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FINANCIAL LITERACY FOR WOMEN STREET VENDORS: A TOOL FOR ECONOMIC INDEPENDENCE-A CASE STUDY OF WOMEN STREET VENDORS IN KOZHIKODE DISTRICT, KERALA

By

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Abstract

The importance of financial literacy in empowering women street vendors who frequently work in unofficial and precarious economic environments is the main topic of this paper. It draws attention to the fact that many female vendors depend on their daily income to cover home needs, yet they are unaware of and do not have access to official financial services like credit facilities, insurance plans, and savings accounts. They are often exploited and stuck in debt and financial instability cycles because of a lack of understanding, socioeconomic hurdles, and reliance on informal moneylenders. The study emphasises how financial education may be a transforming tool, enabling women to make educated decisions about borrowing, investing, and saving by looking at their current financial habits and the limitations they face. Their economic stability is increased when they are better able to manage risks, stay away from high-interest loans, and make use of government aid programs. In the end, equipping female vendors with financial literacy enhances their financial autonomy while also promoting stability in the home and greater community resilience.

Keywords: *street vendors, financial literacy, and credit.*

Introduction

In Kerala's Kozhikode district, women street vendors make up a sizable portion of the informal economy and play a vital role in local markets and home maintenance. The majority of them experience ongoing financial vulnerabilities despite their active involvement in trade and commerce because of their erratic income, lack of saving habits, and reliance on unofficial credit sources like moneylenders, who frequently charge exorbitant interest rates. Limited access to formal banking services, coupled with inadequate financial knowledge, prevents them from making informed decisions regarding savings, investments, or credit management. In addition to limiting their ability to expand their businesses, this isolation from institutional financial institutions also renders them financially unstable during emergencies. In this situation, financial literacy is essential because it gives women vendors the knowledge and abilities they need to handle their money wisely, obtain reasonably priced loans, develop a disciplined savings habit, and benefit from banks and government programs aimed at promoting financial inclusion. Women street vendors may increase their economic independence, the sustainability of their businesses, and their capacity to contribute to the development of their homes and communities by promoting financial literacy

Statement of the Problem

In Kozhikode, women street vendors are essential to the informal economy, but because of their inconsistent revenue and lack of access to formal banking, they experience financial instability. They are frequently caught in debt and exploitation cycles due to their reliance on unofficial credit sources. Their capacity to reach financial independence and make wise financial decisions is hampered by the lack of focused financial literacy initiatives.

Significance of the Study

The study is important because it emphasizes how important financial literacy is to raising the standard of living for Kozhikode's female street vendors. It discusses how financial literacy may improve economic stability and lessen reliance on unofficial credit. The study closes a gap in the literature on financial inclusion by concentrating on a population that has received less attention. The results can help NGOs and policymakers create focused initiatives that improve women's resilience and economic independence.

Methodology

Data from primary and secondary sources were used to support this study. Primary data was collected directly from female street vendors in the Kozhikode region using questionnaires and structured interviews. The study focused on their financial decision-making, borrowing and saving behaviors, income patterns, and the availability of official and informal credit. Purposive sampling was used to choose a sample of 100 female street vendors, who are the most vulnerable group in terms of financial exclusion

Kerala State Planning Board, the National Sample Survey Office (NSSO), and pertinent NGOs were also consulted. Secondary evidence from literature and government statistics, the study offers a thorough examination of the financial practices, obstacles, and prospects faced by female street vendors in Kozhikode.

Objectives of the Study

- To evaluate women street vendors' present financial practices and issues in Kozhikode district, such as their reliance on unofficial credit, lack of organized savings, and restricted access to official financial institutions
- To investigate how financial literacy initiatives might improve women vendors' capacity to efficiently manage their earnings, savings, borrowing, and investments, hence lowering their financial vulnerability and reliance on predatory lending sources
- To investigate how financial literacy helps women vendors become more financially independent by enabling them to make wise financial decisions, grow their businesses, and provide more security for their families.

