a host of aspects like awareness on savings, avoiding unnecessary expenditure, effective financial management and few other aspects, these SLFs and TLFs conduct a programme once in every month.

During the meeting, the federation members interact with the people and prepare case studies on the adherence of the agenda set by SHGs. After preparing case studies of different families, the federations analyse their performance. In case, if few families fail to follow the agenda or come up with any issues, the federation members guide the families accordingly.

In majority of the cases, the federation members also assist the families in obtaining loans from banks at very minimal interest rates. These loans are utilized by the families for better financial management by taking up different works like sewing machines related garment manufacturing, pickles manufacturing etc. The federation members also make sure the families pay the monthly installments promptly. This good work is reflecting in the repayment of loans as GHMC officials claim that 94 per cent SHGs promptly pay the monthly installments. Following the good track record of repayment, the banks too are willing to extend more loans and increasing the loans for existing SHGs.

Role of Media in the present context

Media can play a proactive role in educating people and creating awareness on the adverse effects of unwanted expenditure. Prime focus is accorded to cover events or

celebrations that are organised on a grand note and report the kind of arrangements made at such events and celebrations. It also confines to mere reporting incidents of people committing suicides or incidents related to financial distress among LIGs. Most of the times, the media fails to report the reasons behind influencing people for taking extreme steps and measures.

The media in this context can make the people realise the need to save money for their future needs and avoid falling into vicious debt circle. Reports of a family or an individual celebrating a marriage or a function with minimal expenditure and simple gathering, hardly finds any space in the media and even if such events are reported, they are dismissed as brief reports.

The need of the hour is promote and highlight people or families, which do not indulge in spending much for any events or celebrations. This will serve two purposes - one, it makes many to think and follow suit (in the Middle and High Income Groups) and the other is that those in LIGs will realise the necessity of saving the hard earned and falling prey for false pride.

With its wide range in this era of news being available at a click of a button on smart phones, the media will have long reaching impact on the lives of people and make a society devoid of any debt-ridden families or individuals.

An attempt was made to seek the response of few individuals on the issue of unwanted expenditure

The pattern of questionnaire was to extract the reasons influencing people to spend more beyond their capacities. During this exercise 10 people were interviewed in different areas of Hyderabad and here is the gist of the feedback.

1. How many bread earners are there in your family?

A: Mostly one, that is father and six dependents.

2. What is the annual income of a family?

A: Among the 10 people, six said it is Rs.1.80 lakh, while two said it is Rs.2.16 lakh and rest said Rs.2.88 lakh.

3. How many functions are organized in a year?

A: Mostly it is five to seven functions.

4: Money spent in organizing the functions?

A: Usually, it is over 1.5 lakh and goes upto Rs. 2 lakh per family

5: Reasons for organizing the functions or celebrations on a grand note?

A: Prestige in the neighbourhood.

6: Your take on organizing the functions without much fanfare?

A: It is good and such people can be role models for others. But, given the circumstances, it is a task to follow their footsteps.

An Insight:

It is not a challenge to get married without much fanfare and maintain a low profile. A news report was published in The Hindu, Vijayawada edition on December 2, 2016

about Vijayawada Sub Collector Saloni Sidana, who got marriage solemnized by paying a court fee of Rs.500.

According to the report, Ms. Sidana solemnised her marriage by paying a court fee of Rs. 500 in the office of Bhind additional district magistrate. The officer and Ashish Vashishta, an Indian Administrative Service officer of the Madhya Pradesh cadre, tied the knot in a modest ceremony.

This apart, Ms. Sidana showed up for duty within 48 hours of ‘the most important day in a girl’s life.’

Daughter of an agriculturist at Jalalabad village in Punjab’s Fazilka district, the 2014-batch IAS officer reportedly fell in love with Ashish of the same batch while undergoing training at the Lal Bahadur Shastri National Academy of Administration in Mussorie.

A topper throughout her academic career, Ms. Sidana completed her MBBS course in Delhi and worked at the All India Institute of Medical Sciences as a radiologist for some time before opting for the civil services. She cleared the UPPSC exam in her first attempt in 2013 by securing the 74th rank and was given the Andhra cadre.

In another aspect, in 2015, the Kerala State Women’s Commission had proposed to limit the expenditure on weddings to Rs.5 lakh. It has also proposed certain guidelines to the State Government urging it to implement the regulations in the wake of increasing number of lavish weddings in the State.

Women Commission Chairperson K.C.Rosakutty had stated that people spend lakhs for a wedding while in the other side there are families, who struggle to conduct their daughter’s marriage. So, efforts should be made to put an end to this, she added to according to a news report published in the News Minute website.

The Marriages Bill, 2016 was also introduced in Lok Sabha to put a limit on the number of guests invited and dishes served at the weddings to check ‘Show of wealth’ and wants those spending above Rs.5 lakh to contribute towards marriage of poor girls.

As per guidelines, if a family spends above Rs.5 lakh on a wedding it has to contribute 10 per cent of the amount on marriages of girls from poor families. The Bill was introduced by the then Congress MP Ranjith Ranjan. Source news report published in New Indian Express website.

Conclusion:

This feedback throws light on the circumstances and factors forcing people to ape others and prove a point in the quest for false pride. In the process, they do admit that this was causing lot of mental and financial pressure on them and their families.

Citing helplessness, most of the people inform that they prefer to cut down the expenditure but due to inherited culture and practices in the family, they are forced to spend beyond their capabilities by taking loans at high interest rates.

This was trapping them in a web of debts and end up paying the hard-earned money only to clear the interests, while the principal amount remains the same. This was

casting an impact on the education of children in the families as many are forced to drop mid way. And, this continues for generations in most families. Stressing on the need to bring out a change in the thought process of the people and the culture, many want organisations and individuals to step in and guide them for breaking the shackles. They do point out that media too as a role to play in this issue, which is taking the lives of many people like cancer. Most people fail to realise the adversity of the situation and by the time they realise, it is too late for them, forcing a few to take extreme steps.

