

CHAPTER VI

SUMMARY AND POLICY SUGGESTIONS

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The present study has attempted to examine the progress and working of fisheries co-operatives in the country with particular reference to Karnataka, given the emphasis for developing the fishery industry on co-operative lines under Five Year Plans. The working of fisheries co-operatives has been examined in the back-ground of the overall trends witnessed by the fishery industry, for the conditions of the industry have bearing upon the performance of them. An attempt is made in this chapter to summarise the broad observations and to provide policy suggestions. The chapter begins with main observations and important findings, followed by some policy suggestions to make the fisheries co-operative movement a success in the country, in general, and in the State, in particular. At the end of the chapter, the areas of further research in the field of fisheries co-operatives are indicated.

6.1 Summary of the Main Findings of the Study:

The main findings of the Study are summarised below:

1. Because of its social and economic backwardness, the traditional small scale fishery sector has been protected by

the Government in the country. In addition, in order to make the sector strong and viable, positive support is also given in the form of organizational, financial, marketing, technical and other assistance. Besides, with a view to improving the living conditions of the fishermen, various schemes have been implemented. However, the benefits of the schemes are being confined to the fishermen covered by the co-operatives and corporations with a view to organise them on co-operative lines. Despite these efforts, the professionalised small scale fishery sector has been challenged by the commercialised large scale fishery sector. In the absence of proper demarcation of the areas of operation for different vessels, the going has been made more difficult to the traditional small scale fishery sector.

Despite these developments, the measures aimed at promoting fishery industry has yielded some positive results, which are reflected in the increase in production, mechanization and exports. However, the potential sources of fisheries are not completely exploited and the fruits of development are not reaped by the traditional small scale fishermen as revealed by the studies conducted on the socio-economic life of the fishermen in various parts of the

country. Also, inspite of the several assistance given to fisheries co-operatives, the slow pace of their development has forced the Government to try and experiment with other organizational forms like the Corporations.

2. Inspite of the fact that the fishermen started experimenting with co-operative organization right from the Second Decade of the present century, fisheries co-operatives could take roots in the country on a wide scale only after Independence with active support by the Government. However, the early experiments have given some object lessons for shaping the future course of the fisheries co-operatives in the country. The most important lesson being the need of organizing them as multipurpose societies, which has come to be incorporated in the post Independence programme of development of fisheries co-operatives.

3. The fisheries co-operatives have developed in the country, though not at the desired pace, with the organization of fisheries co-operatives forming an integral part of the scheme of fisheries development since Independence. The quantitative growth of fisheries co-operatives is reflected in the increase in number, the

expansion in the coverage by these societies, the increase in financial resources and volume of business turnover etc.

4. Despite the above quantitative growth, the performance of the fisheries co-operatives in the country is not encouraging in certain fronts. For instance, though the membership of these societies has increased, actual fishermen are not fully covered by them. Further, the financial base of the fisheries co-operatives remains very weak. Though these societies succeeded in utilising the external sources, their efforts to build up strong internal financial resources did not yield the expected results. Further, although the financial results of the fisheries co-operatives point out the existence of net profits among them, in reality, the number of societies suffering from loss constitute a majority of the total societies.

5. The programme of mechanization of fisheries has increased fish production and as such made some positive impact on the working of the fisheries co-operatives in the beginning in the country. Consequently, the societies have shown better performance in mid seventies with better loan recovery. However, increased mechanization did commercialise the fishery industry completely later and the

societies could not withstand the pace of this new development. As a result, the performance of the societies declined in later years which is reflected in the increased number of societies suffering from loss with increased average value of loss, per loss incurring society.

6. The development/performance of fisheries co-operatives has been quite uneven in different maritime states of the country. The imbalances in the development and the levels of performance of fisheries co-operatives in different states are reflected in the variations in the indicators, such as the number of societies, average membership per society, average production value per society, average working capital per society, average share capital per society, average production value per society, average sales value per society, average loans advanced per society, average loans covered per society and average loans outstanding per society, etc. While fisheries co-operatives have made good progress in Maharashtra and Tamilnadu, these societies are functioning reasonably well in Karnataka and Gujarath. On the other hand, the performance of fisheries co-operatives in Andhra Pradesh, Kerala, Orissa and West Bengal is poor. Anyhow, the regional imbalances have narrowed down between 1967-68 and 1983-84. However, the

distance between the first and last ranking State has widened in between 1957-58 and 1967-68 and narrowed down then onwards.

