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FINANCIAL INCLUSION AND THE SOCIO- ECONOMIC STATUS OF FISHERFOLK IN TIRUCHENDUR AREA

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ABSTRACT

Financial inclusion enables poor to make sustainable improvements in their quality of life at the community level and faster growth and poverty reduction at the national level. The study focuses on socio-economic status of fisher folk who are financially included. The study is based on both primary and secondary data. Secondary data are collected from books, journals and websites. In order to process the data, the tabular presentations and statistical techniques like mean, standard deviation, chi-square test, t test and multiple log linear regression models were extensively used. The field survey was conducted by personal interview method during the period on May 2016 to July 2016. In order to find out the significant difference in satisfaction of income among the sample respondents based on marital status, the't' value was calculated and the calculated't' value was found to be 0.6314 which is lower than the table value 1.97 which is significant at 0.05 level. Therefore, the null hypothesis is accepted and concluded that there is no significant difference in satisfaction of income among the respondents between marital statuses. An improvement in the fisher's economy alone cannot be taken as the symbol of development. Empowerment of the individuals, both male and female members should be assured which gains significance in the context of ever changing technological options in marine fisheries. There are many areas in capture fisheries sector with ample scope for employing fisherwomen. Continuity in microcredit at an enhanced level, and more focus on capacity building to empower each and every fisherwoman, would certainly pave better avenues for development. Further, physical facilities for diverse occupations are also needed for fisherwomen in view of their access to new skills and institutional support from NGOs is also quite worthy in this regard.

KEYWORDS :*Financial inclusion, microcredit, poverty alleviation, economic growth, capacity building.*

INTRODUCTION

Financial inclusion can be viewed as an intensification and extension of poverty alleviation efforts (Karmakar, 2008). Financial inclusion is nothing but creating growth opportunities and making them accessible to all particularly to the poor (Alliance, 2010). The effectiveness of various socioeconomic programs and policies including financial inclusion for promoting economic growth and upliftment of the poor should be considered in terms of their success in achieving the basic objective of raising the standard of living and reducing the inequalities (Sengupta, et al, 2008). The Rangarajan Committee, Government of India (2008), defines financial inclusion as 'the process of ensuring access to financial services and timely, adequate credit where needed, to vulnerable groups such as weaker sections and low income groups, at an affordable cost'.

Inclusive growth has been referred to both, the pace and the pattern of economic growth. The focus of inclusive growth is productive employment, which increases the incomes for the excluded groups. Therefore, it is inherently sustainable, which allows people to contribute to and benefit from economic growth (Chakrabarty C. K. 2009). 'Financial inclusion is the delivery of financial services at an affordable cost to the vast sections of the disadvantaged and low-income groups' (UNO, 2006). In the report of the Planning Commission, GOI (2009), it is stated that, access to finance leads to development which can have direct and indirect effects on poor households. Financial inclusion enables poor to make sustainable improvements in their quality of life at the community level and faster growth and poverty reduction at the national level (ASSOCHAM and Ernst & Young, 2010). Financial inclusion is viewed as a device for the new vision of inclusive growth (Chakrabarty, 2009 and Mehrotra, 2009). It will reinforce financial development which will contribute towards inclusive and economic growth of the country (Mohan, 2006).

The total marine fisher folk population of 3.57 million is in 3,305 marine fishing villages spread across the coastal states and Union Territories (including islands). Of these, 0.90 million are active fisher people, while another 0.76 million people are involved in other fisheries-related activities (ICSF, 2010). Since the assessment measuring the economic and social empowerment at the household level can provide better picture of the situation, this study focuses on socio-economic status of fisher folk who are financially included.

OBJECTIVES OF THE STUDY

The main objectives of the study are:

- To analyse the socio-economic status of fisher folk after financial inclusion
- To assess the association of the fisher folk incomes with their family characteristics.
- To analyse the significance of the share of fisher folk in their total family income.
- To offer suitable suggestions.

METHODOLOGY

The study is based on both primary and secondary data. The primary data are collected directly from the fisher folk with the help of interview schedule. The required primary data are collected using pre-tested and well-structured interview schedule. A well conscripted in English, pre-tested for the cogency was administered for the purpose of data collection. The respondents provided their valued views out of their recollection and memory may be subjected to memory loss. 120 fisher men are selected as sample in Tiruchendur area which includes virapanidanpattnam, Manapad and Kayalpattnam by adopting convenience sampling method. Secondary data are collected from books, journals and websites. In order to process the data, the tabular presentations and statistical techniques like mean, standard deviation, multiple log linear regression model, chi-square test and t test were extensively used. The field survey was conducted by personal interview method during the period on May 2016 to July 2016.

