

Organising traditional fishing people on the coast of Kutch

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Kutch is part of the state of Gujerat, and has a coastline of over 400 km, with a vast intertidal zone of creeks, estuaries and mudflats that is ideal for traditional fishing.

Small Scale 'artisanal' fishing contributes around 40% of the marine fish production in India. It may appear 'part time', 'non- commercial' or 'subsistence', but is a full time occupation and around 75% of India's fishing jobs are of this kind. The fish caught by the small fishermen of Kutch are sold world-wide; fresh fish to Mumbai and dried fish to the North East as well as shrimp and lobsters to Europe and Japan, and dried 'Bombay Duck' to Sri Lanka and Bangladesh.

For generations, the Muslim Wagher community has been associated with this traditional fishing. They go from their main inland villages to temporary settlements or *banders*, where they stay for 8-9 months in a year for fishing. They fish from 12 places on the Mundra coast, which is the main traditional fishing area in Kutch.

Over 1000 families are engaged in traditional fishing at Mundra and their estimated annual catch is nearly 12,000 tons, worth nearly 600 million rupees or about \$10 million. This is about 23% of the fish production in Kutch.

The *banders* are on sand dunes or beaches about 70-80 km from the people's main villages. Families from 3 - 4 villages usually settle in one *bander*. They work full-time in fishing, and they make temporary shacks of sacks and plastic, so they can be close to the coast and can also use the beach for drying the fish. After the fishing season they return to their main villages. The *banders* are very close to the creeks. They are not legally registered and most of them have no basic facilities such as electricity or drinking water.

The families migrate for more than 8 months and are cut off from their villages for most of the year. They are socially marginalized, and the locally dominant Jain community views fishing as sinful. The fishing community get together on social occasions such as marriages, when they are in their villages, and they spend extravagantly on these occasions. Their girl children are married very young, which leads to illiteracy and ill-health.

Two types of fishing are practiced. Traditionally, some people fish on foot and from rowing boats, and are known as *pagadiyas*. They walk into the sea to lay their nets, and they do this throughout the year, even during the Government-imposed 3-4 month monsoon ban on fishing. Their whole family works in fishing; the women and children sort and dry the fish which the men have caught, and they also sell the fish at local markets and from house to house.

The people used only to do *pagadiya* fishing, but motorised boats came in during the 1980s. The fishermen started to sail 8 or 10 km out to sea in diesel-powered boats, and they started to use gill and bag nets. In 1998 a cyclone caused massive damage in the region. The fishing people were the worst affected and their livelihoods were completely destroyed. They had to rebuild their lives from scratch and needed money to pay off debts, and to buy new boats and nets. The government provided interest-free loans, but not enough, and they had to be supplemented by credit from local merchants. Also, many of the interest-free Government loans were taken by local merchants posing as fishermen and were then lent on to fishermen at exorbitant rates.

The fishermen borrowed from merchants who forced them to sell fish exclusively to them at predetermined annual prices. These prices were about one-fifth of the market price, and part of the proceeds from selling fish was deducted towards loan repayment. The merchants claim that unlike banks and other institutions, they charge no interest for their loans, but the fishermen were essentially bonded by their debts. They were unable to repay their bank loans, and defaulted, thus ruling out further loans from banks. Their loans ranged from around Rs30,000 to well over Rs120,000, and more than half the fishermen owed sums of well over Rs80,000, or about \$1,000.

Fishing is unpredictable on a day to day basis, but there is an annual rise and fall in the catch. Experienced fishermen say that the cycle lasts from three to four years, but there is also a local problem in Mundra because of industrial effluents.

Several fishing settlements are threatened by the construction of a Special Economic Zone at Mundra port; one settlement lost its only road connection after it was demolished to build an airstrip. The fish catch is likely to fall in future because of the long term effects of pollution and overall degradation of the environment.

Several attempts have been made to help the fishing people to address these problems. There is still a good potential for fishing if their marketing problems are addressed. They need a community organisation to protect their interests. In 2006, three NGOs, Setu Bhadreshwar, Ujjas Mahila Sangathan (UMS) and the Yusuf Meherally Centre (YMC) got together with money from Care India and started to devise a collective marketing solution. They started to mobilise the fishing people and at the same time looked for alternative markets.

They identified a trader in Mumbai who was willing to buy fish on a contract basis, but the fishermen were still indebted to local merchants. They needed debt redemption loans. It was decided to grant each fisherman about a quarter of the amount he owed to the local merchant on the basis of which he would be freed of the obligation to sell through the local merchant so long as he promised to pay off the remaining instalments in the next 3 years. Nearly 60 fishermen did this in the first year and agreed to sell all their produce to the Mumbai trader. They got nearly 40 % higher prices than they used to get for their fish from the local merchants. 25% was deducted from this to repay their loans and to start saving, and a small amount was collected towards a new *bander* welfare fund.