7. The performance of fisheries co-operatives on the export front has been quite disappointing and the sector accounts for only a small fraction of the total value of marine products exported from the country. The Fisheries Corporations have not helped the fisheries co-operatives to enhance their exports.

6.2 Growth and Problems of Fisheries Co-operative Movement in Karnataka:

Growth and problems of the fisheries co-operative movement in the State are analysed by studying the performance of fisheries co-operatives and fish marketing federations of two coastal districts. The performance of fisheries co-operatives is analysed by studying the organizational frame work, financial structure, business and financial operations, Government support and the working results of these societies. Since the State comprises of only two maritime districts, both are chosen for study. Major findings of the Study are the following:

1. Karnataka is one of the important maritime states which witnessed mechanization on large scale which completely changed the socio-economic relations in the State, which is reflected in the destruction of rampani groups and deterioration of the importance of 'sabhas' which were acting as the supreme policy decision body in the life of the coastal fishermen. Mechanization has reduced the status of poor fishermen to the status of wage earners in large vessels. Interestingly, the fisheries co-operatives and Federations played important role in converting the traditional fishery sector of the State into modern mechanised sector. Though, the pace of mechanization was very rapid in the State, the share of fishery sector in the NDP of the State is very less as fishing efforts are confined only to the on shores. Hence, particularly after the mid 80's marginal productivity of the mechanized boats began to decline. This is reflected in the decline in fish landings of and exports from the State.

2. Trawlers were introduced in the country in 1952 under Indo-Norwegian Project. But trawler fishing was completely prohibited by the Norwegian Government even before its introduction in India, since it destroys the fisheries resources completely. In 1976 Philippines also has imposed

a ban on trawel fishing. But in Karnataka trawel fishing is very popular. It has resulted in the decreased marine fish production. This decline in the industry had its impact on the working of the fisheries cooperatives in the State.

3. However, the performance of the fisheries co-operatives in Dakshina Kannada is better than the working of the fisheries co-operatives in Uttara Kannada. Besides the natural factors, such as abundant fishery resources and entrepreneurship of the fishermen of DK District, the general economic advancement also contributed much to the development of both fisheries and fisheries co-operatives of the District. On the other hand, the general economic backwardness of the UK District and lack of entrepreneurship of the fishermen made the fisheries co-operative movement a Government sponsored programme. However, the overall performance of the fisheries co-operatives in both the coastal Districts is poor. The factors contributing to the poor performance of the fisheries co-operatives are stated below.

4. The fisheries co-operatives in the State remain organizationally weak and unviable. The absence of an Apex Society which supervises/integrates all the activities of

the fisheries co-operatives and federations has largely contributed to the defective organization of these societies in the State. Also, the overlapping of jurisdiction of societies has made controlling of members all the more difficult for the co-operatives.

5. The bye laws of the fisheries co-operatives did not restrict the membership only to actual fishermen whose income is low and who survives only by fishing. Taking advantage of this lacuna, rich and politically influential vested interests, have become office bearers and in some cases these people have, enrolled persons who are totally unconnected with fishing, as members, to serve their own selfish interests. The Board of Directors of the fisheries co-operatives is also not a true representative of all the segments of the fishermen. As such, many of the benefits conferred by the Government on fisheries co-operatives and their members are being cornered by the vested interests.

6. The study of sample units reveal that the fisheries co-operatives in Karnataka are either organized by a single caste or dominated by a predominant caste. Hence, caste and other social considerations have taken precedence over 'economics', preventing the co-operatives from being

organized on viable lines. Added to these is the absence of efforts to reorganise the fisheries co-operatives on viable lines. Hence, the organizational structure continues to be weak even now.

7. The fisheries co-operatives of the State, for a variety of reasons, have not been able to cover the entire actual fishermen of their respective operational areas. While many fishermen have themselves remained out of the domain of the co-operatives, the societies on their part have been unable to attract all. Even the societies are not willing to enroll all the fishermen as members as they are already overcrowded. The average membership per society in the State is much higher than the optimum fixed by the Study Group (1964) and the Committee for the Promotion of Aid to Co-operatives (COPAC-1984). Since the fisheries co-operatives are not in a position to work to the satisfaction of the existing members, it is natural on their part not to increase their grievances by enrolling new members.

