

## **SIFFS –Long term diversified successful cooperation for fishing people**

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This umbrella organisation of fishermen's societies demonstrates how a marketing-based platform, if well managed, can reap rich dividends for traditional, small-scale artisans.

The South Indian Federation of Fishermen Societies (SIFFS) network in marine fisheries, dates back to the 1970s. A diocesan rehabilitation project resettled fish workers from various localities on an uninhabited stretch of coast, later christened Marianad, about 20 km north of Trivandrum, the capital of the state of Kerala. One of the major problems that the fish workers faced in the new settlement was marketing their fish catch. The marketing system of the region at that time involved beach auctions. Controlled by merchants and middlemen, the system was inherently exploitative. Confronted with this, the fish workers with the assistance of a team of social workers decided to set up their own marketing system and appointed their own auctioneer. Faced with a determined set of fish workers, the merchants, who till then controlled the business, eventually had to yield. The fishing community then took over a dormant cooperative society that had been registered in the village earlier and started to operate formally. This was the first fish marketing society and was called Marianad Matsya Utpadaka Cooperative Society (MUCS).

The society was member-based and marketing-oriented, with membership open only to active fish workers who managed the society themselves. The three core activities of MUCS were marketing of members' fish, providing credit for renewal of fishing equipment and promoting savings. This model gradually spread to a few adjoining districts of Quilon and Kanyakumari and SIFFS was born with the coming together of all the cooperatives.

SIFFS is now the apex body of a three-tier cooperative structure of small-scale artisanal fishermen. Registered in 1980 under the Travancore Literary, Scientific and Charitable Societies Act of 1955, it has adopted a four-pronged approach involving livelihood protection and enhancement using appropriate technology; policy research and advocacy to support the interests of artisanal fishermen; resource management to ensure sustainable livelihoods in fishing; and

alternative employment and strengthening of women's livelihoods to diversify the economic base of the community and ensure its all-round development.

With close to 10,000 member fishermen, organised through 156 primary societies at the village level, SIFFS has kept its focus on strengthening the artisanal fisheries. Established as a fish-marketing organisation, SIFFS provides a range of services to member and non-member fish workers. Nearly 18,000 fish workers including non-members use their services. After the success of SIFFS in Kerala and Tamil Nadu, the model has been replicated in Andhra Pradesh. The Kerala state government has also formed its own cooperative federation called Matsyafed modeled on SIFFS to oversee various cooperative societies (SIFFS Annual Reports, South Indian Federation of Fisherman Societies).

Fishing has always been one of the main sources of livelihood for those who live in the coastal areas of Kerala, a state which has 590 kilometers of coastline. It employs most of the coastal community in various activities associated with fishing.

The number of active fishermen in the coastal fishing villages has increased over time, from about 75,000 in 1961 to 140,000 in 2005, and in 2005 they made up 23% of the overall population. The inhabitants of coastal fishing villages amounted to 72 per cent of those employed in the total marine sector, which indicates the importance of fishing in these areas.

Fishermen generally sold their catch to wholesalers at beach markets. They were not able to set their own prices. Wholesalers and other agents gained most of the profit, and fishermen were not paid on time. The formation of an organisation where fishermen could pool their catches and sell them at better prices through public auction allowed them to access the market directly, by-passing the middlemen.

Fishermen needed credit for purchasing and renewal of fishing equipment, and for consumption. The lack of institutional credit affected fishing. This coupled with inequitable distribution of earnings further compounded the plight of the fishing people, leading to debt and marginalisation.

The fishermen also had to work with their age-old indigenous equipment which was gradually becoming obsolete and unproductive. The large softwood logs used to build traditional canoes

were becoming scarce. Modernisation was needed to introduce new fishing craft, improved fishing gear, and methods to suit temperate waters for more fishing. Unable to purchase new boats, which were very highly priced, the small fishermen were marginalised as only the large merchants and fishermen could afford to buy the boats. Their exploitation by unscrupulous merchants along with other socio-economic problems led small fishermen to start thinking of organising themselves into a cooperative.

Their initial efforts were flagged off by the Bishop of Trivandrum, who avoided the traditional charity-based approach and adopted a community development model. Back in 1961, the Bishop had initiated a community development programme at Marianad, a fishing village 20km away from Trivandrum. The Marianad Matsya Utpadaka Cooperative Society was an offspring of these efforts. To avoid malpractices in fish marketing, the society appointed an auctioneer, who auctioned the day's catch to village merchants. This was better than the earlier system where the middlemen sold the catch directly to merchants for profit and paid very little to the fishermen, who were usually in debt to them in any case.

