

MICROFINANCE IN THE FISHERIES SECTOR

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Microfinance is a form of financial development assistance that is primarily focused on alleviating poverty through providing financial services to the poor. As women constitute a significant proportion of people in poor fishing households, microfinance can serve as an effective tool to assist and empower them. Accordingly, a study was designed to assess the potential of microfinance to help fisherwomen in Dakshina Kannada district of Karnataka and to study their livelihoods. Three villages, Bolar, Bengre and Ullal, were selected from Dakshina Kannada district. Women were variously engaged as 'fresh fish retailers', 'dry fish retailers', 'fresh fish labourers' and 'dry fish labourers'. From each category, 30 respondents belonging to the three villages were selected. Thus, a total of 120 fisherwomen representing 3 fishing villages constituted the sample of respondents using stratified random sampling. Relevant data were collected with a semi-structured interview schedule. One-way ANOVA was applied to find significant differences between means for activity-time schedules, medical expenditure, working days lost due to illness and daily food expenditure of fisherwomen belonging to the four different work groups. Percentage analysis was done to show membership of women in self help groups (SHG), and to study different sources of credit and working capital requirements. Garrett's ranking was used for a customer centric study to identify the most important reasons for women joining or not joining SHGs, and the services they expect from SHGs.

The study found that fresh and dry fish retailers have better living standards compared to fresh and dry fish labourers. The average monthly income of labourers ranged between Rs.1,000-1,200 and that of retailers between Rs.1,800-2,200. There was a significant difference between the groups in daily time spent on economic and household activities. In the case of retailers, participation in decision-making was higher than in the case of labourers. On average, Rs. 2,000 per year was spent on medical expenses and about 20 working days were lost due to illness in a year with no significant difference between groups regarding medical expenditure. Consumption of and amount spent on vegetables, milk and milk products were minimal for all four groups and was not significantly different among groups. Working capital requirements and alternative market linkages were the main constraints faced by fresh and dry fish retailers. Fisherwomen borrowed money from multiple sources, including from moneylenders. In the case of retailers, money was used for investment in the business, and, in case of labourers, for consumption. Only 35 percent of fisherwomen were members of SHGs. Non-members showed a keen interest in and willingness to join SHGs, but time constraints were reported to be a major impediment. The main reason that women joined SHGs was to access credit facilities. SHGs focused on savings and credit activities and were not involved in any work activity or micro enterprise. Occupational profiles of members of SHGs were heterogeneous and this was reported to be the reason for groups not undertaking any collective activity. It is thus proposed to reorganise the members of SHGs to build occupationally homogenous groups and to further ensure that new groups fulfill this norm. It was found that there is a potential demand for financial products related to savings, insurance and remittances. Partnerships between microfinance institutions, fisheries-sector stakeholders and social service providers like NGOs have considerable potential to improve the livelihoods of fisherwomen and hence make significant contributions to reducing poverty and vulnerability. Microfinance initiatives in the fisheries sector can realise the needs of deprived and most vulnerable people in fishing communities, particularly fisherwomen, by facilitating credit and other microfinance services, together with livelihood diversification.