8. As regards finance, the problems of the fisheries co-operatives in the State are both of their own making and the result of some external factors. As it is revealed by the study of sample units, barring a few co-operatives, others

have not made any attempt to raise enough capital from their members. As a result, the borrowing power of these societies is limited which also denied them the chance of controlling the activities of the members in an effective manner. Also, the funds of majority of the sample societies are locked up as they have failed to recover the amounts advanced to their members. Moreover, the employees have also misappropriated substantial sums of monies in some societies, in the absence of proper supervision by the management.

9. Among the external factors contributing to the financial problems of the fisheries co-operatives, the apathy of the DCCBs in financing these societies has made them to be contented with poor capital base. Indeed, these banks are depriving the fisheries co-operatives of many concessions provided to the latter by NABARD. Such a denial by Banks, particularly their apprehension to finance the fisheries co-operatives, which of course is not without reason as a substantial proportion of their advances to these societies has become overdue. The Government has also compounded the problems of the fisheries co-operatives as it is not guaranteeing the NABARD/NCDC loans as the societies defaulted such loans.

10. On the marketing front, the fisheries co-operatives have not been making any impact as none of them, in marine sector, are involved in the production of fish. Since both of the maritime districts are endowed with sufficient rivers, there is ample scope for mariculture (prawn culture) in the coastal area which can be successfully taken up by the societies. Though the Government has set up one Brackish Water Development Agency at Karwar to develop prawn culture in salt waters, no scheme is evolved to encourage mariculture through the co-operatives. The fisheries co-operatives have also not shown any initiative to convert them as production cum sales societies from the present status of service societies. Besides, the societies have not attempted to procure their own fishing boats and appoint fishermen as wage earners which would not only have made them production units, but also increased the employment opportunities to their members. Added to these, the boats supplied to the members also did not yield the expected fruits as the boat parties have not repaid the loans promptly in time.

11. Though some of the sample units act as fish agents, the fish sold by them constitute a very small portion of the total landings of the State. Further, because of the lack

of marketing support from the Federations, the primaries immediately dispose of thus purchased fish to the local traders. As such, the fish market is controlled by the private traders, in the State. Thus, the prime objective of the fisheries co-operatives, i.e., eliminating the middlemen from the marketing scenario, has not been realised.

12. The District Fish Marketing Federations are also very weak and hence rendering poor services to the primary fisheries co-operatives. Both the Federations have failed to provide marketing infrastructure to the members and utilise their own to the fullest extent. Due to the gross mismanagement, both the Federations have been suffering from enormous amount of accumulated losses. Not only that, the chances of reviving them are very bleak as they have kept idle their processing and canning units for years together.

13. Added to the above problems is the inability of fisheries co-operatives in securing complete loyalty of their members. It is particularly due to the failure of these societies to provide marketing infrastructure and timely financial assistance. Consequently, the members are forced to deal with private traders who make ready advances, give better prices and fair treatment to the fishermen. The

societies also failed to make the members who obtained loans from them, to market the product through the co-operatives due to lack of supervising machinery.

14. Apart from other factors, the fisheries co-operatives in the State suffer from bad management. Many sample units do not have qualified secretaries to run their daily business and some have appointed their secretaries on substitute manner. Even the Federations are not managed by professionals, which has affected their working to a great extent. Since the pay and other service conditions offered by the Federations are unremunerative and discriminatory, the industrial relations are deteriorating. Also, the inefficient control by the Board of Directors has encouraged the employees to misappropriate funds in some societies, including the Federations. Besides, even the members are also not showing much interest in the affairs of their societies, and as revealed in the case of sample units, the level of member participation in the General Body meetings is quite discouraging. However, even in this otherwise gloomy situation, there are a few shining examples of fisheries co-operatives which are efficiently managed and hence could be adopted as models by others in the State. These societies, namely Gangolli Fishermen's Co-operative

Society, Malpe Fishermen and Fisherwomen Co-operative Societies and Purse seine Boat Fisheries Co-operative Society, have not only extended better services to their members, but also maintained credibility of the members on account of their sincere work.

15. The poor performance of the fisheries co-operatives is attributed also to the defective policy and faulty implementation of the programmes by the Government. As a result, the working of these societies has not improved, despite the increase in the financial allocations for their development under the State Five Year Plans. The major shortcomings of the policy of the Government, regarding the fisheries co-operatives are as follows:

- (i) The Government policy has failed to evolve a sound organizational structure for fisheries co-operatives, and the result of this has already been pointed out. Besides, while registering the fisheries co-operatives as attention has not been paid to clearly demarcate the boundaries there has been the overlapping of jurisdiction.
- (ii) Absence of coordination between the Co-operation Department and Fisheries Department resulted in the dual control of the fisheries co-operatives. Further,

the vesting of responsibility for collection of statistical data on fisheries co-operatives with the Co-operation Department, whose contact with these societies is restricted to only certain organizational matters, has affected the data base and has reduced its accuracy.

