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SMALL-SCALE FISHERIES COOPERATIVES -

SOME LESSONS FOR THE FUTURE

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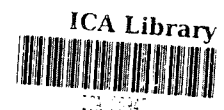
SMALL-SCALE FISHERIES COOPERATIVES -  
SOME LESSONS FOR THE FUTURE

This paper is one of a series prepared by COPAC to encourage discussion of selected issues regarding cooperatives in developing countries. It is based on a report prepared by Mr P J Meynell, Associate Consultant to the Plunkett Foundation for Cooperative Studies, Oxford, UK, which was responsible for its preparation.

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OF AID TO COOPERATIVES

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## COPAC OCCASIONAL PAPERS

From time to time it seems appropriate for COPAC to have discussion papers prepared which call to the attention of organizations and individuals concerned with cooperatives in developing countries certain experiences, conclusions, or even controversies related to cooperative development.

These OCCASIONAL PAPERS are intended to be thoughtful discussion documents which make a reasonable attempt to reflect generalized cooperative experience on the subject considered without claiming or attempting to be exhaustive in the coverage of any particular subject. That is better left to the publishers of books.

The OCCASIONAL PAPERS may be discussions of a particular cooperative subject, summarise the experience reflected in an important evaluation study or discuss some area of cooperative development policy or philosophy. They will attempt to point out ways in which cooperative development can be made more effective and will represent a general consensus among COPAC members but without necessarily representing the official positions of these organizations.

This paper was prepared in anticipation of the FAO World Conference on Fisheries, Rome, June/July 1984. It was meant to encourage consideration of the experience of cooperative organizations, governments, and development agencies in the promotion and organization of cooperatives for fishermen and the fishing industry. It was also meant to review and elaborate the case that cooperatives (acknowledging all their problems) remain one of the few viable group mechanisms around which small scale fisheries can be organized.

The report was prepared for COPAC by the Plunkett Foundation for Cooperative Studies, Oxford, UK, utilising one of their Associate Consultants, Mr P J Meynell. The Plunkett Foundation has had a long history of interest, and a series of earlier publications, dealing with fisheries cooperatives.

The COPAC OCCASIONAL PAPERS are prepared for discussion purposes and do not necessarily represent, in all respects, the views of the COPAC members or the COPAC Secretariat.

## SMALL-SCALE FISHERIES COOPERATIVES - SOME LESSONS FOR THE FUTURE

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## SMALL-SCALE FISHERIES COOPERATIVES - SOME LESSONS FOR THE FUTURE

### 1. INTRODUCTION

Fisheries cooperatives in both developed and developing countries have had one of the most chequered histories of any sector within the cooperative movement. Whilst some countries have had experience of fisheries cooperatives going back some sixty years or more, in the majority of developing countries the main attempts to establish these organizations were concentrated in the late 1950's to 1970's. The response has been very mixed but because failures make more dramatic reading than success, the overall impression which people have, especially fisheries development officers and indeed fishermen, is that "fisheries cooperatives do not work". This is nonsense as can be seen from some of the very real successes. What is perhaps a truer statement is that "fisheries cooperatives have not often been allowed to work". Also it is probably true to say that fisheries cooperatives have worked as well if not better than any other institutional framework for developing artisanal fisheries.

This COPAC occasional paper has been commissioned because of the continued and growing interest in fisheries cooperatives throughout the world. Despite being a somewhat neglected field considered only as an afterthought by Fisheries Departments and Cooperative Departments alike, there is evidence that cooperatives are seen as the most important organizational framework for encouraging the participation of small scale fishermen in the development of their industry. Indeed, at the recent FAO Committee on Fisheries in October 1983, considerable attention was drawn to fisheries cooperatives.

Many delegations mentioned the importance in particular of two areas of concern:

1. The development of small scale fisheries
2. Resource management and environmental control

This meeting also formed the technical part of the World Conference on Fisheries Management and Development. The policy phase of this Conference is to be held in Rome from 27 June to 6 July 1984. COPAC commissioned this paper as their contribution to this conference in order to summarise present experience in fisheries cooperatives and to draw some lessons for their future development.

One of the essential functions of COPAC is to promote assistance to cooperatives in developing countries and the conference will discuss the special role and needs of small scale fisheries and rural fishing communities. Consequently, most of the attention of this paper will be concentrated upon the experience of artisanal and small-scale fishery cooperatives in developing countries. Where appropriate, examples may be taken from fishing cooperatives in more developed situations.

Basically, the paper attempts to answer the following five questions about fishery cooperatives:

1. What are the best sources of information about fishery cooperatives?
2. What are the issues and problems involved in the formation and operation of fishery cooperatives?
3. What has been the experience in dealing with these issues?
4. How do fishery cooperatives compare with other forms of development organizations?
5. What suggestions can be made to improve the performance of fishery cooperatives?

## 2. SOURCES OF INFORMATION

Information about fishery cooperatives is diffuse and dispersed throughout fisheries and cooperative literature. Most books on fisheries development, and specific country reports make mention of the idea of fisheries cooperatives, but rarely amplify these ideas beyond a quantitative account of fishery cooperatives in a country and their relative lack of success. They are treated as a minor part of the fisheries development scene, to be mentioned and then forgotten.

Whilst a full bibliography used in the preparation of this report is appended, it is perhaps worthwhile "pulling-out" a number of the more useful sources. In general terms, the two standard works on fishery cooperatives are the 1971 FAO "Manual on Fishermen's Cooperatives" and the Plunkett Foundation's "The Organization of Fishermen's Cooperatives" written by Margaret Digby in 1973.

More recently, the World Bank has produced two Staff Working Papers on sociocultural aspects of small scale fisheries of which No. 490 by Richard Pollnac "Sociocultural Aspects of Developing Small Scale Fisheries: Delivering Services to the Poor" 1981 deals most directly with the problems and issues of fishermen's cooperatives and groups. Pollnac has also written other critiques of small scale fisheries organizations for FAO and the World Bank.

The International Cooperative Alliance has a Fisheries Committee which meets annually and a Cooperative Fisheries Bulletin is produced by ICA, but material for this is reported to be in short supply. This reflects the overall dearth of information. ICA held the First Open World Conference on Cooperative Fisheries in Tokyo in 1975 and the Japanese Zengyoren (National Federation of Fishery Cooperatives) organizes a regional Fisheries Cooperative Conference for neighbouring Asian countries each year. ICA's quarterly Review of International Cooperation carries occasional articles on fisheries as does the Plunkett Foundation's Year Book of Agricultural Cooperation.