Review of Literature

Malika Basu, "Women's Empowerment and Microfinance: An Asian Perspective" (2016). This book examines the ways in which microfinance programs have aided in the financial inclusion of women in South and Southeast Asia. It highlights how women may efficiently employ microcredit for company growth when they possess financial literacy. The article emphasizes how obtaining credit without information frequently results in debt. Case studies demonstrate that women's decision-making authority within homes rises when they acquire financial literacy. According to him, in conclusion, for long-term empowerment, financial knowledge is just as crucial as having access to finance.

R. Rajeshwari, "Financial Literacy and Inclusion in India" (2019). The state of financial literacy in India is examined in this book, with an emphasis on underserved groups. It talks about how SHGs, digital banking, and government programs like the Jan Dhan Yojana are instruments for inclusivity. The author emphasizes that women continue to be denied access to banking privileges, particularly in the unorganized sector. It also demonstrates how financial education enhances borrowing, investing, and saving choices using field data. It suggests specific initiatives for daily wage labourers, farmers, and female merchants.

Conceptual Framework

The foundation of the study is the notion that women's economic empowerment is significantly influenced by financial literacy. As members of the informal sector, women street vendors deal with a number of issues, including inconsistent income, a lack of discipline when it comes to saving, reliance on unofficial credit, and exclusion from official financial institutions. The context of the situation is formed by these difficulties. One independent variable is: Financial literacy includes understanding digital payments, budgeting, credit, investments, and savings. Access to financial institutions, knowledge of government initiatives, training courses, and sociocultural support are mediating factors. The dependent variable is the economic empowerment of women vendors, as demonstrated by greater credit use, less debt dependence, better saving practices, company expansion, and household financial stability. The paradigm makes the assumption that better financial literacy results in wise financial decisions, which in turn improve income stability, lessen vulnerability, and foster resilience, all of which contribute to women's economic empowerment and independence.

Data Analysis and Interpretation

Table 1. Financial Practices of Women Street Vendors

Financial Practice	Number of Respondents	Percentage (%)
Daily/weekly savings	35	35%
No regular savings	40	40%
Use of informal credit only	15	15%
Access to bank savings a/c	10	10%
Total	**100**	**100%**

