

THE MICRO- CREDIT REVOLUTION

How do you best combat poverty? Not with mega-projects. But with small loans for a large number of poor people. A man of vision in Bangladesh started the phenomenon of "micro-credit" in 1983. Today it is a worldwide movement, encompassing even Europe and America, proving that nothing is quite as awesome as the power of an idea. This issue of PHF News looks at micro-credit, how the mechanism operates, how the movement is spreading, what it has done for fisheries and fisherfolk. "These loans have changed our destiny," says a woman from Bangladesh.



Credit in Fisheries

The micro-credit summit held recently in Washington D.C. (See pages 7-10) focused world attention on the issue of credit for the poor. More than 2,000 people from over 100 countries attended the meeting which was organised by dozens of non-government organisations, foundations and credit co-operatives. World leaders at the 3-day Summit, which opened on 2 February this year, pledged to support an innovation in banking that may strike a blow against poverty by providing loans to poor people to start businesses,

The summit's goals were ambitious. Expectations will undoubtedly be raised. For the moment the issue of credit has been firmly thrust into the centre stage of development. Credit is

vital for fishing communities - for consumption and production and even for day-to-day living. Fisherfolk face many problems in accessing formal sources of credit because of various administrative factors and transaction costs. Can the summit bring about a change in the attitude and perceptions of the banking sector towards fishing communities? That would be a giant step forward.

However, credit alone cannot alleviate poverty. In the artisanal fishing sector, the scope for producing goods and services is very limited even if the individual has the ability and willingness to set up an enterprise and credit is available. One must balance both sides of the supply and demand equation. There have to be investments in basic

infrastructure, health and education. There must be credible alternatives and options for investing in business opportunities. Without all this, access to credit will address the underlying issue of livelihood security only

This issue of PHF News also carries an interview with the fisheries development manager of NABARD (the National Bank for Agriculture and Rural Development), which re-finances bank loans to self-help groups in rural areas. Fisheries NGOs ought to avail of this NABARD facility by encouraging self-help groups among the fisherfolk communities they serve.

However, the self-help groups should not end up as mere conduits for credit. They should serve as fora for collective thinking, decision-making and action. Organizing credit should be an important activity of the groups, but not their *raison d'être*.

News Round-Up

ODA offers cyclone relief for AP fisherfolk

The ODA Disaster Unit in London has approved of the proposal submitted by the Andhra Pradesh Department of Fisheries for rehabilitation of fisherfolk hit by the killer cyclone of November 6, 1996.

Under the proposal, 5000 fisherfolk families of East Godavari district are to benefit from ODA-initiated revolving funds to enable purchase of fishing craft and gear. Some working capital will also be provided for petty fish vendors. The total value of the assistance would be about £250 000 (Rs. 1.3 crores, approximately).

The ODA-PHF assisted the Department of Fisheries in preparing a logframe for rehabilitation assistance which was submitted to ODA:

Eleventh Indian seafood fair
The 11th Indian Seafood Trade Fair was held in Kochi, 14-16 February, 1997. The event, held once in two years, was organized jointly by the Marine Products Export Development Authority

ODA is helping rehabilitate cyclone-ravaged fisherfolk of Andhra Pradesh. The inundated village (left) and the boat washed ashore (right), give an idea of the havoc wrought by the cyclone.



(MPEDA) and the Seafood Exporters' Association of India.

The fair was divided into two sections. The first was an international exhibition of fisheries-related topics – fish processing, aquaculture, packaging etc. More than 100 agencies from many countries took part. The second was a business session. Experts from various areas of fisheries presented papers on topical subjects such as HACCP (Hazard Analysis Critical Control Point), a concept that all exporters of fish and fish products must learn to apply. Speakers emphasized the exacting requirements of markets in Europe and the US and the need for slicker, smarter packaging to improve the products' visual appeal.

BOBP-ODA Advisory Committee meeting in Bangkok

The 21st Advisory Committee Meeting of the Bay of Bengal Programme and of the ODA-PHFP was held in Bangkok 13-14 February, 1997. Mr A. Hall from ODA's South East Asian Development Division, based in Bangkok, represented ODA at the meeting. Officials from the BOBP's seven member governments and from funding agencies DANIDA and Japan attended.

The ODA's annual report for 1996 was presented on the occasion by the Project Field Manager, Mr Duncan King. He also showed a number of slides of project activities in India, Bangladesh and Sri Lanka.



A view of 11th Indian Seafood Trade Fair; held in Kochi.

Bangladesh Minister of Fisheries Visits Chennai

Janab Satish Chandra Roy, Minister of State for Fisheries and Livestock, Bangladesh, was in Chennai April 5-6 in the course of a fisheries tour of India. In Chennai he visited two shrimp hatcheries near Mahabalipuram and met with staff of the BOBP and ODA. Mr Duncan King, ODA-PHFP Project Field Manager, and Mr Rathin Roy, BOBP's Communications Adviser, briefed the Minister on the work being done by the two projects in Bangladesh to help women groups and set bag net communities.

Impact Assessment Study

What impact has the ODA-PHFP achieved? A team from ODA

headquarters in the UK had recommended that the project conduct an Impact Assessment Study (IAS) and design a model or logframe. This will serve as a readymade tool for impact assessment which the project can use regularly for all of its activities.

A consultant company engaged by the project prepared a draft impact assessment model on the basis of desk studies and field trips. This was discussed and finalized at a workshop held in January 1997 in Chennai for project staff and partner NGOs.

Three project teams later carried out studies in a dozen locations (eight in India, three in Sri Lanka, one in Bangladesh) over a period of three months (February-April 1997). Each

Bangladesh Minister of State for Fisheries and Livestock Janab Satish Chandra Roy (left) listens to a presentation by ODA—PHFP Project Field Manager Duncan King in Chennai.



team was led by an independent consultant, and included a local project officer and an NGO representative. Each team had at least one lady member.

These studies used objectively verifiable indicators for the goals, purposes and output levels of various project activities. Questions can be formulated on the basis of these indicators; the answers will be evaluated for impact assessment.

Field exercises for the IAS were completed by April-end. It is to be discussed in depth at another workshop early May. A final report will be submitted to the ODA by the end of May.

Says Project Field Manager Duncan King, "Conducting the IAS and developing an IA model has been a painstaking exercise. But the end product could be a valuable tool, not merely for our project. but also for all development projects. Impact is after all the bottom line of development projects."

First results from the IAS show that the ODA-PHFP has generated a fairly positive impact. The nature and magnitude of the impact vary with the type of partner institution that implemented a particular activity,

Awareness Programme at Machilipatnam

The ODA-PHFP conducted a workshop and awareness programme on post-harvest activities jointly with the Andhra

Ms Chitra Ramachandran, District Collector, speaks at an awareness programme on post-harvest fisheries at Machilipatnam. Andhra Pradesh.



