

**FINANCIAL INCLUSION AMONG FISHERFOLK IN
CHELLANAM PANCHAYATH**

Dissertation submitted to

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MASTER OF ARTS IN ECONOMICS

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MARCH 2022

CERTIFICATE

This is to certify that the dissertation titled “FINANCIAL INCLUSION AMONG FISHERFOLK IN CHELLANAM PANCHAYATH” submitted in partial fulfillment of the requirement of MA Degree in Economics to St. Teresa’s College (Autonomous), affiliated to the Mahatma Gandhi University, Kottayam, is a record of bona fide research work done by the candidate under my supervision and guidance.

Head of the Department

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DECLARATION

I hereby declare that the dissertation titled “FINANCIAL INCLUSION AMONG FISHERFOLK IN CHELLANAM PANCHAYATH” submitted by me for the M.A. Degree in Economics is my original work.

Signature of the Supervisor

Signature of the Candidate

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CHAPTER 1

INTRODUCTION: FINANCIAL INCLUSION AMONG FISHERFOLK IN CHELLANAM PANCHAYATH

1.1 INTRODUCTION

Financial inclusion is a policy adopted by many countries to boost their banking sector. This policy aims at bringing more people to the formal financial infrastructure of the nation. It is one of the key factors in reducing poverty and improving the standard of living. “Financial inclusion means that individuals and businesses have access to useful and affordable financial products and services that meet their needs – transactions, payments, savings, credit and insurance – delivered in a responsible and sustainable way.”¹

Financial inclusion policy provides different types of services like loans, equity, banking and insurance products. These financial services help in the overall development of the society. Access to credit facilities help individuals to undertake their financial needs like improving their basic needs and expanding business. If people have financial literacy and knowledge about stock market, they can invest in equities, shares and debentures and earn good returns through investment. Taking insurance provide security against risk and uncertainty. Financial inclusion encourages a culture of savings among common people. This savings can be pooled and can be used as investment by giving credit to the investors. Depositors earn interest from their deposits; banks earn interest by lending and the investors undertake business and gain profits. Investment activities leads to fuller utilization of available resources which leads to economic growth. It helps in solving the problem of unemployment and inflation. Thus, financial inclusion increases the welfare of the country. Government also benefits from greater inclusion. Government can make social security transfers such as old age pension, widow pensions directly to the bank account of beneficiaries through electronic transfers. This will minimize the transaction cost and prevents the leakage in the distribution network. Financial inclusion brings the large segment of the productive sectors of the economy under formal financial network. All transactions become legalized and can be audited in an easier way.

In 2015, financial inclusion became a critical component of the Sustainable Development Goals. Throughout all these years the importance of financial access and usage access has been recognized by large international organizations. According to the World Bank, financial access is the first step toward broader financial inclusion². The Global Findex database shows that 515 million adults worldwide opened an account at a financial institution or through a mobile money provider between 2014 and 2017. This means that 69 percent of adults now have an account, up from 62 percent in 2014 and 51 percent in 2011. In high-income economies 94 percent of adults have an account which means account ownership is nearly universal in high-income economies. In developing economies 63 percent of adults have an account. This progress has been driven by digital payments, government policies, and a new generation of financial services accessed through mobile phones and the internet³.

¹ Source : [Financial Inclusion Overview \(worldbank.org\)](http://worldbank.org)

² Source : [UFA Home \(worldbank.org\)](http://worldbank.org)

³ The Global Findex Database, 2017

Studies have shown that mobile money services helped people to improve their income earning potential and reduced poverty. People were able to manage financial risk at hard times by borrowing from their distant friends and relatives using digital financial services. People were able to accumulate savings and increased their spending on necessities. It also helped governments of different parts of the world to improve their efficiency and reduce corruption.

For a developing country like India, access to finance is always considered as one of the vital parameters of economic growth. The journey of financial inclusion policies in India had started from the promotion of cooperatives in 1950s followed by the nationalization of commercial banks in 1960s. At the early stage, policy was focused on channelizing credit to the neglected sectors of the economy and weaker sections of the population. This was accompanied by the expansion of branch network, introduction of Priority Sector Lending (PSL), promotion of Self-Help Groups (SHGs) and Joint Liability Groups (JLGs), implementation of Business Correspondents (BC) model, among others. Setting up of bricks and mortar branches, complemented by BC model have spread the reach of banking system to each and every part of the country. State Level Bankers' Committee (SLBC) came into existence under Lead Bank Scheme as per RBI guidelines. SLBC facilitates effective implementation of development programs in the areas of poverty alleviation, implementation of various government guidelines especially in respect of priority sector lending, financial inclusion etc. The greater financial inclusion was achieved with the launch of Pradhan Mantri Jan Dhan Yojana (PMJDY) which ensures access to financial services, namely, a basic savings & deposit accounts, remittance, credit, insurance, pension in an affordable manner. There is no requirement to maintain any minimum balance in PMJDY accounts. Due to the interventions made by the government in promoting universal digital payments, there has been progress in the Financial Inclusion Index (FI- Index) of India. As per the report of RBI, the annual FI-Index for the period ending March 2021 is 53.9 as against 43.4 for the period ending March 2017. The FI- Index also estimated that 77% of Indian women have bank accounts in 2017 where it was 43% in 2014⁴. The leakage of funds for pension payments dropped by 47 percent (2.8 percentage points) when the payments were made through biometric smart cards rather than being handed out in cash⁵. India's National Strategy for Financial Inclusion (2019 – 2024) aims to provide access to formal financial services in an affordable manner, broadening & deepening financial inclusion and promoting financial literacy & consumer protection. For achieving this, target-based approach is made for specific sectors like Micro, Small and Medium Enterprises (MSMEs) and agriculture. Government able to bring many people under the financial infrastructure of India with all these initiatives of the government and banking sector. But still there are some who are left out of the financial network due to some constraints. The reasons include lack of financial literacy, role of moneylenders, digital divide etc. Addressing these issues could lead to greater financial inclusion, bridge economic gap between the rich and the poor and achieve economic growth of the nation.

⁴ [Reserve Bank of India - Press Releases \(rbi.org.in\)](https://www.rbi.org.in/pressreleases)

⁵ The Global Findex Database, 2017

1.2 REVIEW OF LITERATURE

1. The aggregate indicators of financial inclusion in India were studied by **Sandhya M. Das and U.S. Mishra** wherein Kerala, Punjab, Himachal Pradesh and Karnataka were ranked high reaffirmation the capability of these states in development. Chellanam, which is a major fishermen village in Ernakulam district needs to be studied for assessing the financial inclusion pattern by studying evidence from the village households.
2. **Rahul Kapoor and Ravinder Reddy** (January, 2020) explains the importance of financial inclusion and believes that transaction account is the prime stone towards financial inclusion and suggests several methods of improving the financial condition of underbanked population.
3. **Agion and Bolton** studied the trickledown effect and development. The financial inclusion of small villages always reflects in overall development of the population.
4. **The Global Findex Database** (2017) highlights the role of mobile money services in allowing the users to store and transfer funds with a mobile phone which help people to improve their income earning potential. Digital financial services make people to manage financial risk by collecting money from their friends and relatives when times are tough.
5. **Grant Thornton India LLP Report** (2020) discuss the challenges in providing financial services to the rural population in India. According to the report, vast geographical base and large population stand as the barriers to the financial institutions in reaching out to every individual.
6. **Sadhan Kumar** (2011) worked out an Index on financial inclusion (IFI) based on three variables namely penetration (number of adults having bank account), availability of banking services (number of bank branches per 1000 population) and usage (measured as outstanding credit and deposit). The results indicate that Kerala, Maharashtra and Karnataka have achieved high financial inclusion ($IFI > 0.5$), while Tamil Nadu, Punjab, A.P, H.P, Sikkim, and Haryana identified as a group of medium financial inclusion ($0.3 < IFI$)
7. **Annual Report** to the Secretary General (September, 2019) highlights the national strategies adopted by different nations to encourage financial inclusion. The report tells that there has been a revolution in the financial sector for the past ten years. There was a huge expansion of digital payment usage by China. In India, 80 % of the adults have accessed the financial services due to technological development. According to United Nations Secretary General's Special Advocate, along with the access to financial services, people's living standard should also be improved. This improvement can be made by offering services like savings, payment credit and health insurance.
8. **RBI's Report** on "National Strategy for Financial Inclusion 2019-2024", discuss the vision and key objectives of financial inclusion policies in India. It highlights the major issues which act as barriers for financial inclusion in India and recommend certain action plans to achieve financial inclusion over the next five years. It also emphasizes the role of stakeholders in achieving the objectives of financial sector.

9. **Dhanya Jagadheesh** (2015) investigates the role of savings in economic growth. The paper discusses how savings result in capital formation and technical innovation. It also stresses the role of government to encourage savings of common people and foster economic growth.
10. **Peterson K. Ozili**, (2020) presents several theories of financial inclusion. Important theories discussed here are Public Good Theory of Financial Inclusion, Dissatisfaction Theory of Financial Inclusion and Vulnerable Group Theory of Financial Inclusion. The author suggests the government to establish a communication channel for the citizens to express their thoughts about financial services.
11. **Kerala Development Report** (2021) shows the achievements of Kerala government in transforming the cooperatives from a three-tier structure to two tier structure by forming the Kerala Bank in 2020. The formation of Kerala Bank indicates the State's commitment to transform the bank into a leading modern financial system through professionalism and technological infusion.
12. **B. Vimala and K. Alamelu** (July 2019) studied the extent of financial inclusion of fisher folk in terms of access and usage. The study area was Ramanadhapuram district in Tamil Nadu. From the sample collected for the study, 77% of the sample respondents were aware of the different products and services rendered by the banks. The study also found that the sample fisher folk were much aware of the traditional financial products and services like passbook and their awareness of modern banking products was comparatively low.

1.3 STATEMENT OF PROBLEM

Financial inclusion has been considered as a key driver of economic growth and poverty alleviation. Accessing to formal finance has helped in boosting job creation, reduce vulnerability to economic shocks and increase investments in human capital. While a lot of efforts have been undertaken to increase financial inclusion in India, there are still many barriers faced by people, especially rural population in accessing basic financial products and services. Covid-19 has aggravated their living conditions. Closure of banks and shortening of opening hours have affected people. Customers were encouraged to use online and mobile banking. People who have no knowledge about online or mobile banking were unable to access the banking services. To lessen the negative impact of Covid-19 on the livelihood of people, Kerala government has taken many initiatives to promote universal banking covering all sections of people. To some extent, the state has achieved its objective. But in some areas, vulnerable communities are facing many problems due to financial exclusion. This study aims at studying the problems faced by one of the vulnerable sections of the society – fishing community due to financial exclusion. The area of study is Chellanam, a coastal village in Ernakulam district. The main occupation of people in this village includes fishing and allied jobs as well as agriculture. This area is severely affected by coastal erosion. In a society where majority don't have steady source of income and continuously facing natural calamities, coastal community in Chellanam became one of the most vulnerable communities in Kerala. Covid - 19 has aggravated their living conditions. The present study aims at assessing the financial

needs of fisherfolk in Chellanam Panchayath and evaluate whether financial inclusion has been achieved among the fishing population. It also focuses on the role of registered financial institutions and money lenders in providing timely credit facilities to the vulnerable fishing community.

