

CAUSES AND CONSEQUENCES OF HOUSEHOLD INDEBTEDNESS IN NORTHERN PROVINCE OF SRI LANKA

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It aims to investigate the causes and consequences of indebtedness in Northern province of Sri Lanka and recommend solutions to betterment the current situation. This study adopts both quantitative and qualitative methods. The total population of the Northern Province is 1058762. As to 95 percent confidence level, it is proposed to include 1066 respondents. It identifies the prevalent issues, and gaps in the literature, and provide potential lucid, and succinct avenues for future research. The primary purpose of this study is to elaborate the role of household indebtedness, its causes and consequences. This study will employ both quantitative and qualitative methods. Qualitative data is all about probing and presenting viewpoints in a deeper manner. In Sri Lanka, there is a large extent of problem when it comes to the risk of high interest bearing loans and the ability of people to return them back is limited and hence, it often results in high indebtedness. There is limited research that has been undertaken on this phenomenon in this context, and this study aims to contribute to the existing literature in the field by providing new knowledge on household over-indebtedness and its negative consequences at household. This study tries to analyse the causes and consequences of household over-indebtedness. The study will also suggest recommendations that can help to reduce household over-indebtedness.

Keywords: *Causes; Consequences; Household; Indebtedness*