Pradesh Department of Fisheries in Machilipatnam, Andhra Pradesh, in February 1997. Participants included officials of the fisheries department,

representatives of NGOs and private companies. The district collector, Ms Chitra Ramachandran, was the chief

guest. Mr Duncan King presented a keynote address on the project's experiences with artisanal fishing communities on India's east coast. Mr V. Laxminarayana, Regional Deputy Director of Fisheries, presided. Dr S.S. Gupta, of CLFT, Vizag, presented a paper on utilization of fish mince for making value-added products. Mr Venkatesh Salagrama proposed a vote of thanks.

ODA & Post-Harvest Fisheries Research

Research areas of mutual interest between ODA and the fisheries wing of ICAR (Indian Council of Agricultural Research) were discussed at a meeting in New Delhi held in February 1997 attended by Mr Duncan King. ICAR was briefed about the objectives and work of the ODA's Renewable Natural Resources Research Strategy (RNRRS), which has a strong agenda in India during the decade 1995-2005. A list of ICAR's priorities in fisheries research was drawn up. The meeting helped the process of coordination so that research is strengthened and duplication avoided,

Ms Ann Gordon from the Natural Resources Institute (NRI), UK, visited ODA-PHFP on behalf of ODA's Post-

Harvest Fisheries Research Programme, and discussed research studies being undertaken by consultants in India to, identify fish marketing and handling

opportunities that benefit traditional fishing communities in India. Research topics included dried fish marketing in

India's northeastern states; market information provided by the fishermen's radio programme in Sri Lanka; supply of ice to artisanal fishing communities in Kerala; and fresh fish marketing by a fishermen's sangam in Tamil Nadu.

Preliminary conclusions from these studies were presented at a 2-day workshop in Chennai 18-19 March, organized on behalf of the research programme by the ODA-PHFP. Ms Ann Gordon was moderator of the workshop, which was attended by some 25 participants. They represented NGOs, traders, market researchers, government organizations and research institutes. The idea was to draw upon the experience and expertise of participants to identify opportunities for fish marketing and handling that offer fishing communities the best potential for benefit, without requiring significant external funds. A report on the workshop is under preparation.

Another research priority concerns post-harvest losses during the monsoon season in India. A two-member team from NRI visited India to facilitate activities. An informal 2-day workshop was held in Chennai to discuss research planning and implementation. Eleven national specialists in post-harvest fisheries, besides project staff, attended. The workshop focused on the content, location and timing of the studies. After

representatives from the Mangalore College of Fisheries visited two of the the workshop, the NRI team along with four research sites. Two more will be visited later by the college.

Andhra Pradesh assistance to Sri Lanka on ice boxes

To help solve some problems that have arisen with the fibreglass ice boxes constructed in Sri Lanka for mobile fish traders (see PHF News No 9, January 1997), the project sponsored a visit to Colombo in January 1997 by Mr Babu Rao, manager of the Andhra Pradesh Fisheries Corporation's boatyard in



Mr Babu Rao

Kakinada. This boatyard built various types of BOBP beachcraft during the 1980s and has a lot of experience with ice boxes.

Mr Babu Rao based himself at the ONIWI boatyard at Katunayake for about a week. He constructed three boat boxes to demonstrate uniform dispersion of the polyform compound in the cavity between the inner and outer walls of the ice box. Satisfactory dispersion was achieved in the third box. Mr Rao has recommended an alteration to the inner mould of the ice box.

Study of ice boxes in Sri Lanka

A qualitative study on the use of ice boxes by fishermen aboard Sri Lanka's 22-footers was conducted recently by Mr Ivan Silva, Head of the Department of Environmental Studies at the Institute of Fundamental Studies, University of Kandy. Conducted at three locations – Hambantota, Chilaw and Gampa – the study examined the perceptions of fishermen who used the ice boxes, also the market perception of the boxes. Fishermen said that the boxes improved their leverage vis-a-vis fish buyers, who associated the boxes with high-quality fish. On the other hand, only a couple of fishermen at each of the three centres have the ice boxes.

The study has been completed and a draft report has been submitted to the project.

Ice boxes in demand in Tamil Nadu
The response of the fisherfolk community in Tamil Nadu to the concept of ice boxes on board and on shore has been very positive.



Above: Fisherfolk of Ennore near Chennai discuss the use of ice boxes with ODA-PHFP Technical Officer A Natarajan.

Below: Ca tamaram fisherman goes out to sea with ice box.



Jairaj

Jairaj

- “Don’t take away these boxes,” pleaded four fishermen from Kathiavakkam Chinnakuppam of Chengai MGR district. The project had provided two marine plywood ice boxes and two FRP ice boxes for trials. At the end of the trials, the fishermen offered to pay the cost of the boxes in full. The project left the boxes with the fishermen.
- Fourteen fishermen of Manapad, VOC district, have requested Santidhan, the Nagercoil-based NGO, to supply canvas-type ice boxes for their boats. They have decided to buy the boxes themselves, without any subsidy.
- The low-cost canvas-type ice boxes cited above were meant for use by fishermen aboard catamarans. But they were also given on a trial basis to a few women petty fish traders from fishing villages of Kanyakumari district. Later, one of the boxes was remodelled and its capacity increased. This box was demonstrated to the fisherwomen. Three of them vied with one another to buy the box. Village coordinators of Santidhan now want some 20 ice boxes for supply to fisherwomen.
- “The fish merchant visits me first to buy fish, because it looks fresh – I use an ice box,” says Kannagi, a fisherwoman of Chandrapadi village in Nagapattinam district, who is associated with ROSA, the NGO. She was given a Sintex ice box some months ago for trial use on the shore. She now wants to buy a new ice box. Many other fisherwomen are also reported to be interested in buying the ice boxes for use on shore.

Tamil Nadu Government assistance to fisherfolk

The Tamil Nadu Government has earmarked Rs. 17.50 lakhs for supply of motorized tricycles to 50 fisherwomen co-operative societies at the rate of Rs. 35,000 per tricycle. A sum of Rs. 8.25 lakhs has been set apart for 7,500 aluminium containers for distribution to fisherwomen at 50% subsidy to enable transport to fish markets. (1 lakh is 100,000, 1US\$=Rs.35.50.)

An announcement to this effect was made in April at the Tamil Nadu Legislative Assembly by Ms Jennifer Chandran, Minister for Fisheries.

The Minister also said that the Government proposed to make available 1500 walkie-talkie sets – 850 in Chennai, 450 in Cuddalore, 250 in Chinna Muttom – at 25% subsidy to fishermen. This equipment would help fishermen during emergencies such as cyclones. Shore stations would be set up in Cuddalore and Chinna Muttom.

Workshop in Orissa urges measures to save the turtle

Mr Binod Chandra Mohapatra writes:

A four-day training-cum-demonstration workshop on the use of turtle excluder devices (TED) by shrimp fishing vessels was held recently in Paradip, Orissa, jointly by the Department of Fisheries, Orissa and Project Swarajya, a leading NGO.,

The 207 workshop participants included fisheries and environment officials; scientists from India’s leading fisheries institutions such as NIO, CIFNET, FSI, CIFA, MPEDA and NABARD; trawler owners and operators; fishing gear fabricators; NGO representatives; fishermen and fisherwomen.