Although the intervention faced resistance from the local business community, the model proved successful and gradually spread to the neighbouring district of Kanyakumari. SIFFS has provided an alternative marketing channel to promote direct marketing to export companies, to eliminate sales malpractices through open auctions, and to augment market linkages with local agents.

In the late 1970s small-scale fishermen in Kerala protested against the indiscriminate fishing techniques of mechanised trawlers which were destroying the ecosystem and gradually reducing the variety of fish species. The fishermen could not fight against the dominant mechanised fishing company lobby and they had to organise themselves politically and commercially. On the political front, trade unions defended their rights while the cooperatives were formed to ensure a fair price for the fish and a regular supply of inputs.

After entering the marketing scene, the Society identified credit and savings as its next area of intervention. Fishermen were traditionally considered non-bankable and found it difficult to access credit from formal financial institutions. The Society convinced the local bank to lend working capital to the fishermen through their societies. In order to ensure regular repayment, it

was decided that a fixed percentage would be deducted from the fishermen by putting a fixed amount from their daily sales into their savings account. This helped fishermen who during lean seasons previously had to rely on exploitative moneylenders.

Three per cent was deducted from members' earnings for cooperative expenses, 2% for compulsory savings, and 10% towards loan repayment. The members were paid the remaining earnings on the same day or a day later. The system not only ensured uninterrupted payment but also helped them save for future contingencies and other needs. This model gradually spread to the adjoining districts of Quilon and Kanyakumari, and by 2005 Trivandrum district had 15 cooperative societies.

As mentioned earlier, the Trivandrum cooperatives came together to form SIFFS as the apex body, registered in 1980, overseeing a three-tier structure with primary co-operative societies and district level federations. Apart from improving marketing, livelihood protection, and access to technology, SIFFS also undertook advocacy to support the interests of the artisanal fishermen and their all-round development through alternative employment and women's empowerment. In addition, SIFFS involved itself in the other activities such as the promotion of fishermen's societies and their federations, research and development of sustainable fishing technology through supply of fishing equipment, processing and marketing of fish by setting up cold storage plants and other processing equipment, the provision of information services to enhance fishermen's digital literacy and the provision of financial services through microcredit and general fisheries management.

Although SIFFS was originally conceived to help the fishermen with marketing, by the time SIFFS really started, the markets were well developed. There was low supply and soaring demand, but the benefits did not reach the fishing people themselves. The fishing grounds were being depleted, which resulted in the decline of small fishermen's fish catches. They mainly depended on the traditional fishing craft, the catamaran. Technology for small-scale artisanal fishing was recognised as an area of intervention for SIFFS; this came about more by accident than design.

This work can be traced back to a Belgian priest, Father Gillet who came to work on the Indo-Belgian project in Kanyakumari district in 1968. He had experience of boat-building and

fibreglass, and started developing an alternative to traditional catamarans, which was particularly important as there was a shortage of Albizzia, the timber normally used. After various experiments, and with support from the Intermediate Technology Group in the UK, a new boat made of marine plywood was introduced. It was an immediate success as fishermen saw it as an ideal vehicle for motorised fishing.

In 1982, Father Gillet, who had already worked closely with primary cooperatives and SIFFS, persuaded SIFFS to set up a boatyard for manufacturing the new boats. For SIFFS it was both a business opportunity and chance to promote new technology. The first boatyard was started in 1983 at Anjengo, a village in north Trivandrum. To cater to demand Father Gillet developed a new design known as the Plyvallom, combining ‘vallom’, the local word for boat, with ‘plywood’, and the boatyard became a specialised manufacturer of these boats. In 1984 SIFFS started a motor workshop, and then they started to offer outboard motor servicing and training, to deal with problems with the imported motors used by the fishermen who lacked the skill to operate them.

The federation’s activities were steadily increasing and its services were in demand from other districts. To integrate the different regions, they formed a three-tier structure of SIFFS with primary autonomous village level societies, independent district level federations and SIFFS as the apex body. The federation was responsible for society supervision, credit, fish marketing, and handling of assets and the apex body retained only the technology-related work, boat building and outboard motor services. The apex body also undertook activities that were beyond the scope of district federations such as export and import of fish and finding new markets. Further, it had the mandate to set up and oversee new societies in new districts.