(iii) The fisheries co-operatives and the Federations are sidelined after the establishment of Fisheries Development Corporation (KFDC) in the State. Although the role of State owned KFDC is limited to areas not covered by the fisheries co-operatives, the co-operation is competing with the latter by opening purchase centres in areas covered by the societies. However, given the commendable work done by the KFDC in organising the fisheries activities and the financial and technical resources at its command, the Corporation could be made to serve the fisheries co-operatives by suitably modifying its activities.

(iv) The delay in the conduct of audit has hampered timely detection of frauds and other irregularities in the fisheries co-operatives. Further, the delay has caused inconvenience to the societies and members as they have to wait for the completion of audit before they can distribute the surplus. However, the audited accounts

of the fisheries co-operatives need not be accurate as the secretaries who keep the accounts and the auditors who conduct the audits are not professionals. Besides, the delay in finalising the accounts by fisheries co-operatives is also largely attributed to the delay in the conduct of audit.

- (v) Lack of rationale is also seen in the flow of Government funds to the fisheries co-operatives as the large societies received the lion's share in all forms of assistance, namely share capital, loans and subsidies. The small societies are completely sidelined in the subsidy scheme of the Government. This has reduced the status of the small societies to mere fair price shops and hence they are denied the opportunity to improve the economic welfare of their members.

16. The fisherwomen co-operatives have also not succeeded in realising the objectives of their establishment particularly due to the lack of Government support in the form of preferential treatment and due to their inability to take up welfare activities which would have changed the entire socio-economic and cultural life of the entire fishing village. Besides, because of the lack of trained staff and

dedicated leadership these societies have failed in practicing the principles of co-operation effectively. Added to these, the socio-cultural taboos which make the active participation of womenfolk in any organization very difficult. Yet, since the nature of the occupation is very conducive for the success of the fisheries co-operatives, the fisherwomen societies could be converted into successful ventures if led by dynamic personalities.

Thus, the above findings prove all three made in the first chapter on the uneven progress in the development of fisheries co-operatives in the country. On the poor performance of these societies and on the policies of the Government which hamper the co-operative fisheries movement in the State. The fisheries co-operatives, at all levels, are losing their significance in the fishery economic system as they are incapable of controlling either the production or the sales. However, fisheries co-operatives are not solely responsible for their failure, which is amply clear from the above findings. Hence, one need not lose faith in the effectiveness of co-operative organization for bringing about fisheries development in the State. Infact, if appropriate changes are introduced in their organization and necessary flexibility is ensured in their working, the

fisheries co-operatives still play a useful role in promoting the welfare of fishermen. The changes to be introduced are mentioned under 'general' and 'specific suggestions'.

6.3 General Suggestions:

Based on the findings of the present study and the interactions the researcher had with fishermen members the persons managing the societies, and the officials of concerned Government Departments, the following suggestions are offered to improve the working of fisheries co-operatives in the country in general and those in Karnataka in particular.

1. Despite the present not so happy status of the fisheries co-operative movement, attempts should not be made to discourage it, as no other forms of organizations can serve the interests of the fishermen. Instead, to improve the performance of the fisheries co-operatives, the Government should increase allocations under the Plans for fisheries development. However, the benefits of the welfare schemes should be confined to only those covered by the fisheries co-operatives so that this could act as an incentive for fishermen in the unorganised sector to join/form co-operatives. Also, the Government should confine its

assistance for modernization of the traditional small scale fisheries, to providing only subsidy and let the societies/members raise the loan component from the Commercial banks. (to whom NABARD is providing refinance assistance for these purposes). Such a step would help in extending assistance to a large number of fisheries societies than is possible under present arrangement.

2. In order to strengthen the organization of fisheries co-operatives, there should be more active participation by the Government in the share capital of these societies. The Central Government should provide adequate funds to the National co-operative Development Corporation to enable the latter to provide loans to the State Governments to contribute to the share capital of these societies. Further, the process of building the fisheries co-operative structure has to be completed quickly by establishing Apex Federations in all States and then by linking the primary societies with Central Federations and the Central Federations with the Apex Federations. This should be followed up with establishing effective functional linkages between these tiers. The Central Federations should take up the responsibility of marketing the produce of the primaries and the Apex Federations should provide technical assistance

and market infrastructure to the primaries through the Central Federations.

