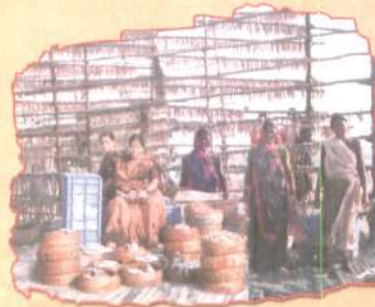


Technology Information Series - 4
Agricultural Technology Information Centre

Self Help Groups in Fisheries Sector



**CENTRAL MARINE FISHERIES
RESEARCH INSTITUTE**
(INDIAN COUNCIL OF AGRICULTURAL RESEARCH)
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SELF HELP GROUPS IN FISHERIES SECTOR

The basic reason for poverty is not shortage of goods... It is the tendency of unwillingness of human mind to share, inability to make use of opportunities and lack of willpower.....

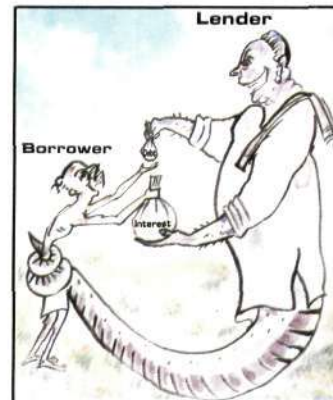
Development means the upliftment in standard of living of the poorest of poor in the society. Development of Indian fisheries sector in a broader visualization will be materialised with poverty eradication programmes through the transparent media of Self Help Groups(SHGs'). The Self Help Groups can play a vital role for the development of the fisheries sector . The utmost pre-requisite for this is ensuring participation of fisherfolk, especially women, in the planning process onwards and implementation of various location specific resource oriented development programmes.



Generally in fisheries sector, because of the lack of saving tendency, whatever the fisherfolk earn are being spent. Nothing is left for tomorrow. Entire family may starve unless he goes for fishing. While becoming sick, they may depend on private moneylenders for sustenance, food and medicine. If he falls in the debt trap, the major portion of his earnings will be going for paying interests. If the repayment is delayed or obstructed, the interest amount

mostly grows bigger than the amount borrowed. It is common in coastal areas that, this type of debt even passes on to the subsequent generations. The formal financial organisations including banks are currently not catering the needs of poor fisherfolk.

It is not entirely due to lack of interest alone that the fisherfolk don't save anything, but at times, it is the lack of knowledge of procedural formalities, which becomes the major obstacle preventing them from saving something. Even if they are interested in savings, there are a lot of procedures to deposit in banks. For opening an account, another person possessing account in the bank has to introduce. Photographs and identity documents are required. Similarly, he has to remit a fixed amount to open an





account. In addition to this, he has to forgo / sacrifice one day's labour for this purpose. Here comes the relevance of Self Help Groups.

There are a couple of differences between savings and thrift. Savings is the balance amount from expenses out of total earnings. But for the poor income groups, expenses are normally more than earnings. Therefore, savings will be meagre. Thrift is just like an item of expenditure compulsorily kept aside for future use and is not the balance from earnings.

This is strictly kept apart. In olden days, a handful of rice kept apart every day when gets accumulated was being used during off seasons for sustenance. Thrift is also based on the same principle.

A few women fisherfolk when mobilized as a group, can contribute the fixed nominal amount as thrift in every week in the group meetings. This collective amount can be deposited in banks as joint account on the very next day. Slowly this thrift amount gets grown to a considerably big amount. For example, 25 members in an SHG collecting Rs 10 /- each every week as thrift, becomes Rs 250 /- in the first week. It will be Rs 1000 /- in the first month and Rs 6000 /- within 6 months. As the thrift collection regulates the judicious spending habit among members, economic discipline in the SHG will be achieved.

After 6 months of initiating the thrift deposits, the members of the Self Help Groups can be given loan for their emergency expenditure at a nominal interest rate. The members themselves can decide the norms for the credit. Since the SHG members are known to each other, the needs can be prioritized as per their importance / significance. The speciality of the scheme is that, it meets the essential requirements of the members throughout 24 hours just like an informal bank in front of their house. The members will decide the duration of loans and interest particulars.

By solving the problems of the SHG members on group basis, the skills and ability of the members in handling financial matters get enhanced and the group slowly gets led to Self Helping Stage.

For undertaking some income generation activities for the members, a suitable micro enterprise is to be found out for the Self Help Group and then SHG can be linked to other financial organizations like NABARD, *Rashtriya Mahila Ghosh*, other banks etc for availing better credit facilities. The savings of the SHG when gets deposited in formal banks, there commences the relationship with the financial organizations. Since the welfare of the SHG naturally becomes the responsibility of the banks also, they actively involve in future activities, growth and progress of the SHG. Banks give loan assistance without supporting documents to SHG and in turn the SHG gives it to the members.

An SHG which functions as thrift-credit group for a minimum period of 6 months, can avail double of the thrift amount as loan from NABARD. The increase in thrift amount and punctuality in repaying the loans make these SHGs' deserve 9 times of thrift amount as loan further. There are a number of other financial organizations also giving loans to growing SHGs'.

Experiences and observations indicate that, for a group to be developed as a Self Help Group, normally a period of 36 months (3 years) will be required. Within this gestation period when the group passes through three distinct phases, up to 4 months as the Formation Phase, up to 15 months as Stabilisation Phase, and up to 36 months as the Self Helping Phase. Afterwards, the group reaches the stage of a flourishing Self Help Group as per the indicators given by social research on Self Help Groups.