(Sample size: 100 women street vendors) Source: primary data

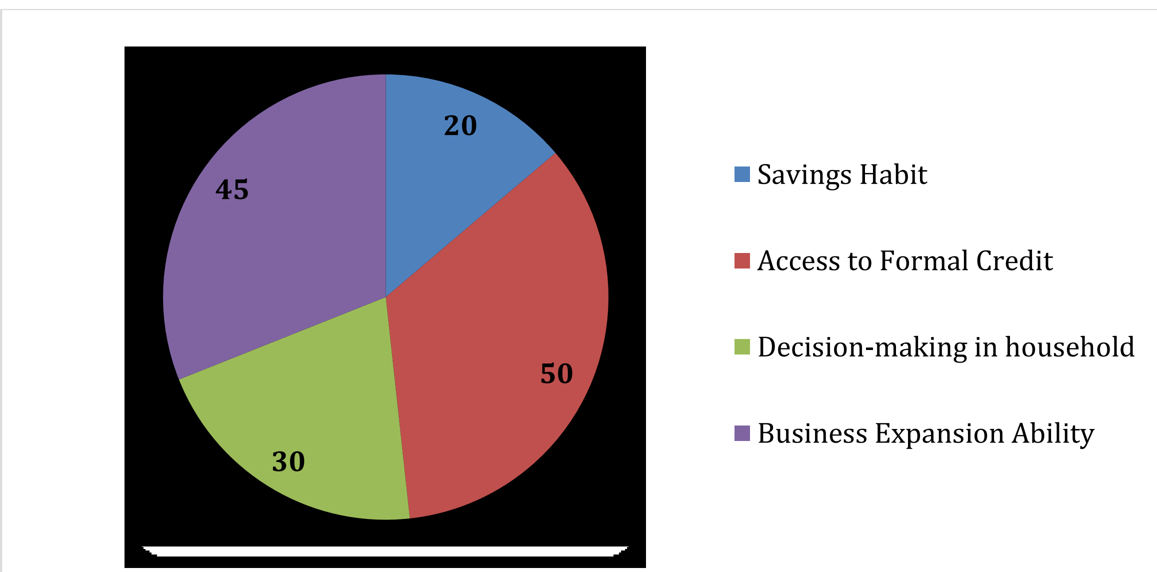

Figure 1. Financial Practices of Street Vendors

According to the table, just 10% of female street vendors have access to bank accounts, and 40% of them do not regularly save money. 15% of those who rely on informal credit are at risk of taking out high-interest loans. This emphasizes the necessity of financial literacy initiatives to promote formal banking and organized savings.

Table 2. Impact of Financial Literacy Programs

Financial Literacy Aspect	Before Training (%)	After Training (%)	Change (%)
Awareness of bank services	20	60	+40
Knowledge of digital payments	15	55	+40
Understanding loan schemes	25	65	+40
Practice of budgeting	30	70	+40

(Sample size: 100 women street vendors) Source: primary data

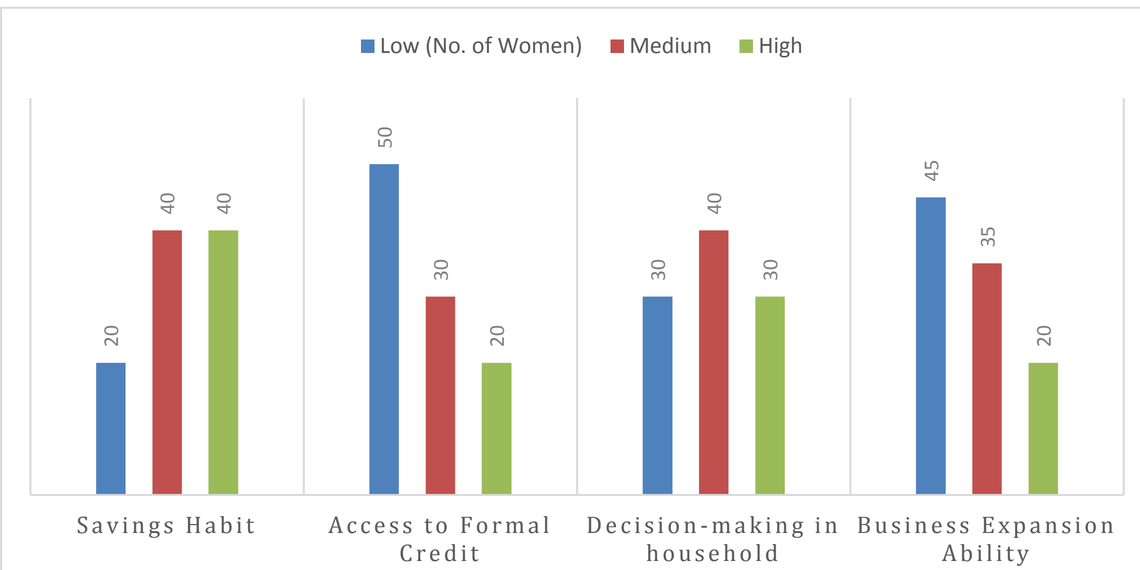

Figure 2. Impact of Financial Literacy Programs

Following training, the chart shows a notable increase in financial literacy. Across all metrics, there was a 40% increase in awareness of bank services, digital payments, loan programs, and budgeting. This implies that focused financial literacy initiatives can successfully improve the money management and formal financial services use skills of female vendors.