1.4 OBJECTIVES

1. To assess the financial needs of fisherfolk in Chellanam Panchayath.
2. To study the effectiveness of policies and schemes introduced by the government and banking sector for ensuring financial inclusion among fishing community.
3. To analyze whether financial needs of fisherfolk is met by banks and NBFCs.
4. To suggest ways and means to achieve a better financial inclusion at panchayath level.

1.5 SIGNIFICANCE OF THE STUDY

The study is confined to selected fisherfolk of Chellanam Panchayath. In Chellanam panchayath many people, mainly fisherfolk are depending on money lenders for loan. Money lenders are charging high interest rates and exploits the people more and more and threaten them when fisherfolk are not able to repay the loan. They are also facing difficulties in getting loans from organized sectors. This study will help to understand the usage of financial services by the coastal community and their awareness towards formal financial system. It also tries to analyze the reasons for issues like low economic growth and less development in this area. The present study helps to address the issues of financial infrastructure in Chellanam and suggest ways to resolve the identified problems.

1.6 METHODOLOGY

Both primary data and secondary data were collected for this study. Primary data was collected through structured questionnaires from fishing community in Chellanam Panchayath. 100 fishing households were taken as the sample respondents. Total population size was about 6000 fishing households.

Direct interview was held with the formal sector bank managers and secretaries of Cooperative Societies operating in Chellanam Panchayath.

Secondary data was collected from official websites, published journals and newspaper reports. Simple statistical tools like percentages, tables, averages are used for the analysis of data.

1.7 THEORITICAL BACKGROUND

❖ *Public good theory of financial inclusion*

The public good theory of financial inclusion argues that the provision of formal financial services should be treated as a public good. The theory argues that formal financial services is a public good, and should be provided to everyone for the benefit of all. There should be unrestricted access to finance for everyone. As a public good, access to formal financial services to one individual does not reduce its availability to others. This means that all members of the population can be brought into the formal financial sector and everyone will be better-off.

Under this theory, all members of the population are beneficiaries of financial inclusion and nobody is left out. Under the public good theory of financial inclusion, an individual or small business that opens a formal bank account can be offered free debit cards. They can use the Automated Teller Machines (ATMs) to perform transactions without being charged a transaction fee. Suppliers of formal financial services, such as financial institutions, will bear the cost of offering formal financial services as a sunk-cost of doing business. The government can grant subsidies to financial institutions to help them cope with any resulting cost problems that arise from offering free formal financial services to citizens.

Merits:

1. Everyone will benefit from financial inclusion regardless of status, income level or demographic differences.
2. The government will subsidize the cost of providing formal financial services to citizens.
3. It gives the government an opportunity to take responsibility for promoting financial inclusion.

Demerits:

1. Treating the provision of formal financial services to citizens as a public good does not address the real cause of financial exclusion.
2. Subsidy can deplete public funds, and lead to insufficient public funds to execute other important public projects.
3. Financial inclusion may not be sustainable in the long-term even when supported with public funding if the cost of formal financial services is under-priced.

❖ *Vulnerable group theory of financial inclusion*

The vulnerable group theory of financial inclusion argues that financial inclusion programs in a country should be targeted to the vulnerable members of society who suffer the most from economic hardship and crises, such as poor people, young people, women, and elderly people. The theory argues that vulnerable people are often the most affected by financial crisis and economic recession, therefore, it makes sense to bring these vulnerable people into the formal financial sector. One way to achieve this is through government-to-person (G2P) social cash transfers into the formal account of vulnerable people. Making government-to-person social cash transfer payments into the formal account of poor people, young people, women, and

elderly people can encourage other vulnerable people – poor people, young people, women, and elderly people – to join the formal financial sector to own a formal account to take advantage of the government-to-person social cash transfer benefits, thereby, increasing the rate of financial inclusion for vulnerable groups. Also, when social cash transfer is working, and other tools for achieving financial inclusion are provided to vulnerable people in society, it can make vulnerable people feel that they are being compensated for the existing income inequality that affect them, and it gives them an opportunity to catch up with other segments of society.

Merits:

1. The theory makes an attempt to reduce the financial exclusion problem by targeting vulnerable groups to bring them into the formal financial sector.
2. It is easy to identify the financially-excluded members of the population. The vulnerable members of the population can be identified by their degree of vulnerability in terms of income level, gender, age, and other demographic characteristics.
3. It may be cost effective to target only the vulnerable members of the population for financial inclusion compared to achieving financial inclusion for the entire population.

Demerits:

1. The theory does not prioritize financial inclusion for everybody in the population.
2. It ignores non-vulnerable people outside the formal financial sector. Non-vulnerable people also need access to formal financial services.
3. It assumes that women are a vulnerable group, which implies that men are not a vulnerable group. This idea is critical because in modern societies women and men compete for equal opportunities, therefore, labelling women as a vulnerable group to the exclusion of men may have unintended consequences for financial and social inclusion.
4. Achieving financial inclusion by targeting only vulnerable people may increase social inequality when social policies, and financial policies, are designed to favour vulnerable people over others. It may also lead to income inequality if vulnerable people receive better access to formal financial services for a sustained period of time than other.

❖ ***Theories of financial inclusion delivery***

There are several ideas on who should deliver, or provide, formal financial services to the people. Some think the government should provide formal financial services to the people. Others argue that private corporations, such as banks and financial technology businesses, can deliver formal financial services to the people more efficiently. There are also ideas suggesting that formal financial services can be delivered through cooperation by the public and private sectors.

❖ ***Financial literacy theory of financial inclusion***

Financial literacy theory of financial inclusion states that financial literacy will increase people's willingness to join the formal financial sector. It argues that financial inclusion can be achieved through education that increases the financial literacy of citizens. When people become financially literate, they will seek formal financial services wherever they can find it.

Merits:

1. Financial literacy can make people aware of formal financial services that are available to them. When they become aware of existing formal financial services that can improve their welfare, they will join the formal financial sector by owning a formal account.
2. Through increased financial literacy, people can take advantage of other benefits in the formal financial sectors such as investment and mortgage products.
3. Financial literacy can also help people become self-sufficient and help them have some stability in their personal finance. It help people to distinguish between needs and wants, helping them to create and manage a budget, teaching them to save so that they can pay bills when due, and to plan for retirement.
4. Governments that have limited public funds, or limited tax revenue, to fund financial inclusion programs may prefer to use financial literacy as a national strategy for financial inclusion because it is relatively cheaper to educate the population about financial management and the benefits of using formal financial services.

Demerits:

1. It addresses the ‘willingness’ not ‘capacity’ to join the formal financial sector. Financial literacy through education can improve the willingness of people to join the formal financial sector but it does not necessarily improve ‘capacity’ to join the formal financial sector, where capacity is measured as having money which can be used to perform one or more financial transactions. This means that people who do not have money (that is, lack of ‘capacity’) cannot actively participate in the formal financial sector even if they are financially literate.

Among these four important theories, vulnerable group theory of financial inclusion is the most apt theory for this study. In this study, fisherfolk – one of the vulnerable groups is taken for the research.

1.8 SCHEME OF THE STUDY

The study is reported in four chapters:

CHAPTER 1: The first chapter provides a brief introduction of the study. It includes review of literature, statement of problems, objectives, relevance of the study, methodology, scheme of the study and limitations.

CHAPTER 2: Gives an overview of financial inclusion in global, national and state perspective. It also gives an idea about the area of study.

CHAPTER 3: Deals with the analysis and interpretation of data collected from the fisherfolk of Chellanam Panchayath.

CHAPTER 4: Provides major findings of the study, suggestions to improve financial inclusion especially among fisherfolk and concluding remarks of the study.

1.9 LIMITATIONS

1. The total sample taken for the study was a very small number compared to the total population of fishing households and therefore the results cannot be generalized.
2. Some respondents are not willing to disclose their data related to income.

CHAPTER 2

FINANCIAL INCLUSION- AN OVERVIEW

2.1. AN OVERVIEW OF GLOBAL FINANCIAL INCLUSION

It is important to note that seven of the seventeen United Nations Sustainable Development Goals (SDG) of 2030 view financial inclusion as a key enabler for achieving sustainable development worldwide by improving the quality of lives of poor and marginalized sections of the society.

The benefits from financial inclusion can be wide ranging. For example, studies have shown that mobile money services which allow users to store and transfer funds through a mobile phone can help improve people's income earning potential and thus reduce poverty. A study in Kenya found that access to mobile money services delivered big benefits, especially for women. It enabled women-headed households to increase their savings by more than a fifth; allowed 185,000 women to leave farming and develop business or retail activities; and helped reduce extreme poverty among women-headed households by 22 percent⁶.

Digital financial services can also help people manage financial risk by making it easier for them to collect money from distant friends and relatives when times are tough. In Kenya researchers found that when hit with an unexpected drop in income, mobile money users did not reduce household spending while nonusers and users with poor access to the mobile money network reduced their purchases of food and other items by 7–10 percent⁷.

The Global Findex database shows that 515 million adults worldwide opened an account at a financial institution or through a mobile money provider between 2014 and 2017. This means that 69 percent of adults now have an account, up from 62 percent in 2014 and 51 percent in 2011. In high-income economies 94 percent of adults have an account; in developing economies 63 percent do. There is also wide variation in account ownership among individual economies. Globally, about 1.7 billion adults remain unbanked—without an account at a financial institution or through a mobile money provider. Because account ownership is nearly universal in high-income economies, virtually all these unbanked adults live in the developing world. Indeed, nearly half live in just seven developing economies: Bangladesh, China, India, Indonesia, Mexico, Nigeria, and Pakistan. Fifty-six percent of all unbanked adults are women⁸.

