



## A STUDY ON THE AVAILABILITY OF CREDIT TO WOMEN FISH VENDORS IN COASTAL KERALA

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### **Abstract**

*Fisheries sector is one of the oldest traditional sectors of the state which provides livelihood for thousands of people. It is also an income generating sector for both state and the central government. The study mainly deals with the problems of women fish vendors in coastal Kerala in availing the credit from the formal and informal sources. The study was conducted on a sample size of 60 women fish vendors in coastal Kerala and used a multi stage sampling. The study mainly reveals that most of the women fish vendors have availed the loan facility and mostly dependent on informal credit like money lenders and wholesalers. The quantum of credit taken by these people is also very high. The loan taken by them are not utilized for income generating purpose but diluted to other areas like marriage of the children or construction of houses. Lack financial literacy is also a major constraint for the utilization of credit. During the study the researcher could observe that they are mainly dependent on Self Help Group like Ayalkuttom for the funding.*

**Keywords: Women Fish Vendors, Formal Credit, Informal Credit, Financial Literacy, SHG.**

### **Introduction**

Kerala is one of the leading maritime states in India in the west of Arabian Sea with a coastal area of 590 km with an inland net work of rivers lakes and backwaters which makes it ideal for fishing. The state consists of 222 fishing villages with 65% active fishermen. Fish remains an integral part of one time meal for an average Keralite this remains that the level of consumption of fish in Kerala is relatively much higher than that of other states in India. Besides this, a recent survey shows that the export of prawns in the state has become a major source of foreign exchange for the state. Women play important role in the fisheries sectors but hardly any authenticated statistical data available on the number of women workers in these sectors. Fish trading, both marine and inland is a means of livelihood for thousands of women in Kerala. The life cycle of women fishing community is not as different as other community or which we can say that even inferior to that of others. Women fish vendors' faces lot of challenges internally and externally. The major internal problems arise of the socio economic conditions and the family issues another problems faced by them are lack of financial stability and they are mainly dependent on money lenders and the wholesalers for funding. They are the main bread earners of the family. Traditionally fisher men in the colonies leave early in the morning or late night to catch the fish and return before noon. Hardly 30% of the income of the fishermen will be spent on household rest will be utilized for their entertainment and consumption of liquors.

Access to credit is an important aspect in running any business or livelihood. It refers to the easiness of getting the finance from the desired source by the borrowers. The borrower must ensure the adequate finance for the continuity of any business. As far as the women fish vendors are considered it is very difficult to acquire the formal credit to cater their needs because of the limited resources. The major constraints faced by these marginalised people in availing credit are lack of collateral security to be offered, high rate of interest, and lack of knowledge of source of finance, low literacy level. The women fish vendors are mainly dependent on informal credit like money lenders, wholesalers and the SHG. Access of the micro finance to these poor individuals and groups who have very less chance of access to formal credit will enhance the socio economic development and improve the living conditions. In this context it is relevant to study the problems faced by the women fish vendors in availing credit facilities from formal or informal source of credit for their vending purpose.

### **Review of Literature**

Nikita Gopal and Meenakumari (2011) the study points out the role of Fishermen cooperative society and NGO as micro finance institutions in availing credit facilities at lower rate of interest and easy repayment system. It also shows a positive impact which has created by Microfinance institutions especially the fisher women in meeting their livelihood and improvement in the socio economic status except asset creation in the long run.



Dr. Anitha & Aswathy SS (2014) This paper gives emphasis on the money management and work life of women fish vendors in Trivandrum even though they were all maintaining a bank account it is unoperated except for the purpose of loan facility of SHGs. They are not aware of the micro credit provided by Matsyafed. Mostly they are dependent on wholesale credit, money lenders and gold pledging. They are not in a position to save money after meeting their expenses.

**Rhenozo Barte (2012)** this study assesses the financial skills of the fish vendors for today's competitive world it is necessary to have formal training in accounting, banking and marketing strategies. As a special sector of economy the micro finance entrepreneurs also possess some required skills in these areas. A minimum facility with numbers, such as control over cash transactions is also needed to run the business operations. The main problems faced by the fishermen group are the low demand for fish, lack of capital, losses and small margin on profits, sickness, default in repayment and theft. The study shows that they have a low financial recording skill they are not maintain proper system of accounting; they do not monitor profit and loss, and have deficient cash management practices. Furthermore, most vendors are confined to high interest loans from banks.

## 2. Objectives

- To study the availability of formal and informal credit facilities to women fish vendors
- To study the purpose of credit availed by the women fish vendors
- To study the quantum of credit available by women fish vendors
- To study the reason for non availability of formal credit

## 3. Methodology

### 3.1 Population

The universe of the study consist of the registered women fish vendors of coastal Kerala.

### 3.2 Sample

A multistage sampling techniques been adopted because the population spread over the entire Kerala. In the first stage the researcher has divided the number of fisher women in the fishermen colonies and the total number of active and registered fisher women. As per the statistics majority of the active fisherwomen are concentrated in Trivandrum, Kollam, Alappuzha, Ernakulam, Kasargode. To determine the sample size formulae for the finite population the researcher has taken Krejcie and Morgan (1970).

### 3.3 Tools used

The various tools used in the study for data analysis are chi square test, ANOVA. The data collected have been processed with the help of SPSS

### 3.4 Data Collection Method

The data have been collected both primary and secondary. Primary data are collected through preparing an interview schedule in the local language. Direct interview and observation is also adopted in the study. The secondary data are collected from various research journals, articles Google scholar.

## 4. Result and Discussion

- The study concludes that, the women fish vendor over 6 years of vending have availed 97.4% credit while below 6 years have availed credit of 37.5%
- It can be concluded from the study that the formal credit constitute 43.6% by govt, 42.9% through cooperative societies, 11.6% through bank and 2.1% only constitute Matsyafed.
- The large percentage of the respondent reported that the informal providers of credit to women fish vendors are 95.5% money lenders and 4.5% wholesalers.
- Majority of the respondents responded that 36% of the credit availed by them are utilizing for children's marriage, 31.2% for construction of houses 9.5% utilized for treatment and only 6.9% is utilized for purchase of fish for vending.



- From the survey, it is found that 81.5% women fish vendors have taken more than Rs.125000 as loan amount and 1.6% below Rs.25000.
- From the survey it was found that most of the respondent, 80% has taken the credit by the influence of friends and relatives from the informal source of credit on group basis.
- The study concludes that the reason for not availing credit from the formal sources by the respondents are 48.4% lacks to offer collateral security, 38.4% of the opinion that high rate of interest and 11.3% are lack of knowledge about the availability of credit.

## **5. Discussion**

The study reveals that finance plays a major role in the vending activities. Most of the women fish vendors are availed the loan facility from the informal source of fund as in the clutches of money lenders. The other source of finance is through SHG. It has also been observed during the research that most of the women in the coastal area are dependent on “Ayalkuttom”, a microfinance credit facility which improves the income and credit. Before the emergence of this microfinance many of the women fish vendors purely depends on the money lenders irrespective of the interest rate. The main source of income during the offseason is also through micro finance. Most of the credit availed by the vendors are for the marriage of their children or for construction of house. A very lesser amount is spending on purchasing of the fish for vending.

To conclude the women fish vendors have more burdens on their shoulders Most of the men in this sector are not willing to help the family major part of their income is spent on liquor and other entertainment. Even though they receive better income still they are in the hands of non institutional lenders. The major constrain for their financial in stability is lack of thrift habit and financial illiteracy.

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