Table 3. Financial Literacy and Economic Independence

Indicator of Empowerment	Low (No. of Women)	Medium	High	Total
Savings Habit	20	40	40	100
Access to Formal Credit	50	30	20	100
Decision-making in household	30	40	30	100
Business Expansion Ability	45	35	20	100

(Sample size: 100 women street vendors) Source: primary data

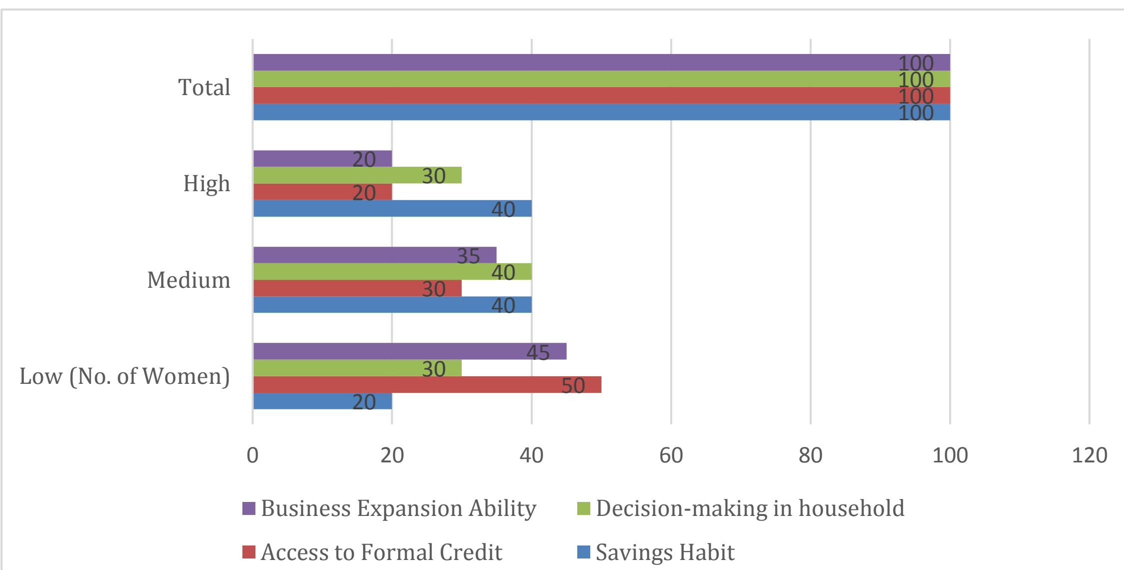

Figure 3. Financial Literacy and economic Independence

According to the research, women who possess greater financial literacy have better saving practices, greater access to official credit, more influence over household decisions, and enhanced capacity to grow their businesses. This demonstrates that among female street vendors, financial literacy is positively connected with economic independence and empowerment.

Findings

The study finds that because there is a lack of easily available and reasonably priced institutional financing, women street vendors in Kozhikode are heavily reliant on unofficial loan sources. They are frequently caught in debt cycles with exorbitant interest rates as a result of this dependence. The majority of vendors don't follow systematic savings plans, and they have little exposure to risk management, investment options, and financial planning. Their capacity to make wise decisions is further weakened by the lack of organized financial literacy programs, which restricts their ability to build their businesses and ensure the security of their households.

Suggestion

Targeted financial literacy initiatives that emphasize useful skills like budgeting, saving, and prudent borrowing should be implemented in order to solve these issues. Through streamlined processes and microcredit programs, local self-help organizations, non-governmental organizations, and governmental organizations can be crucial in facilitating the access of female vendors to official banking channels. Promoting vendor-specific training modules, awareness programs, and digital financial instruments would help close the gap between informal and official financial inclusion. Creating vendor cooperatives and peer support networks may help increase group negotiating power and lessen reliance on predatory lenders.

Conclusion

For women street vendors in Kozhikode, financial literacy is not only a useful economic tool but also a means of achieving empowerment. Giving them the information and abilities to properly manage their income, savings, and assets can help them break free from exploitation cycles, improve the sustainability of their businesses, and provide more security for their families. In the end, increasing their financial independence helps to combat poverty, promote gender parity, and increase this district's informal economy's resilience.

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