2.2. STATUS OF FINANCIAL INCLUSION IN INDIA

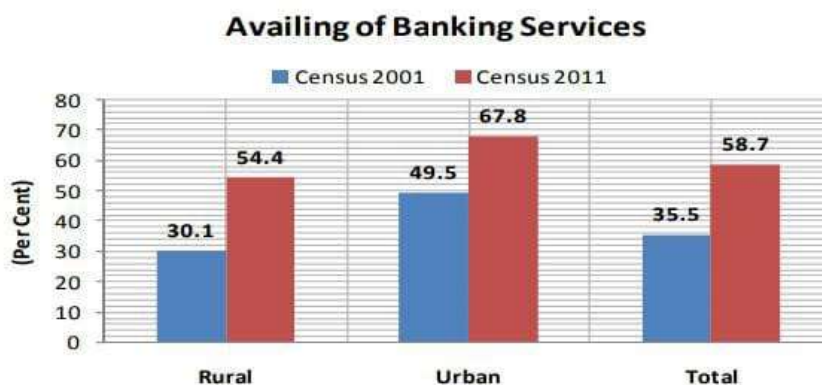
As per census 2011, only 58.7% of households are availing banking services in India. However, as compared with previous census 2001, availing of banking services increased significantly largely on account of increase in banking services in rural areas.

⁶ The Global Findex Database, 2017

⁷ The Global Findex Database, 2017

⁸ The Global Findex Database, 2017

Figure 2.1
Availing of banking services



Source: Department of Financial Services, Govt

26 % of the households had at least one woman member who saved in an institution. 25% of households with at least one member having any form of insurance Overall, 32% households with at least one member above 60 years reported to be receiving old age pension. Further, 4%, 2% and 1.5% households were covered under Widow Pension, Retirement Pension, and Disability Pension respectively. In India, 10.5% of male and 8.9% of female have good financial education⁹.

For governments, switching from cash to digital payments can reduce corruption and improve efficiency. In India the leakage of funds for pension payments dropped by 47 percent (2.8 percentage points) when the payments were made through biometric smart cards rather than being handed out in cash¹⁰.

2.2.1. Initiatives taken by Govt. of India

The history of measures taken towards financial inclusion in India dates back to the Cooperative Movement in 1904. This agenda received further impetus with the nationalization of 14 major commercial banks in 1969, soon after which the lead bank scheme was introduced. This resulted in expansion in the banking network with the opening of large number of branches across the country including some of the remote and difficult to reach areas.

The Indian approach in recent years has been to establish the basic right of every person to have access to a bank account.

The financial system comprises of commercial banks, regional rural banks (RRBs), urban co-

⁹ Department of Financial Services, Government of India

¹⁰ The Global Findex Database, 2017

operative banks (UCBs), primary agricultural credit societies (PACS) and post offices is, therefore, geared for this purpose. Besides, self-help groups (SHGs) and Micro Finance Institutions (MFIs) also meet the financial service requirements of the poorer segments.

The policy approach adapted to financial inclusion in India can be divided in two categories – the minimalist approach and the expanded approach. The minimalist approach for financial inclusion focuses on the provision of a bouquet of basic financial products and services, including thrift, credit, remittance and payment facilities for the vulnerable and financially excluded sections. Banks have been urged to include products, such as, savings cum overdraft product, remittance product, pure savings product and entrepreneurial credit product while pursuing the objective of greater inclusion.

The expanded approach for financial inclusion, on the other hand, focuses not only on the provision of the basic banking products but also other important ancillary financial products, such as, general insurance, health insurance, micro-pension, mutual fund, finance for affordable housing, etc.

2.2.2. Measuring Financial Inclusion

Financial Inclusion Index:

This index is based on three basic dimensions of an inclusive financial system – banking penetration, availability of the banking services and usage of the banking system.

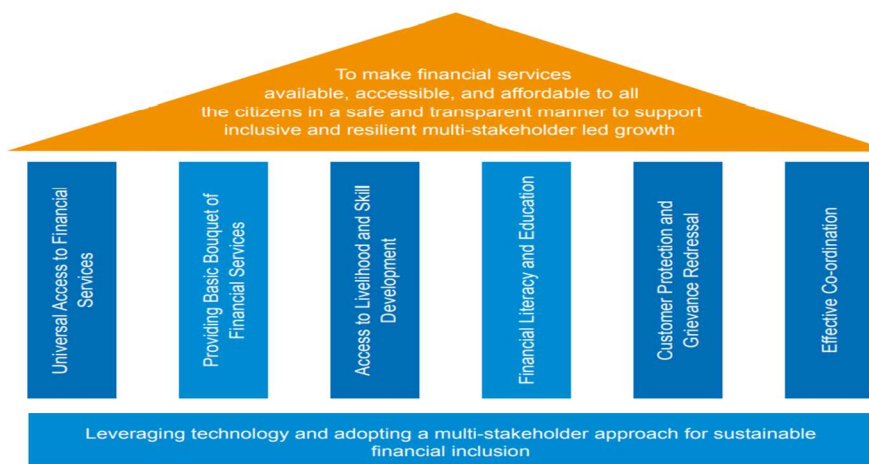
Banking penetration is measured as a ratio of bank accounts to the total population.

Availability of banking services provides an indication to the number of bank outlets available per 1000 people to deliver financial services. The bank outlets may include the brick-and-mortar branches, ATMs, business correspondents, etc.

The third parameter seeks to determine the usage of banking services going beyond mere opening of accounts. Therefore, this is evaluated on the basis of outstanding deposits and credits.

India is characterized by large population and vast geographical base which makes difficult for banks and other financial institution to reach out to every individual. The financial system faces three main challenges in providing financial services to the rural population. First, to provide access to basic banking services. Second, to retain every individual in the financial system by making them an active user by participating in transactions regularly. Third, lack of financial literacy. A large number of people in India are unaware of the significance of different financial products and services. Financial knowledge helps individuals become self-sufficient so that they can achieve financial stability. Lack of financial literacy is one of the important factor which affects the rural population from accessing the banking services. A large number of people in India are unaware of the significance of different financial products and services.

Figure 2.2
Strategic Pillars of National Strategy for Financial Inclusion



Source : National Strategy for Financial Inclusion 2019-2024, Financial Inclusion Advisory Committee, RBI

2.3. FINANCIAL INCLUSION IN KERALA

2.3.1. State Level Bankers' Committee

State Level Bankers' Committee (SLBC) came into existence under Lead Bank Scheme as per RBI guidelines. SLBC is an inter-institutional forum at State level ensuring co-ordination between Government and Banks on matters pertaining to banking development. SLBC facilitates effective implementation of development programmes in the areas of poverty alleviation, implementation of various govt guidelines especially in respect of Priority Sector lending, Financial Inclusion etc.

2.3.2. Kerala Bank

The amalgamated Kerala State Cooperative Bank, known as Kerala Bank, came into being on November 29, 2019. The Kerala Bank has the vision to reach all marginalised sections of the people and to become a universal bank covering all sections of the people. The Bank has formulated and implemented schemes for the effective implementation of programmes for financial inclusion for all sectors in the State.

In terms of business and number of branches, it is the second largest bank in Kerala. The total business of the bank is over Rs 1 lakh crore. With 769 branches, 7 regional offices, and 13 credit processing centres, the bank has successfully rolled out priority-sector lending products in the sectors of agriculture, MSME, retail, and housing. The Kerala Bank can transform into a priority bank of Government of Kerala in providing loans to the beneficiaries of approved schemes of departments such as agriculture, small-scale industries, fisheries, animal husbandry, and dairy, and also Kudumbashree (Self-Help Groups). The Kerala Bank strives to provide world-class and IT-enabled banking to villages, farmers, and the unorganised sector.

2.3.3. Akshaya Centres

To promote Financial Inclusion in the State, Akshaya along with its 1802 banking kiosks across Kerala has taken the banking and insurance services to another level by increasing the mutual trust between the Government and the public. It forms a viable solution to the citizens for ease of financial transactions and thus facilitating economic development of the State.

Figure 2.3
Number of Bank Branches in Kerala

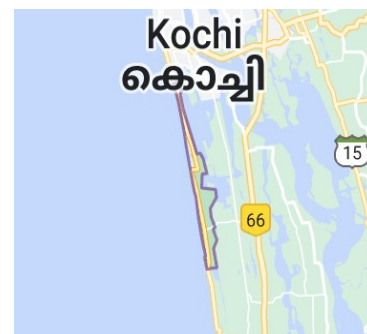
Type of bank	Rural	Sub urban	Urban	Total
Public sector commercial banks	141	2400	861	3402
Public sector commercial banks including regional rural banks	194	2942	900	4036
Private sector commercial banks	143	1600	555	2298
Small finance banks	89	109	33	231
Commercial banks + Regional rural banks+ Small finance banks	426	4651	1488	6565
Cooperative banks	117	38	840	995
Total banking sector	543	4689	2328	7560

Source : SHG Linkage, State Level Banker's Committee

2.4. STATUS OF FISHERFOLK IN CHELLANAM

Chellanam is a calm coastal village of serene beauty with about 16000 families of inhabitants. Fishing has been a major occupation of Chellanam people since many centuries. People of Chellanam had been recognized as very good farmers both in land and water in the past. Unfortunately, they lost the glory in recent times which needs to be revamped to protect the livelihood of thousands of families.

The total area of Chellanam panchayath is 812 hectares and it accommodates 14928 persons as per the 2011 census. Out of the total households, 6000 depends on fisheries sector for their livelihood. Majority of the fishing population belong to lower middle class and lower income categories. They depend on banking, nonbanking financial institutions and other unorganized sectors especially money lenders for financial services and insurance purposes. Due to ineffective role of registered financial institutions in providing right amount of credit at the right time, the vulnerable section of people especially fisherfolk depend heavily on money lenders for finance. These poor people are then forced to pay high interest rates for the money they had borrowed from money lenders. As a result, most of the fisherfolk are not able to save any proportion of their income and in case of emergency, they are again forced to borrow money from the unorganized sector. This process goes on which is one of the factors for vicious circle of poverty and low standard of living among the fishing community.



CHAPTER -3

Financial Inclusion of Fisherfolk in Chellanam Panchayath - Primary Survey Analysis

3.1. FINANCIAL INCLUSION OF FISHERFOLK IN CHELLANAM PANCHAYATH PRIMARY SURVEY ANALYSIS AND INTERPRETATION:

3.1.1. Financial Infrastructure of Chellanam Panchayath:

- ❖ Number of **Nationalized Banks** in Chellanam Panchayath – 2
 1. Union Bank of India, Kannamaly Branch
 2. Union Bank of India, Chellanam Branch
- ❖ Number of **Commercial Banks** in Chellanam Panchayath – 1
 1. South Indian Bank Chellanam Branch
- ❖ Number of **Cooperative Banks** in Chellanam panchayath – 4
 1. North Chellanam Panchayath Service Cooperative Bank, Cheriyaakkadavu
 2. North Chellanam Panchayath Service Cooperative Bank, Kandakkadavu
 3. Chellanam Service Cooperative Bank, South Chellanam
 4. Chellanam Service Cooperative Bank, Maruvakkadu
- ❖ Number of **Matsyathozhilali Vikasana Kshema Sahakarana Sangam** – 5
 1. Matsyathozhilali Vikasana Kshema Sahakarana Sangam, Chellanam
 2. Matsyathozhilali Vikasana Kshema Sahakarana Sangam, Chellanam- Kandakkadavu
 3. Matsyathozhilali Vikasana Kshema Sahakarana Sangam, Maruvakkadu
 4. Matsyathozhilali Vikasana Kshema Sahakarana Sangam, Kannamaly
 5. Matsyathozhilali Vikasana Kshema Sahakarana Sangam, Kannamaly- Cheriyaakkadavu
- ❖ Registered **Non-Banking Financial Institutions** in Chellanam Panchayath include KSFE, Muthoot Finance, Cyril Bankers, Eashwardath Finances etc.