The fisheries Self Help Groups have to focus attention on joint efforts for finding out suitable micro enterprises, which can assure a constant income for the fisherfolk, based on locally available resources for poverty eradication.

In fisheries sector, for the upliftment of fisherfolk below the poverty line, some successful micro enterprises developed based on the location specific resource availability and experience and some alternate avocations as subsidiary entrepreneurial ventures successfully undertaken by Self Help Groups in coastal sectors and allied areas are identified. Value added fish producing units, Dry fish unit, Fish Processing unit, Preparing ready to eat fish products & ready to cook fish products, Ornamental fish culture, Mussel culture, Edible oyster culture, Clam collection etc. are very important.

In agricultural sector, Vegetable cultivation, Ornamental gardening, Floriculture, Kitchen Garden, Orchards, Fruit products, Fruit processing, Sericulture, Mushroom cultivation, Medicinal Plants, Vermi compost, Snacks units, Catering Units, Bakery Units and Cereal Pulvarising units are some micro enterprises undertaken by Self Help Groups.

Based on the resource availability and circumstances the micro enterprises, the SHGs' can generally bring to practical utility in allied sectors are Wood work units, Stone work units, Soap units, Garment units, Computer centre, Poultry centre, Cattle rearing, Piggery unit, Bee Units, Stitching units, Hand Weaving Units, Candles, Chalks, Umbrella units, Foam Bed



Units, Bamboo based handicrafts, Paper cover, Scrape selling, Vegetable seeds, Marriage bureau, Medicine collection, Patients service, Real estate, Medicine processing, Direct marketing, Coir Brush, Plastic weaving, Second sale, Meat *masala*, *Rasam* powder, Curry powder, Pickle powder, *Sambar* powder, Consumer service centres, Home delivery package, Repacking business, Cleaning powder, Phenol lotion, Liquid soap, Washing soap, Toilet soap, Kids' garments, Toffee & Sweets, Photostat, Washing powder of best quality and medium type, Emery paper, Domestic animals, Nursery plants, Notebook, Bookbinding, Rubber slipper production, Pillow cushion, Incense stick production, Cloth whiteners, Eucalyptus oil, Dolls, Hand shampoo, Soap shampoo, Detergent shampoo, Jackfruit jam, Chips, Hotel, catering service, Grape wine, Pineapple wine, Soft drinks, Chicken farming, Dried mango wafer, Dried chilli, Gooseberry wine, Ginger wine, *Pappad*, Tomato sauce, Day care centre, Coconut water vinegar, Artificial vinegar, Syrups, Mixed fruit jam, Milk chocolate, Tomato squash, Gum production, Cleaning lotion, Soft drink shop, Reading room, Private tuition, Counseling- guidance, Rent sales, Paying guest service, Repairing centre and Handicrafts are some of the self employment opportunities that the SHGs' can venture throughout Kerala depending on the suitability of situations and availability of resources.

The important financial organizations giving support to SHGs' are Khadi & Village Industries Board, Department of Commerce & Industry, *Jawahar Rosgar Yojana*, Women Industrial Cooperative Societies, Kerala State Social Welfare Advisory Board, Kerala Financial Corporation, National Bank of Agriculture and Rural Development, District Rural Development Agency, *Kudumbasree ayalkoottam* and other Non Government Organizations.

Certain important facts will be revealed as the consequences of Coastal Zone Development when gets practically materialized through SHGs'.



Since the empowered SHGs' assist the members by undertaking thrift-credit activities through own savings and loans from banks for suitable micro enterprises, they adequately earn and make the members capable to stand in their own legs.



Since the problems faced by the members are being presented and resolved on consensus every week, in the SHG meetings, they feel extreme protection, attain mental health built by wholeheartedness to face all situations through effective coordination.



Women's savings have a profound influence on the family security and set up. The self-confidence that they also can work with men for the welfare of their family can be built up through these Self Help Groups.



Since the SHGs' meet every week, all the members get a very good grasp about the beneficiaries in the respective locality and thereby enabling the election process of beneficiaries very transparent.



The beneficiaries can be persuaded to utilize the eligible benefits for the purposes for which those were intended.



Self Help Groups created a remarkable change in the social responsibility level of the fisherfolk. The incidents in which certain women SHGs' significantly contributed to the disaster relief funds are the striking examples of the transformations generated through economic empowerment.

Irrespective of the political / religious restrictions, the ways by which Self Help

Groups started taking lead role in cultural activities like celebrating special days, organizing common action programmes with involvement of cultural leaders, conducting arts and games competitions and literacy classes etc. are the examples of social responsibilities of Self Help Groups.

These SHGs' can function as a symbol of 'collective cooperation', an informal bank in front of home, a genuine friend in emergencies and a protector from exorbitant interest for loans.

Based on the thrift deposits generated by a legitimate SHG, following the rules, the member fisherfolk can come forward to identify suitable income deriving micro enterprises with the effective utilization of loans available from banks as well as other financial institutions and thereby escape from the 'vicious circle of debt' for ever.

From the experiences, it is seen that, the active participation of SHGs' helped to solve to a great extent the common problems of coastal sector such as illiteracy, drinking water scarcity, lack of health, sanitation and housing/ shelter which in turn can improve the 'local economy' and march towards prosperity.

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Drawings	Sri.K.M.David
Printed at	St.Francis Press, Kochi-18, Phone : 0484-2391456, 2392973