

**CREDIT SERVICES AND WOMEN EMPOWERMENT IN COASTAL FISHING
COMMUNITIES: AN EMPIRICAL SURVEY**

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ABSTRACT

Bangladesh occupies a unique position due to her natural fisheries resources in South Asia. Fisheries can play a positive role in the supply of delicious and high quality protein food for the people of the country. Credit is a powerful doorway to reduce poverty. It helps the poor to fight against poverty with their own efforts. Particularly, empowerment of women can help to alleviate poverty and mobilize natural resources. Women play an important role in the processing and trading of fish. However, they are limited in their marketing opportunities and access to credit. Moreover, arrangement of adequate finance at market rate may contribute significant role in the socio-economic development of coastal women fisher folk in study areas. Again financial support system needs to be dynamic so that concerned women fisher folk can get the benefits of institutional credit facilities. So far our knowledge goes no in-depth study has yet been done on this subject of research. This research gap motivated the authors to under take this study.

The paper focuses the main aspect of credit services and women empowerment with reference to the coastal women fisher folk of the fishing communities of Bangladesh. The data and information have been collected from 150 women fisher folk of five villages covering five districts of Bangladesh. The paper examines the credit services and role of women fisher folk in the coastal fishing community.

Keywords: credit services, women empowerment, fishing communities, sources of income, appropriate savings, and alternative credit systems.

INTRODUCTION

Bangladesh occupies a unique position due to her natural fisheries resources in South Asia. Fisheries can play a positive role in the supply of delicious and high quality protein food for the people of the country. As a valuable food item, fish is next to rice. Fishery sector is already contributing 80% to the nation's animal protein intake, nearly 6% to the GDP [1], 14% of gross agricultural product [2] and more than 12% to the export earnings of the country (Statistical Year Book, 1999). Again coastal fishing in Bangladesh is highly seasonal with the main hilsha season taking place between June and September. During this part of the year, the fishing communities "are crowded with buyers, boat repairers and salesmen" [3]. Income levels are only at a fraction during the remainder of the year, thereby increasing the population's economic vulnerability [4].

Empowerment is a process, which enables individuals or groups to change balance of power through exchange of experience, expertise, technology and know-how as well as diffusing innovative technique for strengthening the self-reliance. One of the most important instruments for empowering women is to allow them equal access to and control over productive resources such as land, capital, technology, credit as well as marketing outlets, information, education, training etc without any discrimination [5]. In spite of forming 50 percent of the total population of the world, women do not own even one percent of the world property. Their role and contribution in industrialization has remained unaccounted and un-assessed. Their share in businesses and trades are very low. Though they represent half of the humanity, their contribution to leadership and management are much less. Time has come for women to come out of the drudgery of housework and give vent to the creativity and entrepreneurship. Again, from the dawn of the civilization, women played a complementary role to men to achieve all successes of mankind. Article 28(2) of the constitution of Bangladesh emphasizes that women shall have equal rights in all spheres of state and of public life [6]. But in Bangladesh, it has been identified in the Second Five Year Plan that women have remained outside the main stream of development activities [5]. Further, thousands of coastal women communities continued to suffer from poverty, illiteracy and unemployment. But, it appears that coastal women fishing communities are considered to suffer from lack of access to fair credit sources. Some of the poorest people in Bangladesh live in coastal fishing communities, which are culturally and economically marginalized and have often little or no voice in local government bodies such as Thanas. Institutional and financial access is further constrained as poor fisher-folk require larger loans (i. e. for the purchase of boats or fishing gear) and are considered a high risk by lending institutions, including Government, banks, and NGOs. As a consequence, they are more likely to depend on informal possibly exploitative credit sources, whereby fish-buyers also act as money lenders (i.e. dadandar^a system).

