
SAVINGS AND INDEBTEDNESS AND ITS IMPACT ON DAY TO DAY LIVELIHOOD OF FISHERMEN FAMILIES

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Dr.R.KARTHIKEYAN

Guest Lecturer in Commerce, Government Arts and Science College, Kadaladi, Tamil Nadu, India

Abstract

The aim of the present research paper is to examine the savings and indebtedness and its impact on day to day livelihood of fisher folk in southern coastal districts of Tamil Nadu. This study highlighted the gap in between savings and indebtedness. This survey was conducted randomly selected fisher folks (N=926). The result shows that majority of the fisher folks' income below Rs.5000 do not have the habit of saving and least number of fisher folk have saving habit in the income group of above Rs.15001 during peak season. In lean season, majority of the fisher folk are in the income group of below Rs.3000 do not have saving habit. Few fisher folk earned income above Rs.9001 has the habit of saving. Out of 926, majority of the fisher folk (79.9%) borrowed loan from different sources. The remaining (20.1%) of them do not borrow loan. Moreover, 48% of the fisher folks' debt is below Rs.50,000 and very few (2%) fisher folks' debt is above Rs.5,00,001. There is a need to create awareness about the importance of saving and not to depend on money lenders for financial assistance. The fishermen should be encouraged to make use of potential fishing ground advice and modern technology. In this regard, the department of fisheries should conduct training and awareness camps at different localities to demonstrate the capability and use of Potential Fishing Zone (PEZ) advice.

Keywords: *Fisher folk, Peak season, Lean season, Savings and Indebtedness.*

Introduction

The low amount of savings shows that fishermen capacity to save is low as their income is low. It is also found that as major portion of their income is spent on food and non- food items, only small part of their income is set apart for savings (Florence, 2011)¹. Fishing community is the poorest group of people in all sectors of the economy. Majority of the people look weak, poorly dressed, drunk and live in poor housing structure, and are economically backward. They have a large household size to maintain their income is not enough to meet their expenditure. In this situation, fisher folk borrow loan to meet their basic needs (Reuben et al. 2000)². The socio economic condition of the rural fisher folk is in a backward condition. As the household size of the fisher folk family is big, their income is not enough to meet their expenditure. In this situation, they borrow money from moneylenders at high rate of interest (Annabelle

cruz et al. 2002)³. The environmental conditions and facilities available for fishing and trading. The harvest of fish had been found to be considerable but the corresponding or matching levels of earnings through the channels had fallen low. Shortages were common during lean season. Hence, fisher folk forced to borrow frequent loan during lean season (Gopalakrishnan, 2003)⁴. Most of the fisher folk among 17 districts are borrows money from the local moneylender in absence of loan facilities from the schedule banks. Absence of collateral, too small loans, poor communication network and poor payment rate are the major constraints for credit from the schedule banks (Observer, 2000)⁵.

Materials and Methods

Sample Size

Quantitative data was collected from 926 fisher folk randomly selected from the four southern coastal districts of Tamil Nadu. Equal importance has been given in all districts fisher folk. In the field, data were collected through the questionnaire in the personal interview mode in the sea shore and in the residence of fisher folk after obtaining informed consent from them.

Research Design

The survey analyses the savings and indebtedness status of fisher folk during the period of January 2010 to January 2012 as a part of Doctoral research work. The savings and indebtedness questionnaire was designed, which consisted of demographic questions (age, education, household size and community) and 25 questions covering issues related to savings and indebtedness. The questionnaire was divided into three sections (1) a demographic section, (2) savings pattern and (3) indebtedness status of fisher folk. The investigator and research assistants were trained in collecting data.

Data Analysis

The responses from fisher folk were analysed by using a statistical package. Scores for each test category were calculated by assigning correct response. Mean response with standard deviation and percentage analysis of each category were calculated and presented in the tabular form. Cross tabulations, 'F' test and chi square test at 5% significance level was used to compare indicators across demographic characteristics.

Monthly Income during Peak Season and Saving Habit

The low amount of savings shows that their capacity to save is low as their income is low. It is also found that as major portion of their income is spent on food and non food items, only small part of their income is set apart for savings (Florence, 2011).

Table 1 Monthly Income during Peak Season and Saving Habit

Monthly income during peak season		Saving habit		Total
		Save	Not save	
Below Rs.5000	Respondents	152	241	393
	Monthly income	(38.7%)	(61.3%)	(100.0%)
	Saving habit	[35.8%]	[48.0%]	[42.4%]
Rs.5001 - Rs.10000	Respondents	162	161	323
	Monthly income	(50.2%)	(49.8%)	(100.0%)
	Saving habit	[38.2%]	[32.1%]	[34.9%]
Rs.10001 - Rs.15000	Respondents	44	53	97
	Monthly income	(45.4%)	(54.6%)	(100.0%)
	Saving habit	[10.4%]	[10.6%]	[10.5%]
Above Rs.15001	Respondents	66	47	113
	Monthly income	(58.4%)	(41.6%)	(100.0%)
	Saving habit	[15.6%]	[9.4%]	[12.2%]
Total	Respondents	424	502	926
	Monthly income	(45.8%)	(54.2%)	(100.0%)
	Saving habit	[100.0%]	[100.0%]	[100.0%]

Source: Primary Data

The Value within () Denotes Row Percentage

The Value within [] Denotes Column Percentage

Table 1 stated that the monthly income of fisher folk during peak season and their saving habit. Out of 926 respondents, less than half of the respondents' (42.4%) monthly income is below Rs.5000 during peak season. Among them, majority of the respondents (61.3%) do not save money. The remaining respondents (38.7%) saved money for their future needs. Further, 34.9% of the respondents' income lies between Rs.5001 and Rs.10000. Consequently, 12.2% of the respondents' monthly income is above Rs.15001 during peak season. In which, majority of the respondents (58.4%) save money and the rest of them do not save money for their future needs. About, 10.5% of the respondents' monthly income is Rs.10001 to Rs.15000. In it, more than half of the respondents (54.6%) do not save and the remaining 45.4% of them save money for their future. It is concluded that majority of the respondents income below Rs.5000 do not have the habit of saving. Least number of respondents has saving habit in the income group of above Rs.15001.

