

## **THE YOKE OF LINKED CREDIT : A STUDY OF COASTAL VILLAGES IN KANYAKUMARI DISTRICT, TAMIL NADU**

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### **ABSTRACT**

*Almost in everyone's life, credit becomes important as it serves as a shock-absorber in handling the difficulties of personal economy. In particular, it comes to be a life-support in the lives of fishermen because of the hazardous nature of their occupation, seasonal income and the paucity of funds. To maintain their trade and more often for their survival itself, the fishermen in the coastal sector of Kanyakumari district (study area) are found to be using both formal and informal credit sources. It has been found that the formal sources hardly lend down credit to these fishermen due to non-collateral security requirements, thus forcing the fishermen to have recourse to the informal sources for their credit needs which pushes the sample respondents' either into market linked or labour linked credit. This type of credit binds the fishermen to sell their catch at under-pricing or under-weighting. As a consequence, result from 376 samples indicate that irrespective of the crafts they own, an average sample respondents' economic position is reported to be low and they live in utter poverty with a hand to mouth situation. The fishermen, who borrow loans and advances, opt for this slow poison which has a stranglehold on them throughout their lives. This paper presents a number of recommendations for policy interventions to redress this danger and to uplift the economic condition of the fisherfolk who contribute 1.10 per cent to the Gross Domestic Product (GDP) of Indian economy.*

### **Introduction**

Poverty in India has primarily a rural character. Rural poverty continues due to lack of capital, less income, inadequate gainful employment and lack of guidance and motivation. Skilled labour and hard work are the main characteristics of the rural populace. In India, approximately 400 million people are living below or close to the poverty line. Rural poverty in India is characteristically self-perpetuating, caught in the vicious cycle of low economic status ( Pazhani and Nadarajan,2007). As rural populace, access to formal sources is restricted,

due to lack of ownership of property which are used as collateral, cumbersome loan procedures, high transaction cost and inadequate banking facilities. These difficulties push the rural poor especially the fishermen to the informal sources where they are tied by linkage like labour linked and market linked credit. As a result of linked credit, fishermen are deprived of their due income. Moreover, fishing income is unpredictable and there are no proper infrastructural facilities in the catching area. As an end result, fishermen are forced to borrow from informal sources not only for production purposes but also for consumption purposes.

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Therefore, Linked Credit is the most powerful weapon in the hands of the creditors to keep the less fortunate in bondage. This linked credit swallows the surpluses of the poor, unjustly forcing them to remain at the low rung of the social ladder forever. It is saddening to note that irrespective of the crafts they own, the average socio-economic position of the sample respondents is low and they live in utter poverty with a hand to mouth situation. This study is an attempt to show how the linked credit affects the life of the sample respondents and its repercussion on their lives. Linked credit is a mode through which the creditors demand that the borrowers sell their produce (fish catch) to them or work under them till the repayment is made. Fishermen who have been living in abject poverty since time immemorial are easy prey to this exploitative trap. Moreover, the market linked fishermen who do not have proper storage and marketing facilities to dispose their catch easily fall prey to the clutches of fishermen 'sangams', fish traders cum moneylenders and commission agents. The credit supporters in turn make use of this vulnerability of fishermen and swallow their surpluses in the form of commission, underpricing and underweighing. So linked credit is the yoke that is put upon the fishermen which do not free them to come out of the clutches of these credit supporters for years together. So after 60 years of planned economy, Indian fishermen remain at the low rung of the social ladder.

### **Statement of the Problem**

Informal sources offer credit either through non-linked or linked credit. The linked credit system offers any amount requested by the borrower but with an agreement, that binds both the creditor and the borrower. The non-linked credit, instead, does not have such bondages but the credit amount is limited to a smaller amount in comparison to the linked credit. Linked credit, by definition, is a mode through which the creditors demand that the borrowers sell their produce (fish catch) to them

or work under them until the repayment is made. In fact, linked credit occurs in two ways; market-linked and labour-linked. Market-linked credit refers to the credit borrowed by fishermen to get fishing gear through moneylenders, fishermen 'sangams' or commission agents. In this case, they are bonded to sell their catch only through those lenders until the loan amount is repaid in full. Labour-linked credit refers to the credit borrowed by the crew labourers on the agreement that they will work under the lender till the loan is repaid.

