

Empowerment of Women Fishers through Micro Finance Institutions in the Coastal Area of Maruvkad Village in Central Kerala

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Abstract

The coastal communities are one of the poorest and the most marginalized ones of the country. It is the caste system and exploitation by middlemen and merchants which is responsible for their low social and economic status. The dependence of fisher women on the middle men for credit, gave the middle men the capacity to control the fish market. This drained the surplus of fishing activity and the fisher women became indebted. There is an uncertainty in the fishing due to variability in the catch, technology upgrading, over capitalization, rising costs, aggressive fishing, overcrowding, beach accretion etc. Since the income of fishermen and women varies on a daily, seasonal and regional basis, they are vulnerable to money lenders. The interest rate on informal money lending in fisheries sector ranges from 24 to 120 percent per annum. There are many formal lending agencies in this area like Matsyafed, NCDC, NABARD, IFDP etc. Such organisations extend loan that ranges in interest from zero to less than 10 per cent depending on the purpose. NABARD, through fisheries cooperative societies is providing micro, medium and long term loans. Financial assistance helps them to reap the surplus created in the fishing related activity. Income from fishing and fish related activity makes them empowered. It provides them opportunity to upgrade their fishing related activities, widen fish market and expand value added products from fishes and prawns. The present study is planned to evaluate the impact of formal lending to lessen the burden of high rated informal lending on women fishers. The study will be conducted in a coastal village by using a structured questionnaire and pursuing random sampling technique. The formal- informal lending model and empowerment framework will be applied for factual analysis. Chellanam is a Gram Panchayat and under this various fisheries market is operating. The fisheries cooperatives in the Chellanam-Maruvkad has won first place in Fish auctioning and the fisher community has developed a system of cultivation called Pokkali cultivation (fish and rice cultivation in rotation). This is an attempt to study the empowerment of women fishers through microfinance institutions of Maruvkad. The extent to which, micro-financial institutions such as fisheries cooperatives, Matsya fed and

NABARD is able to reduce the dependence of fisherwomen on non-institutional credit providers. This shows the challenges and opportunities to achieve empowerment.

Keywords: Fishery Sector, Microfinance, Empowerment, Capital, Fisherwomen, MFIs.

Introduction

Indian fisheries sector and aquaculture is an important contributing sector to the food production and in providing nutritional security to the food basket. In India it provides 14 million job opportunities. Fisheries sector of India is 6.3 percent of the global fish production and it contributes 1.1 percent of the GDP and 5.15 percent of the agricultural output. In the case of fish production in 2016 India is at the second position after China. There is 150 lakh people are associated with fisheries business in 2015. In 2015-2016 the total fish production in the country was 10.8 million tons of fish which was 6.3 percent of the total fish production in the world. In the last one decade with an average annual growth rate of 14.8 percent India remains at the first place. In the case of China, it is 11 percent from 2011-2015 (Zhao & Shen, 2016). India has six major fishing harbours, which is in Karnataka, Kerala, Tamil Nadu and West Bengal and 62 minor fishing harbours. It is important to note that microfinance provides income and it empowers vulnerable section of the population. In India microfinance considered as provision of thrift, credit and other financial services and product of small amounts to the poor in rural, semi urban or urban areas, to enable them to raise their income levels and improve their standard of living. Moreover, microfinance is a means to get access to credit to meet their needs (Kishor, 2014).

Literature Review

Microfinance for poor, small scale fishing and fish farming communities enables them to increase their income, maintain a decent level of consumption and develop micro enterprises, to cover the risk and uncertainties better and enhance their earning capacities (Kishor, 2014). The study conducted by Vipinkumar et al. in 2013 made an attempt on assessment of the extent of indebtedness among marine fisher folk in Andhra Pradesh, which classified as a mechanized, motorize and traditional. The study was also conducted in the odisha, especially in different coastal districts namely Ganjam, Puri, Jagatsinghpur and Balasore in Odisha. Singh (2018) conducted a study based on primary sample survey among the classified fisherfolk, wherein the important findings of the study are indebtedness of the microfinance members were decreased or it is significantly less than that of the non-member.

The average indebtedness of fisher women in traditional sector, who is a member of MFI is INR 0.26 lakh, but that of a non-member is INR 0.73 lakh. Likewise, the indebtedness of the mechanized and motorized fishers household; the members of Micro Finance Institution (MFI) have INR 1.74 lakhs and INR 1.43 lakhs respectively. However, the indebtedness of non-members has been to the tune of INR 2.15 lakhs and INR 1.83 lakhs respectively. These results showed that members of MFIs are enjoying much financial freedom than non-members of MFIs. The MFIs reduced the dependences of fisher women to private money lenders. Moreover, the study suggested the necessity to strengthen MFIs in the traditional sector and highlighted the acceptances of the MFIs among the fisher women rather the banking and non-banking credit facilities. The MFIs are really a success in building the entrepreneurial capacities, debt redemption, and poverty alleviation (Ledgerwood et al. 2006). Another study on post harvest interventions indicated that post harvest training on fishery-based food processing and value added technologies need to be clearly converged or integrated with livelihood or microfinance components (Regional fisheries livelihoods programme report 2013).

