

POPULATION ISSUES AND ACCESS TO INSTITUTIONAL CREDIT IN RELATION TO COMMUNITY-BASED FISHERIES MANAGEMENT AND DEVELOPMENT

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ABSTRACT

This paper discusses two important issues that need to be considered when introducing CBFM measures. The first issue concerns demographic and population characteristics of fishing communities and their implications for sustainable use of aquatic resources. The second issue relates to the access of fisherfolk to institutional credit for the purpose of investment in fisheries management related economic activities.

In its first part, the paper attempts to identify some of the problems concerning demographic trends and population characteristics of fishing communities in relation to the sustainable exploitation of aquatic resources as observed in most countries of South and Southeast Asia. It then suggests how population and demographic concerns can be incorporated into fisheries related research, fisheries management and development programmes.

In its second part, the paper identifies some of the problems of fisherfolk in accessing institutional credit and its potentially negative effects on fisheries management programmes in general and CBFM programmes in particular. It then proposes measures to improve the access of fisherfolk to institutional credit for fisheries management related investments with reference to experiences in other countries of South and Southeast Asia.

1. INTRODUCTION

In many countries of Asia and the Pacific as well as in other parts of the world, fisheries management measures are presently being introduced, in many cases with the active involvement and participation of fisherfolk and their associations. This is being done to promote sustainable use of aquatic resources and to put an end to the degradation of the coastal environment and overexploitation of fisheries resources and the marine habitat.

The growing awareness of the need to introduce fisheries management measures was also expressed at the 21st Session of the FAO Committee on Fisheries, which was held in Rome in March 1995. FAO member countries, including Thailand, adopted a declaration which highlighted the problems and dangers of over-exploitation of aquatic resources and of the degradation of the coastal environment. They urged restructuring of fishing fleets, diversification of fishing effort and better utilization of scarce aquatic products including

presently discarded by-products and waste through improved processing and marketing and through the development and promotion of new value-added fish products.

2. POPULATION ISSUES

2.1 Problems

In most Asian countries, a rapid growth has been observed in the number of fishermen. This has two major causes:

- high birth rates of fisherfolk families coupled with reduced child mortality as a result of better health services and improved socio-economic living conditions;
- in-migration of labour from other sectors of the rural economy.

The rapidly growing number of fishermen, which is reflected in a growing density of the fishermen population per kilometre of coastline, has a direct impact on fishing effort and thereby on the level of exploitation of aquatic resources. As a part of overall population growth, population growth in fishing communities also increases the demand for aquatic products and thereby exerts further pressure on aquatic resources.

While excessive growth of the fisherfolk population and the number of fishermen has in many cases contributed to over-exploitation of in-shore aquatic resources and destruction and degradation of the coastal habitat and environment, it also is an obstacle to the introduction of fisheries management measures that aim to limit access to fisheries resources.

Moreover, fishing communities that do not understand the need for a sustainable population growth will also not understand and adhere to concepts of sustainable use of natural resources. They will even less be able and motivated to actively participate in the design of fisheries management measures and their implementation and monitoring.

In addition to having a negative impact on the use of natural resources and being a constraint to the introduction of CBFM measures, excessive population growth in fishing communities also hampers the improvement of living conditions and quickly dilutes and absorbs economic benefits from development programmes undertaken for fishing communities rather than making use of these benefits for productive investments.

2.2 Possible Solutions

In order to address the above problems and achieve the objective of bringing about sustainable population development in fishing communities, it is proposed to carry out the following actions and related activities, based on experiences and approaches followed in other Asian countries.

First of all, the carrying capacity of aquatic resources for sustainable fisherfolk populations in various regions of the country needs to be defined in a flexible manner. In order to do this, the following activities need to be carried out:

- collection of data on the population dynamics of fisherfolk and its relation to the level of exploitation of aquatic resources;
- incorporation of demographic elements in the fisheries research and the collection of statistics;
- review of national population strategies; and
- identification of appropriate population management strategies and adaptation of the same to the needs of fishing communities.

Secondly, population education, family planning programmes, disaster preparedness, health promotion and environmental care in fishing communities need to be strengthened. In order to do this, the following activities could be undertaken:

- identification of currently on-going programmes;
- linking appropriate programmes with on-going fisheries extension and training programmes; and
- incorporation of education into community-based livelihood, income generation and self-employment programmes.

3. ACCESS TO INSTITUTIONAL CREDIT

3.1 Problems

In the context of CBFM programmes, a number of changes occur with regard to economic activities undertaken by fisherfolk. The more important ones, as observed in other Asian countries and other parts of the world, are:

- diversification of fishing effort from over-exploited and heavily exploited species to under-exploited species. In addition to vocational training and fisheries extension services, this usually requires the acquisition of new types of fishing gear and/or fishing craft;
- occupational changes from employment in capture fisheries to employment in brackishwater aquaculture or other types of coastal aquaculture. In addition to vocational training and fisheries extension services, this usually requires the acquisition of fish ponds and various production inputs;
- full-time or part-time occupational changes from employment in capture fisheries to employment outside the fisheries sector. In the case of self-employment, in addition to vocational training, this usually requires the acquisition of required capital and working capital inputs;
- introduction of improved fish marketing and processing methods in order to make better use of available aquatic resources and to add more value to available raw material and thereby compensate for financial losses as a result of reduced levels of exploitation of aquatic resources; and
- introduction of special income-generating projects for women to increase family income, make better use of so far under-utilized economic resources and to enhance women's socio-economic role and participation in fisheries management programmes.

All these changes require considerable investments, many of which are medium-term and it is very unlikely that many of these investments can be made from fisherfolk's own financial resources because of their weak economic status, low levels of savings and because of the fact that fisherfolk only have a rather limited access to institutional credit.

Fisherfolk's credit needs have so far been met in most countries of the region by the informal sector, which consists largely of fish traders cum moneylenders. Informal credit, however, has a number of limitations and disadvantages including the disadvantage of being linked to unfavourable terms of trade, of high interest rates, the limitation of being short-term and being mainly available for traditional investments with expected high short-term returns rather than for innovative investments with medium- and long-term benefits such as the ones related to fisheries management.

A number of factors are responsible for the limited access of fisherfolk to institutional credit. The more important ones are:

- lack of familiarity of banks with the fisheries sector;
- lack of collateral and the unimpressive credit record of fisherfolk;
- high transaction costs of lending institutions; and
- poor performance of many past fisheries credit programmes because of absence of appropriate lending policies and procedures, **lack** of monitoring of loan use and loan recovery, lack of trained bank personnel staff and the perception of credit programmes as exercises in social welfare rather than credit.

Experiences in other countries show that fisherfolk participate in CBFM efforts much more actively if occupational changes and related investments are supported by institutional credit facilities.

3.2 Possible solutions

In order to improve fisherfolk's access to institutional credit for management related investments as listed above, technical assistance, training and financial support to financial institutions in the form of credit guarantee schemes **and** possibly interest- rate subsidies need to be provided by Governments in co-operation with foreign donors and development banks.

Appropriate institutional arrangements and lines of credit for the above investments need to be established and, among others, the following main activities are to be carried out:

- identification of suitable financial institutions;
- in close cooperation with fisherfolk, identification of credit needs related to fisheries management;
- design of credit guarantee arrangement;
- design of co-operation mechanism between financial institutions, fisheries administrations and fisherfolk associations;
- design of lending policies and procedures;

- design and implementation of savings mobilization campaigns;
- implementation of pilot credit schemes; and
- on successful completion of pilot credit schemes, institutionalization of fisheries credit programmes.