Table 3.1:

Loan details of banks in Chellanam

Sl No.	Name of the bank	Whether any loan is provided specifically for fisherfolk?	MSME Loan					Most popular loan in the bank
			Yes/ No	If yes, for what purposes majority of the customers take this loan?	Maximum amount	Interest rate	Repayment period	
1.	Union Bank, Kannamaly	No	Yes	For buying fishing nets, boats, Chinese nets	Maximum 10 lakhs or up to 80% of the full estimate	Average 8.5% p.a.	6 months – 12 months	Mudra loan
2.	Union Bank, Chellanam	No	Yes	Maintenance work of fishing boats, buying fishing nets	Up to 10 lakhs	Average 8.5% p.a.	6 months – 12 months	Gold loan

3.	South Indian Bank, Chellanam	No	Yes	For buying boats	Up to 10 lakhs	Below 9% p.a.	1 – 7 years	Gold loan
4.	Chellanam Panchayath Service Cooperative Bank	-No personal loans -Joint loans are provided for a group of 10 members. -Purpose- for buying boats and other equipment -Amount Up to 2.5 lakhs -Interest rate is 10% -Security Individuals in the group as mortgage			No			Ordinary loan

Source: Primary data collected from banks.

Fisher population face difficulties to access loan in commercial banks because they do not possess salary certificate and have no income tax statements. Banks in Chellanam do not wish to give loans to fishermen because of repayment issues. South Indian Bank give loan to fishermen only under KYC (Know Your Customer) scheme. The customer should have account in this bank and must have good repayment capacity. They only provide loan to buy boat. Chellanam area is considered poor in loan repayment.

3.1.2. Matsyathozhilali Vikasana Kshema Sahakarana Sangam

Matsyafed provide individual and group loans to fisherfolk through cooperative society. It mainly encourages group loan and give personal loans only for generating self-employment. Apart from the funds of Matsyafed, Matsyathozhilali Vikasana Kshema Sahakarana Sangam also provide individual and group loans from their own fund.

Table 3.2:**Loan details of Matsyathozhilali Vikasana Kshema Sahakarana Sangam in Chellanam**

Institution	Type of loan	Loan amount	Purpose	Interest Rate	Repayment period	Collateral
Matsyafed	Joint loan	Up to 20 lakhs	For buying fishing boats and other equipment.	No interest		No security needed
	Microfinance	Depend on the size of members (up to 30000 per member)	Self-employment	5%		No security needed
Matsyathozhilali Vikasana Kshema Sahakarana Sangam	Working capital loan (Only given to fisherfolk participating in auction)	1 to 3.5 lakhs	Auction, sales	No interest		
	Fixed capital loan	Up to 3 lakhs	For buying fishing equipment. and to meet maintenance expenditures	12%	3 years	Below 25000- no security required Above 25000 – land as collateral

Source: Primary data collected from banks.

Majority of the people take loan for buying fishing equipment and to meet maintenance costs. People also use the cash taken as loan for meeting their housing needs. Cooperative society provides working capital loans at zero interest rate. Time taken to get loan is around 1 to 2 months. Society give loan up to Rs. 10000 directly to people and amount exceeding Rs.10000 is transferred to the borrower's bank account. This society earn profit through auctions and deposits of fisherfolk. However, now they are facing losses especially after 2018 when fishing community fail to repay the loan due to unemployment resulting from covid 19 and bad

weather. Some people even though they have the capacity to repay the loan, is not paying back in the hope of considering it as a bad debt by the bank.

Table 3.3:
Ration card category

Ration Card	No. of Households	Per Cent
AAY	3	3%
BPL	77	77%
APL	19	19%
Above APL	1	1%
Total	100	100%

Source : Primary data collected through structured questionnaire.

77% of the sample population belongs to BPL category. Only 1% of the sample population is above APL category.

Table 3.4 :
Type of houses of households belonging to BPL category

Type of House	No. of Households
No house	4
Thatched	11
Concrete	21
Tiled	41
Total	77

Source : Primary data collected through structured questionnaire.

4 households of the BPL category do not own a house. 11 households of the BPL category own a thatched house. 21 households of the BPL category own a concrete house. 41 households of the BPL category own a tiled house.

Table 3.5 :
Average monthly income

Average Monthly Income range	No. of Households
Rs.2000 – 5000	3
Rs.6000 – 10000	20
Rs. 11000 – 20000	55
Rs. 21000 – 30000	14
Rs. 31000 – 40000	3
Rs. 41000 – 50000	2
Rs. 51000 – 100000	3
Total	100

Source : Primary data collected through structured questionnaire.

From the samples collected, average monthly income of 100 households is Rs.19648.

Household with lowest income is Rs. 2000. Household with highest income is Rs. 100000.

Table 3.6 :

Average monthly expenditure

Average Monthly Expenditure range	No. of Households
Rs.2000 – 5000	3
Rs.6000 – 10000	21
Rs. 11000 – 20000	47
Rs. 21000 – 30000	20
Rs. 31000 – 40000	6
Rs. 41000 – 50000	1
Rs. 51000 – 100000	2
Total	100

Source : Primary data collected through structured questionnaire.

Average monthly expenditure of 100 households selected as sample is Rs.25883.85. Lowest expenditure among 100 samples is Rs. 2200. Highest expenditure among 100 samples is Rs. 90000.

3.2.1. Bank and loan details of respondents

- From the data collected through questionnaire, 100% of the sample population have bank account. 90% of the sample population have more than one bank account whereas 10% have only one bank account. Below table shows the type of bank in which customers have their bank account.

Table 3.7 :

Type of bank in which customers have bank account

Type of bank	No. of households having bank account	Per Cent
Public Bank	63	63%
Private Bank	23	23%
Public & Private Bank	10	10%
Public & Cooperative Bank	2	2%
Public, Private & Cooperative Bank	2	2%
Total	100	100%

Source : Primary data collected through structured questionnaire.

In Chellanam Panchayath, 100% of the sample population have bank account. 63% of the sample population have their account in public banks. 23% of the sample population have their account in private banks. 10% of the sample population have their account in both public and private banks. 2% of the sample population have their account in both public and cooperative banks. 2% of the sample population have their account in public, private and cooperative bank.

Table 3.8 :
Source of loan

Loan from organized sector	Loan from unorganised sector	No loan
69	14	17

Source : Primary data collected through structured questionnaire. (See Appendix).

From 100 samples collected, 83 households have taken loan from organized and unorganized sectors. Only 17% of sample population have not taken any loan. Among 83 households, 14 have depended on money lenders on loan.

Table 3.9 :
Purpose of taking loan

Purpose of loan	No. of households
Housing	35
Other	19
Machineries for fishing	11
Vehicle	11
Wedding	8
Education	7
Business	5
Land	4
Total	100

Source : Primary data collected through structured questionnaire.

Majority of the loans are taken for the construction of the houses. 36 households out of 83 have taken loan for housing purpose. The 2nd most important reason for taking loan is for other purposes like to meet their daily needs, health expenditure, to recover debt etc.

Table 3.10 :
Distance to nearest bank

0.1 km - 1 km	1.1. km - 2 km	2.1 km - 3 km	3.1 km - 4 km	4.1 km - 5 km
21	30	32	15	2

Source : Primary data collected through structured questionnaire. (For further details refer appendix).

From the samples collected, the distance between the sample population's house and nearest bank ranges between 0.1km to 5 km. 21 households have banks nearest to their houses. Number of households with distance ranging from 0.1km to 1km is 21. Number of households with distance ranging from 1.1km to 2 km is 30. Number of households with distance ranging from 2.1km to 3 km is 32. Number of households with distance ranging from 3.1km to 4 km is 15. Number of households with distance ranging from 4.1km to 5 km is 2. Union Bank is the nearest bank to majority of the sample population.

Table 3.11 :**Usage of bank card**

Have one bank card	More than one bank card	Have no bank card
79	5	16

Source : Primary data collected through structured questionnaire. (See Appendix).

Out of 100 samples collected, 84 of the sample population have bank card. Most popular bank card in Chellanam is Rupay card. 73 households out of 100 uses Rupay card. 16 of the sample population do not have any type of bank card.

Table 3.12 :**Usage of digital payment app**

No. of households using no app	No. of households using one app	No. of households using more than one app
30	57	13

Source : Primary data collected through structured questionnaire. (See Appendix).

70 households of the sample population in Chellanam uses digital payment applications for transaction purposes. Google pay is the most popular digital payment application in Chellanam. Only 13 out of 100 households uses more than one digital application. 30 of the sample population is not using any kind of digital payment applications.

Table 3.13 :**No. of times visiting bank branch**

No. of times visiting	No. of Households
Twice in a month	5
Once in a month	36
Once in 2 months	3
Once in 3 months	29
Once in 4 months	3
Once in 6 months	9
Once in 12 months	15
Total	100

Source : Primary data collected through structured questionnaire.

From the sample survey collected, 36 households visit their bank branch once in a month. 15 households of the sample population visit their bank branch only once in a year.

Table 3.14A :
Type of loan – Gold loan

Sl. No	Amount	Source
1	100000	Union Bank
2	100000	Union Bank
3	100000	Union Bank
4	500000	Union Bank
5	150000	Union Bank
6	200000	Union Bank
7	100000	Union Bank
8	100000	Cooperative Bank
9	50000	Cooperative Bank
10	60000	Cooperative Bank
11	150000	Cooperative Bank
12	50000	Money lender
13	50000	Money lender
14	50000	Money lender
15	50000	Money lender
15	100000	KSFE
16	400000	KSFE

Source : Primary data collected through structured questionnaire.

From the samples collected, Union Bank is the major source of gold loan in Chellanam Panchayath, followed by Cooperative Bank, Money lender and KSFE.

