

A Field Worker's Diary - Part 20

In Guntur district, Repalle and Nizampatnam mandals were the only coastal mandals that fall under the project area of Andhra Pradesh Rural Poverty Reduction Project (APRPRP). In a district with a coastline of around 75 km, these two mandals have the maximum coastline. In 2004, our team was working with the families of the fishing community and facilitating the formation of Self Help Groups (SHGs) and Village-level Federations with the womenfolk from these fishing families. At that time, we had observed how entrenched the broker system was here.

Even though many of the fisherfolk here have motor boats, the input cost, including diesel, ice boxes and other inputs, makes these people dependent on middlemen for investment. In return, the fishermen have to sell their fish to them at the rates these middlemen decide; these prices were mostly arbitrary and had no relation whatsoever to the market price.

After observing fishermen getting a raw deal for their fish from these middlemen, we decided to hold a meeting with the members of the SHGs and also invited the men from the members' families to it. In the meeting, we calculated the input cost of fishing for each of the members' families and drew up a Micro Credit Plan (MCP) for each group.

We discussed the same with the Village Organization (VO) in a meeting and ensured that each SHG gets low interest loans from the VO's Corpus fund. The idea behind this initiative was to decrease the dependence of fishermen on middlemen for investment. This, we hoped, will result in fishermen directly selling their fish at the market price and increasing their income.

Alas, the outcome of this initiative was not at all what we had expected. The fishermen were taking the loans from the VO, alright, but they were continuing to sell their fish to the middlemen. So, we met them to find out what was the reason behind this and got to know something - These middlemen were not only providing investment for fishing to these people but were also fulfilling all the other credit needs, including small loans for their children's studies, for emergency health expenditure, for weddings, for funerals etc. Therefore, it was imperative for them to maintain good relationships with the middlemen.

We realized a harsh truth that day. Even if the banking systems come within reach of the poor, so long as lending institutions fail to understand poor people's needs comprehensively and provide loans accordingly, these middlemen and brokers will

continue to flourish and it would be near to impossible to connect the market with the poor.

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