Both the credit forms slow down the mobility of labour and minimise the selling power of fishermen, paving way for various forms of exploitation. They exploit the fishermen as the credit supporters make use of the vulnerability of fishermen and swallow their surpluses in the form of commission, underpricing, underweighing and exorbitant commission rate. The loan amount is wrongly appropriated by the fishermen 'sangams', and moneylenders-cum-fish traders, over and above the normal rate of interest. Given such varying forms of exploitation, linked credit remains a heavy yoke laid upon the fishermen that cannot be easily removed once someone gets into it. At this juncture, the following questions arise: What are the factors that lead to market and labour linked credit of the sample respondents? How do they perceive this linked credit as a yoke that has been laid upon them? Considering these questions the researcher has focussed the study on "The Yoke of Linked Credit: A Study of Coastal Villages in Kanyakumari District."

### **Objectives of the Study**

The main objective of the study is to assess the nature, dynamics, and the extent of exploitive grip of market-linked and labour-linked credit system in the coastal villages in Kanyakumari district. In particular:

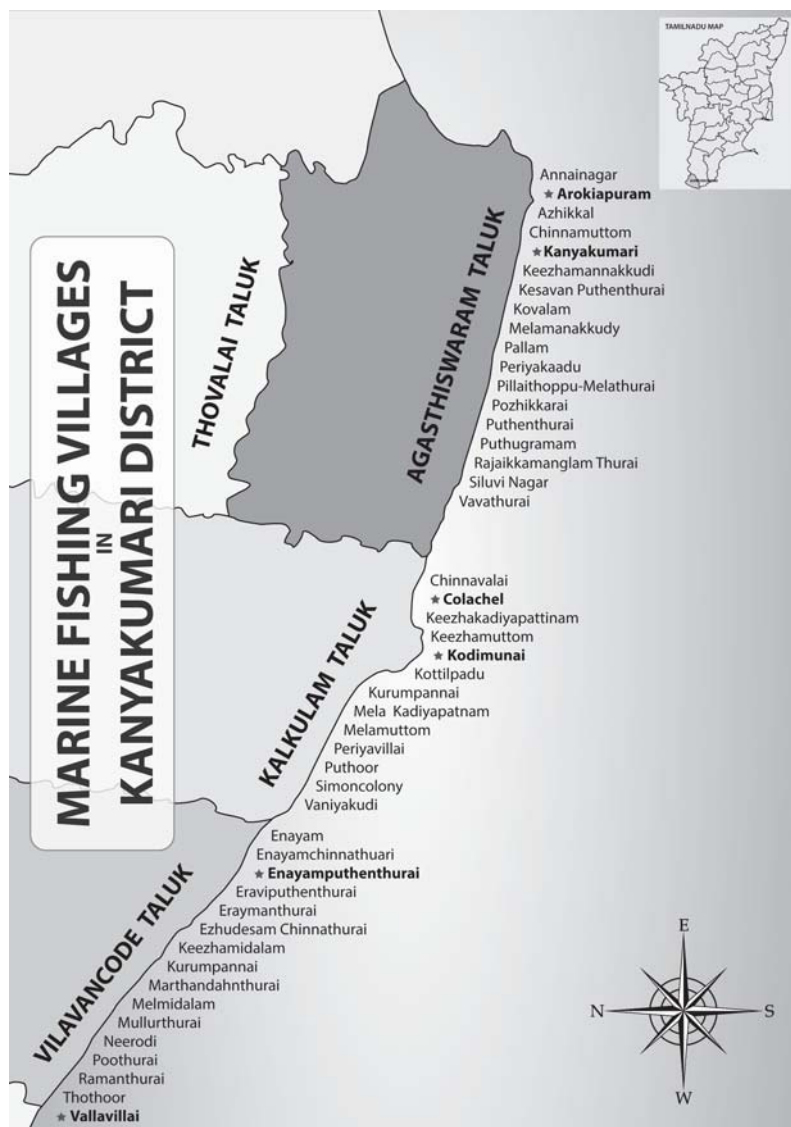
- To find out the factors that are responsible for both market and labour linked credit.