REVIEW OF LITERATURE

Nagayya (2000) stated that there has been a massive expansion in the formal credit delivery network in the last three decades and there is an acceptable gap in financing the genuine poor, especially in remote rural areas. Sabyasachi Das (2003) reported on the functioning of SHGs and micro-credit. It included social, economic, political and spiritual development of the poorer sections of the society. The NGOs gave some training to the SHGs for awareness building, entrepreneurship and skill training, along with some help in arranging inputs and marketing, introduced saving and internal lending, helped in the maintenance of accounts, and linked them with the banks for credit requirements.

Shetty (2002) reported on the impact of rural SHGs and other forms of microfinancing. FAO (2003) reported on the best practices and success stories in micro-credit programmes for women in coastal fishing communities in India. Meenambigai (2004) stated that SHGs play a major role in transforming rural economy. Micro-credit helps the rural poor to improve their standard of living and fulfill their credit needs, and encourages savings, promotes income-generating activities, and benefits women. Microfinance through SHGs has proved to be a strategic measure for organising women in groups and promoting savings and thrift habits to gain access to institutional credit for their socio-economic development and empowerment (DWCD, 2005). Rays of hope are coming from micro-credit institutions which are combining economic agenda along with nurturing women's leadership for the agenda of social justice, gender justice, and women's rights to a dignified and secure life (Kazi, 2007).

ANALYSIS OF DATA

The data collected with the help of interview schedule are analysed in three parts:

- Socio-economic status of the respondents
- Relationship between the monthly income of the respondents and their family characteristics.
- Analysis of fisher men share in total family income

SOCIO – ECONOMIC STATUS OF RESPONDENTS

This section attempts to elucidate the socio –economic status of sample respondents after financial inclusion. The socio-economic status of the respondents namely age, education, monthly income, family monthly income and spouse/parents income are presented in Table 1.

Table 1
SOCIO – ECONOMIC STATUS OF THE RESPONDENTS

S.No	Socio-economic status	No. of respondents	Percentage
1	**Age**		
	Below 30 years	9	7.50
	30 – 40 years	35	40.00
	40 – 50 years	48	29.17
	Above 50 years	28	23.33
	Total	**120**	**100**
2	**Educational qualification**		
	Primary & middle (1to8)	60	50.00
	High school (9-10)	28	23.33
	Higher secondary (11-12)	20	16.67
	Degree & Diploma	12	10.00
	Total	**120**	**100**

3	**Family size**		
	Below 3 members	27	22.50
	3 – 5 members	76	63.33
	Above 5 members	17	14.17
	Total	**120**	**100**
4	**Marital Status**		
	Married	89	74.17
	Unmarried	31	25.83
	Total	**120**	**100**
5	**Monthly income of the respondents**		
	Below Rs.10000	28	6.67
	Rs.10000 – Rs.20000	51	42.50
	Rs.20000 – Rs.30000	40	33.33
	Rs.30000 and above	21	17.50
	Total	**120**	**100**
6	**Family Monthly income**		
	Below Rs.20000	26	21.67
	Rs.20000 – Rs.30000	50	41.67
	Rs.30000 – Rs.60000	23	19.17
	Above Rs.60000	21	17.50
	Total	**120**	**100**
7	**Spouse /Parents' Monthly income**		
	Below Rs.10000	17	14.17
	Rs.10000 – Rs.20000	44	36.67
	Rs.20000 – Rs.30000	37	30.83
	Above Rs.30000	22	18.33
	Total	**120**	**100**

Source: Primary data

The following were the major findings from Table 1:

- 40 percent of the respondents were in the age group of 40-50 years.
- 50 percent of the respondents got primary school/middle school level educational qualification.
- 63 percent of the respondents have 3- 5 members as their family size.
- 43 percent of the respondents were in the monthly income group of Rs.10000 –Rs.20000.
- 42 percent of the respondents were in the family monthly income group of Rs.20000 –Rs.30000.
- 37 percent of the respondents were in the monthly income group of Rs.10000 –Rs.20000 of their spouse /parents.

RELATIONSHIP BETWEEN THE INCOME OF THE SAMPLE RESPONDENTS AND THEIR FAMILY CHARACTERISTICS

To examine the relationship between the income of the respondents and their family characteristics namely family size, family income and spouse /parent's income, Chi-square test was applied. There is no relationship between the monthly income of the respondents and their family size.

• There is no relationship between the monthly income of the respondents and their family monthly income.

• There is no relationship between monthly income of the respondents and their spouse's / parents' income.

The results of chi-square tests are furnished in Table 2.

