

Financial Inclusiveness and Literacy Awareness of Fisherfolk in Kanyakumari District: An Empirical Study

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Abstract -The main aim of the study is to examine the financial inclusion of fisher folks in Kanyakumari district and determine the extent of financial literacy existing among them. The study was based on both primary and secondary data. The data was collected from various sources to study the different objectives. The secondary data was gathered from published documents, books, theses, journals, periodicals, newspapers, internet sources, other reports, Government offices, and others. The primary data was collected from the fisher folks in Kanyakumari district. All the four taluks of Kanyakumari district have been chosen for the collection of primary data. Judgment sampling method was used to select appropriate respondents for the study. Thus, the study includes a sample of 75 respondents in Kanyakumari district. Financial inclusion among fisher folks through commercial banks is found to be less than the national average. An analysis of the number of loans availed by fisher folks shows a grim picture. The financial products and services have to be made more responsive to the needs of fisher folks. At the same time, financial literacy programmes must be made effective to make the fisher folks self-reliant in financial management and financial commitments.

Keywords: Financial Inclusion, Financial Literacy, Fisher Folks, Financial Services

I. INTRODUCTION

Fisher folk represent one of the most disadvantaged groups in society is the fishing community, which is mostly dependent on government assistance programs and subsidies, especially during the monsoon and off-seasons when fishing is not conducted (Agnes & Radhika, 2024). They are unable to withstand life-cycle events, illness, and accidents due to their poor and inconsistent income and the numerous loans they have taken out from unofficial money lenders. Their fishing inputs, which frequently need large investments, are not accepted as security for official loans, which makes the problem worse (Podvalny et al., 2021). Furthermore, because of its low market worth, the land they own which is frequently found in Coastal Regulation Zones does not match

the security standards established by banks (Lockwood et al., 2002; Vimala & Alamelu, 2019; Raghavan & Arunachalam, 2022). Due to the lack of official financing options available to them, fishermen are forced to rely on commission agents and money lenders, who demand astronomical interest rates in exchange for taking a sizable portion of their catch following a distressed sale (Nwankwo & Nwankwo, 2014; Gürlek & Atay, 2021). Climate change and inadequate technology significantly impact the inclusive development of fishing communities, while inadequate storage facilities do not (Walters & Parma, 1996). Socio-demographic factors and a lack of financial institutions, expertise, or awareness show no significant impact on development (Datche & Wambua, 2013; Rami et al., 2024). Fisherman households are locked in a cycle of debt and poverty since they do not receive official financial support (Thomas & Rajini, 2024; Rangarajan, 2014; Ramesh & Selvi, 2021). The community has become reliant on informal lenders due to the lack of institutional credit, and financial institutions' view of the fishing industry as high-risk further restricts access to insurance and credit (Kusugal & Kusugal, 2013; Srinadi et al., 2023). The development of the fishing community is significantly impacted by this from a socioeconomic standpoint (Bino & Radhika, 2016; Subramaniam & Thangaraj, 2023). Because this vulnerable group lacks financial literacy, moneylenders, private financiers, and microfinance organisations sometimes take advantage of the situation by charging interest rates ranging from 22% to 120%. In spite of ten years of policy initiatives, the community of fishermen is still mainly shut out of formal financial systems (Alamelu & Vimala, 2018; Suresh & Anitha, 2020). To accomplish its goals, this study uses primary as well as secondary data sources (Karthik & Raj, 2021; Balaji & Jeyaseelan, 2023). Using standardised interview schedules and a Likert scale, primary data were gathered from fishermen in each of the district's four taluks regarding their attitudes towards financial inclusion and

literacy (Faruk & Noman, 2013; Aravazhi & Porkodi, 2013; Kumar & Madhavan, 2023). In order to select 75 respondents who would be representative of the population, judgement sampling was used. Numerous published sources, such as books, journals, government papers, and other pertinent documents, were consulted in order to collect secondary data in figure 1.