Two other regional conferences have provided a number of interesting papers and case studies of fisheries cooperatives. These were the 19th Indo Pacific Fisheries Commission Symposium on the Development and Management of Small Scale Fisheries, Kyoto (Japan) 1980 and the proceedings of the Conference on the Development of Small Scale Fisheries in the Caribbean Region at Cartagena, Colombia, November 1977.

COPAC in its series of Cooperative Information Notes describes the situation in different countries and usually these carry a section on Fisheries Cooperatives, describing numbers, activities and relative state of development. As a general first overview of fisheries cooperatives in the countries covered they are very useful but often they are the only reference that can be found for that country.

Much of the other country specific information on fisheries cooperatives has been gleaned from FAO and ILO project files and reports. This has been amplified by discussions with appropriate persons in the Fisheries and Cooperative Departments of these organizations. In addition, other organizations such as the World Bank, EEC, ICA, DANIDA, Euro Action Acord, etc., have been contacted. Discussion about the activities and attitudes of aid agencies towards fisheries cooperatives will be dealt with in Section 4.3.

In Appendix I, the sources of descriptions and case studies of specific fisheries cooperatives or national cooperative organizations are given to supplement this report. A number of these were reviewed in preparing this report and the experience they represent was used in arriving at the broad conclusions and generalisations described in later sections. Little attempt, however, was made to use them as anecdotal material in the various sections of the report. Persons wishing to explore the subject of this COPAC occasional paper in more depth will find them to be of considerable interest and use.

### **3. WHAT ARE FISHERIES COOPERATIVES?**

#### **3.1. Basic Definitions**

The term "cooperative" is open to many different interpretations ranging from the simplest group of people who have agreed voluntarily to work together towards achieving a specific objective, through a variety of increasingly more formalised structures to one which is legally constituted according to the cooperative laws of the country. Such organizations too can range from those having a single objective to large multipurpose bodies trading in a commercial manner indistinguishable from a private company except insofar that they are democratically responsible to and controlled by the members.

Within the context of this paper, the term "cooperative" will be used exclusively to mean an organization which is constituted according to and, in practice, follows the Cooperative Laws of the country. Any other groups, associations or organizations may be almost identical in form and in terms of democratic control, but they are not cooperatives in the strictest sense. They may be pre-cooperatives aiming towards eventual registration as a cooperative, or they may be working entirely satisfactorily as independent democratically controlled groups without the need for legal registration. Such groups or associations will be considered in this paper because they represent the spirit of cooperation and the cooperative process at work, but they will not be classified as cooperatives; just because they are not strict cooperatives does not mean that they need in any way be considered as inferior or poorly functioning.

Whilst most countries, both developed and developing, have enacted Cooperative Laws and promote the use of cooperatives to a greater or lesser extent, in some countries the term is not appreciated, but nevertheless other forms of group processes and cooperation exist.

It is considered that there is universality about the cooperative process (COPAC 1983) and that despite statements to the contrary fishermen are not exempt from this universal law. However, what is clear is that the right conditions and objectives have not always been selected for cooperatives (agricultural and fisheries) to succeed, and the existence of cooperative legislation does not automatically guarantee success.

#### **3.2. Cooperative Aims and Objectives**

Before the formation of any cooperative, the aims and objectives of the venture should be clearly recognised. In the context of artisanal fisheries, a fairly low level and marginalised sector of the economy and population, there are usually two or three main aims:

1. To increase the income
2. To improve the standard of living of the fishermen and their colleagues in associated industries
3. To increase the supply of animal protein to the country

The objectives of the cooperative in trying to achieve these aims may be directed at one or more problem areas which have been identified as inhibiting the development of the industry. For instance, the income may be increased by:

1. Reducing input costs
2. Maintaining a regular supply of inputs
3. Adding value to the primary production
4. Reducing exploitative situations by the provision of cheaper credit and other facilities
5. Increased catching efficiency and reduced wastage by technology improvements



6. Increasing the efficiency of operation by education and training
7. Ensuring the sustainability of the activity by resource management

Whilst rises in income may improve the standard of living of the fishermen and their community, this may also be achieved by:

1. Reducing the dependence upon outside groups and organizations
2. Creating a cohesion amongst the interest groups so that they can act together in their own interest economically, socially or politically
3. Providing community services - education, health, etc.
4. Reducing the financial and physical risks for members

The ways and means of achieving these will obviously vary from situation to situation, and it is of utmost importance to the success of the cooperative that the situation is analysed and the needs identified correctly by both members and instigating agency (if any). The next section illustrates some of the areas in which fisheries cooperatives can and have acted in their attempts to improve the lot of their members.

### 3.3. Scope of Fisheries Cooperatives

Fishermen's cooperatives are very varied in nature but their functions will generally represent an attempt to overcome a problem or satisfy a need which has been identified as inhibiting the development of the fishery and hence the well-being of the fishermen. Fishing as a business encompasses many different aspects and many other groups of people besides the fishermen. Thus, whilst they are the essential actors in the production side, other people may be involved in handling, processing and marketing of the fish while still others will provide support services such as boat building, engine repair and maintenance, provision and upkeep of ice manufacture and cold stores, net and gear supply and repair. Even at the simplest subsistence level, fisheries is a complex activity which often requires interaction within the whole community and outside. Figure I (see p. 5) shows the structure of a traditional West Africa small scale fisheries community adapted from Johnson 1983. It illustrates the complexity of the interactions between the different groups and to some extent their mutual dependence for the success of the industry.