Women play an important role in the processing and marketing of fish; however, they are limited in their marketing opportunities and access to credit. Loans tend to be given to (male) boat owners, who then have to sell an important part of their catch to the provider of the credit. The interdependency between trade and finance means that women can only access credit through their husbands or other male relatives. Moreover, credit is a powerful doorway to reduce poverty. It helps the poor to fight against poverty with their own efforts. At the same time it is acknowledged that there is a lack of understanding of how the credit system in coastal fishing communities is organized. But so far our knowledge goes no in-depth study has yet been done on this subject of research. This research gap motivated the authors to under take this study entitled "Credit Services and Women Empowerment in Coastal Fishing Communities"

OBJECTIVES

The objective of the research is to describe and understand the functioning of the credit system and the gender roles in coastal fisher communities and to develop recommendations for how to improve the livelihoods of poor participants in the fish commodity chain. In the light of this main purpose, the specific purposes of the study will be as follows:

- I. Focus on credit and gender issues of coastal fisher communities;
- II. Identify constraints with these existing practices and point-out credit related problems of women fishers;
- III. Identify opportunities to empower the women of fisher communities;
- IV. Identify appropriate savings and credit services and assess access to alternative credit systems and utilization of loans by women fisher-folk.
- V. Develop recommendations to be implemented by Government, NGO, the private sector and donor organizations.

METHODOLOGY

Both secondary and primary data have been used in this paper. In secondary data, the supporting and relevant materials such as Government policies, programs, documents, research articles, textbooks regarding credit issues and women empowerment have been consulted in order to present the fact in a logical format. Primary data were collected on the basis of questionnaire prepared on the light of the objectives of the study. The sizes of the samples are 150 women fisher folk. These sample respondents were selected by taking 30 from five villages of the study areas. These samples were selected purposively. The samples are chosen to be typically representative of the population in terms of the characteristics of the study. Before finalization of the questionnaire a pilot survey was conducted for the study purpose. The questionnaire was designed with two main characteristics viz., open ended and close ended according to the nature of information. For instance, questions regarding procedures and method of different aspects of credit issues were close ended based on literature survey and pilot survey. This was done to facilitate data analysis work. Some other questions were kept open ended where opinion was sought and the respondents have something to tell from their experiences. This was done to give scope to the respondents to express themselves freely. Credit providers and traders behaviors were observed through day to day participation, observation, focus group discussion and case study. Before going to interview phase with the respondents, they were briefed about the importance of the study and were convinced about the cooperation in data collection process. From January 2002, the data entry work started and in the month of March, 2002, the collected data were compiled, tabulated and checked for internal consistency. There after, editing and coding were made as per research objectives. Collected data were analyzed through the use of various statistical tools like averages, percentages etc. The data were analyzed in order to make the study more informative and useful to the readers.

FINDINGS AND THEIR ANALYSES

The findings and their analyses of the survey have been described below:

Personal Characteristics of the Sample Women Headed Fishers Household

According to the norm of a particular culture, the roles of men and women in the society have tended to be quite different. But at present the nature of this role is gradually changing [7]. Again the 'Nairobi Forward Looking Strategies' for the advancement of women is a culmination of general realization by the world community that attainment of any sustainable development activities can not be achieved without the full participation and integration of women in all spheres of life and development of an action plan to uplift the socio-economic position of women [5]. Thus an attempt has been made to get an idea about the

personal characteristics of selected women fisher folk. Data in this regard have been shown in Table-I. Table-1 shows that 36%, 26.67%, 23.33%, and 14% of the sample respondents are in the categories of widow, divorced, married and single respectively.

Table-I: Characteristics of Women Headed Fisher Household

Characteristics	Number of Respondents	Frequency of Percentage
Single	21	14
Married	35	23.33
Divorced	40	26.67
Widow	54	36
Total	150	100

It has been reported that these women fisher folk are involved in various types of income generating activities. In this stage we were interested to know from the sample respondents about the sources of income of the women headed fishers household in the study areas.

Sources of Income of the Women Headed Fishers Household

Though the family of the sample respondents earn from various sources, all sources are directly or indirectly related to fishing and other related activities. An attempt is made to find out the relative share of different sources of income. The survey results portrays that among the sample respondents 30%, 20%, 16.67%13.3%, 12%and 8% earn from fish trading, net making and repairing, fish drying, bamboo made fish packers, fish processing and others respectively (Table II).