In the first year, this was done with the support of the existing staff of the NGOs. The trader appointed staff for the local offices, which organized the procurement of fish every day. Also, the trader appointed some local women to dry the fish and to pack in sacks. The NGO staff monitored the operation and helped to resolve any disputes between the members and the trader. The accounts were maintained by the local village information centre. It was a success and the people were excited from the beginning.

In the next year, they needed a proper marketing department with professional systems, to improve the marketing and expand the services and also to increase the scale of the operation. Setu brought in FishMARC, a national level NGO which works in fisheries. They were asked to set up a full-fledged marketing collective, and it was decided to set up a formal Producer Company for the traditional fishing people.

In 2008, the group entered into a contract with a dry fish exporter, who bought dry fish from the members. They had learned that it was better to dry the fish themselves before selling it, and this also meant that the fish no longer belonged only to the man of the family; the women played the important role of drying the fish.

The members got a further 40-50% increase over the previous year's prices. They put aside 20% for loan repayment and savings, and 5% towards the operating costs of the Producer Group. The membership grew to about 80; it grew slowly because there was not enough money to allow for more debt redemption loans.

In 2009-10, the marketing system was improved and they adopted a collective marketing model. A provisional price was decided by the members and they sold their fish to the organisation at this price. It was then sold at current market prices.

The revenue allowed for the expenses of the Producer Group as well as paying the members. At the end of the year, the committee decides how much of the surplus to pay to members, after retaining a part of it as reserves. By 2010 there were 300 members with 150 boats covering eight *banders*. Funds for five million rupees of debt redemption loans have been provided by Friends of Women World Bank of India and from UMS's own revolving fund. They have constructed buildings in four *banders* and a warehouse at Bhadreshwar. A mini-truck has been purchased to transport the fish between the *banders* and the warehouse. The staff are recruited from major fishing areas. They stay and sleep in the Producer Group offices, and the export packing of fish is done by women labourers from nearby villages.

In 2010 for the first time since its inception, the Producer Group functioned without grants. They purchased fish for Rs8.68 million which was well below expectations, but it was sold for Rs10.03 million, so after covering all the costs, including salaries of the FishMARC team, it made a modest profit of Rs542,000. This was seen as a

good performance by the members; they were happy that in spite of the cost of the FishMARC team, the Group's own procurement system with a warehouse and their own vehicle, it managed to make a profit. However, the fish market is always risky, and the staff are aware that a single mistake can wipe out the whole surplus.

In spite of its financial success, the formation of the Producer Group is far from complete. Many members still perceive it as another trader who offers a better price and is honest and transparent. This was good enough initially, but the members must understand collective action. If they do not, some members may sell to other traders when they offer a better price. This view of the producer group by the members merely as a convenient way to get higher prices is unacceptable in a collective model because the Producer Group's services come as a package and a member must accept it in total or reject it altogether.

Vested interests such as local merchants may disrupt collective action by offering better prices in the short run even if they have to lose money for a few years. After the collective is destroyed, they can return to their old ways. This challenge cannot be overcome without educating the members about collective action, so that they view the Producer Group as a long-term solution to their problems. Progressive members and leaders realise the importance of collective values and understand that the Producer Group's aim is not just to pay higher prices, but to provide services for their development.

This shift is not easy and requires member education year after year and vigilance to detect any violation of rules. The three NGOs have a programme for member education which uses creative methods such as paintings to convey these messages.

Another challenge is to integrate the *Pagadiyas* in the Group. Some boat fishermen do *Pagadiya* fishing during the monsoon when there is a ban on boat fishing, but the Group has not taken in the *Pagadiya* fishermen and women as they require different systems. Fortnightly payments will not work for them as their incomes are low and they need daily payments. The women retail the fish caught by *Pagadiya* fishing and it is difficult to improve their marketing system and fetch better prices without affecting these women's livelihoods. But the *Pagadiyas* should join the Producer Group as they are an important part of the fishing community.

The Kutch seafood group has started making an impact in the area. Not only are the members benefiting, but the overall selling prices of fish have increased due to competition between local merchants and the Producer Group. Now traders have no option but to exceed the provisional price announced by the group in order to prevent the fishermen who still sell to them from joining the group.

The immediate objectives of the Producer Group have been fulfilled. The members have been released from being bonded to merchants who give advances and then dictate the price for fish, and they have gained some control over fish marketing through their collective. They are getting better prices and have developed a successful business.

They have also achieved some of their longer-term objectives. They have their own strong collective to manage their marketing, they have improved their fish processing methods and quality and are developing their own marketing infrastructure to strengthen their control over the market and to increase their bargaining capacity. They also have better services in their *bander* settlement, including water supply, electricity, and collective purchase of provisions and transport, and they have developed their own financial services, including short and long term savings and credit, life, accident and fishing equipment insurance, and net, boat and motor repair services. It is hoped to expand and extend the marketing intervention to all the small-scale fishing people in Kutch, and the success of the Producer Company will be a key factor in this.