3. Besides, as recommended by the Study of the Council for Social Development (1984), the Apex Federations should provide liaison between the the fisheries co-operatives and other agencies involved in the fishery development, including the Department of Fisheries. The Apex Federations, in consultation with the Department of Fisheries, should frame policies and provide policy guidance to the structure below. They should also provide technical guidance in matters like culturing of fish, establishment of cold storages, freezing facilities, boat building and repairing facilities.

4. The FISH COPPED should expand its activities in order to attain the objectives of coordination and promotion of fishing industry in the country. In order to do it, it should undertake activities like interstate trade, supply of fishing requisites, manufacturing of fishing vessels, processing, storage and transportation of fish, training and education, consultancy work, advancement of loans etc. Further, the FISHCOPPED and the Apex Federations, with Corporations should make efforts to explore foreign markets

and both of them could also coordinate their efforts in this regard. For this, suitable amendments have to be inserted into the Bye-laws of these organizations providing adequate flexibility to the Management to enter into negotiations with the importers.

5. Steps should be taken to diversify exports from the country. At present, shrimp is the major export item among the marine products. Since, the fisheries co-operatives and the Federations have not entered into the field of shrimp production, they could not contribute much to the foreign exchange earnings. Hence the fisheries co-operatives should divert their attention towards the production of shrimp which would change the financial structure of them ultimately, by increasing the surplus. The Corporations should provide the necessary expertise to the fisheries institutions in shrimp production and exports. Besides, the Corporations should procure marine products for exports only from fisheries co-operatives.

6. The fisheries co-operatives should own and operate their own boats by using the NABARD scheme. Though the fisheries co-operatives/Federations who have utilised to ARC scheme of provision of mechanised boats to their members, face the

problem of recovery and huge amount remains still as overdue, it is necessary on the part of all fisheries co-operatives, basically becoming production units. Then only the urgency of creation of marketing infrastructure arises.

7. The primary fisheries co-operatives should be multi-functional in their character and they should integrate all the services required by the fishermen. The State Governments should not encourage the organization of separate societies for specialised functions like boat building, boat repairing, marketing etc.

8. The fishing rights are to be provided only to the members of fisheries co-operatives. And also, a minimum amount of production of fish and sale through the society should be made compulsory to all members. Besides, financial allocations for the development of the fishermen should be channeled only through the fisheries co-operatives.

6.4 Specific Suggestions:

It has been pointed out earlier that the fisheries co-operatives in Karnataka State are structurally weak. Therefore, there is an urgent need for the reorganization and revitalisation of the entire system, so that these co-

operatives could function effectively on viable lines, Hence, apart from the above suggestions, in order to improve the working of these co-operatives in the State, the following specific suggestions are offered.

6.4.1 Organizational Changes: Considering the weak organizational structure of the fisheries co-operatives in the State, the following suggestions are offered to improve the structure.

(i) The fisheries co-operatives should cover the entire actual fishermen living in their operational areas. For that, the membership of the fisheries co-operatives should be made compulsory by the Government to issue fishing rights and provide assistance to the fishermen under any of its schemes.

(ii) As recommended by the Study Group (1964), normally there should be one society for one village with a membership ranging between 100 and 150 working fishermen. However, considering the overcrowd in the fisheries co-operatives of the State, it is necessary to establish one society per 100 to 150 actual fishermen. Or else, the size of the existing societies should be enlarged with sufficient working capital, so that they can effectively cover all the members.

(iii) A comprehensive survey of all the fisheries co-operatives of both the marine Districts of the State should be carried out and the reasons for the dormancy should be found out. If the dormancy is due to decrease in the number of actual fishermen (because of the movement of fishermen to other vocations involving higher returns), no attempt should be made to revive the society in the area, and such societies should be either liquidated or converted to any other type of co-operative, which could be of some help to fishermen in that area. Because, any attempt to revive such co-operative or amalgamate them with any other working fisheries co-operatives would not only result in wastage of resources, but also would create unnecessary problems for even the genuine co-operatives.

(iv) While organising/reorganizing the fisheries co-operatives, it is essential to ensure that their area of operation does not overlap. The cases of dual membership should be identified and the members should be given the option to retain the membership of any one society of their choice.