Four experts from the U S National Marine Fisheries Service – Mr Wilber R Siedel, Fisheries Administrator; Mr John F Mitchell, Marine Biologist; Mr Jack Forrester, Fishery Method Equipment specialist; and Mr James Barbour, Fishery Methods and Equipment specialist – attended. The National Coordinator of the UNDP’s Global Environment Facility Small Grants Programme in India, Mr Herbert Lingham, was present. The workshop was inaugurated by Mr Prakash Chandra Debta, Orissa’s Minister of Fisheries and Animal Resources Development.

Turtle escapes from net fitted with excluder device.



The workshop was made possible by the UNDP/GEF Small Grants Programme in India, in co-operation with the Technology Transfer Programme of the U S Department of Commerce, and the Government of Orissa. Various fishery associations took active part in the workshop.

The workshop included a practical demonstration of turtle excluder devices at sea. Trawl owners saw an Olive Ridley sea turtle which had got into a net fitted with TED slipping out of the net through an exit hole. The TED attachment did not hinder fishing. Project Swarajya later played back a video tape on the entanglement and escape of the Olive Ridley turtle.

Mr K C Badu, Director of Fisheries, Orissa, proposed a vote of thanks.

Some of the workshop’s recommendations:

- Government and non-government bodies should take action to protect and conserve sea turtles. A coordinating body of turtle specialists, ecologists, environmentalists, economists and social scientists should be set up.
- The incidental catch of sea turtles in the trawl nets of shrimp vessels should be reduced. The use of TEDs should be made mandatory. Appropriate technologies interfacing with TEDs should be identified, developed and popularized. Governments should encourage turtle protection measures through incentives.
- A cost-benefit analysis should be carried out of shrimp fishing with and without the use of TED technology. A survey should be carried out of the incidental catches of sea turtles in different types of nets around India’s coastal waters.

THE MICROCREDIT SUMMIT AND AFTER

“It was a People’s Summit and a Mega Event,”

says Satish Babu of SIFFS, Trivandrum

A seminar attended by 2600 delegates! “Its sheer size was overwhelming,” says Mr Satish Babu of SIFFS*, Trivandrum, who attended the 3-day international “Micro-credit Summit” held in Washington D C, USA, from February 2, 1997. An independent non-government initiative, it was described as a “People’s Summit” and as a “business summit of the poor”.

What is “micro-credit” and why such a high-profile summit on the subject in the US capital? Who was behind it?

Says Satish Babu: “The term micro-credit describes small loans for poor people such as women fish vendors. Even a small loan can help transform a hundred such families. Micro-credit has become something of a buzzword with international agencies because it has great potential as an anti-poverty tool. It has stirred much excitement even in the US, which does have its have-nots — though what’s micro-credit in the US may not qualify as micro-credit in Asia?”

*SIFFS—South Indian Federation of Fishermen Societies, Trivandrum.

SIFFS, which was represented at the Washington D.C. micro-summit, has an innovative credit programme to help women fish vendors in Kerala (see page 19)



“In the area of micro-credit, the Third World offers models to the First World ...But micro-credit is not the answer to all problems. Micro-finance is more holistic?”

The Washington DC summit formally launched a global campaign for micro-credit. Its aim is lofty: Credit—for self-employment and for business — should reach 100 million of the world’s poorest families, especially the women, by the year 2005. The summit aimed at eliminating extreme poverty by the year 2005.

The summit was “hosted” by the Government of Bangladesh, which was present in strength: as many as 250 delegates plus Prime Minister Sheikh Hasina Wajed herself, who inaugurated the summit. (Two NGOs active in credit, BRAC and Grameen Bank, persuaded their government to play a major role at the seminar.) Other VIP delegates included America’s First Lady Hillary Clinton, former Prime Minister Tsutomu Hata of Japan, Queen Sofia of Spain, President Albert Fujimori of Peru, President Aipho Konare of Mali,

First Lady of Malaysia Siti Hasmah, and World Bank President James Wolfensohn. There were some 20 delegates from India, representing SIFFS, SEWA and NABARD.

The seminar was sponsored by the World Bank and a few other organizations; Results Foundation, USA, was responsible for many of the arrangements; but participants met their own expenses for travel and accommodation. Even the registration fee at \$200 was pretty steep. So it’s only the more affluent NGOs who attended the summit.

The seminar brought various stakeholders in development together for the micro-credit seminar, so that they could formally adopt the agenda of micro-credit. These stakeholders included financial institutions, donors and funding agencies, development NGOs, religious institutions, government agencies, UN agencies.

What happened at the Summit

The summit was divided into plenary and “breakout” sessions.

The entire summit audience was present at the three plenary sessions. Each plenary began with a video film about a micro-credit success story projected on to giant screens.

“Breakout” sessions were meetings of small groups (sometimes as many as 30 breakout sessions were held simultaneously) that discussed particular themes. Participants could choose to take part in any of these sessions, which helped in information-sharing among participants.

Participants from India met three times during the Summit to launch an Indian initiative that would be part of the micro-credit movement. This initiative is known as India Collective on micro-credit, and is coordinated by Dr Amitava

Mukerjee, Executive Director of Actionaid, Bangalore. The Collective will lobby the Indian Government, the Reserve Bank of India as well as credit and financial institutions in the country to make funds available for micro-credit.

Concepts Discussed at the Workshop

Satish Babu says several concepts concerning micro-credit emerged during the workshop discussions. Briefly:

The poor are as good a credit risk as anyone else:

Mainstream financial institutions normally view the poor as high credit risks. This is partly because political populism often leads to a write-off of loans to the poor, much to the detriment of financial institutions. But in micro-credit programmes, once the beneficiaries realize that the programme is their own, repayment problems hardly ever arise (unless they fall victim to disasters such as droughts, cyclones and disease).

International and national financial institutions should specifically plan for micro-credit

Both international funding agencies and national financial institutions were asked to ensure that concern for micro-credit was reflected in their plans and programmes. This would help make funds available for micro-credit in government and non-government programmes.

High repayment is a sign of a well-run micro-credit programme

Well-run micro-credit programmes like those run by the Grameen Bank and ASA of Bangladesh reveal a fine record in loan repayments. Good repayments are one indicator of a well-run credit programme. However, repayment at any given point in time depends on many factors including seasonality. For example, repayments during the lean season in a fishery credit programme may be below normal. But this is a seasonal phenomenon; the repayments will pick up later. An important insight: women are invariably better repayers of loans than men.



There are numerous micro-credit programmes run by NGOs in Sri Lanka (above) (and Bangladesh (below)).





E. Amalore

The micro-credit programmes of Grameen Bank in Bangladesh benefit hundreds of rural women.