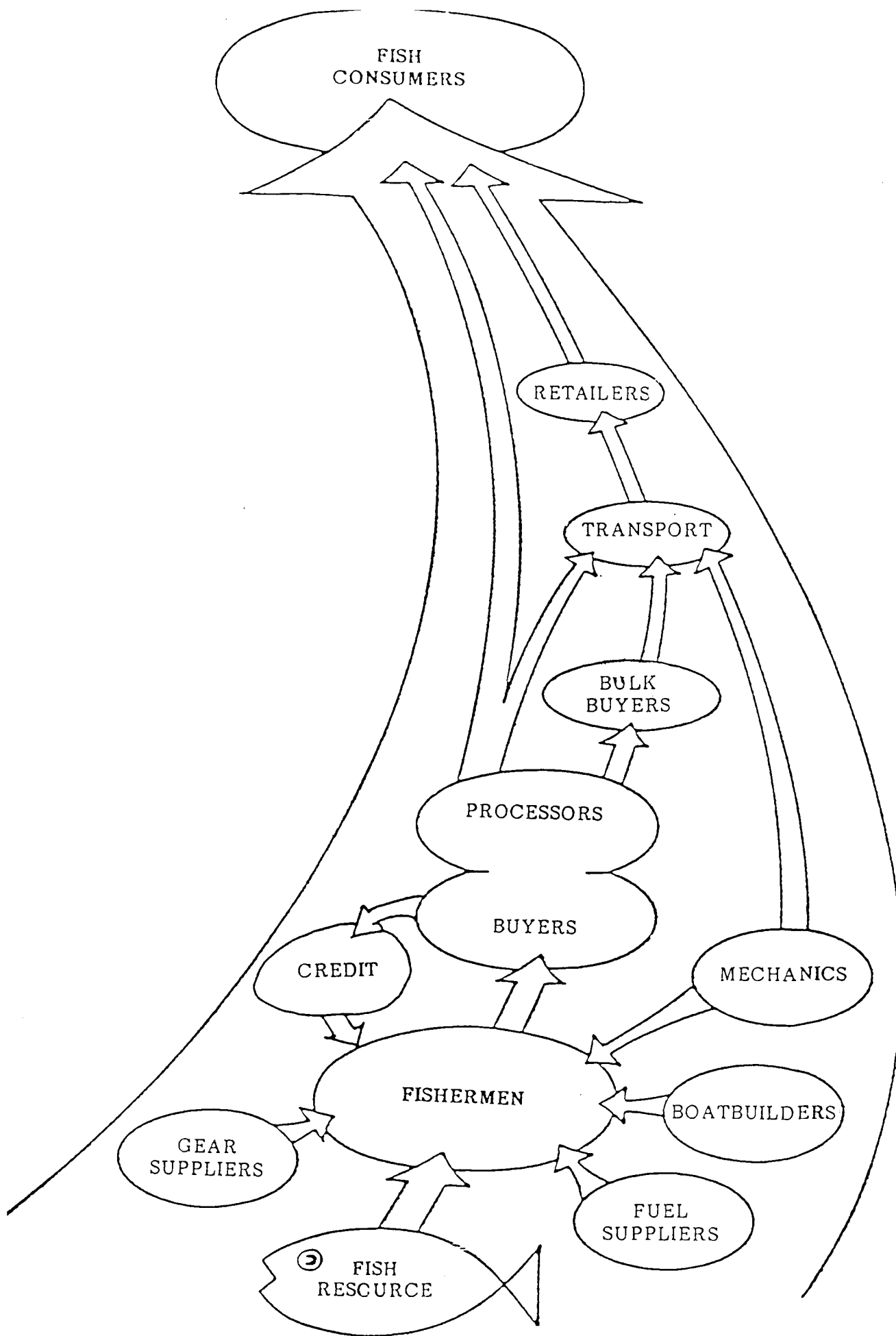
Basically, fisheries activities can be grouped into six main areas:

1. Production
2. Credit, Savings and Insurance
3. Supply and Services
4. Handling and Processing
5. Marketing
6. Social and Community Services

Within these areas can be found specific activities which can be enhanced by cooperative action and a non-exhaustive list is shown in Table 1 (see p. 6). Such a list as this may give the impression of a complex society, but it must be stressed that the activities should be chosen according to the needs of the fishermen. Thus a small group of fishermen may choose only one or two activities to start with, whilst a larger existing cooperative may look to the list for ideas for expansion.

#### 3.3.1. Production

The production sector is perhaps the one in which cooperation is least effective. It is, however, usually the one which gives the definition of membership; thus the most common criterion for members is that they should be active, full-time fishermen, ie. producers.



**FIGURE I:** Structure of a traditional West African small-scale fisheries community (adapted from Johnson 1983).

TABLE 1. FISHING ACTIVITIES WITH A POSSIBLE COOPERATIVE ELEMENT  
(ADAPTED FROM BEN YAMI 1980)

A.	<p><u>PRODUCTION</u></p> <ol style="list-style-type: none"> <li>1. Boat ownership</li> <li>2. Crew catch and participation in share of catch</li> <li>3. Net and gear ownership</li> <li>4. Production information, fishing site search</li> <li>5. Resource management - licensing, policy, control, lobbying, conservation</li> </ol>	<ol style="list-style-type: none"> <li>(c) Fish box rental/purchase</li> <li>(d) Fish seines</li> <li>(e) Running water</li> <li>(f) Ice plant</li> <li>(g) Ice store</li> <li>(h) Fish store - insulated, refrigerated, cold store</li> </ol>
B.	<p><u>CREDIT, SAVINGS AND INSURANCE</u></p> <ol style="list-style-type: none"> <li>1. Credit facilities - Bank, Government, Private</li> <li>2. Saving - Thrift</li> <li>3. Insurance - Boats, gear, catch, life</li> </ol>	<ol style="list-style-type: none"> <li>2. <u>Processing Facilities</u> <ol style="list-style-type: none"> <li>(n) Drying Racks/Kilns</li> <li>(b) Smoking kilns</li> <li>(c) Gutting, filleting, packaging facilities</li> <li>(d) Salting facilities</li> <li>(e) Fish products - marinades and delicacies</li> <li>(f) Cannery</li> <li>(g) Freezing plant</li> <li>(h) Reduction and fish singe facilities</li> <li>(i) Stores for processed products</li> <li>(j) Quality control</li> </ol> </li> </ol>
C.	<p><u>SUPPLY AND SERVICES</u></p> <ol style="list-style-type: none"> <li>1. <u>Inputs</u> <ol style="list-style-type: none"> <li>(a) Boats and engines</li> <li>(b) Nets and gears</li> <li>(c) Imit</li> <li>(d) Fuel</li> <li>(e) Spare parts</li> <li>(f) Ice</li> <li>(g) Food, water, clothing for fishing trips</li> </ol> </li> <li>2. <u>Construction and Repair Facilities</u> <ol style="list-style-type: none"> <li>(a) Boat building</li> <li>(b) Engine workshops - inboard/outboard</li> <li>(c) Net and gear making and repair</li> <li>(d) Fish box construction and repair</li> </ol> </li> </ol>	<ol style="list-style-type: none"> <li>E. <u>MARKETING</u> <ol style="list-style-type: none"> <li>1. Auction/sales facilities</li> <li>2. Market information, Price Control</li> <li>3. Transport - chilled/frozen</li> <li>4. Offsite fish markets</li> <li>5. Retail outlets</li> <li>6. Export marketing - negotiation, organization</li> <li>7. Advertising</li> </ol> </li> <li>F. <u>SOCIAL AND COMMUNITY SERVICES</u> <ol style="list-style-type: none"> <li>1. Education and Training - technical, cooperative, general literacy, vocational training in schools</li> <li>2. Housing</li> <li>3. First aid, pharmacy and medical services</li> <li>4. Roads and community transport</li> <li>5. Consumer goods supplies</li> <li>6. Recreational facilities - canteen, club, meeting place, sports facilities</li> </ol> </li> </ol>
D.	<p><u>HANDLING AND PROCESSING</u></p> <ol style="list-style-type: none"> <li>1. <u>Handling Facilities</u> <ol style="list-style-type: none"> <li>(a) Carrier boat/mother ship service</li> <li>(b) Landing services - jetty, harbour, etc.</li> </ol> </li> </ol>	

Much has been made in the literature of the idea that fishermen are in competition with each other for a scarce and variable resource, an activity which depends upon being at the right place at the right time, often in a free access situation. They will, therefore, not cooperate with each other in the harvesting of this resource and this induces an individualistic approach to all other areas of fisheries. However, even within the production sector cooperation is possible and indeed is seen at the lowest level in the very close working relationship between crew members - if they do not cooperate, both lives and the livelihood of all are put at risk. This is recognised in many fishing traditions in that the crew share the catch with the owner/skipper rather than being paid a wage. This tradition continues even in developed cooperatives, eg. in the UK.