TABLE 2
RESULTS OF CHI-SQUARE TEST

Relationship	Calculated Value	Degrees of Freedom	Table Value	Inference
Monthly income of the respondents and their family size	19.3641	6	12.592	Significant
Monthly income of the respondents and their family monthly income	22.6131	9	16.919	Significant
Monthly income of the respondents and their spouse/ parent's income	1.2146	9	16.919	Not Significant

Since the calculated values of chi-square are more than the table values in the first two instances, it may be concluded that there exist a significant relationship between the

• the monthly income of the respondents and their family size and

• the monthly income of the respondents and their family income

ANALYSIS OF RESPONDENT'S (FISHERMAN) SHARE IN TOTAL FAMILY INCOME

To assess the fishermen's share in total family income after financial inclusion, the following form of multiple log linear regression model was estimated.

TABLE 3
RESPONDENT'S (FISHERMAN) SHARE IN TOTAL FAMILY INCOME - ESTIMATED REGRESSION RESULTS

Variables	Estimated Regression Co-efficient	t – value
Intercept (β_0)	0.5373	
β_1	0.1069*	3.7213
β_2	0.0713*	4.0114
R^2	0.6767	
F – value	26.33	
No of Observations	120	

*Indicates the co-efficient are statistically significant at 5 per cent level.

It could be observed from Table 3 that R2 value indicates 67.67 per cent variation in total family income explained by the two independent variables included in the regression model. The regression co-efficient of both variables are statistically significant at 5 per cent level. It shows that a unit of these variables could increase total family income by 0.1069 per cent and 0.0713 per cent respectively. The F – value shows that the fitted regression model is statistically significant at 5 per cent level. Thus, it may be concluded that share of fishermen beneficiaries is significant.

TABLE 4
SIGNIFICANT DIFFERENCES IN SATISFACTION OF INCOME AMONG THE SAMPLE RESPONDENTS BASED ON MARITAL STATUS

Marital Status	N	Mean	S.D	't' Value	Interpretation
Married	89	27.32	14.09	0.6314	Not Significant
Unmarried	31	16.43	4.10		

Source: Computed from Primary Data

In order to find out the significant difference in satisfaction of income among the sample respondents based on marital status, the't' value was calculated and the calculated't' value was found to be 0.6314 which is lower than the table value 1.97 which is significant at 0.05 level. Therefore, the null hypothesis is accepted and concluded that there is no significant difference in satisfaction of income among the respondents between marital statuses.

FINDINGS

Among the 120 sample respondents selected randomly from the study area Tiruchendur area it was found that

- 48% of the respondents belong to the age group of 40-50
- 50% of the respondents educational qualification is middle level primary school
- The family size of 63% of the respondents is 3-5 members.
- 43% of the respondents monthly income is Rs 10,000- Rs 20,000
- 42% of the respondents family income is Rs 20,000- Rs 30,000 in spite of significant achievement.
- 37% of the respondents spouse/parents monthly income is Rs 10,000- Rs 20,000
- The social factors, namely age, educational qualification and the family size of beneficiaries plays a vital role in financial inclusion.
- The monthly income of the respondent is significantly associated with their family size and family income and the income of spouse/parents income.
- The share of respondent in the total family income is significant.

SUGGESTIONS

Based on the findings of the study, the following suggestions have been made for need based services for financial inclusion of deprived section of people.

Financial assistance cannot be sufficiently serviced by the current infrastructure and banks. Instead some intervention of any of the following type would suit the study area.

• NGOS should provide adequate and appropriate training to enable organizations to deliver services to financial excluded households.

• The financial literacy skills can be imparted to create awareness and promotion drive to create an in-depth impact on the masses.
• All banks should allow no frill accounts. Further it is suggested that banks should not restrict it to opening of bank account, but it should expand beyond in terms of providing all the banking services to the beneficiaries.
• The business correspondent model which has not been explored in great detail on the ground is one of way to extend banking services to the unbanked so that banking services at their door steps is a more usable form.
• The fisher households think of bank account as places to save larger amount of money, while they tend to save smaller amount to the tune of Rs 10-20 per week. So innovative micro savings products giving stress on thrift aspect are to be introduced.

CONCLUSION

In spreading bank branches over the country, services that reach poor and marginalized segments of the community are less. Banks remain unapproachable and credit terms are often not suitable to poor borrowers. Micro credit one of the common measure of financial inclusion offers optimal solution for extending reach of financial inclusion into the coastal hamlets. Micro finance services (depositing savings, taking loans) are made available at low cost and are easily accessible and flexible enough to meet poor people needs. Among the sample respondents it is essential to promote thrift aspect by introducing innovative micro savings products rather than other services.

An improvement in the fisher's economy alone cannot be taken as the symbol of development. Empowerment of the individuals, both male and female members should be assured which gains significance in the context of ever changing technological options in marine fisheries. There are many areas in capture fisheries sector with ample scope for employing fisherwomen. Continuity in microcredit at an enhanced level, and more focus on capacity building to empower each and every fisherwoman, would certainly pave better avenues for development. Further, physical facilities for diverse occupations are also needed for fisherwomen in view of their access to new skills and institutional support from NGOs is also quite worthy in this regard.

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