Table-II: Sources of Income of Women Headed Fishers Household

Main Sources	Number of Respondents	Frequency of Percentage
Fish Trading	45	30
Net Making and Repairing	30	20
Fish Drying	25	16.67
Making Bamboo Fish Packer	20	13.33
Fish Processing	18	12
Others	12	8
Total	150	100

Monthly Family Income of the Women Headed Fisher House hold

The survey results reveal that the range of income earned per month by the respondents ranged from 'Tk.8000 and above' at the highest to 'less than Tk.2000' at the lowest. Again among the respondents the highest percentage of the family of the women fisher folk earned three to four thousand (28%) whereas the lowest percentage earned eight thousand and above (10.67%) (Table III).

Table-III: Monthly Family Income of the Women Headed Fisher folk Family

Income ('000Tk.)	Number of Respondents	Frequency of Percentage
Less than 2	20	13.33
2-3	26	17.33
3-4	42	28.0
4-5	19	12.67
5-8	27	18
8 and above	16	10.67
Total	150	100.0

Reasons for Taking Loan

Women fisher folk demand basic needs i.e. food, housing, health care, sanitation, and education for maintaining their livelihood. The coastal fisher folk communities depend on only fish related works. It is their only sources of income. Again, the quantity of fish catching is declining day by day and women have limited trading opportunities. So they need credit for meeting their different types of requirements. In such context, we were interested to know from the sample respondents about the reasons for taking credit. The survey data evidence that majority of the respondents (18%) took loan to meet the losses caused by natural disaster, 17.33% for repayment of previous loan, 16% for daily recurring expenses (for food, medicine, education etc.), 14.66%for purchasing of bamboo in order to make bamboo-made fish packers, 12.66% for purchasing yarn, 7.3% for marriage and dowry of their children and among the respondents (14%) opined that they did not take any loan from any sources (Table IV).

Table-IV: Reasons for Taking Loan

Reasons for taking loan	Number	Frequency Of Percentage
Purchase of yarn for net making	19	12.66
Purchase of procurement of bamboo	22	14.66
Expenses for food, medicine, education	24	16
Marriage & dowry	11	7.3
Natural disaster	27	18
Pay previous loan	26	17.33
Not enjoyed any loan	21	14
Total	150	100

Sources of Credit of Women Headed Fishers Household

The sample respondents take loan from two sources viz. institutional sources and non- institutional sources. An attempt is made to find out the relative share and magnitude of institutional and non-institutional credits from the sample respondents in the study areas. The collected data in this regard shows that the sample respondents take lion share of their loans from non-institutional sources. The percentages of non-institutional sources are 56% where the contributions of institutional sources are only 44%. A further query as to the sources of non-institutional loan, it was found that 'relatives' ranked the highest (21.33%), followed by 'mahajan^b' (16%), 'old dadandar' (6.6%), 'paiker^c' (4%), 'friends,' 'new dadandar' and 'goldsmith' (2.7%) respectively (Table 5). Among the institutional sources, the survey data show that 'NGO' ranked the highest (17.33%), followed by "Samity" (7.3%) and 'Bank' (5.33%) (Table V). It is evident from the research findings that the widow, divorced, married and poor single women take loan from informal sources.

Table-V: Sources of Loan

Sources	Number of Respondents	Frequency of Percentage
Non -institutional Sources		
Relatives	32	21.3
Friends	4	2.7
Mahazan	24	16.0
New demander	4	2.7
Old Dadandar	10	6.67
Paikar	6	4.0
Gold smith	4	2.7
Institutional Sources		
Bank	8	5.33
NGO	26	17.33
Samity/others	11	7.3
Not enjoyed any loan	21	14
Total	150	100

Preferences of Sources of Loan

The components of non-institutional financial market have dominated rural financial market. Among the non-institutional components, 'relatives' play a significant role in providing financial services to the women headed fisher folk household. Further, we were interested to know about the attitude of sample respondents towards the different sources of loan. A further query as to the preference among the sources, it was found that 'relatives' ranked the highest (45.7%) followed by 'NGO' (10%), 'Samity' (9.33%) 'dadandar' (5%), 'Bank' (5%) (Table VI). It appears that though they prefer relatives as their sources of loan, the relatives position do not support to give the loan to their loanee relatives. Again, among the institutional sources they prefer bank as a source of loan instead of NGO and other sources. In such context we were interested to know the amount of loan taking by sample respondents from various sources.