One of the areas in which cooperation has sometimes been sought is in boat ownership. Often membership has been linked to boat ownership and this is one of the major issues discussed in Section 5. The range of boat ownership encountered in cooperatives is from the totally cooperatively owned boats (c.f. a collective form) in which the skipper and crew are employee-members, through various forms of joint ownership to the single owner who may be the skipper or who may even be a non-fishing owner. In practice, joint ownership, unless owned by a strong family unit, can give rise to problems, especially when cooperatively financed loans to purchase the boat are involved. Single ownership is the preferred but by no means the only option and in this fisheries reflect the agricultural cooperative, in that the unit of membership is the access to the means of production - the boat or the land. The most usual role of the cooperative is to facilitate the purchase of the boat, nets and gear for the fishermen members, by loans, etc., rather than to break into the competitive element of catching the fish. To do so would endanger the individual incentives necessary for any enterprise, especially fishing. This emphasises the essential problem of cooperation - how to find areas or activities for cooperation which do not put at risk the individual enterprise but rather facilitate it.

Cooperation between boats and crews is difficult to achieve, although there are instances of traditional group searches for fish, ie. to find the site and depth of the shoals. At a more industrialised level, a cooperative may organize sonar and air survey facilities to increase members' chances of catching the fish, an activity first carried out by Norway and more recently by Korea. Such techniques and services require a strong established cooperative movement with dedicated members.

Another of the areas which offers potential for cooperation in the production sector is that of resource management. This is receiving considerable attention at present as the finiteness of fishery resources is being realised. In some cooperatives, resource management has long been implicit amongst their functions, notably in Japan where the cooperative owns the fishing rights for certain areas of the coastal fishery. Access to these areas can only be obtained through cooperative membership, and the responsibility for the fishing resources and their continuity lies firmly with the cooperative; quotas, policies for resource management and control systems are agreed by the members. In Northern Greece, traditional groups of sponge fishermen realised the importance of conserving the natural resources of their "marine gardens" (Mavrogiannis).

In Japan, this particularly applies to sessile marine species, algae, shell-fish, etc., and is obviously more difficult to apply to fin fish and pelagic species. Similarly, resource management is easier to control in inland fisheries and aquaculture. Because the fishing area can be more closely defined, licences can be issued only to cooperative members, eg. fish tank licences in Bangladesh (Ponnuthurai 1975).

In this area of resource management, not only are the cooperatives a vehicle for more voluntary control of resources, but when organized well they can also form a powerful lobby to represent the fishing industry to government and fisheries departments. This need not be a negative influence, always trying to get more out of a diminishing resource, but can be positive and forward looking. The case in the UK of Dorset fishermen who argued for longer minimum carapace length in lobsters in order to increase

the breeding stock illustrates the responsibility that cooperatives may have in comparison to some private enterprises looking for swift profits (Hamley, personal communication).

It is probable, however, that resource management as an area for cooperative action can only be effective once the cooperative is well supported and financially secure. Attempts such as restricted licencing by government through cooperatives provides an incentive for fishermen to join the cooperative, but unless the cooperative functions well and receives the support of its members, it cannot hope to move onto more positive aspects of resource management. This area is considered one of the most important areas of future responsibility and action for the fisheries cooperative movement.

### 3.3.2. Credit, Savings and Insurance

#### (i) Credit Facilities

Conventional lending agencies generally considered artisanal fisheries to be a poor credit risk. Not only do fishermen, wanting to upgrade their efforts by the purchase of new boats, engines and gear, require substantial loans with very little security, but the risk element in fishing is such that it is possible to lose the whole lot after a very short time. Unlike the agricultural situation in which the land itself is an appreciating asset, boats and gear depreciate rapidly and require replacement regularly. On top of this, catches and therefore income are often seasonal and variable and the whole pattern of loan repayment is liable to be irregular.

Depending upon the fishery, the requirement for loans ranges from mid to long-term loans for the purchase of boats, nets and gear, etc., to short-term loans to cover working and living expenses during the closed season or times of poor catches. In addition, there are a number of situations in which loans are required for social expenses, eg., marriage, education, funerals, house building, festivals, etc., and whilst these are of little interest from a fisheries point of view, they are important to the fishermen and the community in which they live. There is thus a strong argument, when the fishing industry is seen in its context, for the complete range of loan requirements to be considered.

In the traditional or non-cooperative situation, the fishermen rely heavily upon the middlemen who buy their fish and who offer loans on the security of future catches. The middleman has often been viewed as an exploiter, offering loans at exorbitant rates of interest, binding the fishermen to him and securing a cheap access to supplies of fish which he can then sell on at high profit. Whilst there are situations where this may be true in part, it is by no means universal and the middleman does fulfil an important role in the community, carrying with it a certain amount of risk for which he is compensated.

If the cooperative is going to take on the task of providing credit, it will be coming into competition with the middleman. This potential conflict situation is one of the major issues to be considered in Section 5. At this stage, we will leave it that fisheries cooperative credit facilities need to fit the situation and have the flexibility to withstand pressures outside the control of the fishermen members.

There are four principal sources of funds for cooperative credit - cooperative banks, private banks, private business and government. The cooperative banks channel funds from other areas of the cooperative movement in the country (or from outside it) to fishing cooperatives. This assumes a financially strong and committed movement in the country with a two or three tier organizational structure.

Private banks will also lend money to a fishing cooperative where it would not lend directly to the individual member. Since this is likely to be a straight-forward commercial arrangement, the cooperative would be acting as guarantor of the loans. Obviously, the cooperative has to be financially credible to do this.

Private investors may also occasionally provide loans for cooperative fisheries development. The classic case in point is the Belize fishermen's cooperatives whose development was supported by American businessmen wishing to import high quality lobsters from Belize. They were prohibited from doing so direct since only the cooperatives had the licence to export lobster (Gibson, 1977).