- To analyse the attitude of sample respondents towards market and labour linked credit .
- To offer suitable suggestions, to eradicate the yoke of linked credit in the study area.

**Profile of the Study Area**

Kanyakumari district, the southernmost tip of Indian Peninsula, is divided into four taluks

namely: Agastheeswaram, Kalkulam, Vilavan code and Thovalai. The first three taluks are in the coastal belt with a length of 71.5 kms (India’s total coast line is 8118 km), having 47 coastal villages. These coastal villages have a population of 1, 48,539 fishermen, forming 19 per cent of the total fishermen population (7, 90,408) in Tamil Nadu. The following map shows the fishing villages in Kanyakumari district and the sample villages selected for the study.



The population of fishermen is divided into two strata, namely coastal villages with banking facilities and coastal villages without banking facilities in order to measure the intensity of linked credit in the study area and to hypothetically analyse whether the banking villages reduce the extent of borrowings of

fishermen from moneylenders cum traders. To gauge these notion six villages were selected, out of 47 villages. Moreover, in the coastal villages only 8 villages have banking facilities. Further, these six villages are equally distributed in all the three taluks (two villages each from a taluk). The following Table depicts the selection of six sample villages in the study area.

**Table 1 : Choice of the Study Area**

S.No.	Taluk	Villages	
		With Bank	Without Bank
1	Agastheeswarm	Kanyakumari	Arockiapuram
2	Kalkulam	Colachel	Kodimunai
3	Vilavancode	Enayam Puthenthurai	Vallavilai

Source : Marine Fisheries Census 2005, Part-1.

### Methodology

Empirical survey method was followed in this study, using both primary and secondary data. Primary data were collected from 376 respondents hailing from the study area through personal interview with pre-tested interview schedule. Sample respondents were drawn from four categories of active fishermen in each village. They are:

- Members in Fishermen Sangam (MFS)
- Non-Members in Fishermen Sangam (NMFS)
- Mechanised Boat Owners (MBO)
- Crew Labourers (CL)

From the ownership point of view, fishermen are classified into three groups namely, MFS, NMFS and MBO. The fishermen who belong to MFS and NMFS are traditional fishermen, having the same type of craft, either motorised or non-motorised. The basic differentiation is the former enrolled their names in the sangam while the latter did not enroll their names. MBO categories of fishermen are boat owners and they cannot be members of the fishermen sangam since it is meant for only marginal and traditional fishermen. The CL can

work as coolie above the three heads of ownership.

Proportionate stratified random sampling technique was used to select the sample respondents from each of the above four categories so as to make the study comprehensive and robust. In other words, in proportion to the total population in the six sample villages, 20 per cent of the respondents were chosen from the total of 1458 craft owners, while one per cent of respondents were chosen from the total of 8095 crew labourers. Statistical tools like 'F' test and Attitude index test were employed to analyse the data interpretation.

### Results and Discussion

Market linked credit and labour linked credit are analysed in this part to understand in-depth the research problem.

**a) Market Linked Credit :** The credit facilities provided by the banks to the fish farmers are not adequate. As a result, many small farmers who have no access to institutional credit, approach the moneylenders (Santana Jana, 2007). The moneylenders, commission agents and

fishermen '*sangams*' give loans to fishermen who own equipment against the demand that the catch should be disposed off only through them. This type of link leads to exploitation of fishermen by commission agents and moneylenders (Jose Murickian, 1983). In fact, the fishermen's repayment is much greater than the amount of loan received. Fishermen ('*vallam*' / boat owners') are furthermore exploited when it comes to informal agencies like moneylenders cum traders. The informal agencies operate with a system wherein the fishermen are forced to sell their produce at a very low rate, leaving them to repay only the interest and not the loans. Thus, they remain debt-ridden forever. Fishermen are exploited and remain in the clutches of moneylenders cum traders in the name of credit (Pazhani and Jesi Isabella, 2009). The fishermen in the study area too follow the same process. It is notable that in fishermen '*sangams*' 12 per cent interest is charged on loanable amount. A further two per cent is deducted on total produce as commission and administrative charges. With regard to the fish traders cum moneylenders in the study area, they charge four to five per cent from '*vallam*' owners on total produce for every trip, notwithstanding the exploitation of under-pricing and under-weighing. Particularly in Kanyakumari village the moneylenders cum traders charge '*Labam*' as 10 per cent and '*Support*' as 3 to 5 per cent to the NMFS. The