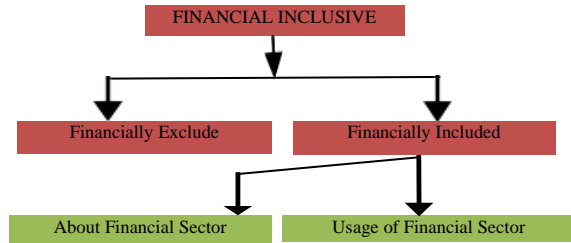


Fig. 1 Framework about Financial Inclusive Usage

II. REVIEW OF LITERATURE

Vimala & Alamelu, (2018) found that women’s financial literacy, risk attitudes, and investment aspirations were all expressed. Their study revealed that women scored moderately in terms of risk attitudes and investment intentions. The survey also indicated that financial literacy levels were significantly correlated with factors such as age, household income, and educational background.

Rangarajan, (2014) highlighted the intricate socio-economic and environmental dynamics shaping the inclusive development of fisher communities (Das & Venkatraman, 2022). The literature underscores the economic challenges faced by vulnerable groups, including fisherfolk, and the need for precise poverty measurement and targeted policy interventions. Research consistently points to the profound impact of climate change on these communities, resulting in unpredictable fishing patterns and declining incomes. Outdated technology further exacerbates these issues, leading to inefficiencies and increased vulnerability to environmental changes.

Analysis and Interpretation

TABLE I FISHER FOLKS FINANCIAL SERVICES TOWARDS AWARENESS AND SERVICE

Financial Services	Awareness			Service of Usage		
	Yes	No	%	Yes	No	%
Deposit Account	51	24	68%	56	19	74%
Current Account	64	11	85%	54	21	72%
Savings Account	55	20	73%	60	15	80%
No frills Account	43	32	57%	30	45	40%
Loan Account	51	24	68%	32	43	42%
Pass Book	70	5	93%	72	3	96%
Cash Withdrawal	69	6	92%	65	10	86%
Jewel Loan	58	17	77%	60	15	80%
Housing Loan	34	41	45%	32	43	42%
Smart Card	30	45	40%	22	53	29%
Personal Loan	43	32	57%	41	34	54%
Average	51	23	69	48	27	63

Source: Primary data

Table I presents data from 75 respondents, indicating that the research area’s respondents have low financial stability due to house debts.

Financial Services towards Awareness and Usage

H0: There is no significant difference between financial inclusivity in terms of awareness and usage of financial services. The data reveals a significant gap between the awareness and usage of various financial services among the fisherfolk community. While 69% of respondents are aware of these services, only 63% actively use them, indicating that awareness does not always translate into usage. Services such as passbooks, cash withdrawals, and jewel loans show high levels of both awareness and usage, suggesting they meet the immediate financial needs of the community effectively. In contrast, no-frills accounts, smart cards, and housing loans are less utilized, pointing to potential barriers such as limited access, perceived complexity, or irrelevance of these services to the fisherfolk’s needs. The low adoption of smart cards, in particular, highlights a possible digital divide or resistance to new technology. This disparity underscores the need for improved financial literacy and tailored outreach efforts to bridge the gap between awareness and actual service usage, ultimately fostering greater financial inclusion and planning within the community.

Furthermore, 54 respondents (68%) have deposit accounts, while 21 respondents (32%) do not. This indicates that respondents in the Kanyakumari district are more financially connected through the use of deposit accounts. Most fisheries have passbooks and maintain them. However, only 57% of members are aware of no-frills accounts.