However, the most important source of funds, at least initially, is the government wishing to use the cooperative movement as a channel for development funds both on its own account and for international agencies. Whilst governmental loans and assistance are often vital for the financial success of a cooperative they can also be the factor which kills it off. Government credit is often regarded as an outright gift, the loans are not repaid for its future. Too much and too easy credit creates a dependency and a lack of initiative in the fishermen who may have transferred their debts from the middleman to the cooperative/government. Government credit and aid to cooperatives is a very sensitive issue which will be considered in later sections.

(ii) Savings

Savings should be considered as a form of internal credit. They are also indicative of the members' support for the cooperative. Savings should be encouraged at the organizational and individual level. At the organizational level savings may accrue from the share capital of the cooperative. Each incoming member has to purchase a minimum share holding to receive full membership. Often, however, members only buy the full shareholding when they wish to take out a loan, eg. in Bangladesh.

Income may also be generated from various activities, especially the supply of fuel and spares, etc., and a percentage of the net income can be aside as part of the cooperative assets (if this is possible).

At the individual level, thrift and savings clubs can be an excellent way to start a fishermen's group or pre-cooperative. Fishermen have a reputation for thriftlessness and for gambling, but in the instance where savings clubs have been started to provide such a service, they have been found to be as thrifty as any other group. If the fishermen are to invest in their own society, they must feel that their money is safe, that they are getting interest and that it is readily accessible. The danger comes when, owing to dissatisfaction, too many members wish to withdraw their savings and their shareholdings at once, and financial collapse ensues. Savings clubs illustrate how cooperative principles work as part of the general education process, without putting too much at risk for the fishermen both socially and economically in the beginning.

(iii) Insurance

Fishing is a risky business - hence perhaps the fisherman's reputation for gambling. Boats, nets, equipment, catch, lives and livelihood may all be lost accidentally. When loans are involved, it may be impossible for a fisherman even to repay if the boat is lost. If the loans are administered through the cooperatives, insurance facilities should be available to cover any losses, either through some form of mutual insurance at the second or third tier of the cooperative movement, or through commercial insurance.

Insurance for losses of nets and equipment are troublesome. Losses are difficult to verify; such things depreciate quickly and there is no way of knowing the state of repair at the time of loss. Similarly losses of catch are difficult to assess since both quantity and quality can only be estimated. Insurance premiums for these items tend to be high and not often taken up. However, in countries such as Japan and Korea, the apex fishery organizations do offer such insurance.

If a cooperative is considering offering insurance services, the insurance against loss of life and livelihood are most important. Life insurance will provide a continuity of income for the fisherman's family in the event of his death, and accident insurance will

provide some sort of compensation if he is injured. The premiums, which can be deducted from fish sales, etc., and any payments made would obviously have to reflect the value of life and income levels in the particular country.

Insurance is a service which a cooperative can offer its members as a way of reducing the risks of his business. It is a function which relies upon a satisfactory cooperative structure and therefore one which may develop at a later stage in the movement. Countries such as India, Japan, Korea, Pakistan, Egypt and Mexico offer forms of cooperative insurance for fishermen.

### 3.3.3. Supply and Services

If one of the aims of the fisheries cooperative is to increase the efficiency of production and income of the members, one of the ways of doing this is to ensure that they are supplied with good quality inputs which are readily available at a fair cost. All too often in an isolated artisanal fishery (and even not so isolated ones) the fishermen are prevented from going fishing because they have run out of fuel, the engine has broken down, the nets need repairing or there is a shortage of twine. Even when these things are available, and they have caught fish, the quality and hence the price may be impaired due to shortages of ice and lack of fish boxes.

This is an area where the cooperative can provide a useful non-competitive service which helps all members alike. It does not interfere with the basic activity of production but it encourages efficiency and reduces wastage. The cooperative can provide the land based back-up organization for which the fishermen often do not have time.

The various inputs for fisheries are listed in Table 1 (see p. 4). Care will obviously have to be taken to stock the most useful equipment and spare parts and for these to be regularly restocked. Management of cooperative stores is important if the enterprise is not to lose money and become a drain on the cooperative. In the beginning a simple bulk buying club might be organized taking orders from the members on a regular basis to avoid overstocking.

The sale of fuel and ice are two potential income earners, since these inputs are required daily; fuel can be bought in bulk and sold with a small advantageous mark up to members, whilst ice may be manufactured on site, the cooperative having acquired an ice plant suited to its needs. In all activities involving the purchase and resale of commodities, careful control needs to be kept by both members and management to minimise the opportunities for losses and corruption.

The other area in which cooperatives can assist fishing efficiency is the provision of boatyards and repair facilities for craft and engines. As with all inputs and services, the facilities offered must be appropriate and adequate to the needs of the fishermen, both at present and in the foreseeable future. Only a detailed survey will provide this information. Other construction/repair activities which might be considered would be for nets and gear and fish boxes. Alternatively, a separate boat building cooperative may be more appropriate which could then be associated with the fishery cooperative proper.

### 3.3.4. Handling and Processing

Unlike supply and service activities which are examples of horizontal integration of the fishing industry, handling and processing begins the process of vertical integration. Essentially handling is an exercise in maintaining the quality and value of a produce which deteriorates rapidly with time. Processing is a means of adding value to it.

The cooperative can run a variety of handling services from operation of carrier boats to bring the catch back half-way through the day to providing landing facilities with porters, boxes, scales, washing water and ice plants and stores. This is an area often neglected by the fishermen who are only too keen to hand over their fish at the end of the

day. In this way, the cooperative can smooth the transfer of fish from the fishermen to the next stage - processing or marketing.

In the processing sector a variety of different facilities can be provided through the cooperative, depending upon the type of fish, quantity and market. Traditionally, processing may involve a completely different sector of the population, often the women and wives of the fishermen. If processing is already a function of the community which is being carried out satisfactorily, it may not be appropriate for the cooperative to take it over. On the other hand, it may be appropriate to give assistance to the formation of a separate but associated group of fish processors. In Japan for instance there exists a number of fisheries industries cooperatives. If none of these forms are suitable and if there is considerable wastage of fish, the cooperative might provide a processing facility itself specifically employing processing staff. In Benin seven fish processing cooperatives were set up in 1982 to provide the women processors with smoking kilns and driers.

One aspect of handling and processing which a cooperative might be in a position to deal with is quality control. This cannot be done at the beginning, because consistent refusals of poor quality fish could lead to disenchantment with the cooperative at an early stage. On the other hand, acceptance of all the fish regardless of quality could lead to poor sales. Thus, the cooperative has to perform a balancing act of supporting its members by buying their catch and not landing itself with unsaleable fish. An educational process is needed for the fishermen to improve their handling combined with some form of price control and powers of refusal.