misery of boat-owners goes beyond this. Moneylenders cum traders charge 10 per cent in Arockiapuram and Kanyakumari, 8 to 9 per cent in Colachel and Kodimunai and Ennayamputhenthurai it is 9 per cent besides under-pricing and under-weighing. When these '*vallam*' owners and boat owners migrate for fishing they are exploited all the more. In places other than Kanyakumari district, 6 to 10 per cent is charged along with under-pricing and under-weighing. Moreover, raw materials like ice, diesel, kerosene, '*kelanch*' are supplied only through local traders at very high price. Hence fishermen are exploited to the maximum at the place of migration. Fishermen, being at the lowest rung of the social ladder have certain responsible variables that force them to sell their produce to the credit supporters due to market linked credit. The important variables involved in market linked credit among the sample respondents are analysed with the help of the mean score on the 16 variables, forcing the fishermen to enter into market linked credit. For that the mean scores on 16 variables are calculated from the score of respective variables in it among the three groups of fishermen (MFS, NMFS and MBO) separately. In order to reveal the significant differences among these three groups the one-way analysis of variances has been administered. The resulted mean score of the factors and the respective 'F' statistics are presented in Table 2.

**Table 2 : Variables of Market Linked Credit**

S.No.	Variables	Mean Score			
		MFS	NMFS	MBO	F-Statistics
1	Lack of direct marketing facilities	4.0000	4.1205	4.1319	4.753**
2	A sense of belonging to groups	2.8956	3.3253	3.4828	0.395 <sup>NS</sup>
3	Creating artificial fluctuations in demand and variation in prices	3.6897	3.8916	4.0055	1.076 <sup>NS</sup>
4	Lack of storage facilities	2.7912	3.3494	3.3103	7.306**
5	Competition /Cartel among the traders	2.7033	3.0964	3.2069	3.765*
6	Inability to repay debts	2.7143	3.2530	3.1379	6.854**
7	No proper collateral security to avail of loans from banks	3.4699	2.8462	3.2759	5.509**
8	Less interest rate compared with that of pawnbrokers	2.8681	3.1807	3.2759	3.000*
9	Lack of banking facilities	3.4890	3.4578	3.6207	0.523 <sup>NS</sup>
10	Lack of transport facilities	3.3297	3.4940	3.4828	0.815 <sup>NS</sup>
11	Poor socio –economic conditions	3.3626	3.3373	3.3448	0.175 <sup>NS</sup>
12	Lack of adequate income	3.5659	3.5060	3.4483	0.378 <sup>NS</sup>
13	Regularised lengthy lean seasons	3.7033	3.6506	3.6207	0.495 <sup>NS</sup>
14	Frequent celebration of festivals and social ceremonies	3.1868	3.4819	3.3103	2.924*
15	Inability to dispose the catch immediately	3.1044	3.2289	3.2069	1.354 <sup>NS</sup>
16	Lack of intelligence to grasp the extent of consequences	3.2289	3.3516	3.3793	0.777 <sup>NS</sup>

\*\*Significant at one per cent level, \*Significant at five per cent level, N.S –Not significant.

It is clear from Table 2 that the highest variables responsible for market linked credit for all the categories of sample respondents are 'Lack of direct marketing facilities', 'Creating artificial fluctuations in demand and variation in prices', and 'Regularised lengthy lean seasons' with the respective score in case of MFS: 4.0000, 3.6897 and 3.7033, for NMFS: 4.1205, 3.8916 and 3.6506, and for MBO: 4.1319, 4.0055 and 3.6207. The lowest mean score given in case of MFS is 'Competition /Cartel among the traders', 'Inability to repay debts' and 'Lack of storage facilities' with its score of 2.7033, 2.7143 and 2.7912 while for NMFS it is 'No proper collateral security to avail of loans from banks', 'Competition /Cartel among the traders' and 'Less interest rate compared with that of pawnbrokers' with its score of 2.8462, 3.0964

and 3.1807. For MBO it is 'Inability to repay debts', 'Competition /Cartel among the traders' and 'Inability to dispose the catch immediately' with its score of 3.1379, 3.2069 and 3.2069.