Table 3.14 B :
Type of loan – Property loan

Sl. No	Amount	Source
1	2000000	Union Bank
2	500000	Union Bank
3	500000	Union Bank
4	250000	Cooperative Bank
5	120000	Cooperative Bank
6	500000	Cooperative Bank
7	300000	Cooperative Bank
8	200000	Cooperative Bank
9	125000	Cooperative Bank
10	600000	Cooperative Bank
11	250000	Cooperative Society
12	500000	KSFE
13	200000	KSFE
14	300000	KSFE
15	300000	South Indian Bank
16	1000000	Syndicate Bank

Source : Primary data collected through structured questionnaire.

From the samples collected, Cooperative Bank is the major source of gold loan in Chellanam Panchayath, followed by Union Bank and KSFE. Cooperative societies, scheduled and commercial banks have less role in providing property-based loans. According to the samples collected, unorganized sectors are not providing property-based loans to the households.

Table 3.14 C :
Type of loan – Group loan

Sl. No.	Amount	Source
1	20000	Kudumbashree
2	200000	Kudumbashree
3	30000	Kudumbashree
4	10000	Kudumbashree
5	50000	Kudumbashree
6	25000	Kudumbashree
7	48000	Kudumbashree
8	100000	Kudumbashree
9	100000	Kudumbashree
10	100000	Kudumbashree
11	100000	Kudumbashree
12	76000	Kudumbashree
13	100000	Kudumbashree
14	100000	Kudumbashree
15	100000	Kudumbashree
16	10000	Kudumbashree
17	160000	Kudumbashree
18	100000	Cooperative Society
19	100000	Cooperative Society
20	20000	Microfinance
21	50000	Win Cente
22	50000	Win Centre
23	40000	Win Centre
24	10000	Win Centre
25	50000	Win Society

Source : Primary data collected through structured questionnaire.

Kudumbashree is the major provider of joint loan in Chellanam Panchayath. Other joint liability group operating in Chellanam Panchayath is Win Centre and Win Society.

Table 3.14 D :
Type of loan – No Collateral loan

Sl. No	Amount	Source
1	1700000	Money lender
2	20000	Money lender
3	28000	Money lender
4	100000	Money lender
5	400000	Money lender
6	100000	Money lender
7	20000	Money lender
8	200000	Money lender
9	1300000	Money lender
10	200000	Money lender
11	25000	NBFC (Ujjevan)
12	50000	NBFC (Ujjevan)
13	160000	South Indian Bank

Source : Primary data collected through structured questionnaire.

More households are taking loans from money lenders because these loans are easily available and no collateral is required to take this type of loan.

Table 3.14E :
Type of loan- Salary certificate

Sl. No	Amount	Source
1	700000	ICICI
2	200000	Axis Bank
3	150000	Canara Bank
4	1300000	NBFC (Bajaj)
5	82000	NBFC (Bajaj)

Source : Primary data collected through structured questionnaire.

Commercial bank is the major provider of loan using salary certificate. Fisherfolk are not able to take this type of loan because they have no regular income.

Table 3.14F :
Type of loan – Individual as mortgage loan

Sl. No	Amount	Source
1	49000	Kudumbashree
2	40000	Kudumbashree
3	40000	Kudumbashree
4	100000	Kudumbashree
5	20000	Kudumbashree
6	15000	Cooperative Society

7	55000	Cooperative Society
8	30000	Cooperative Society
9	200000	Cooperative Society
10	45000	Cooperative Society
11	30000	Cooperative Society
12	250000	Cooperative Society
13	15000	Cooperative Society
14	25000	Cooperative Society
15	50000	Cooperative Society
16	40000	Cooperative Society
17	18000	Cooperative Society
18	65000	South Indian Bank

Source : Primary data collected through structured questionnaire.

Cooperative Society is the major source of individual as mortgage loan in Chellanam.

It is compulsory to have membership in the particular cooperative society to access the loan.

Table 3.14G:

Type of loan- Agricultural loan

Sl. No.	Amount	Source
1	30000	Cooperative Society
2	40000	Kudumbashree
3	100000	Union Bank
4	50000	Union Bank

Source : Primary data collected through structured questionnaire.

Union Bank is the major provider of agricultural loan. It is difficult to obtain agricultural loan from commercial banks because loans are given only to the farmers who have land holdings.

Table 3.14H :

Type of loan – Fisheries loan

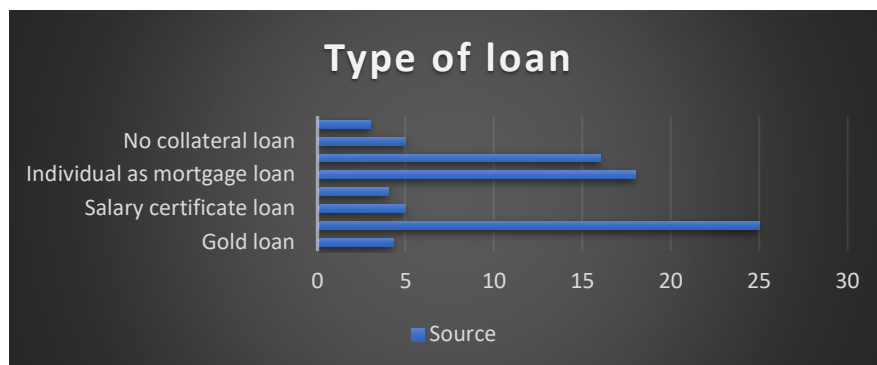
Sl. No.	Amount	Source
1	100000	Fisherman Cooperative Society
2	100000	Fisherman Cooperative Society
3	300000	Fisherman Cooperative Society

Source : Primary data collected through structured questionnaire.

Fisheries loan are provided by fishermen cooperative societies. Out of the samples collected, only 3 households have taken fisheries loan.

Loan distribution among people :

Figure 3.1.



Joint loan is the major type of loan in Chellanam Panchayath. Fisheries loan is the least taken loan.

Table 3.15 :

Interest rate charged by money lenders.

SL. No	Amount	Interest
1	1700000	30%, 36%, 60%
2	20000	60%
3	28000	60%
4	100000	60%
5	50000	72%
6	50000	48%
7	400000	96%
8	100000	60%
9	20000	60%
10	50000	48 %
11	50000	60%
12	200000	60%
13	1300000	48%
14	200000	48%

Source : Primary data collected through structured questionnaire.

Out of 100 households taken as sample, 14 depend on money lenders for loan (For further details, refer appendix 3.8). Money lenders charge high interest on the loans. Interest cost of money lenders ranges from 30% to 96% per annum. Loans from money lenders are easily available. There are no long procedures for obtaining loan and this attracts the fisherfolk to take loan from money lenders.

Table 3.16 :**Insurance details**

Type	No. of households having insurance	No. of households not having insurance
Individual insurance	59	41
Family insurance	34	66

Source : Primary data collected through structured questionnaire. (For additional details see appendix).

59 % of the sample population is insured in Chellanam. LIC accounts for the top insurer by providing individual insurance to 24 households out of 100 samples. 34% of the sample households have family insurance. Here Samagra Arogya Insurance is the major family insurance provider. Among the households having family insurance, 61.76% depends Samagra Arogya Insurance.

3.3.1. Schemes introduced by the Government to promote financial inclusion: Awareness and Usage

- The study has taken 7 important schemes introduced by the Government as a part of banking sector reforms to promote financial inclusion. Schemes taken are Pradhan Mantri Mudra Yojana, Atal Pension Yojana, Pradhan Mantri Jan Dhan Yojana, Stand Up India Scheme, Pradhan Mantri Suraksha Bima Yojana, Sukanya Samridhi Yojana and Kisan Credit Card. From the 100 samples collected, household's awareness and usage of these schemes are summarized in the below table:

Table 3.17 :**Awareness and usage of schemes**

Scheme	Aware	Use
Pradhan Mantri Mudra Yojana	44	2
Atal Pension Yojana	34	4
Pradhan Mantri Jan Dhan Yojana	56	14
Stand Up India Scheme	21	0
Pradhan Mantri Suraksha Bima Yojana	48	4
Sukanya Samridhi Yojana	35	7
Kisan Credit Card	68	10

Source : Primary data collected through structured questionnaire.

44 of the sample population are aware about Pradhan Mantri Mudra Yojana. Out of this, only 2 are using this. 34 of sample population are aware about Atal Pension Yojana. Out of this, only 4 are using this. 56 of sample population are aware about Pradhan Mantri Jan Dhan Yojana. Out of this, only 14 are using this. 21 of sample population are aware about Stand Up India Scheme. The users of this scheme is zero. 48 of sample population are aware about Pradhan Mantri Suraksha Bima Yojana. Out of this, only 4 are using this. 35 of sample population are aware about Sukanya Samridhi Yojana. Out of this, only 7 are using this. 68 of sample population are aware about Kisan Credit Card. Out of this, only 10 are using this.

Among the 7 schemes, the most aware scheme is Kisan Credit Card scheme and the least aware is Stand Up India scheme. From the sample data collected, Pradhan Mantri Jan Dhan Yojana is the most used scheme whereas Stand Up India scheme is the least used. There are no households among the 100 samples who are using Stand Up India scheme.

CHAPTER – 4
FINDINGS, SUGGESTIONS AND CONCLUSION

4.1 FINDINGS

Major Findings:

- Out of the 100 sample households, 14 depend on money lenders for finance. Whatever surplus generated in the fishermen sector is not absorbed back for productive purposes in the sector. Instead, this surplus is used for servicing the interest cost of money lenders which ranges from 30% to 96% per annum. This shows that 14 households of the sample did not have access to any institutional finance. It is to be noted that all these 14 people were earning a living only through fisheries related activity.
- There are no special loans to the fisheries sector by the formal financial institutions in Chellanam panchayath other than fisheries loan provided by fishermen cooperative societies.
- More than 75% of the sample population falls under BPL category. Majority of the household's monthly expenditure exceeds monthly income which forces them to take short term loans to meet their daily requirements.
- Fisherfolk take short term loans from money lenders because of the ease of availability of the loans at the time of seasonal unemployment. Money lenders provide need-based loans.
- Group loans from Kudumbashree is the most popular loan in Chellanam. Unfortunately, fishing community is not able to effectively utilize this amount for productive ventures. They use this cash for meeting their basic needs and to repay loan.
- Majority of the households take loans for housing purpose.
- There are only few entrepreneurs operating in Chellanam. Lack of confidence and awareness about productive activities are the reason for this. Also, people are less aware about the financial services provided by the government to encourage young entrepreneurs.
- Opening of branches of Union Bank in Chellanam and Kannamaly have influenced people to take bank accounts. Since banks are near to people's houses, many have taken accounts after the opening of these branches.
However, some of the households have reported that the attitude of the banking personnel towards fishermen community is not good. Some of the employees are not patient in clearing the banking doubts of fisherfolk and elderly persons.
- Private sector bank in Chellanam is not interested in providing loans specially to fishing community because of poor repayment of loans.
- Introduction of digital payment app has positively impacted the transaction habits of fisherfolk. Google pay is the most popular digital payment app.
- 30 households of the sample population do not use any kind of digital payment app because of two reasons – no access to smart phones and not willing to use because of the existing fraudulent activities taking place in online transactions.
- During the sample survey, 4 households have reported that the moneylenders threatened them because they were unable to repay the loan in the right time. One household was forced to sell their house to repay the loan.
- People in Chellanam has less knowledge about insurance. However, their attitude towards purchasing insurance have improved. LIC is the most popular insurance

company among the natives of Chellanam. Also, Samagra Arogya Insurance is playing a major role in providing family insurance to fisherfolk.