#### 3.3.5. Marketing

Marketing is perhaps the second major activity of fisheries cooperatives after provision of credit. The two are closely linked both within the cooperative and traditionally through the middleman. If credit is given, the only way in which it can be recovered is through control of the market. Thus the middleman effectively "buys forward" his supplies of fish, whilst the cooperative claims a percentage of the catch in debt repayments and cooperative dues. There are various ways of doing this with greater or less risk to the cooperative. The least risk is for the cooperative to act as selling agent usually by providing the facilities and staff for an auction. Thus, normal market forces are able to play their part depending upon the demand for fish (the number of traders present), and the quantity and quality of the fish, whilst at the same time the cooperative is able to subtract its dues and loan repayments since it handles the money.

At the other extreme, the cooperative pays the fishermen immediately a flat rate for the weight of fish landed which might come to about two-thirds of its market value. The cooperative then has the responsibility for onward selling. The remaining one-third of the market price achieved (assuming that all is sold) is kept in the cooperative funds, and after all expenses and dues are deducted the fishermen are paid a bonus once or twice per year.

The format of marketing arrangements is obviously variable. If the traders have a strong hold over the fishermen or are part of the fishermen's family, there may be strong opposition to cooperative marketing.

If the wholesale fish markets are some distance away, the cooperative may have to involve itself in chilled or iced transport of fish. In practice this has been found to be fraught with difficulties in many developing situations, mainly because the transport breaks down, fish are lost and the hidden costs of running such a scheme have not been adequately taken into account. There may, however, be situations where it is unavoidable.

The retailing of fish is not an activity generally recommended to fisheries cooperatives, because it requires different skills and further hidden costs. Whilst such costs may be entirely justifiable, it is not always easy for the fishermen by whom the



cooperative was formed in the first place, to realise why a mark up of 100% or more on their fish is necessary and where the extra money is going. If retailing is considered to be necessary activity, it may be a good idea to form a fish retailing cooperative with strong links to and supplied by the fisheries cooperatives.

Under the general heading of marketing there are several activities which may be best undertaken by the second or third tier of cooperative organizations. The provision of market information is one of these. At a simple level, the range of prices for fish achieved on the previous day can be circulated to all primary cooperatives. The fishermen thus know roughly the price to accept and some form of price control can be found. At a more sophisticated level, the cooperative can be in radio contact with the fishermen to tell them which species are being caught, where there is a shortage or a surplus and what prices are being paid.

Advertising is another specialised activity suitable for the apex organization, while a third and often very important marketing function is export. The territorial waters of many developing countries contain valuable export species such as lobster, prawns and shellfish which can bring in much-needed foreign exchange. The negotiation and organization for exporting processed or frozen fish products is an activity beyond the capacity of most primary cooperatives and is most easily done at the second or tertiary level. Examples of such activities come from Bangladesh, India, Egypt, Belize and Mexico. In a country like Indonesia inter-island traffic in fish products is a form of internal export which is important for the local island economy (Hamley, personal communication).

### 3.3.6. Social and Community Services

The whole area of social and community services provided by the cooperative develops as the organization gathers strength. It is not an area to be entered before the cooperative is on a sound financial footing. The exceptions to this general rule may perhaps be that of education and training and the provision of infrastructure such as roads, etc. These may require normally an input from outside sources such as government and the cooperative apex organizations.

Education and training are important both in technical matters and in cooperation. Whilst technical training may come from government extension services, courses in cooperation, management and basic accounting are vital to a cooperative to maintain the initial enthusiasm through difficult periods and to teach a whole new set of skills. These may be provided by the government or by the apex organization. In some areas, fishermen, being one of the most marginalised groups, are almost totally illiterate. Lack of basic literacy has sometimes been a causative factor in the failure of cooperatives, eg. in West Africa, and if this is the case basic literacy programmes for pre-cooperatives may be necessary. In the absence of a cooperative structure, government is generally the only option for carrying this out.

Once the cooperative is established the provision of housing for the fishermen or loans to build houses can be an important way of improving the living style of fishermen and keeping a semi-migrant population in one place. Obviously, this is only appropriate if the fishermen are casually migratory rather than following the migration patterns of certain fish species. The provision of housing has been one of the activities in many fishery cooperatives which provides a means of improving the standard of living of fishermen and their families many of whom would otherwise live on their boats, eg. in Hong Kong.

Another community service, if the size of the community warrants it, is the provision of a first aid post with a pharmacy and medical services. Services such as this may be better obtainable from government, and a cooperative should be wary of engaging in too many complex tasks until the cooperative is of sufficient size and strength to guarantee success.

Services such as consumer goods supplies may be integrated into the fishery stores but, in general, consumer goods operations run by fisheries cooperatives have often lead to difficulties. Digby (1973) advises against it and, in any case, it is suggested that only non-perishable goods be stocked.

On the other hand, recreational facilities, such as a canteen, coffee or tea house or club are often welcomed by cooperators who like the chance to relax with their colleagues and to discuss cooperative matters informally. Similarly, some more formal meeting place for committee meetings, AGMs, training talks, film shows and parties also give some centre to the life of the cooperative.

### 3.3.7. Multipurpose Cooperatives

There are two definitions of multipurpose cooperatives, one more narrow than the other. The first is when a cooperative undertakes more than one function within the same industry. For instance, a fishery cooperative which provides a channel for credit and marketing, but which also builds boats and repairs engines could be considered as a multipurpose cooperative.

In contrast, a wider multipurpose society could be one which adds a fish hatchery to an existing agricultural (rice) cooperative to increase fish production in paddy fields. A cooperative which serves both interests of a population of part-time fishermen/farmers might also be considered a multipurpose cooperative.

As a general rule, especially when starting off a cooperative, it is important to establish one function at a time, unless the functions are clearly linked, eg. credit and marketing. Problems do seem to arise when too much is tackled at once, especially when they involve different types of skills. Where the skills are very different, where two different groups of people are involved (albeit within the same community) and where two separate cooperatives could be economically viable, it is arguable that it is better that they should be kept separate but associated. Thus a fish processing or retailing cooperative could be formed alongside a fish production cooperative.

Taken a step further, mixing fisheries and agricultural groups within the same cooperative could lead to many problems, since the needs and expectations of both groups are very different. The two groups might end up pulling in opposite directions with the cooperative management not knowing which way to turn. Adding a fish hatchery to an agricultural cooperative, as suggested above, might be possible, only because it would be a subordinate activity to an already successful operation.