A study revealed that it is the availability of microfinance through Government and NGO is the best option to meet the needs of fishermen community. The lack of microfinance from formal institutions are forcing the members of fishing community to depend upon the middle men who act as money lenders (Karmakar et al. 2010). The earlier studies have shown that even through microfinance loan is small but its use helped smooth household consumption and it reduced the uncertainties in the expenditure. Also, it facilitated the poor families to relieve liquidity problems, which occurs occasionally (Tietze & Villareal, 2003).

Need & Relevance

The Chellanam Gram Panchayat in Ernakulam District at Central Kerala has various fish markets and other marine products market. The fisherwomen participation is high in this area compared to other area. The Chellanam harbour is one of the important harbours in Central Kerala located in this gram panchayat and have fisheries cooperative along with two auction centers. The fisheries cooperatives have women self-help groups. Each self-help group under fisheries cooperatives have 10 to 20 members. Women are actively engaged in fish marketing in this area. They are depending on the harbour for their livelihood. The major challenge faced by these women fishers is lack of finance. Most of the time, they approach informal money lenders locally known as 'tharakans' for loan, who charges a very high interest rate. Moreover, it is apt that the availability of formal loans can prevent the exploitation of these money lenders. Hence, there is a need to understand the problems of capital with regard to fisherwomen of Maruvkad Village in Chellanam Gram Panchayat.

Problem Statement

The present study was carried out in the Chellanam harbour in Ernakulam district. Fisherwomen from Maruvkad-Chellanam are actively engaged in fishing in the harbour especially marketing. Ernakulam is a coastal district in central Kerala. The problem statement of the study is we are trying to understand the penetration of microfinance institutions and the extent to which it is able to create empowerment of the fisherwomen. In the Maruvkad village area, it is the middle men locally known as 'Tharakans' who are the main source of microfinance for them. The tharakans take 10 percent of total value of the fish sales. It is to be noted that most of the times the amount is INR 1000/- and they have to repay the credit at the end of sale within the same day. It is continued until fisherwomen clear off their debts to these tharakans. The present study has made an attempt to understand the role of microfinance and its importance in general and socio-economic empowerment measures which needs to be taken care of in the fisherwomen community of Maruvkad Village in particular. The extent to which, micro financial institutions (MFIs) such as fisheries cooperatives, Matsya Fed and NABARD able to reduce the problems of Fisherwomen depends upon providing loans with low interest and indirectly eradicating the non-institutional credit providers.

Objectives

- To evaluate the impact of formal lending to lessen the burden of high rated informal lending on fisherwomen from informal lenders
- To analyze the empowerment happened to women fisher with respect to MFIs

Methodology

The simple random sampling technique has been used to select 35 samples. The respondents are fisherwomen of Maruvkad Village under Chellanam Gram Panchayat, Ernakulam District, Central Kerala. The study adopted descriptive research design, wherein the data were collected using a questionnaire, wherein simple percentage analysis have been calculated and interpreted accordingly.

Results & Interpretation

Table 1: Demographic Profile of Women Fishers

Education	
Educational Category	Percentage of Respondents
Illiterate	5.00
Lower Primary	25.00
Upper Primary	45.00
High School	25.00
Higher Secondary	0.00
Graduation	0.00
Post-Graduation	0.00
Age	
Age Group (In Years)	Percentage of Respondents
20-30	4.35
30-40	13.04
40-50	39.13
50-60	21.74
60-70	21.74
70-80	0.00
80-90	0.00

Source: Survey in Maruvkad Fishing Village

Only a minimum of 5 percent of the fisherwomen are illiterates. Almost 45 percent of the fisherwomen are having an education of upper primary level. Almost 25 percent of the fisherwomen are having education of lower primary and high school education. The average age of the fisherwomen is 45 and average schooling is upper primary.

Table 2: Distribution of Respondents According to Organization Affiliation

No. of Organizational Affiliation	Percentage of Respondents
One Organization	11.43
Two Organization	0.00
More than Two Organization	8.57
None	0.00

Source: Survey in Maruvkad Fishing Village

It is inferred from the above table that almost 57 percent of them having membership in at least one firm. Fisherwomen meet at least once in a month. Only few SHGs are taking loans from formal financial institution because of lack of awareness. Most of them are working under MGNREGA. There are some SHGs who are doing sale of stationary items and food products. The number of members

in a SHG varies from 15 to 20. The members of group are pooling their savings for their economic activity. Because of shortage of capital they pledge their gold for working capital. They mainly use their income for education of their children and daily expenditure. Also, enjoy certain amount of freedom and economic independence.