The variables like 'Competition /Cartel among the traders' and 'Less interest rate compared with pawnbrokers' and 'Frequent celebration of festivals and social ceremonies' are significant at five per cent level while 'Lack of direct marketing facilities', 'Lack of storage facilities', 'Inability to repay debts' and 'No proper collateral security to avail of loans from banks' are significant at one per cent level.

To analyse the attitude of the sample respondents towards market linked credit the Attitude Index on market linked credit (AIMLC) is prepared to compare the overall attitude of

sample respondents towards market linkage. The AI (Attitude Index) is calculated by

$$AIMLC = \frac{\sum_{i=1}^n SVMLC_i}{\sum_{i=1}^n MSMLC_i} \times 100$$

Where,

AIMLC = Attitude Index on Market Linked Credit

SVMLC = Score on Variables in Market Linked Credit

MSMLC = Maximum Score on Variables in Market Linked Credit

i = 1...n = No. of variables included in the analysis

In the present study, AIMLC is confined to 25-50; 50-75 and 75-100 per cent. The distributions of fishermen according to the market linked credit are shown in Table 3.

**Table 3 : Mark\_Ink\_Indx\* Classification of Respondents - Cross Tabulation**

Mark_ink_indx	Classification of Respondents (in number)			Total
	MFS	NMFS	MBO	
25-50	122 (67.03)	10 (12.05)	3 (10.34)	135 (45.92)
50-75	35 (19.23)	57 (68.67)	19 (65.52)	111 (37.75)
75-100	25 (13.74)	16 (19.28)	7 (24.14)	48 (16.33)
Total	182 (100.00)	83 (100.00)	29 (100.00)	294 (100.00)

Figures in parentheses indicate percentage.

In total, a maximum of 54.08 per cent of the fishermen have an AIMLC of 50-100 per cent while 45.92 per cent with an AIMLC of 25-50 percentage of fishermen are experiencing market linked exploitation in their working environment. The AIMLC in case of MFS is 32.97 per cent (60); NMFS is 87.95 per cent (73) and MBO have 89.66 per cent (26) who are very much affected by the extent of exploitation and their hard earned labour is swallowed by the moneylenders cum fish traders and fishermen *sangam*. It is inferred that compared to MFS, NMFS and MBO are significantly affected by exploitation of market linked credit. It requires the greater attention of the policymakers.

**b) Labour Linked Credit:** The labour fishermen, who are economically weak, depend upon the owner fishermen for advance. The crew labourers, in turn have to work for the lender till the loan is repaid. This type of link can possibly impede and also slow down the mobility of labour (Pazhani and Jesi Isabella, 2009). Thus, labourers are deprived of reasonable wages. For example, the crew labourers who work under MFS are exploited to the tune of five per cent from the total catch on every trip. That is, the fishermen '*sangam*' deducts five per cent on total produce (Three per cent as personal savings and two per cent as commission charges) for the advance money borrowed by the MFS. This



deduction is ignored when they calculate the wages for the crew labourers in the agreed ratio of 1:1. For NMFS and MBO's labourers conditions seem to be worse still, because whatever exploitation equipment owners face it affects the crew labourers too, i.e. under-pricing, under-weighting and deduction of commission at source, after which the crew share is calculated on the basis of accepted norms. Through labour linked credit, the fish labourers face immobility and under-employment to other 'vallam'/boats till they repay their loans.

The important variables involved in labour linked credit among the sample respondents are analysed with the help of the mean score on the nine variables, forcing the fishermen enter into labour linked credit. The mean scores on nine variables are calculated from the score of respective variables in it among the three age groups of fishermen separately. In order to reveal the significant differences among these three age groups, the one way analysis of variances has been administered. The resulted mean score of the factors and the respective 'F' statistics are presented in Table 4.