### 3.3.8. Management

It can be seen that a multiplicity of functions can be taken up by the cooperative once it is established to serve and develop the artisanal fishery. However, each function will usually require the employment of more staff. At the very basic level, there may be crew, porters for carrying the fish, mechanics for repairing engines, carpenters for repairing boats and making fish boxes, processors for drying or smoking surplus fish, not to mention store-keepers and accountants. Whilst each new function adds a greater potential for increasing the income and involving the community, each one also adds to the complexity of the management. Management is one of the major problem areas for fishery cooperatives especially those which are too small, too isolated and too new. The need for a good and trustworthy manager will be discussed in Section 5.

## 3.4. Types of Fishery

Fisheries cooperatives have been formed to assist most types of fishery ranging from the small scale to the highly industrialised. In the main, however, they have had most application in the small to medium scale fisheries rather than for the capital

intensive, large scale, deep water fishing fleets. The latter have usually been built up with private investment and are run as commercial companies.

The type of fishery and its siting influence the needs and hence the activities of any fishermen's group or cooperative. Broadly speaking, fisheries can be classified according to whether they are:

1. Inland fisheries, catching fish in lakes and rivers
2. Coastal fisheries working estuaries and coasts but returning to shore each night
3. Offshore or deep water fisheries catching mainly pelagic species and often staying at sea for several weeks at a time
4. Aquaculture cooperatives rearing fish in specially designed ponds, tanks or cages. Aquaculture can take place in both fresh and salt waters, ranging from intensive monoculture to more extensive polyculture and the traditional forms of shrimp and shellfish culture
5. In addition, other forms of cooperative have been set up to exploit particular marine resources such as algae and sea salt

It does not really matter what the activity of the cooperative is, provided that its members have a common interest and can agree on the activities and functions which serve that interest.

### 3.5. Cooperative Unions

In the foregoing sections, a large number of different activities which can be undertaken by cooperatives have been described. Not all of these will be appropriate for primary fisheries cooperatives to undertake by themselves. In many countries where the cooperative movement has developed over some time, second and third tiers of fisheries cooperatives have formed, providing liaison and cooperation between primary societies at the regional and state levels. In countries, such as India, made up of a number of states, there may be a fourth tier consisting of the apex or national fisheries cooperative union.

Such an organizational structure brings with it certain bureaucratic restrictions and to some extent more centralised control, but if the functions and responsibilities of each level are clearly defined, there can be many advantages. In the same way that primary societies can be associated through the regional federation, so too can the societies with a complimentary activity such as the fish processor's or fish retailers' cooperatives. Figure II (p. 15) shows a typical organizational structure found in countries with a developed cooperative movement.

The following activities are often carried out by the different levels of cooperatives. Some will be located at the primary societies but in fact controlled and financed at a higher level.

#### Primary Societies

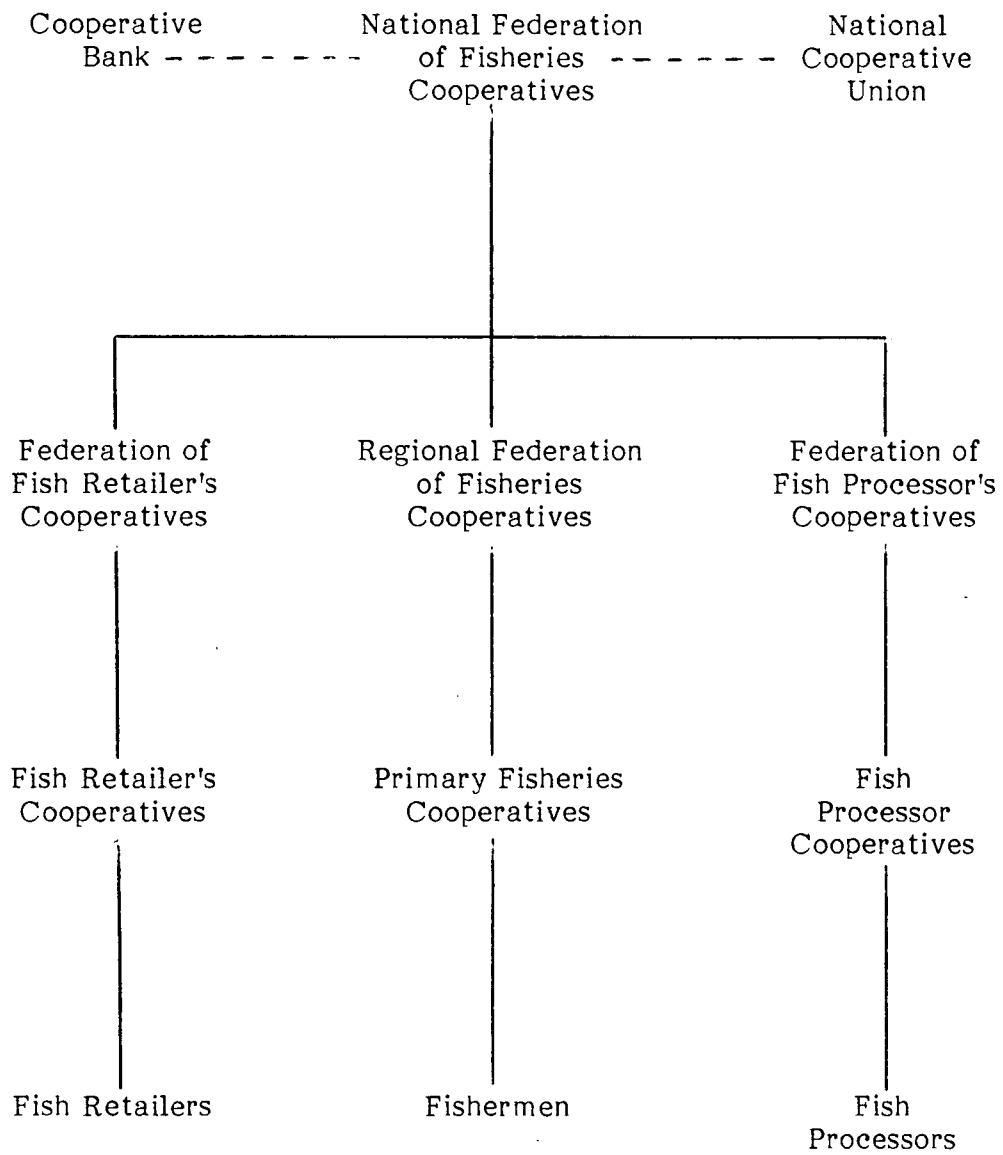
1. Credit disbursement and interest collection
2. Provision of services - landing, sales shed, ice, input stores, repair workshops, processing facilities
3. Local marketing
4. Community facilities

#### Secondary Unions

1. Credit administration control
2. Purchase of supplies
3. High quality processing

FIGURE II

Idealized Organization Chart for Fisheries Cooperatives/Unions



4. Regional marketing (export)
5. Community facilities - medical, infrastructure
6. Advice, inspection and auditing of primary societies
7. Training and extension

#### Apex Organizations

1. Cooperative planning
2. Cooperative training and motivation
3. Advertising and public relations
4. Banking and credit financing
5. Insurance
6. Export marketing
7. Purchase of some supplies, eg..fuel in bulk
8. Legal and financial advice to secondary societies
9. Liaison with government departments, lobbying

One of the advantages of the cooperative movement is that it provides a recognised organizational structure with appropriate functions at different levels. The fishermen who come together to form a primary society should always remain the prime beneficiaries of the system. However, on formation, a primary society immediately feels the benefit of tested methods and the support of fitting into the system. This assumes that the system is there to start with; however, in a country where there is no such organizational structure, the primary societies must be built up with even more care and once they are established secondary associations may be formed. It would probably be disastrous to start from the apex downwards, rather than from the primary societies upwards.