Micro-credit by itself is not sufficient for development to take place

Micro-credit is an important input for development, but cannot bring about development by itself. Example: micro-credit to a hundred women in a village to buy chickens would only make the prices of chicken and eggs crash. Comprehensive pre-project planning – relating for example to marketing, insurance, veterinary services and management training – is essential. The role of the micro-credit organization will therefore increase over time.

Focus should shift from micro-credit to micro-finance and then to micro-enterprise development

Micro-credit institutions will have to expand their agenda to cover financial services (insurance, training) and management inputs at both individual and collective levels. At the final level, the programme will need to support micro-enterprises.

Beneficiary participation is required to manage micro-credit programmes

Much of the success of micro-credit programmes is based on the high motivation of the beneficiaries *vis-a-vis* the programme. Decentralization and high beneficiary participation in decision-making is another characteristic of successful micro-credit programmes.

Training of staff and beneficiaries is an important factor in successful micro-credit enterprises



“I’ll be a goodwill ambassador of micro-credit”

Sheikh Hasina Wajed, Prime Minister of Bangladesh, who inaugurated the micro-credit summit, said I will be a goodwill ambassador of micro-credit when I meet with other heads of state and government at regional and global fora.

“It has taken the world far too long to hear and understand that charities and handouts help maintain and deepen poverty. Human beings thrive on challenges, not palliatives.”

She added that as a first step “I will meet with leading micro-credit

institutions in my country, also with leaders of business and industry, the academic community and the media, to chart the next steps for Bangladesh towards meeting the summit’s goal of a poverty-free world.”

She predicted that the campaign touched off by the summit would become “one of the great humanitarian movements of history” and would “allow the world’s poorest people to free themselves from the bondage of poverty and deprivation and reach their full potential.”

Both beneficiaries and staff of credit programmes need training. Training will enable policy-makers and credit designers to ensure that their programmes follow certain essential principles and policies. At lower levels, credit officers and field staff require training on administering credit. Beneficiaries require training too – so that they put the credit to good use.

Micro-credit and Kerala fisheries

Satish Babu points out that fisheries in Kerala have been a trendsetter in micro-credit. Credit is one of the cornerstones of SIFFS, which runs credit programmes in all the four south Indian states of Kerala, Tamil Nadu, Karnataka and Andhra Pradesh, also in the Mahe province of Pondicherry.

Almost the entire funds for the programme have been mobilized from commercial banks. The SIFFS credit structure operates both at the centralized and decentralized levels.

SIFFS obtains credit from the Small Industries Development Bank of India (SIDBI) and relends it at 12% interest to district institutions. The latter in turn make loans available to fishermen at 14% interest. Both SIFFS and SIDBI are happy with the programme. SIDBI have now increased their loan to SIFFS to Rs 60-70 lakhs.

SIFFS wishes to strengthen its credit programme both geographically (more people in more areas) and in terms of beneficiary profile (better coverage of



S.R. Murali

Micro-credit programmes are specially suited for women, because of their devotion to the family and their penchant for thrift.

women and youth). SIFFS would like to consider a single partner or a consortium for the purpose.

Follow-up to the Micro-credit Summit

To sustain the momentum generated by the micro-credit summit, the following follow-up programmes have been proposed:

- Enhancement of the SIFFS credit programme
- Lobbying the Government of India and financial institutions through the India Collective
- Identifying institutions for training on micro-credit
- Local workshops on micro-credit under the India Collective

Summit delegates adopted a “declaration of support” that expressed commitment “to the development of sustainable institutions which assist very poor women and their families to work their way out of poverty with dignity”. (See box)

Satish Babu describes the Washington summit as “an important milestone” in addressing the problems of poverty. The Summit has laid the foundation for major interventions in micro-credit at the global level for the next nine years. Prof. Muhammad Yunus, founder of the Grameen Bank in Bangladesh and “the father of micro-credit” exclaimed: “We are celebrating the freeing of credit from the bondage of collateral.”

Declaration of Support adopted at the Micro-credit Summit

Summit participants endorsed a series of efforts:

- *Build institutional capacity to reach very poor people in developing countries by strengthening existing institutions, preparing new practitioners through training programmes. and promoting appropriate policy, legal and regulatory changes.*
- *Similar measures to reach the very poor in industrialized countries and economies in transition.*
- *Institutions should develop an institutional Action Plan outlining how they could contribute to the goal of the Micro-credit Summit.*
- *Enlist others in the campaign to meet the goal of the Summit, promote a learning agenda, encourage institutional action plans.*
- *Work with the media to expand awareness, fuel implementation and enlist new participants in the campaign.*

“The poor are credit - worthy”

By Tim McGirk

Excerpts from an article in TIME magazine, April 21, 1997

IN BANGLADESH, IT HAS LONG BEEN THE custom for women to hide their faces and walk two steps behind their husbands. Times are changing. Bangladeshi women may still be veiled, but today they often stride ahead of their menfolk and are soon likely to be found on mobile telephones, haggling over the price of a cow or arice crop. A quiet revolution is under way in Bangladesh.

One secret to Bangladesh’s turnaround is “micro-credit”, small loans that are given without collateral. Social workers have discovered that a start-up loan of as little as \$20 can often be enough to rescue a family from starvation and a lifetime of indebtedness to village moneylenders. What makes micro-credit so novel is that relief agencies have been making the loans almost exclusively to women. Creditors realized that wives are less likely than husbands to squander the money on gambling and alcohol.

With financial independence comes courage. Emboldened by the little cash they have managed to tuck away in the folds of their colourful sarees, some Bangladeshi women are challenging the tradition of *purdah* confining them to their homes. They are running shops, riding motorcycles, insisting on contraception – the average family size has shrunk over the past 25 years from seven members to a more manageable four – and demanding education for their daughters.

Out in the watery fields in a village in the northern Mymensing district, a tiny woman named Marjina scythes grass for cows she brought on micro-credit from Brac, the biggest private agency helping women.

Bangladesh’s experiment with micro-credit has caught the eye of international development agencies. The World Bank and other institutions now acknowledge that loans to little people can often do more good for impoverished countries than gargantuan investment projects. At a meeting in Washington last February, developed countries pledged to distribute \$21 billion in small loans to 100 million of the world’s poorest people by 2005. Economists are now examining the possibility that micro-credit might replace expensive welfare systems, even in Europe and America.

More than 200 micro-credit programmes, nicknamed “slum banks”, are now doling out loans to poor people in the United States. Economists have found that micro-credit

works best when the government stays away and lets smaller, nimbler social agencies handle it.

Muhammad Yunus, 57, is recognized as the pioneer of micro-credit. Returning to Bangladesh from his studies at Vanderbilt University in the U.S., Yunus was convinced that poor people stayed poor simply because they were denied access to credit. To test his theory, Yunus in 1976 dug into his own pocket and lent 42 people 62\$ each, asking them to return the money in small instalments.