**Table 4 : Variables of Labour Linked Credit**

S.No.	Variables	Mean Score			Overall score	F-Statistics
		Less than 25	35-45	Above 45		
1	Inadequate income	3.9600	4.0625	2.8537	3.4268	7.574**
2	Loans are given without interest	3.3200	3.2500	3.6098	3.4512	0.501 <sup>NS</sup>
3	Lack of credit facilities	3.9200	4.1250	3.8293	3.9146	0.371 <sup>NS</sup>
4	The craft owners, may be their relatives	4.0400	3.9375	3.0000	3.5000	5.502**
5	Lack of intelligence to understand its consequences	2.2400	2.1250	2.5610	2.3780	0.716 <sup>NS</sup>
6	Drinking habits	4.0400	4.0625	3.0000	3.5244	6.024**
7	Regularised lean season	4.0400	4.0000	2.8780	3.4512	7.641**
8	Sense of belonging to a owner /village	3.4000	3.0625	3.6585	3.4634	0.928 <sup>NS</sup>
9	Immediate solution to settle their current problems	4.0400	3.9375	2.9268	3.4634	6.300**

\*\*Significant at one per cent level, \*Significant at five per cent level, N.S- Not Significant



It is clear from Table 4 that the highest variables responsible for labour linked credit are 'Lack of credit facilities,' 'Drinking habits,' and 'The craft owners, may be their relatives' with its respective overall mean scores of 3.9146, 3.5244 and 3.5000. The age group less than 25, states that the reasons for labour linked credit and has given the same mean score for four attributes of 'The craft owners may be their relatives,' 'Drinking habits,' 'Regularised lean season' and 'immediate solution to settle their current problems' with its score value of 4.0400 each. The age groups between 35-45 highly identify the attributes like 'Lack of credit facilities,' 'Inadequate income,' 'Drinking habits,' and 'Regularised lean season' with its respective score of 4.1250, 4.0625, 4.0625 and 4.0000. The age group of above 45 identifies that the reasons responsible for labour linked credit are 'Lack of credit facilities,' 'Sense of belonging to a owner /village' and 'The loans are given without interest', with its score of 3.8293, 3.6585 and 3.6098. The attributes of 'Inadequate income,' 'The craft owners may be their relatives,' 'Drinking habits,' 'Regularised lean season' and 'Immediate solution to settle their current problems' are significant at one per cent level each.

To analyse the attitude of the respondents towards labour linked credit, the Attitude Index on Labour Linked Credit (AILLC) is prepared to compare the overall attitude towards linkage among the fishermen. The AI is calculated by

$$AILLC = \frac{\sum_{i=1}^n SVLLC_i}{\sum_{i=1}^n MSLLC_i} \times 100$$

where,

AILLC = Attitude Index on Labour Linked Credit

SVLLC = Score on Variables in Labour Linked Credit

MSLL = Maximum Score on Variables in Labour Linked Credit

i = 1...n = No. of variables included in the analysis

In the present study, AILLC is confined to 25-50; 50-75 and 75-100 per cent. The distribution of fishermen according to the labour linked credit is shown in Table 5.

**Table 5 : Labour\_Ink\_Indx\* Classification of Respondents-Cross Tabulation**

Labour_ink_indx	Age group of labourers (in numbers)			Total
	Less than 35	35-45	Above 45	
25-50	2 (8.0)	1 (6.3)	9 (22.00)	12 (14.60)
50-75	9 (36.00)	7 (43.8)	19 (46.30)	35 (42.70)
75-100	14 (56.00)	8 (50.00)	13 (31.70)	35 (42.70)
Total	25 (100.00)	16 (100.00)	41 (100.00)	82 (100.00)

Figures in parentheses indicate percentage.

Table 5 shows that the overall AILLC of sample respondents are 14.60 per cent (12) respondents have an AILLC of 25 to 50 per cent followed by 42.70 per cent have an AILLC of 50 to 75 per cent and 42.70 per cent have AILLC of 75 to 100 per cent. The AILL in case of age group less than 35 denotes 92 per cent (23); the age group between 35-45 is 93.8 per cent and the age group above 45 have 78 per cent (32) are very much affected by the extent of exploitation and their hard earned labour is swallowed by the craft owners. It is inferred that the labourer fishermen are enslaved and engulfed due to linkage and they do not have any other options to come out of it. Hence the yoke is tied upon them forever.