TABLE II T-TEST - FINANCIAL SERVICES TOWARDS AWARENESS AND USAGE OF SERVICES

Sl. No	Financial services	Financial inclusive towards Awareness		Financial inclusive towards Service of Usage		Mean	Paired t-test value	Sig(2-tailed)
		Mean	Std.dev	Mean	Std.dev			
1.	Deposit Account	1.32	0.470	1.25	0.438	0.067	2.299	0.024
2.	Current Account	1.16	0.369	1.28	0.452	-0.120	-3.177	<0.002
3.	Savings Account	1.27	0.445	1.20	0.403	0.067	2.299	<0.024
4.	No frills Account	1.43	0.498	1.60	0.493	-0.173	-3.939	0.000
5.	Loan Account	1.32	0.470	1.57	0.498	-0.253	-5.011	0.000
6.	Pass Book	1.07	0.251	1.04	0.197	0.027	1.424	0.159
7.	Cash Withdrawal	1.08	0.273	1.13	0.342	-0.053	-2.042	<0.045
8.	Jewel Loan	1.23	0.421	1.20	0.403	0.027	1.424	0.159
9.	Housing Loan	1.43	0.498	1.57	0.498	-0.147	-3.566	<0.001
10.	Smart Card	1.53	0.498	1.71	0.502	-0.173	-3.939	0.000
11.	Personal Loan	1.60	0.458	1.44	0.493	0.160	3.754	0.000

Source: Computed researcher data

The p-values for the variables Deposit Account, Savings Account, Current Account, and Housing Loan are less than the 0.05 level of significance. Hence, the null hypothesis is rejected for these variables, indicating a significant difference between awareness and usage of these financial services. Conversely, the p-values for Passbook Maintenance and Jewel Loan are greater than the 0.05 level of significance. Therefore, the null hypothesis is accepted for these variables, concluding that there is no significant difference in financial services concerning awareness of maintaining a passbook and using a jewel loan. The statistical analysis of financial services in terms of awareness and usage reveals notable

differences. Table II the mean difference values and paired t-test results highlight significant variations between the two measures for various services: **Current Accounts and No-Frills Accounts** exhibit a significant drop in usage compared to awareness, as indicated by negative mean differences and significant paired t-test values ($p < 0.002$ and $p = 0.000$, respectively). This suggests that while there is considerable awareness of these accounts, their actual usage is lower. **Loan Accounts and Smart Cards** show a significant decline in mean difference values with highly significant t-test results ($p = 0.000$), indicating that while awareness is high, the usage of these services is markedly lower. **Personal Loans** have a higher mean usage compared to awareness, with a positive mean difference and significant t-test result ($p = 0.000$). This reflects that the service is not only well-known but also actively used by those aware of it. **Other services**, such as Deposit Accounts, Savings Accounts, Passbooks, Cash Withdrawals, Jewel Loans, and Housing Loans, show varying degrees of alignment between awareness and usage. Services like Passbooks and Jewel Loans have minimal mean differences and non-significant t-test values, suggesting a more consistent relationship between awareness and usage.

TABLE III AGE-WISE STATUS OF FINANCIAL INCLUSION IN KANYAKUMARI DISTRICT

Sl. No.		Financially Included (%)	Financially Excluded (%)	Total (%)
1.	Below30years	19(25.3)	3(4)	22(29.3)
2.	30-40years	14(18.7)	5(6.7)	19(25.3)
3.	40-50years	10(13.3)	6(8)	16(21.3)
4.	50-60years	9(12)	5(6.7)	14(18.7)
5.	Above60years	2(2.7)	2(2.7)	4(5.3)
	Total	54(72)	21(28)	75(100)

Source: Primary data

Table III demonstrates that 14 respondents (18.7%) in the 30–40 age range and 19 respondents (25.3%) in the under-30 age group are financially comfortable. It is evident that respondents across all age groups exhibit a tendency to avoid financial services, including banking, insurance, and postal services, due to risk aversion. They are financially excluded and reluctant to utilize these services. ANOVA is employed to examine the association between age and financial inclusion. The null hypothesis is stated as follows:

H0: There is no significant difference in financial inclusion among fisherfolk of different age groups in the Kanyakumari district. The results of the ANOVA analysis are presented in Table IV, which examines the relationship between age groups and financial inclusion among fisherfolk in the Kanyakumari district.