Table VI: Preference of Source of Loan

Sources	Number of Respondents	Frequency of Percentage
Non-Institutional Sources		
Relatives	68	45.7
Friends	5	3
Mahazan	8	5
New dadandar	3	2.0
Old Dadandar	5	3
Paikar	3	2.0
Institutional Sources		
Bank	8	5
NGO	15	10
Samity/others	14	9.33
Don't prefer/Non-response	21	14
Total	150	100

Amount of Loan Taken from Various Sources

Loan is taken for meeting the various purposes of sample respondents. The survey result portrays that among the sample respondents 24%, 18%, 17.33%, 16%, 14%, 6% and 4.67% have taken loan amount in thousand taka viz. '<2', '10.1-12', '4.1- 6', '8.1 – 10', '2.1 – 4', '6-8', and '12.1 and above' respectively (Table VII). Now we are interested to know the rate of interest on loan money from the respondents.

Table VII: Amount of Loan Taken From Various Sources

Loan amount ('000) Tk.	Number of Respondents	Frequency of Distribution
Less than 2	36	24
2.1-4	21	14
4.1-6.0	26	17.33
6.0-8.0	9	6
8.1-10.0	24	16
10.1-12.0	27	18
12.1 and above	7	4.67
Total	150	100

Rate of Interest

The survey reveals that the range of rate of interest paid per month by the respondents varied from taka 20 + at the highest to taka <2 at the lowest. Again, among the respondents the highest number of loanee (who take loan) paid rate of interest per month is at Tk. '5.1 – 10.0' whereas the lowest percentage paid in Tk. 20 + (Table VIII). Then we were interested to know from them regarding their preference to non-institutional sources of loans.

Table VIII: Rate of Interest Paid

Rate of interest paid per month %	Number of Respondents	Frequency of Percentage
Less than 2	16	10.67
2.1-5	30	20
5.1-10.0	40	26.67
10.1-15.0	30	20
15.1-20	20	13.33
20 and above	14	9.33
Total	150	100

Reasons for Preferring Non-institutional Loans

In this connection we asked our samples to give their opinion as reasons for preferring non-institutional sources. Their responses have corroborated that 'easy to access' ranked the highest (71.71%), 'no collateral' ranked the 2nd (60%), 'no formalities are required' ranked the 3rd (39%), 'no stipulated repayment date' ranked the 4th (27%) and others ranked the 5th (10%) in order of magnitude (Table IX). It has been observed that preference of market segment based on mainly two factors viz. easy access as well as no requirement of collateral. In this situation, our query was also to identify the reason for preferring institutional sources.

Table IX: Reasons for Preferring Non-institutional Loan

Reasons	Number of Respondents	Frequency of Percentage*
Easy to access	107	71.7
No formalities are required	58	39.0
No collaterals	90	60.6
No stipulated repayment	40	27.0
Others	15	10.0

*The sample respondents responded for more than one reason

Reasons for Preferring Institutional Sources

The survey data show the reasons for preferring institutional sources by the sample respondents. These are 'non-exploitation by dadandar', 'low rate of interest', and 'possibility of getting exemption' for loan money and interest on it by the authority concerned. The respondents, opined that 'free from exploitation' ranked the highest (28.7%), 'low rate of interest' ranked the 2nd (22.7%) and possibility of getting exemption for repayment of loan and interest ranked the 3rd (12.%) (Table X). However, at this stage we were interested to know the causes of disliking for the institutional sources of loan.

Table X: Reasons for Preferring Institutional Sources

Reasons	Number of Respondents	Frequency of Percentage*
Price of fishes is not influenced/exploited	43	28.7
Possibility of getting exemption	18	12.0
Low rate of interest	34	22.7
Others	4	3.0

*The sample respondents responded for more than one reason

Reasons for Disliking of the Institutional Sources of Loan

The sample respondents mentioned a number of reasons for disliking the sources of institutional loan. The finding in this regard reveal that among the respondents 56.67% opined the most important reason is difficult and lengthy loan sanctioning procedure of institutional sources of loan. The other reasons are 'creation of pressure' ranked the 2nd (35.34%); 'demands illegal money' ranked the 3rd (28.67%) and needs collateral ranked the 4th (23%) (Table XI). It seems that due to illiteracy, non socialization, lacks of linkage with social elites are the other important reasons in disliking the institutional sources of loan.

