

CHAPTER - 8

CONCLUSION AND FINDINGS OF THE STUDY WITH POLICY IMPLICATION

8.1 Introduction

Objective of this study is to make a study of economic condition of fishermen families of rural area of Gujarat State. This study is done with special reference to Saurashtra region.

The entire thesis is divided into eight chapters. The first chapter is an introduction chapter. In this chapter nature of problem, objectives of the study and hypothesis for testing are given. An outline of research methodology, method of data collection and method of analysis are also contents of this chapter. The second chapter provides economic details of Saurashtra region. Third chapter provides a bird's eye view of development of fisheries in India and in Gujarat. The fourth chapter discusses nature and pattern of employment with income. In fifth chapter consumption is viewed from different aspects. The sixth chapter provides saving and investment made by fishermen community. And seventh chapter discusses volume and pattern of borrowings. The eighth chapter concludes with conclusions and findings of the

study. In the eighth chapter (in this chapter) conclusions and findings with some policy implications are given. Moreover results of testing of hypothesis are also a part of this chapter.

8.2 Findings of the Study

Under this section details regarding findings of our study are presented. First of all findings regarding demographic characteristics are given. Our findings are pertaining to Saurashtra region.

(i) Demographic Findings :

(a) Average size of family is found around five.

(b) Numbers of male is found higher than that of female members.

(c) It is found that person above sixty years is very rare. It shows that in this community longevity is low.

(d) It is found that number of uneducated person is very high. Whatever the education is taken by this community is up to the primary level.

(e) It is our finding that in the year 1984-85 maximum boats are purchased.

(f) Numbers of mechanized boat is higher than that of non-mechanized boat.

(g) A boat with 8 meter length is more popular among other size of boats.

(h) Hired fishermen workers are found more in tandel category.

(i) Number of non-earning members is higher than that of earning members.

(j) Nylon net is the most popular as compared to other types of nets.

(k) In Saurashtra average number of fishing days in a month is estimated around 16 days. It shows that they are not fully employed. The highest working days are found in month of January.

(l) The highest fish collection is observed in month of January and March.

(m) Expenditure on fishing net is the highest as compared to other components of cost.

(n) Per-household and per-capita net income is found the highest among independent category.

(ii) Findings Regarding Consumption :

(a) It is observed that total expenditure made by independent category of fishermen's community is the highest in the Saurashtra region. The same picture is

obtained in each district of Saurashtra region. As compared to independent and partnership category volume of consumption is lower than that of service and labour class category.

(b) It is our conclusion that level of per-household and per-capita consumption is very much lower. As far as per-capita consumption is concerned labour class families are lagging behind very far. Our findings based on primary data collected by us, indicate that labour class category is a poor class among poor community.

(c) About 58 % of the total consumption expenditure is made after food and other edible items. This is also one of the characteristics of poor class community.

(d) Consumption pattern is found even in all the categories of all the districts, but volume of consumption differs.

(e) Propensity to consume is found the highest among partnership category of Saurashtra region followed by independent category. As compared to all districts of Saurashtra propensity to consume of partnership category of Jamnagar district is found the highest. While the lowest is observed in case of service class category of Amreli district.

(iii) Findings Regarding Ownership of House :

(a) It is observed that about 85 % of the total respondents of the region are having their own house. Independent category families are in a better position in this regard. Service class and labour class families are comparatively in a inferior situation.

(b) As far as material of wall, roof and floor is concerned there is no much difference among them. However independent category is in a somewhat better position.

(c) Most of the families are having drinking water facilities from community wells. Tap water is a rare commodity for them.

(d) About 58 % of the total respondents are having electric facility.

(e) Only 10 % of the total respondents are having facility of latrine.

(f) Chairs, table, radio, cycle and clocks are rare commodity for them and these facilities are enjoyed by independent and partnership category only.

(iv) Findings Regarding Investment :

(a) It is observed by us that investment is done by only two categories i.e. independent and partnership category.

(b) The highest investment in Saurashtra is done after purchase and repairs of nets followed by boats.

(c) Per-household investment is found the highest in Amreli district.

(d) Per-capita investment is found the highest in *Amreli* district.

(v) Findings Regarding Borrowings :

(a) It is observed that all the fishermen categories household require borrowings.

(b) Volume of borrowing is found the highest in case of independent category and the lowest in service class category.

(c) Independent and partnership category of household prefer loans from merchants i.e. loans from private sector.

(d) Contribution of the government regarding finance to the fisheries sector is very negligible.

(e) Next to merchant, banks are sound source of borrowings for this community.

(f) Labour class family prefers loans from friends and relatives. This is also a private source of finance.

(g) Co-operative societies provide loans to this community. Major part of finance of Co-operative society goes to independent category.