Although technology interventions such as boat building could not bring in immediate profits, they were needed for long-term benefits not only to the member fishermen but also to others. With this vision, the new SIFFS started off in 1986. With its initial intervention into fish marketing, the expansion of activities of the federation responded to the specific needs of the community as they became evident. Thus input supply activities started in the mid-eighties; microcredit and society expansion in the mid-nineties, and advocacy and strengthening in the late nineties.

In summary, since 1980 SIFFS and its services have evolved and grown in response to the changing environment and the needs of its members. Traditional timber log catamarans were replaced by plywood boats, outboard motors were provided, along with the necessary training and services, and new market linkages were made. SIFFS also started ice factories so that members could better preserve their catch.

SIFFS and its members also appreciate that fishing cannot in the future provide a livelihood for everyone. They set up village information centres to provide computer training to local students, to generate greater awareness and to facilitate communication between the local community and government, as well as to provide information about prices at different markets. They also started to provide microcredit to members who could previously not access loans at reasonable rates, and local women's organisations were integrated into the micro-credit programme. Alternative employment programmes were also set up, such as carpentry and outboard motor maintenance training.

In 2000 SIFFS introduced a pension scheme for members above 60 years of age. They deposit fifty rupees (about one dollar) a month until they reach 60, and then receive a modest pension in their old age.

2007 marked a further change in the activities of SIFFS. Following the tsunami, they constructed 451 houses for fishermen in Nagapattinam district. This work grew rapidly and by 2010 they had constructed 1,686 houses in total. SIFFS had another major change when the chief executive Shri V Vivekanandan retired. His leadership over 25 years had been critical for the success and growth of the organisation.

By 2010 SIFFS had increased its outreach to 156 societies with more than 9,200 active small-scale fishermen. Fish sales were over a billion rupees, or nearly 15 million dollars. SIFFS has also included 7,600 women in more than 180 groups and 2,800 crew members' families were engaged in different activities.

SIFFS also assists district federations to engage directly with fish exporters, which, in turn, earned revenues for federations. By 2010 the federations were exporting over 60 million rupees worth of fish, or almost \$900,000. These sales included shrimps, squid, cuttlefish and needlefish.

By 2010 SIFFS was operating boatyards and outboard motor sales yards at eleven locations along the coast. They sold more than 200 boats during the year and repaired over seven hundred more, and they also sold 850 outboard motors and repaired a further 7500. The boat business turned over almost thirty million rupees, and the motor sales exceeded seventy million rupees, for a total of over one hundred million, or \$1.4 million dollars. Boat construction and repair of course involved more added value.

SIFFS also had three ice plants. Each plant has a capacity of 20 tonnes of ice per day, and if a plant sells seven tonne of fish per day for 300 days a year, it breaks even. The ice plants helped SIFFS to preserve fish when there was a glut so that they could sell them to different merchants at reasonable prices as well as becoming a major player in the fish business. The ice plants turned over Rs 16 lakhs during 2010, or nearly \$25,000.

The microcredit programme was initiated by SIFFS to bridge the gap between its members and the various financial institutions. It was felt to be critical for the growth and stability of membership. By 2010 SIFFS was disbursing some 5000 loans every year and had an outstanding portfolio of Rs9.21 crore, or about \$1.3 million.

All the members of the SIFFS network are covered under the Government's Janashree Bima Yojana (JBY) Life Insurance Scheme, and in 2010 they launched a micro-pension programme in partnership with Invest India Micro Pension Services (IIMPS).

SIFFS' old age security scheme requires members to deposit Rs50 per month or about seventy US cents, until they reach sixty. This provides some financial security to the fishermen who cannot fish anymore due to old age, and by 2010 over 5000 people were members of the scheme.

SIFFS covers all its members under the JBY Life Insurance Scheme to reduce the loss in case of sudden death or any other accident. Up to 2010 9200 members were covered, 68 claims had been submitted and 65 were settled. SIFFS also started another insurance scheme under the National Insurance Company (NIC) Crew Insurance Policy. A total of over 16000 crew members are covered, and between 2006 and 2010 there were 27 claims of which 17 were settled.

In 2008 SIFFS set up a Fish-Market Intelligence System to keep records of fish prices at nine markets and eleven other fishing harbours in Karnataka, Kerala and Tamil Nadu. This records

the prices of 30 species which contribute 75 per cent of the total volume of catches, and has enabled SIFFS to be aware of prices and to make immediate marketing decisions. They also provide information about prices by SMS to members, so that they can keep abreast with the latest prices.