(v) Inorder to avoid vested interests from misusing the benefits meant for fishermen, provisions have to be introduced in the bye-laws of fisheries co-operatives, barring members other than actual fishermen from

voting/contesting the elections. Further, conditions prescribing minimum production for the co-operative for a certain number of years has to imposed on members, for becoming eligible to receive the benefits under the Government schemes, and other services provided by the co-operatives.

(vi) Separate fisherwomen societies should be set up in the areas where fisheries co-operatives are existing and there should be horizontal integration between them. The activities of the former should be concentrated more on education and extension services.

(vii) As recommended by the Study Group (1964), individual members should not be allowed in the Federations. Besides, the Federations should not overlap the areas covered by primary fisheries co-operatives. They should act as an integrating agency of all activities of the fisheries co-operatives at District level.

(viii) Apex Fish Marketing Federation should be established at the State level, which integrates all the activities of the Federations. It should, in collaboration with the FISHCOPFED make efforts to establish interstate trade relationship and to explore foreign markets.

6.4.2 Changes in the capital base: The following are the suggestions offered to improve the weak capital base of the fisheries co-operatives in Karnataka.

(i) The fisheries co-operatives, in order to increase their resources, should build up their own capital, by raising sufficient share capital by the members. This will have double effect, in the form of better control of members by the societies and better involvement of the members in the affairs of the co-operatives. The societies which are running on profits could do this by deducting a certain amount of the dividends payable to the members and crediting the same to their respective share capital account.

(ii) The co-operatives should encourage the members to save by attracting them through providing incentives to them who save more than a fixed amount for this purpose. Besides, the members are to be encouraged to invest more in fixed deposits which can be utilised by the co-operatives for asset building purpose.

(iii) The DCC Banks should involve themselves in fisheries finance in a more active manner. For this, the various difficulties existing in the field are to be removed.

(iv) The NABARD and NCDC should provide more liberal finance to the fisheries co-operatives through the State Government. Since majority of the fisheries co-operatives do not know

the financial facilities available under NABARD/NCDC schemes there is need for educating them about the modalities of these schemes. In this regard, the co-operative Training College should organise short term training courses with the assistance of NABARD, NCDC and FISHCOPFED.

(v) To recover the outstanding and overdue loans, strict measures are to be taken by the co-operatives. Such defaulters should be barred from getting any benefits provided by the co-operatives in future. The Government should not make promises like writing off co-operative loans which is against to the principles of Co-operation.

(vi) To solve the recovery problem in future, the credit should be strictly linked with marketing. As recommended by the Study Group (1964), the members should be under obligation to sell their entire catch of fish through the society and the society should handle the catch on an agency basis.

(vii) All the financial assistance to the fisheries co-operatives should be routed through the Federations. In turn, the primaries should sell the produce of their members through the Federations.

6.4.3 Marketing infrastructure: Reluctance of the fishermen to sell their produce through the co-operatives, and the

failure of the fisheries co-operatives to link the advances with marketing are the major problems in reducing/eliminating the middlemen. Unless the fisheries co-operatives take up integrated development of fisheries through production, marketing, processing, freezing, canning, transportation etc., it is not possible to free the fishermen from the clutches of the middlemen. To improve the situation, following suggestions are offered

(i) The fisheries co-operatives should provide the marketing infrastructure like processing, storing, freezing, canning, curing and transporting the produce of their members, by establishing a vertical integration with the Federations. For the financial requirements and for the creation of infrastructure, the fisheries co-operatives should make use of the NCDC scheme to the fullest extent.

(ii) The fisheries co-operatives should basically become production societies by owning necessary equipments for fishing and making available such materials to the members on hire by making use of the NABARD scheme. Besides, the fisheries co-operatives should concentrate on prawn culturing in the brackish waters, and salt manufacturing. Thus manufactured salt should be supplied to the fisherwomen co-operatives at concessional rates for fish curing. As recommended by the Study Group (1964) a minimum scale of

production and sales operations must be recognised below which a co-operatives will be uneconomic.

(iii) The Federations should own necessary freezing plants, insulated vans, cold storages etc., for storing and transportation of fish from production point to consumption point. Besides, as recommended by the Workshop on Revitalization of Fishermen Co-operatives (1984), the Federations should fix the suitable 'fish route' selecting a cluster of villages with fisheries co-operatives. For its fish route, exact timings should be also fixed for its different landing centres. Thus, the Federations should take the responsibility of accepting the entire fish catches pooled by the primaries and arrange for its marketing at the most remunerative price to the fishermen.