The loans changed their lives. With that tiny capital, the Bangladeshis bought raw material to weave chairs or make pots. Soon, they had earned enough to repay Yunus and had a few cents’ profit. “I realized that people have enormous potential”, he told TIME in Dhaka, the Bangladeshi capital. “All they need is a chance.”

Bankers, allergic to lending without collateral, were reluctant to give the Yunus strategy a chance. So he obtained a loan himself and distributed it to the poor. “The bankers thought I was a mad man to take such a risk”, he recalls, laughing. In 1983 he set up the Dhaka-based Grameen Bank, which has disbursed nearly \$2 billion through 1,068 branches serving 36,000 villages. The rate of repayment on the loans is 98%. This goes to prove, says Yunus, that “the poor are creditworthy”. The key to Grameen’s plan, adopted by Brac and other private aid agencies in Bangladesh, is peer pressure. Lenders don’t give to individual borrowers but to a committee of loan seekers. If one member defaults (sometimes the loans are snatched by husbands and guzzled away), the entire group loses its credit. Yunus’ latest plan is to provide rural women with that ultimate status symbol, the mobile phone, linking Bangladesh’s isolated villages to the outside world.

Tossed the lifeline of a mini-loan, many Bangladeshi women are grasping the opportunity with both hands. Nine years ago, a landless peasant woman named Hazera Begum borrowed \$120 to buy a cow. In a year, she repaid the loan and bought chickens. Since then Hazera Begum, 30, has transformed her life moving from a shack to a brick house – an advantage when the cyclones blow. She purchased land, a television set and gold jewellery for her daughters’ future dowry. As Hazera Begum says, “These loans have changed our destiny”.

– Reported by Meenakshi Ganguly and Farid Hossain



Starting a new venture in a rural area? Get NABARD to help!

An interview with Shahji Zacharia

Bank loans for rural development in India are facilitated by NABARD or the National Bank for Agriculture and Rural Development. It re-finances such loans. In this interview, NABARD's fisheries development manager explains what the bank does, why and how.

Q: NABARD is today a formidable name in rural credit. When did it come into being, and what exactly does it do?

Zacharia: NABARD was initially a department of the Reserve Bank of India. It was later transformed into ARDC (Agricultural Refinance and Development Corporation). NABARD came into being in 1982 by an act of Parliament. Its head office is in Bombay, there are branches in all state capitals.

Our loans cover the entire gamut of rural activities: agriculture, fisheries, forestry, small-scale industries, cottage industries, rural artisans, poverty alleviation programmes.

NABARD's main function is re-finance. If a bank advances a loan in fisheries, for example, we refinance the bank to a certain extent, and thereby supplement its resources.

The annual NABARD business is around Rs.3 100 crores for investment refinance or long-term credit. Our involvement in crop production credit (short-term loans) is around Rs 4700 crores per annum.

Q: Do you help individuals as well as institutions?

A: We help entrepreneurs of all types. Individuals, partnerships, co-operative societies, companies, corporations. Their schemes must be worthy (promoting the goal of rural development, directly or indirectly) and viable.

Q: Do you refinance all banks or only nationalized banks?

A: We refinance banks of all types: commercial banks, co-operative banks, regional rural banks, land development banks.

We assist state governments who want to subscribe to the share capital of co-operative credit institutions. We also facilitate asset creation if a new co-operative institution is being set up in rural areas.

Q: Do you have any specific goals in refinance?

A: There can be many specific goals concerning the problems of agriculture and rural development. Poverty

alleviation is an important goal. It could be higher crop or fish production, better marketing, or better distribution. It could be research, it could be training. We try to improve management and technical inputs toward solutions. We try to help implementation. Or systematic monitoring and evaluation.

We try to redress regional imbalances. We are active in areas that the government regards as high priority. Such as water management, dryland farming, wasteland development, programmes to help the very poor in rural areas.

Q: Let us move to fisheries. What is the thrust of your refinance operations in fisheries?

A: During our initial years, we focused on marine fisheries. Later we started to cover inland and brackishwater fisheries. Now we promote all three areas.

In marine fisheries, we help both the mechanized and the non-mechanized sectors. Under the former, we have

helped refinance vessels ranging from the 28-foot gilinetter of Kerala to the 32-foot trawler used in the shallow sea. We have supported bigger vessels, 42 to 45 feet in length, in other stretches of the Indian coastline.

Our studies show that the trawlers off the Tamil Nadu and the Andhra Pradesh coasts are very popular. The situation is different in Kerala, where no new trawlers are allowed to operate. It's okay to replace an abandoned trawler, but no new trawler can be introduced.

Under the non-mechanized sector, we provide finance for catamarans, nets, outboard engines; these take up the major portion of marine fisheries finance, about 60% of it.

We generally finance vessels of OAL up to 23m only. Bigger vessels are usually financed by other organizations such as the SCICI. At present of course, because of the outcry against deep-sea fishing, the bigger trawlers are in the doldrums.

Q: *Does fisheries constitute a major area of NABARD re-finance?*

A: No, not at present. Fisheries constitutes only a small percentage of NABARD's loans. Of our Rs 3100 crores in investment finance last year, fisheries accounted for less than Rs 100 crores.

Q: *In which states are you most active in fisheries?*

A: Andhra Pradesh has been a major player, it accounts for some 60% of NABARD refinance in fisheries. Tamil Nadu ranks next.

To give you some statistics. Loans for fisheries in AP went up from Rs 34.75 crores in 1993-94 to Rs 68.5 crores in 1994-95 and Rs 65.95 crores in 1995-96. Tamil Nadu ranks next but comes far behind. Loans for fisheries in Tamil Nadu increased from Rs 6.78 crores in 1993-94 to Rs 6.85 crores in 1994-95 and Rs.6.61 crores in 1995-96.

As for Kerala, the comparative figures for the three years are Rs.2.04 crores, Rs.1.54 crores and Rs. 1.58 crores.

Q: *Subjectwise, which area of fisheries has taken up most of your loans?*

A: Brackishwater shrimp farming has accounted for the bulk of NABARD's

loans. But the controversy over shrimp farming has hit our business. During the current year, 1996-97, our business in Tamil Nadu has shrunk from Rs. 6.61 crores in 1995-96 to just about 1 crore. It has fallen all along the coast.

Q: *When did you begin financing shrimp farming?*

A: One company in Thiticorin must be described as a trend-setter in shrimp farming. It was started in 1989-90 and was funded by State Bank of India. We provided refinance to the extent of Rs.1.3 crore.

This company challenged many conventional beliefs concerning shrimp farming. It acquired wasteland and converted it into a shrimp farm. The features of scientific shrimp farming that the company adopted were unique then for India. Such as direct pumping of seawater into the farm; high stocking density (*P.indicus*); use of pelleted feeds and paddle-wheel aerators; heavy water exchange.

With this approach, the company produced 7 to 8 tons per hectare of crop

very high by Indian standards. Even at 1989 prices, he generated a gross income of Rs 21 lakhs per hectare on his land per annum.