Table XI: Reasons for Disliking the Institutional Sources by the Respondents

Reasons	Number of Respondents	Frequency of Percentage*
Difficult /complicated /unable to enjoy	85	56.67
Created pressure /tortured /don't understand season	53	35.34
Needs commission/high interest/want illegal money	43	28.67
Needs collateral	35	23.0
Others	54	36.0

*The sample respondents responded for more than one reason

Reasons for Disliking the Non-institutional Sources of Loan

Among the non- institutional sources, dadandar is playing significant role by providing loan as well as dominating the trading of fish by the women fish traders in study areas. Due to this, poor women fishers virtually cannot play any role in trading of their fishes. The survey data show that the sample respondents' ranked 'exploited price of fish' as the 1st (50.3%), the 'high rate of interest /compound rate of interest' ranked as the second (31.7%) and 'creation of pressure/ torture' ranked as the 3rd (27.7%) (Table XII). But unfavorable financial condition of women fishers compelled them to take the loan from non-institutional sources.

Table XII: Reasons for Disliking the Non-institutional Sources by the Respondents

Reasons	Number of Respondents	Frequency of Percentage*
Influenced price of fish	75	50.3
Create pressure/tortured	41	27.7
High rate of interest/difficult to calculate interest	47	31.7
Others	18	11.7

*The sample respondents responded for more than one reason

Problems in Getting Credit

Credit, which is of utmost necessity for economic activities, cannot go a long way to improve the conditions of coastal fishing communities and help development of coastal areas of Bangladesh. The survey data show that 84% of the respondents face problems in getting credit where as the rest 10.7% do not face any problem in the same (Table XIII). At this stage, we were interested to know from the respondents about the nature of problems.

Table XIII: Problems in Getting Loan

Problems	Number of Respondents	Frequency of Percentage
Faces problem	126	84.0
Not faces problem	16	10.7
Not answered	8	5.3
Total	150	100

Nature of Problems

According to Muhammad Yunus of the Grameen Bank a virtuous circle can be established: low income, credit, investment, more in come, more credit, more investment, more income (Hulme and Mosley 1997). It has been reported that 57.7%, 48.67%, 43.3%, 27.3% and 12% of the sample respondents mentioned ‘problem of collaterals’, being followed by ‘complex procedure’, by ‘high rate of interest’, ‘shortage of income’ and ‘others’ respectively (Table XIV). It seems that there is a linkage between more income and more credit.

Table- XIV: Nature of Problems

Nature	Number of Respondents	Frequency of Percentage*
Problems of collaterals	86	57.3
High rate of interest	65	43.3
Complexity	73	48.67
Lack of income/unable to pay	41	27.3
Others	18	12

*The sample respondents responded for more than one problem

Suggestions to Overcome Problems in Getting Credit

The respondent expressed their views regarding their suggestions to overcome problems in getting credit which may be presented in descending order: (i) time relaxation (51.3%) (ii) no collateral /commission (46.3%); (iii) low interest rate (35%); (iv) easy access/ formalities to sources to credit (20%); (v) government co-operation (12.6%) and (v) others (5%). In study areas, during the survey period, it has been founded that the poor coastal fishermen are very interested for availing different types of credit services. They were found very interested and enthusiastic regarding credit services and their efficient management (Table XV).

Table XV: Suggestions to Overcome Loan Problems

Suggestions	Number of Respondents	Frequency of Percentage*
Time relaxation/when possible then repay	77	51.3
No collateral/commission	70	46.3
Easy access/formalities	30	20.0
Low interest/loan weave if fail	52	35.0
Government cooperation/help	19	12.6
Others	7	5.0

*The sample respondents responded for more than one suggestion

CONCLUSION

Empowerment of women can help to alleviate poverty and mobilize natural resources. Moreover, arrangement of adequate finance at market rate may contribute significant role in the socio-economic development of coastal women fisher folk in study areas. Again financial support system needs to be dynamic so that concerned women fisher folk can get the benefits of institutional credit facilities. Further, institutions involved in income generating activities and other support services should in close cooperation among themselves for development of women of coastal fishing communities of Bangladesh.

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ENDNOTES

- ^a Dadander-who lends money and takes fishes till the money is returned
- ^b Mahazan-who provides loan against interest
- ^c Paiker-local wholesaler