- Households have little knowledge about the schemes introduced by the government to promote financial inclusion. Government and banks in Chellanam have failed to provide financial literacy among fishing community.
- Majority of the households were facing severe difficulties in meeting their daily expenses and they were also not able to repay the debt during the covid 19 pandemic. Also, seasonal unemployment and low productivity of fish have worsened this situation.
- Involvement of middlemen (locally known as tharakan) reduce the income of fishing population. They exploit poor fishing community by buying fish at low price and charges high price in the market. Vulnerable fisherfolk who are forced to risk their lives in sea for a living are not able to earn any fair wages.

4.2 SUGGESTIONS

- The main issue with the fisherfolk is the existence of seasonal unemployment. To help them, the Fisheries department, Society for Assistance to Fisherwoman (SAF) and Matsyabhavans can organize various programs and productive activities which will enable them especially fisherwomen to employ themselves during off season times.
- Even though we have developed digital payment apps, improved online transactions, introduced schemes, 14 % out of the sample survey are still depending on money lenders for loan. Government may take stringent policies to eliminate the role of money lenders and protect the vulnerable communities from the exploitation of money lenders.
- Many households lack financial literacy. So state government and banks in Chellanam must take active steps to encourage financial education among fishing community.
- More banking services like setting up of Cash Deposit Machine, Cheque Deposit Machine etc. should be established in Chellanam. This will help more people to access the banking services.
- Awareness programs shall be undertaken to encourage the use of digital payment apps.
- Banks may simplify their loan procedures so that people can avail finance at the right time and reduce their dependence on unorganized sectors for loan.
- Fishermen Cooperative Societies must take active role in reducing the involvement of middlemen in buying and selling of fish. Cooperative societies may purchase fish directly from the fisherfolk at a reasonable price and help fisherfolk to earn a better wage.

4.3 CONCLUSION

Financial inclusion is one of the key drivers of economic growth. It brings more people to the formal financial infrastructure of the nation. It encourages saving habit and improve living standards of the people. Providing adequate financial products and services to all the sections of the society promotes social and economic development.

The study on financial inclusion among fisherfolk with reference to Chellanam Panchayath helps the Government, policy makers, researchers and other officials to identify the core reasons of the existence of vicious cycle of poverty and low development in Chellanam. The study assesses the financial needs of fisherfolk, discuss the effectiveness of policies and schemes of government and financial institutions to encourage financial inclusion and analyze whether these policies help the people to meet their needs. The study also highlights the major issues of fisherfolk like seasonal unemployment, exploitation of money lenders and middlemen etc. The study concludes by suggesting various ways to solve or reduce the major problems faced by fishing community and put forward a few methods to improve the financial condition of the fisherfolk in Chellanam.

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APPENDIX**Table 3.8: Source and purpose of loan**

Sl. No	Have loan	Source of loan	Purpose of loan taken
1	Yes	Cooperative Bank, Other joint liability groups (Win Centre)	Housing
2	Yes	Kudumbashree	Housing
3	Yes	Nationalized Bank	Housing
4	Yes	Kudumbashree, Moneylenders	Housing
5	Yes	Kudumbashree, Friends and relatives	Housing
6	Yes	Kudumbashree, Friends and relatives, Moneylenders	Housing
7	Yes	Kudumbashree, Moneylenders	Housing
8	Yes	Cooperative Societies	Housing
9	Yes	Cooperative Societies, Kudumbashree, Friends and relatives	Housing
10	Yes	Kudumbashree, Cooperative Societies	Housing
11	Yes	Cooperative Bank	Housing
12	Yes	Commercial Bank	Housing
13	Yes	Kudumbashree, Cooperative Societies	Housing
14	Yes	Kudumbashree, NBFC	Housing
15	Yes	Kudumbashree, Other Joint Liability Group (Win Centre)	Housing
16	Yes	Kudumbashree	Housing
17	Yes	Kudumbashree, Cooperative Bank	Housing
18	Yes	Kudumbashree, Other Joint Liability Group (Win Centre)	Housing
19	Yes	Cooperative Societies	Housing
20	Yes	NBFC	Housing
21	Yes	NBFC	Housing
22	Yes	Cooperative Societies	Housing
23	Yes	Kudumbashree	Housing
24	Yes	Kudumbashree	Housing
25	Yes	Nationalised bank	Housing
26	Yes	Kudumbashree	Housing
27	Yes	Kudumbashree	Housing
28	Yes	Kudumbashree	Housing
29	Yes	Kudumbashree	Business
30	Yes	Commercial Bank	Business
31	Yes	Nationalised bank, kudumbashree	Business
32	Yes	Nationalized bank	Business, Other(Toilet)
33	Yes	Nationalized Bank, Kudumbashree	Education
34	Yes	Kudumbashree, Cooperative Societies	Education
35	Yes	Cooperative Bank	Education
36	Yes	Other Joint Liability Group (Win Society)	Education
37	Yes	Cooperative Society	Education
38	Yes	Cooperative Societies, Kudumbashree, Friends and relatives	Education, Other(To meet debt requirements)
39	Yes	Commercial banks, Cooperative Societies, Money lenders	Housing, Business, Vehicle
40	Yes	Commercial banks, Kudumbashree, Money lenders, NBFC	Housing, Education

41	Yes	Commercial bank, money lenders, friends and relatives	Housing, Land
42	Yes	Nationalised bank, Cooperative bank	Housing, Land, Other (to meet debt requirements)
43	Yes	NBFC, Money lenders	Housing, machineries for fishing
44	Yes	Kudumbashree	Housing, vehicle
45	Yes	Cooperative society, NBFC	Housing, wedding
46	Yes	Friends and relatives,NBFC	Housing,Vehicle
47	Yes	Nationalized Bank	Land
48	Yes	Nationalised bank, Kudumbashree	Land
49	Yes	Money lenders	Machineries for fishing
50	Yes	Cooperative Societies	Machineries for fishing
51	Yes	Kudumbashree,Cooperative Societies	Machineries for fishing
52	Yes	Commercial Bank	Machineries for fishing
53	Yes	Cooperative Societies	Machineries for fishing
54	Yes	Cooperative Bank, Kudumbashree, NBFC, Friends and relatives	Machineries for fishing, Other (to meet debt requirements)
55	Yes	Commercial Bank, Cooperative soceties, Kudumbashree, Money lenders	Machineries for fishing, Vehicle
56	Yes	Cooperative Societies. NBFC	Machineries for fishing, Vehicle, Other (to meet daily requirements)
57	Yes	Nationalised bank, kudumbashree, Money lenders, NBFC	Machinery for fishing
58	Yes	Commercial bank, kudumbashree, money lenders	Machinery for fishing
59	Yes	Kudumbashree	Other (Agriculture)
60	Yes	Cooperative Bank	Other (Medical Purpose)
61	Yes	Other Joint Liability Group (Win Society)	Other (To meet daily requirements)
62	Yes	Kudumbashree, Other Joint Liability Group (Win Centre)	Other (to purchase gold)
63	Yes	Cooperative Societies	Other (To recover gold)
64	Yes	Kudumbashree, moneylenders	Other (To recover gold)
65	Yes	Kudumbashree	Other(To meet debt requirements)
66	Yes	Kudumbashree, NBFC	Other(To meet debt requirements)
67	Yes	Cooperative Bank	Other(To meet debt requirements)
68	Yes	Commercial Bank	Other(To meet debt requirements)
69	Yes	NBFC	Other(To meet debt requirements)
70	Yes	Kudumbashree	Others (to meet daily requirements)
71	Yes	Other Joint Liability Group (Win Centre)	Others (to meet daily requirements)
72	Yes	Nationalized Bank	Vehicle
73	Yes	Kudumbashree	Vehicle
74	Yes	Commercial Bank, Money lenders	Vehicle
75	Yes	Kudumbashree,Cooperative Societies	Vehicle

76	Yes	NBFC	Vehicle
77	Yes	Commercial Bank, Kudumbashree, Friends and relatives	Vehicle, Wedding
78	Yes	Cooperative Bank, Commercial Bank, Friends and relatives	Wedding
79	Yes	Cooperative Bank, Kudumbashree, Other Joint Liability Groups(Win Society), Money lenders	Wedding
80	Yes	Kudumbashree	Wedding
81	Yes	NBFC, Money lenders	Wedding
82	Yes	Cooperative societies, Kudumbashree, NBFC, Money lenders	Wedding
83	Yes	Cooperative Bank, Cooperative Societies, NBFC	Wedding, Others(To meet daily requirements)

Table 3.10 : Distance to nearest bank

Sl. no.	Nearest bank	Distance to nearest bank
1	Union Bank, Chellanam	0.1 km
2	Union Bank, Chellanam	0.1km
3	Union Bank, Chellanam	0.1km
4	Union Bank, Chellanam	0.1km
5	Union Bank, Kannamaly	0.5 km
6	Union Bank, Kannamaly	0.5 km
7	Union Bank, Kannamaly	0.5 km
8	Union Bank, Kannamaly	0.5 km
9	Union Bank, Kannamaly	0.5 km
10	Union Bank, Kannamaly	0.5 km
11	Union Bank, Kannamaly	0.7 km
12	South Indian Bank, Chellanam	1 km
13	South Indian Bank, Chellanam	1 km
14	South Indian Bank, Chellanam	1 km
15	South Indian Bank, Chellanam	1 km
16	South Indian Bank, Chellanam	1 km
17	South Indian Bank, Chellanam	1 km
18	South Indian Bank, Chellanam	1 km
19	South Indian Bank, Chellanam	1 km
20	South Indian Bank, Chellanam	1 Km
21	Union Bank, Kannamaly	1 km
22	Union Bank, Kannamaly	1.5 km
23	Union Bank, Kannamaly	1.5 km
24	Union Bank, Kannamaly	1.5 km
25	Union Bank, Kannamaly	1.5 km
26	Union Bank, Kannamaly	1.5 km
27	Union Bank, Kannamaly	1.5 km
28	Union Bank, Kannamaly	1.5km
29	Union Bank, Kannamaly	1.5km
30	South Indian Bank, Chellanam	2 km
31	Union Bank, Kannamaly	2 km
32	Union Bank, Kannamaly	2 km