(iv) The fisheries co-operatives should be capable of selling all the fisheries requisites required by their members at subsidised rates. As recommended by the Workshop on Revitalisation of Fisheries Co-operatives (1984), the Federations should undertake the joint purchases of fishing equipments and other inputs that are required by its member societies and distribute them through fisheries co-operatives on consignment basis.

(v) The fisheries co-operatives should be succeeded in retaining their credibility which is one of the ways to make

their members to sell the catches of the latter through the societies. Infact, it is the officialdom of the Government officers and dishonesty of the fishermen leaders in the past which have deprived the fishermen of their faith in the co-operative deal. The officials and leaders should develop cordial relationship with the highly ignorant, ill-disciplined and superstitious fishermen and should organise fisheries co-operatives with enlightened membership, by providing education on the principles of co-operation to the members.

(vi) To break the dominance of the private traders/moneylenders in the fishing industry, the fisheries co-operatives should pay advance price to the fishermen. Advance payments at the right time without any official procedures, is the main attraction to the fishermen. Besides, the fishermen are traditionally, socially and economically indebted to the money lenders/traders and it requires lot of effort on the part of the fishermen to break this relationship. The dominance of the private traders can be reduced only when there is the existence of sincere fishermen and trustworthy co-operators and when the fisheries co-operatives could provide all the necessary services to the members.

6.4.4. Managerial reforms: Due to bad management, the fisheries co-operative system is very weak in the State. Following suggestions are offered for improvement.

(i) Strict provision should be made to enroll only the genuine fishermen as the members of the fisheries co-operatives by laying down rules and they should sell all their fish catches through the societies. The Government should help the fisheries co-operatives by evolving methods to eliminate non-active fishermen, middlemen and the traders from the membership of these societies.

(ii) Equal representation should be given to all the castes in the Board of Directors of the fisheries co-operatives and the quota should be filled in a democratic manner. As recommended by the FISHCOPFED (1988) the Government should amend its Act to provide for joint membership of husband and wife with a single vote, in order to encourage the fisherwomen to become fullfledged members of fisheries co-operatives.

(iii) The Board of Directors should closely supervise the activities of the societies in order to recover the loans in time and to avoid the opportunities of misappropriations. Since, the Directors are also not educated on the principles of co-operation, short term training courses should be arranged for them in co-operative education, which will make them dedicated leaders.

(iv) The members of the fisheries co-operatives should be made to participate in the General Body meetings of the societies by making such meetings more attractive. General Body meetings should be arranged like festivals with cultural programmes. The funds for such programmes should be collected from ample donations of fishermen members and philanthropists. Moreover, General Body meetings should be conveyed only on most convenient day to the fishermen, particularly in off season.

(v) The employees of the fisheries co-operatives should be made efficient to run the business through proper education and training. Provisions should be made to appoint full time, fully paid, qualified secretary who knows proper maintenance of records, in all the fisheries co-operatives. Besides, sufficient staff should be appointed to take up integrated fisheries activities in each society.

6.4.5 The Government and the fisheries co-operatives:

Defective planning and faulty implementation of the policies of the Government have adversely affected the working of the fisheries co-operatives in the State. As such, following suggestions are offered to improve the system:

(i) Inorder to implement the fisheries development programmes in the State successfully, the Government has to

remove the dual control over fisheries co-operatives existing at present. Secondly, there is a very urgent need to maintain reliable and accurate data about the fishery industry in general and fisheries co-operatives in particular, in the State. The responsibility for collecting and maintaining data on fisheries co-operatives should be vested with the Fisheries Directorate, as this would increase the reliability of figures and also make the process of collection of data more easy, as the officials in the Directorate will have its regular contact with these societies.

(ii) The KFDC should change its way of functioning. Since an Apex Federation is not in existence at present in the State, the KFDC, with its strong organizational and financial base, should act as the Apex body to the primary fisheries co-operatives by providing them marketing support. Besides, the KFDC should provide technical guidance and services of professional managers to the fisheries co-operatives. If any problem arises in the working of this arrangement, the Government may nominate representatives of fisheries co-operatives on the Board of Management of the Corporation. Ultimately, the KFDC should convert itself as a full fledged Cooperative Federation of fisheries co-operatives in the State.

(iii) Since the KFDC is suffering from loss, it should diversify its functions. It should concentrate more on mariculture and fresh water fish culture in order to create employment and meet the excess demand for fresh fish. Since the marine fisheries is over commercialised with the private traders, it should divert its potential towards the development of inland fisheries in the State.