Table 2 Association of Income of Fisher Folk during Peak Season and their Saving Habit

Null Hypothesis: Income of fisher folk during peak season do not influence saving habit.

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	17.744 ^a	3	.000*
Likelihood Ratio	17.802	3	.000
Linear-by-Linear Association	13.498	1	.000
N of Valid Cases	926		

*Significant at 5% level

This table shows the relationship between income during peak season and saving habit of fisher folk. As per the rejection of null hypothesis, there is a significant difference between income and saving habit. This analysis shows that the income influences the saving habit. It is concluded that when the level of income increases, the saving habit is also increases. The savings of the fisher folk mainly depend on the income.

Income of Fisher folk during Lean Season and their Saving Habit

The savings by fishermen are highly seasonal. Generally, savings are mobilized during the main fishing season, while most of them are exhausted during the lean season. Savings mobilization by apex fishermen's organizations are found to be ineffective as their activities are mainly oriented towards input distribution (Alabi Bortey, 1997)⁶.

Table 3 Income of Fisher Folk during Lean Season and their Saving Habit

Monthly income during Lean Season		Saving habit		Total
		Save	Not Save	
Below Rs.3000	Respondents	316	387	703
	Monthly income	(45.0%)	(55.0%)	(100.0%)
	Saving habit	74.5%	77.1%	75.9%
Rs.3001 - Rs.6000	Respondents	63	89	152
	Monthly income	(41.4%)	(58.6%)	(100.0%)
	Saving habit	[14.9%]	[17.7%]	[16.4%]
Rs.6001 - Rs.9000	Respondents	26	11	37
	Monthly income	(70.3%)	(29.7%)	(100.0%)
	Saving habit	[6.1%]	[2.2%]	[4.0%]
Above Rs.9001	Respondents	19	15	34
	Monthly income	(55.9%)	(44.1%)	(100.0%)
	Saving habit	[4.5%]	[3.0%]	[3.7%]
Total	Respondents	424	502	926
	Monthly income	(45.8%)	(54.2%)	(100.0%)
	Saving habit	[100.0%]	[100.0%]	[100.0%]

Source: Primary Data

The value within () denotes row percentage

The value within [] denotes column percentage

Table 3 stated that the income of fisherfolk during lean season and their saving habit. Majority of the respondents' (75.9%) income is below Rs.3000. Among them, more than half of the respondents (55%) do not have saving habit. About, 16.4% of the respondents' income is Rs.3001 to Rs.6000 during lean season. In it, 58.6% of the respondents do not have save money About, 4% of the respondents' income between Rs.6001 and Rs.9000. Among them, majority of the respondents (70.3%) have saving habit. Finally, 3.7% of the respondents' monthly income is above Rs.9001 during lean season. In it, more than half of the respondents (55.9%) have saving habit. It is

concluded that majority of the respondents are in the income group of below Rs.3000 during lean season do not have the habit of saving. Few respondents earned income above Rs.9001 during lean season has the habit of saving.

Table 4 Association of Income of Fisher Folk during Lean Season and their Saving Habit

Null Hypothesis: Income of fisher folk during lean season do not influence saving habit.

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	11.682 ^a	3	.009*
Likelihood Ratio	11.806	3	.008
Linear-by-Linear Association	3.910	1	.048
N of Valid Cases	926		

*Significant at 5% level

In the above table 4 explains the relationship of income of fisher folk during lean season and their saving habit. As the rejection of null hypothesis, there is significant association between income during lean season and saving habit of fisher folk. It is inferred that the saving habit depends on the income of fisher folk. As the level of income increases, the saving habit also increases. The high and low saving habit is mainly based on the income of fisher folk.

Table 5 Debt Position of FISHER FOLK

Debt Position	Respondents	Percentage
Below Rs. 50,000	355	48
Rs.50,000-Rs.2,50,000	266	36
Rs.2,50,001 - Rs.5,00,000	102	14
Above Rs. 5,00,001	17	2
Total	740	100

Source: Primary Data

Table 5 describes the debt position of fisher folk. Majority of the fisher folks' (48%) debt is below Rs.50,000. It is followed by, 36% of the fisher folks' debt lies between Rs.50001 and Rs.2,50,000. Further, 14% of the fisher folks' debts fall between Rs.2,50,001 and Rs.5,00,000. Least number of fisher folks' (2%) debt is above Rs.5,00,001. It is concluded that majority of the fisher folks' debt position is below Rs.50000. Least number of fisher folk have debt position of above Rs.5,00,001.

Conclusion

In savings, the low income groups have no saving habits. In emergency time, they borrow money mainly from the money lenders. The income groups of Rs.5000 to Rs.10000 have higher saving habits than low income groups. Fisher folk save more during peak season. The Fisher folk who are in the debt position of Rs.50,000 borrow money to meet their basic needs. They prefer to borrow mainly from the money lenders

to meet their basic needs. They prefer to borrow mainly from the money lenders, due to its easy procedures and convenience.

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