I think this company's success was primarily responsible for the entry of some big companies into shrimp farming. It fuelled the subsequent shrimp farming boom in India.

Q: *i'm told NABARD played a mie in introduction of freshwater prawn farming in India.*

A: Yes, indeed. Before 1993, when NABARD began to refinance freshwater prawn farming, it was insignificant. It has since made progress by leaps and bounds. This year we have launched a programme to finance around 800 ha in the state over the next five years.

The Fish Farmer Development Agencies (FFDAs) in Tamil Nadu provide farmers with technical help. The Government has approved this programme and plans to promote them through subsidies. Once we develop 800 ha of land, they can generate an annual income up to about Rs 40 crores.

Andhra Pradesh and Tamil Naths account for most of NABARD's loans in fisheries



We promote freshwater prawn farming through seminars, training and awareness programmes, skill development in co-operation with professional agencies.

Q: *Is freshwater prawn farming free from the environmental problems of brackishwater farming?*

A: Yes, that's the big advantage. In fact near Thanjavur in Tamil Nadu, the effluent from freshwater prawn farms is in big demand because it is so rich in organic matter. Farmers pump the effluent into paddy fields, sugarcane farms, vegetable farms.

Q: *NABARD is perhaps most widely known for its assistance to self-help groups, particularly women. Could you provide some info on this?*

A: We have re-financed some 2500 self-help groups all over India, including about 750 in Tamil Nadu, where they are very popular. A single branch of the State Bank of India at Panchapatti near Trichi has financed 250 self-help groups. Some self-help groups have been sponsored by BOBP and ODA-PHFP. Many relate to women.

Q: *How does one form a self-help group? What conditions should they satisfy?*

A: The group has to be rural; it has to be in existence for at least six months. Any nine people may form a group - on the basis of age, profession, caste, religion, community - anything.

Members of the group put their savings together and raise a certain sum of money. A bank will advance the group a loan that is five or six times this sum. The savings can be for only one purpose. The group must decide the purpose. NABARD offers 100% refinance. The money is given to the leader of the group.

The big merit of the self-help group scheme is the number of people it benefits. Money for one group benefits 20 to 30 people. So it generates a multiplier effect.

Some five or six fishermen groups in Chingleput district, for example, have



*A NABARD official discusses micro-credit with (above).
A fibreglass teppa funded by NABARD (below)*



availed of NABARD refinance assistance.

Q: *Could you give some examples of NABARD support for individual small-scale entrepreneurs?*

A: I'll give you some examples cited in a small booklet we have produced in Tamil.

Take Thangam of Sahampetti. She took a Rs 1000 loan from a local bank for a petty shop, and made a profit of Rs 50 per day. She later took two more loans. Today she makes a daily profit of Rs 150 from which she saves Rs 100. All the loans she obtained were refinanced by NABARD.

Dhanalakshmi of Pappapatti is from a 7-member Dalit family. She took a loan of Rs 3000 for her poultry business: she buys poultry locally and sells them in Erode for a small profit.

Pottu of Sethupatti had to look after a large family and made very little money from her small tea shop. A loan of Rs. 3000 enabled her to expand and start an idli joint. This attracted many customers. She started making a daily profit of Rs. 100. She soon started a vegetable business as well. Today she's quite comfortable.

There are many examples like this.

Q: *Any exciting future plans?*

A: In the years to come, NABARD will play a greater role in rural development. Self-help groups, hi-tech agriculture, rural industries, food processing, wasteland/dryland farming are some key areas. NABARD's Rural Infrastructure Development Fund (RIDF) is expected to improve the rural infrastructure scenario substantially.

Rural credit in Bangladesh



An ODA-PHFP paper now being finalized provides a fund of information on rural credit in Bangladesh.

Based on a survey conducted by Mr M Hannan, formerly an Assistant Director of Fisheries, the paper is titled "Rural credit: an assessment of sources and types available in Bangladesh."

The paper describes four types of credit agencies — banks, government and semi-government authorities, NGOs. It discusses what activities these agencies finance, who is eligible for the loans, how much money they provide, what conditions they insist on for loans.

Banks discussed by the paper include Bangladesh Bank, Bangladesh Krishi

Bank, RAKUB, Bangladesh Rural Development Board, Sonali Bank, Janata Bank, Agrani Bank, Rupali Bank and Bangladesh Samabaya Bank.

Government organizations covered are the Ministry of Youth and Sports, (Department of Youth Development), the Ministry of Women Affairs (Department of Women Affairs), and the Ministry of Social Welfare (Department of Social Services).

NGOs discussed are the Bangladesh Rural Advancement Committee (BRAC), the Association for Social Advancement (ASA), Grameen Bank, Proshika, Community Development Centre (CODEC), and Rangpur Dinajpur Rural Service (RDRS).

The paper discusses the problems of formal credit — bank perceptions that the poor are bad credit risks, as well as the latter's perception that banks are alien institutions meant to serve the well-off.

Banks demand collateral for loans; they insist on documentation. They regard the small loans that the poor want as expensive to approve and process.

Yet, banks have managed to help the rural poor. To cite an example, the Bangladesh Krishi Bank implements as many as 15 small-scale credit projects to help self-employment among the rural poor. These include

- * A rural women employment project
- * A credit programme for landless marginal farmers
- * A credit programme for women entrepreneurs, another for rural small entrepreneurs
- * A programme for "employment of distressed rural artisanal women"
- * A project for employment in productive activities
- * A beef fattening project
- * A poultry and livestock development project for small farmers
- * A project for small fishermen of Oxbow Lake
- * A project for expansion of fish culture at Mymensingh
- * A project to rehabilitate cyclone-affected people
- * A non-agricultural credit project sponsored by ESCAP and ILO
- * A credit programme for the educated unemployed.
- * An agricultural credit programme.

The paper has a chapter on fisherfolk and credit, which discusses the fisheries sector in Bangladesh, the socio-economic conditions of fishermen, and the access of fishermen to institutional credit.

The booklet has two appendices that readers would find particularly useful. One of the two is an exhaustive statistical table about savings and credit pertaining to 128 NGOs in Bangladesh. The other lists the addresses of these 128 NGOs.

Fisherwomen and bank loans

Loans to women's self-help groups are today the most desired form of credit to the rural poor. These are perceived by men in villages as "non-threatening" groups — unlike the kind said to have prevailed earlier, where women were seen as ganging up against men.

From the banker's standpoint, finance for self-help groups reduces transaction costs substantially. It enables a bank to overcome the risks and pitfalls of mass lending.

The idea of credit being channelled to the rural poor through savings groups isn't exactly new. In a sense, groups constitute a smaller version of

*Idumbayee (below). With husband and one of their **The chikiren** (bottom).*



co-operatives. The Co-operative Credit Societies Act passed in India in 1904, was perhaps the first major government intervention concerning rural credit.

"Being a member of a group gives you moral and physical support besides financial support," says ODA-PHFP Training Officer C. Mohana. "This is very important in rural areas, where ill-treatment of women by their husbands is frequent."