TABLE IV FINANCIAL INCLUSION AMONG FISHERFOLK OF DIFFERENT AGES – ANOVA

Financial Inclusion	Sum of Squares	df	Mean Square	F Value	P Value
Between Groups	48.375	4	11.894	2.786	0.026
Within Groups	2316.446	70	4.269	-	-
Total	2264.321	74	-	-	-

Source: Primary data

The ANOVA test yielded a significant 'p' value of 0.026 for the financial inclusion of fishermen across various age groups in the Kanyakumari district, with a 'F' value of 2.786. Thus, it can be said that there is a notable variation in the degree of financial inclusion among Fisher people in the Kanyakumari district based on their age. The results from the ANOVA test on financial inclusion reveal that there are statistically significant differences between the groups analyzed. The Between Groups sum of squares is 47.575 with 4 degrees of freedom, resulting in a mean square of 11.894. This produces an F-value of 2.786 with a p-value of 0.026. This p-value, being less than the commonly used significance level of 0.05, indicates that there are significant differences in financial inclusion across the different groups. The Within Groups sum of squares is 2326.636 with 70 degrees of freedom, leading to a mean square of 4.269. The total sum of squares is 2374.211 with 74 degrees of freedom. The significant p-value suggests that the variations in financial inclusion are not due to random chance but rather reflect true differences between the groups. In summary, the ANOVA results indicate that the financial inclusion levels vary significantly among the different groups studied, highlighting that factors influencing financial inclusion are not uniformly experienced across these groups.

TABLE V DEMOGRAPHIC VARIABLES OF FISHERFOLKS AND FINANCIAL LITERACY

Demographic Variable	Financial Literacy		F Value	Sig at 5% level	H0
	Mean	S.D			
Age group					
Below30years	98.06	4.54	4.711	0.003	Rejected
30-40years	100.70	5.77			
40-50years	99.67	4.86			
50-60years	98.29	5.36			
Above60years	94.36	4.21			
Education					
Primary school level	98.24	4.26	13.980	.000	Rejected
High school level	99.88	5.11			
Hr. Sec. level	101.59	6.06			
Graduate level	101.80	6.24			
Post Graduate level	108.06	5.94			
Professional	110.00	8.48			
Illiterate	99.56	4.47			
Number of members in the family					
Below 4	99.03	4.76	4.158	0.016	Rejected
5-8	100.50	5.71			
Above 8	99.08	5.22			
Monthly Income					
BelowRs.5000	97.50	4.61	11.960	0.000	Rejected
Rs.5001-10000	98.87	5.62			
Rs.10000-15000	99.67	4.40			
Above Rs.15000	101.82	6.18			

Source: Primary Data

Table V displays that, at a significance level of 5%, the computed 'F' value for financial literacy among the various age groups of the sample's fishermen is 4.711, and the 'p' value is 0.003. The null hypothesis is rejected since the calculated value is higher than the value in the table. Therefore, it can be concluded that there is a notable disparity in financial literacy between the age groups of surveyed fishermen. **Table V** also demonstrates that the 'p' value is

0.000 at a 5% significance level and the computed 'F' value for the financial literacy of the various educational levels of the sample's fishermen is 13.980. The null hypothesis is rejected since the computed 'F' value is higher than the table value. Consequently, it can be inferred that there is a significant difference between the education levels of fishermen in the sample and their financial literacy.

The ANOVA test shows a significant difference in financial literacy levels across different age groups, as the p-value (0.003) is less than 0.05. Therefore, the null hypothesis (Ho) that age group does not influence financial literacy is rejected. This implies that age significantly affects the level of financial literacy among fisherfolk.