(h) Friend and relative is also one of the source of finance for each category. However volume and significance of these sources varies from category to category.

(i) Per-capita borrowings was found the highest in independent category followed by partnership category.

(j) Per-capita borrowing is found the highest in independent category of Amreli district and the lowest is observed in case of service class category of Junagadh district.

(k) Per-household investment was found the highest in independent category of Amreli district and the lowest in service class category of Junagadh district.

(l) As far as per-household borrowings are concerned in Saurashtra region independent category is on the top and the service class category at the bottom.

8.3 Testing of Hypothesis

In this study we have decided to test twelve hypothesis. The result of testing of hypothesis are given below.

(I) Our first hypothesis is relating to efficiency of mechanized and non-mechanized boats. Our hypothesis is "The fishermen of mechanized boat is able to catch bulk of fishes than that of fishermen of non-mechanized boat".

Looking to the data collected by us, we accept the hypothesis.

(II) Our second hypothesis is "There are uneven distribution of income among different allied fishing activities".

Our data compels us to accept this hypothesis.

(III) Our third hypothesis is, "There is uneven distribution of income among owner of mechanized and non-mechanized boat".

We accept this hypothesis.

(IV) Our fourth hypothesis is, "On account of mechanization of fishing boat employment opportunities have been increased".

On basis of information received by us during our survey work, we accept this hypothesis.

(V) Our fifth hypothesis is, "Catchment have been increased on account of mechanization of boat as compared to the catchment area of non-mechanized boat".

We accept this hypothesis.

(VI) Wording of our sixth hypothesis is, "Labour class fishermen family is unable to meet their minimum consumption level". We accept this hypothesis.

(VII) As there is not an exclusive class of business community, we have collected data from different active fishermen families. Generally middlemen provide market services between fishermen and big businessmen who live generally in a nearby big town hence we cannot test this hypothesis. During our survey work we do not find a single family who depends on a businessman.

(VIII) Our eighth hypothesis is, "On account of institutional finance facilities the level of investment is increased". On basis of our primary data we reject the hypothesis.

(IX) Our ninth hypothesis is, "The owner of non-mechanized boat is not able to get institutional finance. In absence of institutional finance private section is the only source of finance". We reject this hypothesis.

(X) Our tenth hypothesis is, "There is a wide gap in level of consumption among different categories of fishermen families". On basis of our collected data we accept this hypothesis.

(XI) Our eleventh hypothesis is this, "There is also a gap in level of consumption among families of mechanized boat owner and non-mechanized boat owner". On account of non-availability of such analysis we are not in a position to test this hypothesis.

8.4 Suggestions

One of the objectives of this thesis is to give some suggestions for the development of fishermen's community and fishing industry. During our survey work we had numbers of discussions with adult family members, heads of the community of different villages and government officers of this department. On account of these discussions, a serious study of literature on the subject and outcome of our data analysis we are in a position to give suggestions for development of this industry and community. Our suggestions are given below.

(i) We have come to know from our respondents that the process of a bank loan is very complicative and takes long time for it. Government must adopt a simple and quick procedure of loan. On account of complicated process many of the fishermen do not wish to take loan. Because they dislikes such cumbers long process. On account of such system numbers of mediaters are found who work as an agent between bank and fishermen. They charge about Rs. 5000 to 10,000 for their services. If process of loan is simplified more people will take advantage of it and there will be no middleman. In absence of simple loan procedure most of the fishermen take loans from private agencies. They charge higher interest and pur such terms and conditions which are always in against of fishermen.

(ii) We have come to know from our respondents that for a simple, non-mechanized wooden boat maximum limit of loan is only Rs. 9,000. While in open market price of such boat is around Rs. 50,000. It shows that only 18 % of the total expenditure is covered by loan and around 82 % of the total expenditure is on fisherman's pocket. This amount is too high. Not only but this minor contribution is received by a fisherman after a long cumbers process with a help of an agent. Hence they do not go for loan and they take money from private sector in which exploitation is a common practice. To remove this situation government must increase ceiling of loan.

(iii) Recently in Saurashtra region ship breaking industry is developed at village Alang (Dist. Bhavnagar) and Sachana (Dist. Jamnagar). In these villages big ships are demolished. With each big ship small mechanized fibre boats are also found and these boats are put in the market for sale by the ship breaker. These boats are considered second hand one hence government or banks do not give loan to purchase it. According to fishermen's opinion these boats are very good and useful also. Not only but they are available at a low price too. If loans are available to purchase such boats fishermen are benefitted from two base i.e. they get good vessels and at a lower price. On account of taboó on loans for such vessels, they try to get loan from private sector.