"Group formation is a must in our project activities," says the project's Women-in-Development Officer B.Gomathi. "The success of ROSA in Nagapattinam is partly due to effective women's savings groups. These in turn owe their success to energetic and committed animators."

Here are examples from ROSA of four women who improved their economic condition through modest loans obtained from their "sangams" or groups.

Example 1:

Idumbayee is 38. She's from Vellakoil village, some 40 km from Nagapattinam which in turn is an **overnight's** train journey from Madras.

She is the wife of a catamaran fisherman. They have five children of whom the eldest is physically handicapped, two other sons go fishing, there's a daughter in primary school and a five-year-old son.

The husband obtained an engine for his catamaran through a government scheme about three years ago. It started giving trouble soon after and cost him quite a bit of money.

Idumbayee obtained a loan of Rs 5000 through her sangam a year ago, to help repair the engine. She has already managed to repay Rs 4000. "During a single busy season I managed to repay

Nagavalli (below). With a young customer at her shop (bottom).



Rs 2000,” she says. Repaying the money poses some hardship, but she is keen on wiping out the loan so that she becomes eligible for credit once more.

“I command some respect in the village, because I am able to mobilize a big loan during an emergency,” says Idumbayee.

Example 2:

Nagavalli Marimuthu, 32, of Vellakoil village, has three children — two girls aged 13 and 9 and a boy who is 7. Her husband is a labourer in a fishing boat. Nagavalli had taken a loan of Rs 1100 last year to start a petty shop in the village. She repaid Rs 150 every month and repayed the loan quickly.

“I started the petty shop because I needed to earn. My husband is too fond of drink, and I was concerned about my children’s future. I’m glad that with the

Thaiyalnayaki (below). Selling fish to a customer (bottom).



little money I now earn, I can take care of my children.”

Nagavalli is proud that she has been able to repay the loan promptly. She can rely on the sangam for any other loan in future.

Example 3:

Thaiyal Nayaki, 40, is a fish vendor from Tarangampadi (Tranquebar), almost midway between Madras and Kanniyakumari. She lost her husband, who was an alcoholic, seven or eight years ago. She has two sons. The first, 21, is a labourer in a fishing boat; another, 18, is a watchman.

Thaiyal Nayaki carries fish by headload to the Porayar and Thilladi markets. She has been a sangam member for the past three years. About two years ago, she obtained a bank loan of Rs 1000 through her sangam. She was able to repay it within a year. “This was possible because through the sangam I could get a low-interest loan,” she says. She may require more loans in future for her fish vending business, and she plans to avail of the sangam’s credit facility.

Example 4:

Ammani, 28, also from Tarangampadi, has three children, all in primary school. The eldest, a girl, studies in Standard VI. The other two are boys aged 8 and 3, doing Standard IV and K.G. respectively. Her husband is a fishing labourer. Ammani’s mother, a widow, lives with her.

Ammani works as an attendant in a government-run child care centre. Her mother is a fish vendor who carries fish by headload to Porayar. Ammani gets fish from the shore and gives it to her mother who sells the fish.

Three years ago, Ammani obtained a loan of Rs 1000 from a bank through her sangam. She repayed Rs 850 in small instalments of Rs 50 and Rs 100 every month. She’ll repay the remaining Rs 150 very soon.

“If not for the sangam loan, I would have had to borrow money at very high interest, may be 25%.” says Ammani. “I’ll need Rs 50 000 or Rs 100000 to marry off my daughter some day. I have at least made a beginning through the sangam. I now have access to credit, I have also learned other things through the sangam,” says Ammani.

Ammani (below). Helping her mother (with) is a fish vendor (bottom).



MICRO-CREDIT MISCELLANY

Are credit institutions biased against fisherfolk?

The attitude of banks and other credit institutions to fisherfolk is discussed by M.E. Blowfield and A.Kamila in their paper "Credit services, women and empowerment in coastal fishing communities".

In Bangladesh, conditions in agrarian and fishing communities are similar. Yet, none of the large NGOs provided credit to fishing communities before 1992. In Tamil Nadu, formal credit for fisherfolk was available only through co-operatives.

Why have fishing communities been largely bypassed by the burgeoning credit movement? One reason: Fisherfolk make up a relatively small percentage of the rural population: less than 2% of the 60 million population in Tamil Nadu. In Bangladesh this percentage is probably lower.

In Bangladesh, fisherfolk in Chittagong are mostly Hindus; in Cox's Bazar, they are often Buddhists. They therefore belong to minority religions. In Tamil Nadu, fisherfolk are usually from Chettiar, Thevar, Kallar and Nadar subcastes.

Fishing communities are economically and culturally isolated from farming communities. Cultural isolation can in turn mean political isolation, with fisherfolk having little or no voice in local government bodies such as panchayats and thanas.

Fishermen welfare and assistance schemes

What are the welfare and assistance schemes available in Andhra Pradesh, Orissa and Tamil Nadu for fisherfolk? The ODA-PHFP has brought out three slim booklets, one for each state, which provide basic information about the schemes. They are aimed mainly at fisherfolk NGOs and development organizations. If you wish to get a copy, write to the ODA Post-Harvest Fisheries Project, 91 St. Mary's Road, Chennai 600090.



Governments, banks and NGOs share a suspicion that fisherfolk are a poor risk when it comes to repayment. Reports of low recovery levels from around the world have created an institutional inertia (in the matter of aiding fisherfolk).

Compared to poor farmers, poor fisherfolk often require large-sized loans (for the purchase of boats and fishing gear). If they default on a loan, the unpaid debt will be larger.

However, bankers have no aversion toward fisheries, says Dr Uwe Tietze, an expert on credit now with the FAO in Rome. But they need viable schemes and a lot of documentation before sanctioning credit. They therefore stay away from sectors they know little about.

During the mid-'80s, a consortium of banks in Orissa provided credit worth a

couple of million rupees to fisherfolk for purchase of craft and gear and of bicycles for marketing, under a BOBP-supported project. This successful climax followed extensive preparatory work. Several socio-economic surveys of fisherfolk were conducted by trained fisheries extension officers who worked out the costs and earnings of various craft-gear combinations. A series of seminars was later held in Orissa that brought together bankers, extension officers and fisherfolk. The bankers got to know about fisheries, while fisheries officials got acquainted with bank procedures. Credit schemes were then worked out.

If fisherfolk seek bank credit, the NGO that's assisting them must prepare the necessary documentation and work out viable bankable schemes in co-operation with banks, says Dr Tietze.



Loans to retail fish traders, Sri Lanka

The ODA-PHFP assists the mobile fish traders of Sri Lanka (see PHF News, January 1997) through its partner-NGO, INASIA. The project has also encouraged the mobile fish traders to form an association. It runs thrift and savings schemes, which enable the traders to access formal sources of credit. The Hatton National Bank in Sri Lanka extends credit to association members for a range of post-harvest activities and other purposes.