Table 3: Distribution of Respondents According to Type of Credit

Type of Credit	Percentage of Respondents
Micro	34.28
Medium Term	11.40
Long Term	45.70
Collateral Security	40.00
No Loan	14.28

Source: Survey in Maruvkad Fishing Village

It is indicated in Table 3 that almost 34 percent of the fisherwomen have taken micro credit from either bank or from money lenders. It has been implied from the above table that majority of the fishers are having bank account and among them almost half of them are using the services of bank.

Table 4: Distribution of Respondents According to Mode of Repayment

Mode of Repayment	Percentage of Respondents
Monthly	11.43
Weekly	0.00
Daily	8.57
Others	2.86

Source: Survey in Maruvkad Fishing Village

In case of bank only a small fraction (11 percent) of fisherwomen are able to repay the monthly instalments, whereas most of them are defaulters. It is the low level of income, uncertainty of income, past debt, family size and health expenditure including hospitalisation are the reasons for non-payment of loans. Only 8 percent of fisherwomen are able to access the loan, which can be used as working capital. This shows their lack of option to go for institutional loans. The reason for this varies from lack of awareness to favouritism. A small percentage (2 percent) of fisherwomen said that they pay only those instalments in the on-season of high fish catch because during that time fish marketing is profitable. They said that during bumper catch locally known as 'Chakara' they are able to pay some amount of loan.

Findings

- Only few SHGs are taking loans from formal financial institution because of lack of awareness.
- Only a small percentage of women fishers are having education above SSLC. The fishers having graduation and above graduation is almost nil.
- Lack of education and non-availability of alternative employment opportunities forced them to choose this job even though it is not profitable.
- Educated, skilled or semi-skilled children of fishery community are choosing jobs in urban areas. Increased transportation is helping them to explore new avenues of employment sector in urban areas.
- Fisher men get good catch only during on season of the month July to October. Because of this woman fishers are actively engaged in fish marketing during this season. During this period fish marketing is profitable for them.
- In the off season of Feb to May they are not getting enough fish catch and some time they don't get anything at all. Because of this fish marketing of women fisher is also low. During this period, they are involved in selling of other products such as stationary items.
- In case of physical capital, the assets of the women fishers include House, Land, Gold, etc. The main form of asset is gold and very few women fishers are having house and land in their ownership. Women fishers using gold as the collateral to get loan.
- In fishery community ownership of land and house is held by fishermen. Sometimes the fishers use the physical capital such as gold, house and land as collateral to get loans from the formal financial institutions.

Discussion

The study throws lights upon the three important aspects of women fishers, which observed from the demographic profile (Table 1), that nearly half of the respondents have upper primary education. Surprisingly, the illiterates' proportion of respondents is quite less. Moreover, it is understood that there is a gradual change in the level of education, wherein more fisherwomen are helping their children to opt for higher education. Also, nearly 50 percent of the respondents have a mean age of 60 years. Only one-fifth of the respondents belong to the age category of 50 to 60 and 60 to 70 years respectively. Table 2 discusses about organizational affiliation of women fishers, wherein approximately 60 percent of the respondents have membership in at least one organisation. Interestingly, none of the respondents have membership in two organisations. The presence of this type of organization is a symbol of their empowerment. At the same time one third of the respondents do not have membership in any organization. The penetration of self-help groups and organizations can increase their level of empowerment. The Table 3 and Table 4 emphasize on financial aspects, which points out the presence of sources of credit

and repayment modes for women fishers. It is the non-availability of formal sources of credit forces the women fishers to opt for informal sources of credit. In this case, it is the fisheries cooperatives, which provide short term credit. The studies on fisheries cooperatives indicates that it mainly provides finance as working capital and they provide credit to self-help groups of women to get fish from the market and to make value added products to the market, which comprises of pickles, dry fish, etc. (Rajeev, 2015 & Karmakar et al. 2010). This in turn provides a reasonable income to them. It is the delay in getting credit forces the fisherwomen to approach money lenders for credit. Most of them face the lack of proper documents and absence of securities like gold makes them vulnerable to money lenders. It is because of commission system (10 percent of the value of fish catch) once they entered into the contract it is very difficult to get rid of them. In the case of loans which need collateral security only 40 percent of the people are able to get those loans. Only a small proportion of the people are able to finance their fishing related activity without loans.

Suggestions

- The penetration of banks and other formal financial institutions must be strengthened.
- The awareness about different microfinance such as interest free loans, soft loans and interest subvention loans should be provided to fisherwomen.
- The loan procedures must be simple and convenient.
- The microfinance institution staffs must be supportive to the illiterate and less educated women fishers.

Conclusion

The micro finance institutions (MFIs) play a significant role in the promulgation of self-help groups more precisely in the development of fisherwomen communities of Maruvkad Village. It is quite important that the availability of microfinance to fisherwomen self help groups through proper channels and formal institutions (Government & NGOs) are viewed as sheer necessity for their socio-economic stability. Also, it helps them to overcome middlemen or tharakans thereby embracing the sustenance through achieving economic growth with regard to hardearned income. Moreover, the timely facilitation and motivation are the important aspects in fostering the prosperity of these fisherwomen.

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