(iv) The Government should make arrangements for the systematic flow of its funds to the fisheries co-operatives. Particularly in providing subsidy, the Government should show preference to small societies. Besides, it should provide subsidy in time. As the subsidy has not been paid on fishery requisites since several years, fisheries co-operatives failed to compete with the private traders and as such lost the business to the latter. Hence, there is the necessity to revive the requisite subsidy scheme at the earliest.

(v) Arrangements should be made for the timely conduct of audit in all fisheries co-operatives. Also, professional auditors should be appointed for this purpose. Further, strict legal actions should be taken against the cases of misappropriation both in the primaries and in the Federations.

(vi) In order to protect the interest of the small fishermen, the Government should impose a ban on trawl fishing. As seen already such a ban on trawl fishing is imposed in Norway well before 1952 and in Philippines in 1976.

(vii) Preferential treatment should be given to fisherwomen societies in providing the Governmental assistance in the form of share capital participation loans and subsidies. Efforts should be made to set up such societies in all landing centres. Besides, the Government should assist them in processing large curing yards, storages and ice-plants.

(viii) The Government should implement Fisherwomen Extension Service in the State through fisherwomen co-operatives. An attempt should also be made to provide all welfare services through such societies, as has been done in Tamilnadu.

(ix) Extensive publicity should be given to good working societies in the State, like Gangolli, Pure-seine Boat and Malpe societies, so that they act as models to other fisheries co-operatives. Study tours for the members and office bearers of the fisheries co-operatives to such model societies should be arranged which will help the former to adopt the unique practices followed in the model societies, in their own co-operatives. Further, mass media like radio and television should be used and video films should be arranged to educate the fishermen about the advantages of

forming/joining co-operatives and about the various schemes that are being implemented for the benefits of fishermen by the Government.

(x) The Government should ensure that the fisheries mechanization programme takes place only through the fisheries co-operatives/Federations. Besides, the Government should prepare a masterplan for each contiguous area so that fisheries co-operatives could be organized and operated on a viable basis. It is necessary for, the fisheries co-operatives will succeed only when they cater to major socio-economic needs of the fishermen community.

(xi) The Government, with the assistance of the All Karnataka Fishermen's Parishad, should try to reduce the caste orientation of the fisheries co-operatives. The Government has considered the Mogers as SCs, Bovis as STs and other fishermen castes (excluding Muslims and Christians) as backwards in its policy implementation. However, due to the efforts of the Parishad intercaste marriages are taking place among the different castes and slowly the caste structure is eroding. Even then, by considering their socio-economic backwardness and tribal character, the entire fishermen community of the State should be treated as STs (including the Muslims and Christians) and job reservations should be provided to them accordingly.

6.5 Conclusions of the Study:

The fisheries co-operatives are established with high ideals in the State. This study has revealed several deficiencies and drawbacks in the functioning of the fisheries co-operatives. In the course of Study it is amply proved that the fisheries co-operatives movement has not succeeded in achieving its, objectives, in the State. Of course, there are a few instances of successful working fisheries co-operatives with sufficient net profits. At the same time, it is also true that there are several cases of complete or partial failures. This study has highlighted circumstances under which the fisheries co-operatives succeed and under which they can meet failure. Another important finding of the Study is that the fisheries co-operatives have helped the fishermen/fisherwomen only marginally. The Government's intention to help weaker sections of the society has met only with partial success. It should be acknowledged through this study that the fisheries co-operative movement in the state is only at an infant stage with many teething troubles. Only a concerted effort on the part of the Government, co-operative leaders, fishermen and fisherwomen can help the movement to become strong. Suggestions offered in this Study, if implemented with earnestness, can assist the process of making the fisheries co-operatives economically viable.

6.6 Areas of Further Research:

It is hoped that the suggestions founded on a through study and analysis of the working of fisheries co-operatives are given due consideration by the Government and this Study would stimulate further research on various other aspects of fisheries co-operatives. Based on the experience of present Study, several areas having sufficient scope for further research are identified. These include the working of inland fisheries co-operatives in the State with separate treatments to tank, reservoir and riverine societies; the management aspect of the fisheries societies; relationship among the members and between the co-operative and the members; impact of the benefits provided by fisheries co-operatives on the beneficiaries; the financial structure of the fisheries co-operatives and the relationship between the fisheries co-operatives and the Government. It is hoped that these areas will be exploited by the researchers in near future.