### Findings

- It is analysed that the sample respondents are illiterate who find the banking procedure cumbersome. Moreover, their socio-economic conditions are so poor that they cannot get loan against collateral securities (fishing assets are not considered as collateral security). Hence there are no significant differences in case of banking and non-banking villages with regard to borrowings. It is inferred that the intensity of linked credit is same in both banking and non-banking villages.
- The daily fish catch of an average fisherman per day is 100 to 400 kg. Since there is no proper infrastructure facilities to dispose the catch on time, all the respondents need to depend upon fish traders cum moneylenders for the disposal of their catch. This is a major cause of concern and one of the main reasons for market linked credit.
- It is discussed that due to Non-performing Assets (NPA) banks do not offer loans and advance to the fishermen who do not earn a regular income due to a lengthy ban period of 45 days a year. The bankers offer loans to fisherfolk only against the pledge of jewels.

- The highest variables responsible for market linked credit for all the categories of sample respondents are 'Lack of direct marketing facilities', 'Creating artificial fluctuations in demand and variation in prices', and 'Regularised lengthy lean seasons'. It is inferred that the fisherfolk depend upon the moneylenders cum traders for credit facilities who do not demand any collateral security or get back the loan amount till the repayment is made voluntary on the part of the fishermen. This binds the fishermen to sell their catch at under-pricing or under-weighting and it is the major reason for the cause of market linked credit.
- The AIMLC in case of MFS is that 32.97 per cent (60); NMFS is 87.95 per cent (73) and MBO have 89.66 per cent (26) are very much affected by the extent of exploitation and their hard earned labour is swallowed by the moneylenders cum fish traders and fishermen *sangam*. It requires greater attention of policymakers.
- It is discussed that in case of labour linked credit the attributes of 'Inadequate income', 'The craft owners may be their relatives', 'Drinking habits', 'Regularised lean season' and 'Immediate solution to settle their current problems' are significant at one per cent level each. It is inferred that the labourer fishermen are enslaved and engulfed due to linkage and they do not have any other options to come out of it. Hence the yoke is tied upon them forever.

### Suggestions

Based on the above findings the following proposals are made to redress the exploitative system of linked credit and to improve the lives of the fisherfolk:

- The government can launch large storage facilities in the fish landing areas for minimal rent so that the fishermen can preserve their catch without being exploited.

- The government can establish regulated fish market in the district, to eradicate the monopoly of fish traders cum commission agents so as to free the fishermen from the clutches of moneylenders cum traders.
- The government can institute 'Fisheries Cooperative Banks for Fishermen' in the coastal villages like that of 'Agricultural Cooperatives Banks' for farmers.
- The existing banks must enhance credit possibilities for the fisherfolk with efficient and fisherfolk-friendly policies. Security pledges in particular must be redefined creatively in the context of fisherfolk.
- The government can provide loan waiver scheme to the fisheries sector like that of agricultural sector so that the fishermen need not avail of linked-credits for investment and production purposes in the face of natural calamities.
- The government can offer subsidies to purchase outboard engines, gears, and crafts, through which their burden of cash-deficiency and debt can be reduced.

### Conclusion

The very nature of fishing sector being seasonal, unpredictable and perishable, leaves fishermen to be cash-deficient and in need of credits to meet their investment, production and consumption requirements. An undue neglect of the fishing sector in policymaking and welfare

schemes, a clear lack of formal moneylending system and fishermen-friendly policies and the presence of cumbersome procedural factors in the formal system makes the fishermen easy prey to the informal and exploitative moneylending system. It is an irony that the fisherfolk who catch fish are trapped by moneylenders and abject poverty. Findings show that given the lack of infrastructural facilities, government policies, and preferences to this sector, the fisherfolk have no other choice than to choose the linked credit. The linked credit, in fact, is a slow poison as it may seem to save the fishermen from immediate death of hunger but it ultimately kills their trade, their family security and at last the fishermen themselves. Hence this study requires urgent attention of policymakers to uplift the socio-economic conditions of the fisherfolk who contribute 1.10 per cent to the Gross Domestic Product (GDP) of the Indian economy.

### Technical terms:

**'Labam' and 'support'** - It is a kind of deduction taken on total produce by the moneylenders from the fishermen for borrowing loans and advances.

**'Sangam'** - Traditional Fishermen's organisation

**'Vallam'** - Small craft used by the traditional fishermen

**'Kelanch'** - A kind of material that helps to catch the cuttle fish.

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