Buoyed by the success of their producer group, the members have started to organize themselves into a trade union called MASS to protect their traditional rights and to ensure their continued access to places where they fish. Since 2006, MASS has been fighting for the rights of fish workers with a determination that inspires other communities in Kutch. They started in 2006 when they secured an alternative access road to *Pagadiya* fishing grounds, after it was blocked by the construction of an air strip by the Adani Group. In 2010 they fought against the plan for a power plant which was proposed to be constructed on top of the second largest fishing settlement in Kutch. MASS has grown in its membership but also in its influence over Government actions in relation to fisheries and the prevention of violations of fish-workers' rights.

To reduce uncertainty about the availability of fish, they use satellite technology to access information about potential fishing zones. This is also used for early warning in case of cyclones and rough weather; the terminal is in the local information centre so that all the fishing people can access up-to-date information.

The progress of the Producer Group towards financial sustainability is shown below:

Kutch Sea Food Producers Group – Performance Aug 2009 – Feb 2010

Details	Total
General	
Members	134
Dry Fish Sales	R s 67,63,955
Fresh Fish Sales	R s 36,11,916
Total Fish Sales	R s1,03,75,871
Total Expenses	R s11,53,241
Procurement Amount paid to Members	R s86,80,370
Excess of Income over expenditure and payments to members	R s5,42,260
Loans	
Number of Outstanding loans	136
Number of loans repaid and closed	12
Total loans	R s51,85,500
Principle amount collected	R s 22,80,494
Interest Collected	R s 2,54,056
Total Collected	R s 25,34,550
Loans Outstanding	R s 29,05,006
Savings / Welfare Fund	
Bandar Welfare Fund	R s 10,308
Savings	R s 2,37,606

The NGOs which promoted the producer group, in partnership with the Government's Marine Products Exports Development agency, are working on a sustainable fisheries programme for Kutch. It includes training at the fishing settlements on sustainable fishing, value addition, quality improvement and safety at sea.

The Producer Group works in eight *banders* with 150 households but it can be scaled up to include all the *banders* in Kutch and cover about 3,500 families.

The priority is to include the *Pagadiyas*, but the potential for replication is almost unlimited. India has over 7,000 km of coastline and thousands of fishing communities. There is no reason why the model that has succeeded in Kutch cannot be replicated in other states too.

The Producer Group has evolved step by step, because they are learning; it is impossible to understand how to change without understanding the existing systems. The Group is nevertheless progressive and is looking to improve systems in the long term.

The export market demanded high quality. Fish which had been laid on the sand to dry could never be sold abroad, and the whole process of sorting and drying had to be improved; innovation was needed to improve quality without increasing effort.

The women started using poles, tubs and crates so that the fresh fish could be easily washed by dipping the crates full of fish into the tubs and then drying it on bamboo poles. The traditional mechanical weighing scales that traders used to cheat members by quoting lower weight, were replaced with electronic scales to make the transactions fair and transparent.

Fish loses weight when it is being transported, and the traditional practice was to round off the weights of certain species to compensate for this. It seemed to be a form of cheating, but the Group understand that it is essential in some cases. They use the same system themselves, but are studying the actual weight loss in order to ensure that the deductions are fair. This is only one of many possible improvements which will be adopted in future.

There are many lessons to be learned from this case, not only for fishing but for any collective marketing arrangement. It is vital to integrate loan repayments with the cycle, and to deduct repayments and savings from members' routine payments. Savings too should be part of the system, and members should be protected by 'locking' the savings until they reach a certain balance, rather than allowing immediate withdrawals.

Producer Groups are different from local merchant-based marketing systems because the members own the organization and their elected representatives make all the decisions. This change requires fundamental capacity building and changes in

community attitudes as well as for NGO staff. This is gradually happening in the Producer Group, and members are taking part in key decisions such as fixing the provisional price. They are also fully involved and question their staff when they have concerns.

Traditional fishing is a livelihood, but it also promotes a healthy gender balance in the community, which is very different from other low-income communities. Women have a very important and widely acknowledged role in fishing communities. Women are involved in decision making at the family and the collective level. They participate actively in MASS protests and often take over leadership.

The intervention has successfully addressed many of the issues that affected the livelihoods of the fishing people. The Producer Group has helped them to address many issues, including their use of common property resources. They now have collective control over their own affairs through individual participation in accordance with the interests of the community as a whole.

The people have achieved economic freedom and have reduced exploitation by middlemen by being able to share information. The Group have also been able to express their concerns and to protect their livelihoods against external threats such as industrialization, and it has helped hitherto neglected households to become part of mainstream society by building their confidence. They now feel able to decide about their participation in other social, economic and political initiatives which can help to protect their livelihoods.