33	Union Bank, Kannamaly	2 km
34	Union Bank, Kannamaly	2 km
35	Union Bank, Kannamaly	2 km
36	Union Bank, Kannamaly	2 km
37	Union Bank, Kannamaly	2 km
38	Union Bank, Kannamaly	2 km
39	South Indian Bank, Chellanam	2 km
40	Union Bank, Kannamaly	2 km
41	Union Bank, Kannamaly	2 km
42	Union Bank, Kannamaly	2 km
43	Union Bank, Kannamaly	2 km
44	Union Bank, Kannamaly	2 km
45	Union Bank, Chellanam	2 km
46	Union Bank, Kannamaly	2 km
47	Union Bank, Kannamaly	2 km
48	Union Bank, Kannamaly	2 km
49	Union Bank, Kannamaly	2 km
50	Union Bank, Kannamaly	2 km
51	Union Bank, Kannamaly	2 km
52	Union Bank, Kannamaly	2.5 km
53	Union Bank, Kannamaly	2.5 km
54	Union Bank, Kannamaly	2.5 km
55	Union Bank, Kannamaly	2.5 km
56	Union Bank, Kannamaly	2.5 km
57	Union Bank, Kannamaly	2.5 km
58	Union Bank, Chellanam	2.5 km
59	Union Bank, Kannamaly	2.5 km
60	Union Bank, Kannamaly	2.5 km
61	Union Bank, Chellanam	2.5 km
62	South Indian Bank, Chellanam	2.5 km
63	Union Bank, Chellanam	3 km
64	Union Bank, Kannamaly	3 Km
65	Union Bank, Kannamaly	3 km
66	Union Bank, Chellanam	3 km
67	Union Bank, Kannamaly	3 km
68	Union Bank, Chellanam	3 km
69	Union Bank, Chellanam	3 km
70	Union Bank, Chellanam	3 km
71	Union Bank, Chellanam	3 km
72	Union Bank, Chellanam	3 km
73	Union Bank, Chellanam	3 km
74	Union Bank, Chellanam	3 km
75	Union Bank, Chellanam	3 km
76	Union Bank, Kannamaly	3 km
77	Union Bank, Chellanam	3 km
78	Union Bank, Chellanam	3 km

79	Union Bank, Chellanam	3 km
80	Union Bank, Chellanam	3 km
81	Union Bank, Kannamaly	3 km
82	Union Bank, Chellanam	3km
83	Union Bank, Chellanam	3km
84	Union Bank, Kannamaly	4 km
85	Union Bank, Kannamaly	4 Km
86	Union Bank, Kannamaly	4 km
87	Union Bank, Kannamaly	4 km
88	Union Bank, Kannamaly	4 km
89	Union Bank, Chellanam	4 km
90	Union Bank, Chellanam	4 km
91	Union Bank, Kannamaly	4 km
92	Union Bank, Kannamaly	4 km
93	South Indian Bank, Chellanam	4 km
94	Union Bank, Chellanam	4 km
95	South Indian Bank, Chellanam	4km
96	South Indian Bank, Chellanam	4 km
97	Union Bank, Kannamaly	4 km
98	Union Bank, Kannamaly	4 km
99	Union Bank, Chellanam	5 km
100	Union Bank, Chellanam	5 km

Table 3.11 : Usage of bank card

Sl. no.	Have bank card	Type of bank card	Use ATM
1	Yes	Rupay	Yes
2	Yes	Rupay	Yes
3	Yes	Rupay	Yes
4	Yes	Rupay	Yes
5	Yes	Rupay	Yes
6	Yes	Rupay	Yes
7	Yes	Rupay	Yes
8	Yes	Rupay	Yes
9	Yes	Rupay	Yes
10	Yes	Rupay	Yes
11	Yes	Rupay	Yes
12	Yes	Rupay	Yes
13	Yes	Rupay	Yes
14	Yes	Rupay	Yes
15	Yes	Rupay	Yes
16	Yes	Rupay	Yes
17	Yes	Rupay	Yes
18	Yes	Rupay	Yes
19	Yes	Rupay	Yes
20	Yes	Rupay	Yes

21	Yes	Rupay	Yes
22	Yes	Rupay	Yes
23	Yes	Rupay	Yes
24	Yes	Rupay	Yes
25	Yes	Rupay	Yes
26	Yes	Rupay	Yes
27	Yes	Rupay	Yes
28	Yes	Rupay	Yes
29	Yes	Rupay	Yes
30	Yes	Rupay	Yes
31	Yes	Rupay	Yes
32	Yes	Rupay	Yes
33	Yes	Rupay	Yes
34	Yes	Rupay	Yes
35	Yes	Rupay	Yes
36	Yes	Rupay	Yes
37	Yes	Rupay	Yes
38	Yes	Rupay	Yes
39	Yes	Rupay	Yes
40	Yes	Rupay	Yes
41	Yes	Rupay	Yes
42	Yes	Rupay	Yes
43	Yes	Rupay	Yes
44	Yes	Rupay	Yes
45	Yes	Rupay	Yes
46	Yes	Rupay	Yes
47	Yes	Rupay	Yes
48	Yes	Rupay	Yes
49	Yes	Rupay	Yes
50	Yes	Rupay	Yes
51	Yes	Rupay	Yes
52	Yes	Rupay	Yes
53	Yes	Rupay	Yes
54	Yes	Rupay	Yes
55	Yes	Rupay	Yes
56	Yes	Rupay	Yes
57	Yes	Rupay	Yes
58	Yes	Rupay	Yes
59	Yes	Rupay	Yes
60	Yes	Rupay	Yes
61	Yes	Rupay	Yes
62	Yes	Rupay	Yes
63	Yes	Rupay	Yes
64	Yes	Rupay	Yes
65	Yes	Rupay	Yes
66	Yes	Rupay	Yes

67	Yes	Rupay	Yes
68	Yes	Rupay	Yes
69	Yes	Master Debit	Yes
70	Yes	Rupay, Visa Credit	Yes
71	Yes	Rupay, Visa Debit	Yes
72	Yes	Rupay, Visa Debit	Yes
73	Yes	Rupay, Visa debit	Yes
74	Yes	Rupay, Visa debit	Yes
75	Yes	Visa Credit	Yes
76	Yes	Visa Debit	Yes
77	Yes	Visa Debit	Yes
78	Yes	Visa Debit	Yes
79	Yes	Visa Debit	Yes
80	Yes	Visa Debit	Yes
81	Yes	Visa Debit	Yes
82	Yes	Visa Debit	Yes
83	Yes	Visa Debit	Yes
84	Yes	Visa Debit	Yes

Table 3.12 : Usage of digital payment app

Sl. no.	Use digital payment app	Name of payment app
1	Yes	Google Pay
2	Yes	Google Pay
3	Yes	Google Pay
4	Yes	Google Pay
5	Yes	Google Pay, Paytm
6	Yes	Google Pay
7	Yes	Google Pay
8	Yes	Google Pay
9	Yes	Google Pay
10	Yes	Google Pay
11	Yes	Google Pay
12	Yes	Google Pay, Phonepay
13	Yes	Google Pay, Phonepay, Paytm
14	Yes	Google Pay
15	Yes	Google Pay
16	Yes	Google Pay
17	Yes	Net banking
18	Yes	Google Pay
19	Yes	Google Pay
20	Yes	Google Pay

21	Yes	Google Pay
22	Yes	Google Pay
23	Yes	Google Pay
24	Yes	Google Pay, Phonepay, Paytm
25	Yes	Google Pay
26	Yes	Google Pay
27	Yes	Google Pay
28	Yes	Google Pay
29	Yes	Google Pay
30	Yes	Google Pay
31	Yes	Google Pay
32	Yes	Google Pay
33	Yes	Google Pay
34	Yes	Google Pay, Phonepay
35	Yes	Google Pay
36	Yes	Google Pay
37	Yes	Google Pay
38	Yes	Google Pay
39	Yes	Google Pay
40	Yes	Google Pay
41	Yes	Google Pay
42	Yes	Google Pay
43	Yes	Google Pay
44	Yes	Google Pay, Phonepay
45	Yes	Google Pay
46	Yes	Google Pay
47	Yes	Google Pay
48	Yes	Google Pay, Phonepay
49	Yes	Google Pay, Phonepay
50	Yes	Google Pay
51	Yes	Google Pay
52	Yes	Google Pay
53	Yes	Google Pay
54	Yes	Google Pay, Amazon Pay
55	Yes	Google Pay
56	Yes	Google Pay
57	Yes	Google Pay
58	Yes	Google Pay
59	Yes	Google Pay, Paytm, BHIM
60	Yes	Google Pay
61	Yes	Google Pay
62	Yes	Google Pay
63	Yes	Google Pay
64	Yes	Google Pay, Paytm
65	Yes	Google Pay, Phonepe
66	Yes	Google Pay
67	Yes	Google Pay
68	Yes	Google Pay

69	Yes	Google Pay, Paytm
70	Yes	Google Pay

Table 3.16: Insurance details

Sl. no	Are you insured	If yes, who has insured you?	Is your family insured
1	Yes	LIC	No
2	Yes	LIC	No
3	Yes	LIC	No
4	Yes	LIC	Yes, LIC
5	Yes	LIC	No
6	Yes	LIC	No
7	Yes	LIC	No
8	Yes	LIC	No
9	Yes	LIC	No
10	Yes	LIC	No
11	Yes	LIC	No
12	Yes	LIC	No
13	Yes	LIC	No
14	Yes	LIC	No
15	Yes	LIC	No
16	Yes	LIC	Yes, LIC
17	Yes	LIC	No
18	Yes	LIC	No
19	Yes	LIC	No
20	Yes	LIC	No
21	Yes	Chemmannur insurance	Yes, Rashtriya Swasthya Bima Yojana (RSBY)
22	Yes	Eshram	No
23	Yes	Eshram, Matsyafed	No
24	Yes	ESI	Yes, ESI
25	Yes	ESI	Yes, ESI
26	Yes	ESI	Yes, ESI
27	Yes	ESI	No
28	Yes	ESI	Yes, ESI
29	Yes	Kudumbashree	No
30	Yes	LIC, Samagra Arogya Insurance	Yes, Samagra Arogya Insurance
31	Yes	LIC, Star Health	Yes, Star Health
32	Yes	LIC, Star Health	Yes, Star Health
33	Yes	LIC, Samagra Arogya Insurance	Yes, Samagra Arogya Insurance
34	Yes	Manorama Health Insurance	No
35	Yes	New India	Yes, New India
36	Yes	Rashtriya Swasthya Bima Yojana (RSBY)	Yes, Rashtriya Swasthya Bima Yojana (RSBY)
37	Yes	Samagra Arogya Insurance	Yes, Samagra Arogya Insurance