The ANOVA test for education level also shows a significant difference in financial literacy, with a p-value of 0.000, which is below 0.05. Therefore, the null hypothesis (Ho) that education level does not influence financial literacy is rejected. The table also shows that the calculated 'F' value for financial literacy is 4.158 for the different number of family members of the fishermen in the sample, and the p-value is 0.016 at a 5% level of significance. Since the calculated 'F' value is higher than the table value, the null hypothesis is rejected. Thus, it can be inferred that there is a significant difference between the number of family members of fishermen in the sample and their financial literacy. The table further highlights that the computed 'F' value for financial literacy among different monthly incomes of the sample fisherfolk is 11.960, and the 'p' value at a 5% level of significance is 0.000. As the computed 'F' value is higher than the table value, the null hypothesis is rejected. It is inferred that there is a significant difference between the monthly incomes of the sample fisherfolk and their financial literacy

TABLE VI DEMOGRAPHIC PROFILE VARIABLES OF SAMPLE FISHERFOLK (GENDER GROUP, MARITAL STATUS, AND FAMILY TYPE) AND FINANCIAL LITERACY

Demographic Variables	Mean	S.D.	T Value	P Value	Ho
Gender Group					
Male	101.04	5.85	4.028	0.000	Rejected
Female	99.25	5.05			
Marital Status					
Married	99.66	5.27	4.322	0.000	Rejected
Unmarried	102.22	6.18			
Family Type					
Nuclear family	100.18	5.63	0.758	0.449	Rejected
Joint family	99.76	5.03			

Source: Computed data

Table VI shows that the mean value of financial literacy for the different genders of the fishermen in the sample ranges from 99.25 to 101.04. For males, it is the highest at 101.04. This shows that financial literacy is higher among males. From the table, the calculated t-value for the financial literacy of the different genders of the fisherfolk in the sample is 4.028, and the p-value is 0.000 at a 5% significance level. Since the p-value is less than 0.05, the null hypothesis is rejected. Thus, it is concluded that there is a significant

difference between the gender group of the fishermen in the sample and their financial literacy.

The table also demonstrates that the sample's fishermen's mean financial literacy score ranges from 99.66 to 102.22, depending on their marital status. The value is highest (102.22) for singles, indicating that single people have a high level of financial literacy. According to the table, the sample's fishermen's financial literacy across various marital statuses had a computed t-value of 4.322 and a p-value of 0.000 at the 5% significance level. The null hypothesis is rejected since the p-value is less than 0.05. Consequently, it is determined that there is a noteworthy distinction between the marital status of the sample fishermen and their financial literacy. It is evident from the data that the mean value of financial literacy for different family types of the fisherfolk in the sample is 0.758, and the p-value is 0.449 at a 5% significance level. Since the p-value is greater than 0.05, the null hypothesis is accepted. Thus, it is concluded that there is no significant difference between the family type of the fisherfolk in the sample and their financial literacy.

Findings and Suggestions

The test value is less than the 0.05 level of significance. Hence, the null hypothesis is rejected for these variables. It concludes that there is a relationship between financial service and literacy. Financial literacy programs should be arranged separately for different age groups. Information about the financial products and services offered by commercial banks to respective age groups could be disseminated easily, including demonstrations of new-generation products and services to the younger generation. To instill a savings habit among fisher households, a drop-box should be provided to every family, asking them to drop a coin of 5/- or 10/- every day into it, and it should be locked. A business correspondent selected solely for collecting this savings should approach these fisherfolk in the locality and deposit it into their account. The fisherfolk should be allowed to withdraw this deposit only for emergencies.

III. CONCLUSION

Financial inclusion among fisherfolk through commercial banks is found to be less than the national average. An analysis of the number of loans availed by fisherfolk shows a grim picture. Uniformity was observed in the lending policies and constraints faced in serving these low-income groups. At the same time, fishermen find the financial products and services offered by commercial banks unsuitable for use. In summary, there is a gap between financial service providers and fishermen. Commercial banks need to make tough decisions to revamp their structure, approach, and attitude towards fisher households. The style of functioning of commercial banks must be adapted to include marine fisher households. Financial products and services need to be made more responsive to the needs of fisherfolk. At the same time, financial literacy programs must be made effective to make the fisherfolk self-reliant in financial management and commitments.

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