Suppliers of Credit for Fisheries & Fisherfolk in India, Bangladesh and Sri Lanka: Comparative Strengths & Weaknesses

Institution	Strengths	Weaknesses
Government	Financial and technical resources	High focus on shrimp culture and inland fisheries. In marine sector, emphasis has been on mechanization of traditional craft. This has led to over-exploitation of resources, and sometimes to conflicts between trawlers and other boats.
	Commitment to development	Subsidy-linked schemes prone to patronage and leakage of funds.
Banks	Wide network of branches	Apathy towards small borrowers
	Access to large funds	High transaction costs
	Access to government schemes and technical assistance.	Insistence on collateral security for large loans.
Informal Sector (money lenders etc.)	Flexible lending	Interest high; loans tied to supply of fish at low prices to money-lenders by fisherfolk
	Wide outreach	Lack of transparency (no account books)
	Easy to access; no red tape	
	Timely and adequate credit	Monopolistic competition due to collusion among traders
Development agencies	Innovative (self-help groups)	Limited time given to credit programmes because of other priorities.

Credit operations of SIFFS, Trivandrum

SIFFS, the South Indian Federation of Fishermen Societies, was started in 1980, with headquarters in Trivandrum. It is an umbrella organization that covers three district federations of fishermen societies based in Trivandrum, Quilon and Kanyakumari.

The three federations together cover some 125 societies and about 8,000 fishermen. The total annual fish sales turnover of the societies last year exceeded Rs 24 crores (about US \$ 8 million).

The activities of SIFFS – the federations and their societies – include local fish auctions, savings schemes and sale of fishing requisites at fair prices to members, marketing (procurement, transport, export) to eliminate middlemen, boatbuilding, training, research, consultancies, education, credit.

About the credit operations of SIFFS, Chief Executive Satish Babu writes:

SIFFS was under pressure from members to start a credit programme, since banks do not meet their needs and insist on collateral. SIFFS decided to take up a centralized loan system.

SIFFS approached the Small Industries Development Bank of India (SIDBI) with a proposal for a bulk lending scheme. SIDBI approved of the scheme and provided an outlay of Rs. 14.7 lakhs. The programme was formally launched in 1995 with loans to fisherfolk in Quilon and Kanyakumari.

The credit programme of SIFFS is now in its third year. Activities funded by the SIFFS loan programme include equipment replacement for fishing units, debt redemption for fishing units, working capital credit for fish vendors, income generation programmes for fisherwomen, post-harvest activities such as ice boxes and fish holds. Total

loans outstanding as on 1 April 1997 amounted to Rs.45.5 lakhs. A total of 881 members, including 300 women, have been assisted. The loans are given without collateral.

SIDBI has approved of advances to the extent of Rs 55 lakhs to SIFFS for the current year.

Most SIFFS loans can't be classified as micro-credit, because the amounts are macro in magnitude. The loans to women, however, can be described as micro-credit. Repayment of loans is good; there are seasonal fluctuations depending on fish landings.

SIFFS members demand a strengthening of the credit programme. Right now it is based on borrowed funds. SIFFS is currently examining the feasibility of setting up a fisheries bank that could mobilize equity.

the voices of fisherfolk themselves”

have written to us. Some of these letters appear below We invite all readers in India, Bangladesh and Sri Lanka and elsewhere to write and share your thoughts with us on the Newsletter, also on any post-harvest fisheries problems, opportunities or solutions you have come across.

Technical articles

Thank you for sending me PHF News. I was happy to learn about projects for poor fishermen and fisherwomen in the coastal states. But your newsletter will be much more informative if you discuss technical aspects of fish production and industrial fisheries.

VIJAYKUMAR C. YARAGAL

Assistant Director, Marine Products Export Development Authority (MPEDA), District Ganjam, Orissa.

Newsletter in Oriya

Thanks for the ODA-PHF Newsletter. It's a splendid effort on the part of the project. It presents a candid view of its experiences in different parts of the country. You have rightly highlighted the work of grassroots level workers who are striving for progress, and also issues of concern. But please look at the following suggestions to enrich the newsletter.

- * Publish the newsletter in Oriya, so that grassroots-level workers and fisherfolk may be able to read and appreciate it.
- * Instead of focusing on broad macro-level issues, you must stress achievements and experiences at the micro or grassroots level.
- * Give us the voices of fisherfolk and extensionists themselves. That is better than describing their views and experiences.

P K MOHAPATRA

Xavier Institute of Development Action & Studies (XIDAS)
Jabalpur.

“Support poor fishermen”

Your newsletter provides valuable information for coastal fisherfolk, especially those who are in post-harvest fisheries. The fish marketing system often benefits the businessman or exporter, not the fisherman who does the hard work of catching the fish. I hope *PHF News* will support and strengthen the poor fishermen, by increasing their awareness and improving their marketing efforts.

M LACHHAMANNAIK

Coastal People's Development Association At PO. Konark,
District Puri 752111, Orissa.

“A new spirit among fisherwomen”

I liked very much the article and photographs in your October 1996 issues. The case studies of Devadasi and Urmila will create a new spirit among fisherwomen. It will encourage us

in our dry fish activities. It will also improve links between NGOs and the banking system. Thank you for your sincere efforts to help fisherfolk.

GBRAY

Secretary, Samagra Bikash Parishad At P.O., Baliapal,
Balasore, Orissa.

Project activities in Orissa

We have received the latest issue of PHF News. Please inform us about your activities in Orissa, as we would like to involve ourselves in your programme.

R K TRIPATHY

Secretary, WELCOMES (Community welfare society) Village
Uttara, Post Kausalyagang, Dist Khurda 751002, Orissa

“Very supportive of NGOs”

Good wishes to you and the ODA family. Thank you for *PHF News*. We regularly receive it. It contains important facts and figures about fisherfolk. It is very supportive of NGOs engaged in fisheries. Your newsletter is kept in our library and read by many people.

It is a matter of joy that Orissa commands an important position in fisheries, so that ODA has a special local office to help fisherfolk in this state. We hope you could extend activities to Balasore and Bhadrak. Then NGOs would be more active here!

Thank you once more for your need-based service. All the best to you in peace and friendship.

G C MALLICK

Founder-cum-Managing Director DNSS (Daridra Narayan
Seva Sanstha) Bahanaga Post, Balasore district 756042,
Orissa.

“Write about exporters, traders etc.”

Thank you for your newsletter. I read most of it. The profiles in particular (on Devadasi and Urmila) were really interesting. The article by Rakhil Mishra and Venkatesh Salagrama (“Why do banks fail, when traders succeed?”) was an analytical probe on the informal credit market. But what do we do? The article has described the government but you need to probe also the exporters, traders, manufacturers of fishing gear etc. You must try to cover these sectors also.

ASHOK KUMAR SINGHA

Unit Executive, BASIX Swarnamayu Nagar Berhampur
Ganjam, Orissa