38	Yes	Samagra Arogya Insurance	Yes, Samagra Arogya Insurance
39	Yes	Samagra Arogya Insurance	Yes, Samagra Arogya Insurance
40	Yes	Samagra Arogya Insurance	Yes, Samagra Arogya Insurance
41	Yes	Samagra Arogya Insurance	Yes, Samagra Arogya Insurance
42	Yes	Samagra Arogya Insurance	Yes, Samagra Arogya Insurance
43	Yes	Samagra Arogya Insurance	Yes, Samagra Arogya Insurance
44	Yes	Samagra Arogya Insurance	Yes, Samagra Arogya Insurance
45	Yes	Samagra Arogya Insurance	Yes, Samagra Arogya Insurance
46	Yes	Samagra Arogya Insurance	Yes, Samagra Arogya Insurance
47	Yes	Samagra Arogya Insurance	Yes, Samagra Arogya Insurance
48	Yes	Samagra Arogya Insurance	Yes, Samagra Arogya Insurance
49	Yes	Samagra Arogya Insurance	Yes, Samagra Arogya Insurance
50	Yes	Samagra Arogya Insurance	Yes, Samagra Arogya Insurance
51	Yes	Samagra Arogya Insurance	Yes, Samagra Arogya Insurance
52	Yes	Samagra Arogya Insurance	Yes, Samagra Arogya Insurance
53	Yes	Samagra Arogya Insurance	Yes, Samagra Arogya Insurance
54	Yes	Samagra Arogya Insurance	Yes, Samagra Arogya Insurance
55	Yes	Samagra Arogya Insurance, LIC	Yes, Samagra Arogya Insurance
56	Yes	Star Health	Yes, Star Health
57	Yes	Star Health	Yes, Star Health
58	Yes	Ujjevan	No
59	Yes	Win Centre	No

Schemes

1. Pradhan Mantri MUDRA Yojana

Pradhan Mantri MUDRA Yojana (PMMY) is a scheme launched by the Hon'ble Prime Minister on April 8, 2015 for providing loans up to 10 lakh to non-corporate, non-farm small/micro enterprises. These loans are classified as MUDRA loans under PMMY. These loans are given by Commercial Banks, Regional Rural Banks, Small Finance Banks, Micro Finance Institutions and Non Banking Financial Companies. The borrower can approach any of the lending institutions mentioned above or can apply online through this portal www.udyamimitra.in. Under the aegis of PMMY, MUDRA has create three products namely 'Shishu', 'Kishore' and 'Tarun' to signify the stage of growth / development and funding needs of beneficiary micro unit / entrepreneur and also provide a reference point for the next phase of graduation/ growth.

2. Atal Pension Yojana (APY)

It is a pension scheme for citizens of India is focused on the unorganized sector workers. Under the APY, guaranteed minimum pension of Rs. 1,000/- or 2,000/- or 3,000/- or 4,000 or 5,000/- per month will be given at the age of 60 years depending on the contributions by the subscribers. Any Citizen of India can join APY scheme. Following are the eligibility criteria:

- The age of the subscriber should be between 18 - 40 years.

- He/She should have a savings bank account/ post office savings bank account.

The prospective applicant may provide Aadhar and mobile number to the bank during registration to facilitate receipt of periodic updates on APY account. However, Aadhaar is not mandatory for enrolment.

3. Pradhan Manthri Jan Dhan Yojana

Pradhan Mantri Jan-Dhan Yojana (PMJDY) is National Mission for Financial Inclusion to ensure access to financial services, namely, a basic savings & deposit accounts, remittance, credit, insurance, pension in an affordable manner. There is no requirement to maintain any minimum balance in PMJDY accounts Under the scheme, a basic savings bank deposit (BSBD) account can be opened in any bank branch or Business Correspondent (Bank Mitra) outlet, by persons not having any other account.

4. Stand Up India Scheme

Stand Up India Scheme facilitate bank loans between 10 lakh and 1 crore to at least one scheduled caste (SC) or Scheduled Tribe (ST) borrower and at least one women per bank branch for setting up a greenfield enterprise. This enterprise may be in manufacturing, services or the trading sector. In case of non-individual enterprises at least 51% of the shareholding and controlling stake should be held by either an SC/ST or woman entrepreneur. Borrower should not be in default to any bank or financial institution.

5.The Pradhan Mantri Suraksha Bima Yojana (PMSBY)

PMSBY is an accident insurance scheme launched by the Government of India. It is also known as the PM Rs. 12 Insurance Scheme. The social security scheme is directed towards people belonging to the lower-income category. This is because unlike several other health insurance policies offered by commercial companies, this scheme does not charge a higher premium.

The policy offers an insurance cover against death, total disability, and partial disability. The insurance premium of Rs 12 for the policy shall be deducted from the registered bank account of the policyholder. People in the age group of 18 to 70 can avail the benefits of PMSBY by providing their Aadhaar card as a Know Your Customer (KYC) document.

6. Sukanya Samriddhi Yojana (SSY)

Sukanya Samriddhi Yojana (SSY) is a government- backed small savings scheme for the benefit of girl child. It is a part of Beti Bachao, Beti Padhao Yojana and can be opened by the parents of a girl child below the age of 10. It can be opened at designated banks or post offices. A Sukanya Samriddhi account has a tenure of 21 years or until the girl child marries after the age of 18. Minimum deposit amount is Rs.250 and maximum deposit amount is Rs. 1.5 lakh in a financial year. Parents or legal guardian of a girl child below the age of 10 are eligible to open the SSY in the name of the girl child.

7. Kisan Credit Card

The Kisan Credit Card scheme was brought about with the aim of simplifying the procedure for farmers in getting adequate and timely credit. This would help farmers in the purchases of agriculture inputs such as seeds, fertilizers, pesticides etc.

The KCC also covers post-harvest expenses, consumption requirements, investment in credit requirements for agricultural and allied activities. The scheme is implemented by Commercial Banks, Small finance banks and cooperatives

Through the KCC scheme, farmers are exempted from the high interest rates of the loans offered by regular banks. The interest rates for KCC is between 2%-4%. This low interest rate helps farmers in repaying loans better, of course taking into account the harvesting period of the crop and the date at which the loan was granted.

Questionnaire

Financial Inclusion Among Fisherfolk in Chellanam Grama Panchayath

To elicit information on *Financial Inclusion Among Fisherfolk in Chellanam Grama Panchayath*. We request you to kindly answer all the questions.

1. Name of household head :

2. Details of family members:

Name	Relationship with the respondent	Age	Education	Occupation

3. Ration card category : AAY/BPL/ APL/ above APL

4. Type of house

a. Concrete b. Tiled c. Thatched

5. Land owned by the household :

6. Details of assets possessed by household :

T.V	Fridge	Washing Machine	Air Conditioner	Motor cycle	Car	Smart phone

7. Average monthly income of household :

8. Source of income: Government/ Private/ Self employed/ Fishing/ Other

9. Average monthly expenditure of household :

10. Monthly expenditure pattern of household

Household expenses	Clothing	Education	Medical care	Consumer durables	Work related expenses	Debt payment	Travelling expenses	Entertainment expenses

11. Do you have bank account ? : Yes/ No

If yes, from where ?

- | | |
|------------------------|-----------------------|
| a. Public sector Bank | c. Cooperative Bank |
| b. Private sector Bank | d. Kerala Gramin Bank |

12. Do you have more than one bank account? Yes/No

13. What prompted you to take account ? :

- | | |
|---------------------|-------------------------------------|
| a. For loan purpose | e. Job related purpose |
| b. Savings purpose | f. To get benefits of govt. Schemes |
| c. Salary purpose | g. Other (specify) |
| d. For scholarship | |

14. What is the distance to nearest bank ? :

15. Which is your nearest Bank?

16. How often you visit the bank branch?

17. Do you have a bank card?

18. If yes, Specify: Visa Debit/ Visa Credit/ Master Debit/ Master Credit/ Rupay/Maestro

19. Do you use ATM facilities ? : Yes/ No

20. Do you use digital payment apps ? : Yes/ No

21. Which Digital app do you use:

Bhim/ Paytm/Google Pay/ Mobikwik/ Others(Specify)

22. How often you use banking services?:

- Regularly
- Sometimes if necessary
- Rarely

23. Do you have loan? : Yes/No

24. From where did you take loan?

- a) Nationalized bank
- b) Commercial bank
- c) Cooperative bank
- d) Cooperative Societies
- e) Non banking financial institutions
- f) Self help groups/ Kudumbashree
- g) Other joint liability groups
- h) Money lenders
- i) Friends and relatives

25. Loan details

Type of loan	Amount	Source
Gold loan		
Loan for fisheries		
Loan for agriculture		
Property based loan		
Salary certificate		
Individual as mortgage		
Loan taken jointly for starting new venture or expanding business		

26. For what purpose the loan was taken:

- a. Housing
- b. Education
- c. Machineries for fishing
- d. Business
- e. Wedding
- f. Vehicle
- g. Land
- h. Others (specify)

27. Whether the money actually required was fully given by the institutional lender?

Yes/ No

If not,

- a. How much percent of amount required was given by institutional lender? :
- b. How did you raise the balance amount required? :

28. Time required to get the loan amount :

- a. Less than one month
- b. Less than three month
- c. 3-6 months
- d. More than 6 month

29. Time period to repay the loan :

30. Rate of interest :

31. Do you depend on money lenders for loan ? : Yes/No

If yes, reasons:

32. Have you ever defaulted to institutional loan? Reasons?

33. Have you ever defaulted to a money lender?

34. Have you ever been threatened/subjected to misbehaviour by a moneylender? Reasons(if

they can tell).

35. Are you aware of any of the following schemes :

Scheme	Yes/ No	If yes, are you making use of this facility?
Pradhan Manthri Mudhra Yojana		
Atal Pension Yojana		
Pradhan Manthri Jan Dhan Yojana		
Stand Up India Scheme		
Pradhan Manthri Suraksha Bima Yojana		
Sukanya Samriddhi Yojana		
Kisan Credit Card		

35. Are you insured?

If yes, who has insured you?

36. Is your family insured? Details

37. Suggestions

THANK YOU