(iv) Banks and governments give loans to purchase and to repair nets. According to fisherman the amount of loan is too small to purchase it. For example only Rs. 2000 are provided as a loan to purchase a new net. While the price of a new net is around Rs. 10,000. It indicates that only 20 % of the expenditure is covered by institutional credit. On account of such situation fishermen are not in a position to take advantage of institutional credit facilities.

It is their experience that price of boat and net increased regularly but amount of loan does not increase. Government must adopt a permanent formula to increase amount of loan according to price rise.

(v) Government and banks provide credit to purchase new nets but they do not give loans to purchase thread and other necessary items. The expenditure of thread and other items is significantly high. Hence they have to purchase all these items from the market from their own sources and we know that their main source of credit is the private sector.

(vi) Fish is a very perishable item. During transport period they have to take special care to preserve them. In absence of refrigerated van they have to keep fish with ice. This way requirement of ice is very essential. But

it is our observation that in most of the fishing centres ice factories are not established. Hence they have to bring ice from neighbouring urban cities. Hence preservation cost increases. This situation is observed in most of rural area and cross road villages. Fishermen of rural area face this problem since very very long period. To solve this problem government must encourage a co-operative mini ice-plant between a cluster of village. However the best solution of this problem is to provide loans for refrigerated transport services.

(vii) Most of the fishermen families are facing problem of proper storage facilities. We know that fish is a very perishable item. They bring fish from the sea and make heaps of fish on sea shore and wait for transport and packing material. On account of any reason they do not get transport, ice and salt in time, they do not save their production. To solve this problem government should establish a small storage facility in each fishing village on a co-operative base.

(viii) We have come to know from their discussion that they have to sale out their product within the village to a local merchant. In village numbers of salers are larger than buyers. In most of the villages there is only one (or two) buyer is found. It creates monopoly of buyers. It is a case of imperfect market mechanism. During our

survey work we observed that in most of the fishing villages about 100 % families are engaged in this activities. They sit in the market with a small heap of their production. In such case each family is a merchant without any customer. They know and understand this situation, but inspite of market facilities this is the only way for them. To remove this situation government must develop a common market within a group of villages. To develop such market government should develop infrastructural facilities among these villages and try to make market mechanism efficient. Policy of higher production can be sustained with market efficiency only. Without market facilities higher production cannot be sustained.

(ix) One of the problems of fishermen's communities is low prices of their product. They get low prices on account of imperfect market, lack of storage facilities, limited transport facilities and primitive technology of preservation. Hence the market margin is found very big. One of the reasons is they sale their product without classification. Higher production can be sustained in the situation of high return. Government must protect fishermen against problem of low prices. Just like several agricultural product government must declare minimum support price and must develop a net work to collect their production at a declared price.

(x) It is our observation that fishermen are not having facilities of government extension services. Whatever extension services are developed not functioning in a proper way and it is insufficient too. Government must provide a man in each village as a link between government and this community. In agricultural sector we find a gramsevak in each village working as a link between government and farmers. For the development of fishing sector and the community introduction of new technology is very essential. To provide new technology and market facilities such agency is a very significant hence government must develop such link between fishermen and government.

(xi) We have come to know from the discussion that the fishermen's risk is not covered by any popular and chief insurance schemes. Their business is risky from two view points. One is life of risk and second risk of their production. Most of the fishermen are not covered under group insurance scheme. Because group insurance scheme covers only workers of organized unit. They are illiterate and having inability to develop such institutions. Government, LIC or any separate institute must introduce a scheme to cover their life risk at a minimum premium. Fishermen face problem of risk regarding their production. Government must protect their production under any insurance scheme.

(xii) It is an outcome of our survey that level of education is very low and rate of illiteracy is very high among this community. Adverse impact is observed on them. They are not in a position to read or to write hence they cannot take advantages of government and co-operative facilities. For the development of this community it is very essential to increase level of education and to decline rate of illiteracy by formal and non-formal education system.

(xiii) Government introduce training institute for young fisherman. Our analysis shows that there were only two trained fishermen among 192 selected families. It shows that they are not interested in such training. We had a discussion with them regarding such attitudes. They told us that their economic condition is poor. During training period they get free facilities of lodging and boarding. But in most of the cases trainees are important earning persons. Hence families remain without income during this training period. If government provide stipend during this training period they may get an interest in such training programmes. Training is an instrument to introduce new technology in this sector. Hence we must realise significance of this instrument.

At the end of our study we are in a position to understand their problems. They are from poor economic

class and socially backward class. They are a part of neglected society. The significance of this community from economic view point is too high. There is a wide avenues for development. There is a very high potentiality to promote export market. Our main hurdle in development process is very limited export earnings. Development of this sector will increase volume of export and from increased export we will be in a position to bring capital goods and modern technology from developed countries for our development. This way development of this sector will provide a push to our economy.