SIFFS also supports the Alliance for Release of Innocent Fishermen (ARIF) association, trade unions and other NGOs which work with Indo-Sri Lanka trans-border fishing issues. The aim is to secure the release of all the fishermen who have been arrested for crossing international marine borders. SIFFS has already succeeded in securing the release of a number of fishermen after meeting the Sri Lankan Deputy High Commissioner in Chennai.

Matsyafed, the Government sponsored fishermen's federation, was itself inspired by the success of SIFFS, but is a powerful competitor for SIFFS. Matsyafed, being a government initiative, enjoys many privileges. New government policies assist them, and subsidies go to Matsyafed members. These discourage new members from joining SIFFS. The fishermen perceive a one-time subsidy as being more beneficial than SIFFS' long-term support. Matsyafed provides a 50% subsidy or Rs20,000 on outboard motors below 10 HP and Rs6,000 per craft for gear. Matsyafed also promises a 25% subsidy on new types of fishing craft.

SIFFS and its members also have to cope with the depletion of marine resources due to over-fishing. This is caused by the use of inappropriate technology, burgeoning export and home demand for fish, government and the many new fishermen who have come to the coast after the Tsunami to take advantage of the many livelihood support programmes. Trawling for deep-water fish and seine fishing for surface level fish depletes marine resources, and this is further compounded by the overuse of fishing nets and out-boards. All of this adversely affects active fishermen and SIFFS.

Since the year 2000 the marine catch from the state of Kerala has been more or less steady, subject only to seasonal variations, including of course the tsunami. The fresh water catch has grown steadily, however, and exceeds the volume caught from the sea.

Boat production has grown steadily, but it has lost money because of high overhead costs and price controls. SIFFS' ice plants also lose money, because of breakdowns and maintenance costs,

and some of the plants have been unable to achieve their breakeven production levels because of lack of demand.

In two of the federations, there has also been a significant decline in the repayment rate for SIFFS' loan to its members, and the yield on the loan portfolio fell from 12% in 2004 to 7.75% in 2010; this means that the microfinance programme has difficulty in covering its costs.

SIFFS also provided training for 300 young people who had dropped out of school. 22 of them were successfully placed with various companies. This helped to reduce the burden on fishing livelihoods and opened up new avenues for income generation.

The SIFFS approach has been quite widely replicated. After its success in Kerala and Tamil Nadu, SIFFS replicated and expanded its viable, sustainable member-based and market-oriented cooperative model in Andhra Pradesh. It has established two fishermen's societies, and as we have seen the Kerala state government also formed its own cooperative federation, Matsyafed, which was modelled on SIFFS, although it was also able to compete with SIFFS because of its government subsidies.

The challenges and sustainability issues which are described above had already been anticipated by SIFFS' former CEO Vivekanandan. He had clearly identified the long-term problems of artisanal fishermen and he foresaw dramatic changes in the domestic and international fish market such as eco-labelling, higher quality standards, and other non-tariff barriers. He had also emphasised the need for resource conservation and management not only to make the business sustainable but also to uplift the socio-economic status of small fishermen.

SIFFS has played an active role in providing livelihoods for fishing communities; it made many major innovations the state economy by improving infrastructure and promoting exports of special quality fish.

SIFFS has demonstrated that fishing people's marketing cooperative societies in the coastal villages are viable and sustainable. It has also made links with other existing primary societies, wherever possible, under a common banner, by providing associate membership for them. This has enabled them to channel their resources, approaches and efforts in an organised and efficient manner.

SIFFS also succeeded in designing and developing new kinds of boats, which served as an alternative to mechanised boats and competed successfully with them. This improved the economic well-being of the fishermen and thereby contributed in an indirect way to the alleviation of poverty among the fishing communities. At the same time, this also led to new concerns. The rapid growth in the numbers of plywood boats with outboard motors and their over-fishing also contributed towards the rapid depletion of marine resources. SIFFS therefore undertook initiatives in research and development of marine resources, and they developed new fishing methods to improve their members' incomes. The SIFFS cooperatives helped to curb the influence of middlemen in fish selling and marketing by enabling their members to sell through different channels.

SIFFS facilitated collective decision-making among the communities of small fishermen at the village level. Consequently, they are not only aware of socio-economic and political developments, but have also responded to them intelligently. SIFFS not only developed their own member cooperatives. They encouraged the emergence of other fisheries organisations and built useful networks with them. It assisted them and was assisted by them, and it has thus enhanced social relations among the organisations and strengthened the communities' social capital.

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