#### **4. PRESENT STATUS OF FISHERIES COOPERATIVES**

##### 4.1. Historical Perspective

Whilst cooperation between people with a common interest appears to have universal applications at all times, the formalisation of cooperatives as legal entities resulted from the pressures of growing industrialisation in mid-nineteenth century Britain. Early fisheries cooperatives in Europe, particularly in France, grew out of fishermen's trade unions in the late nineteenth century aiming at providing credit and supplies to artisanal fishermen to relieve them of their debts and dependence upon merchants and suppliers. In France and the UK these cooperatives were recognised as distinctive bodies by law in 1913-14. During the 1920's and 1930's, fishermen's cooperatives began to be set up and legalised in a number of other countries such as Norway, Denmark, Sweden, Canada and Australia.

At the same time, cooperative principles were being considered as tools for development in many of the colonially controlled countries especially in India (including Pakistan and Bangladesh). The first initiatives for fishermen's cooperatives in Kerala started in 1917. Fisheries cooperatives were, however, always considered of secondary importance in comparison to agricultural cooperatives by Cooperative Departments. Artisanal fisheries were considered of secondary importance to more industrialised fisheries by Fisheries Departments. As a result progress in fisheries cooperatives was slow. Conversely in Kerala, cooperative organization has been the most widely discussed structure for fisheries development for the past sixty years (Kurien 1980).

In Japan, however, where fishing has always been an important industry, traditional forms of fishermen's associations can be traced back to the 19th century when the feudal

owners of coastal fishing rights encouraged fishermen to form communities for the management and control of fishery resources. These were transformed into autonomous village societies in 1867, and in 1901 they were given exclusive fishing rights and encouraged to form federations. During the Second World War, they lost their autonomy and became part of the national fishery organizations but after 1948 when they were re-established under the Aquatic Cooperative Law, their development and modernisation increased dramatically. The Zengyoren - the National Federation of Fisheries Cooperatives - is now the most powerful fisheries organization in Japan, if not the world.

A similar success story to Japan comes from Korea, where the beginning of fishermen's organizations can be traced to 1908. However, it was not until 1944 that a nationwide fishermen's organization emerged with the rapid formation of primary and regional cooperatives. Further developments led to a Fisheries Cooperatives Law in 1962 when the National Federation of Fisheries Cooperatives was set up. This has progressively reorganized the fishermen's organizations based on economic efficiency.

In the non-industrialised countries, the main impetus for cooperative development, and for fisheries cooperatives in particular, came in the late 1950's, 1960's and early 1970's. Encouraged by development agencies, governments enacted a variety of cooperative laws or reconstituted existing colonial cooperative laws. Fisheries cooperatives were set up and used as a channel for funds in order to reach artisanal fishermen. But during this time, fisheries personnel were preoccupied with understanding the biology of fish and defining the maximum sustainable yield (MSY); the fishermen and their organizations were hardly considered at all. During the 1960's, the emphasis changed to maximum economic yield (MEY), which brought in the concepts of effort and inputs and it is only recently that this has given way to the concept of optimum sustainable yield (OSY) which considers the ecology of the fish, the economics of fishing and the sociology of the fishermen. (See Emmerson 1980 for a detailed description of these concepts).

Given this changing background to artisanal fisheries concepts it is not surprising that, although cooperatives were seen as a tool for developing fisheries, in the majority of cases the fishermen's cooperatives were doomed to failure because the underlying social constraints were not understood or catered for.

The intellectual climate of fisheries development in the third world did not allow sufficient consideration of the social implications of fisheries cooperatives. In this respect, fisheries have probably lagged behind developments in the agricultural sector.

During the 1970's, disenchantment with fisheries cooperatives began to set in; they were difficult to organize, the fishermen did not want them and they almost invariably failed. "Fishermen's cooperatives did not work!" was the conclusion. But some worked, in countries, for example, as wide apart as Kenya (eg. Lake Turkana), Ghana, Mexico, Belize, India, Indonesia, Sri Lanka and Malaysia. Some worked as individual examples of primary cooperatives despite failures around them; some even built up federations. In most, the government provided the initial support for their success.

In the industrialised countries, outstanding examples can be taken from Australia and Canada, and though fisheries cooperatives have not been quite so dominant in the Western World, compared say to Japan, they remain important factors in the overall fishing industry in developed countries. In the EEC, for example, two-thirds of the fisheries come within the cooperative movement (Hamley personal communication). In Australia, 55% of all fisheries are cooperatively organized (ICA 1979).

But opinion on cooperatives for artisanal fisheries is swinging back again, if only because they represent the most coherent organizational policy which has the potential for giving more people greater control over their occupation and a more equal share of the benefits. The main argument against their use appears to be that the characteristics of fishermen and their communities do not lend themselves to cooperative action and that

the cooperative framework is a neocolonial imposition which is inappropriate to present day situations in developing countries. Both of these will be discussed in Section 5.

#### 4.2. Regional Status of Fisheries Cooperatives

Using the references to fisheries and cooperatives from many parts of the world and more detailed reports about fisheries cooperatives in particular countries, we are able to piece together a picture of the country by country status of fisheries cooperatives. This survey is undoubtedly incomplete and out of date, especially as some of the references come from the early 1970's. The information is plotted in Tables 2, 3 and 4 (pp. 19-21), relating to the Middle East and Asia, Africa and Central and Latin America. These tables show the numbers of cooperatives and fishermen members, the types of cooperative and the activities in which they are engaged. Another part of the tables attempts to provide an estimate of the importance of the cooperative sector, a subjective evaluation of the apparent government support (based upon impressions gained from the literature and graded 1-3 from minimal to maximum support) and an evaluation of the overall success or failure of the fisheries cooperative movement. (S = Success, F = Failure, SF = Successes and Failures). These assessments are in no way intended to be disparaging, but are an attempt to provide a first approximation to the situation in different countries based upon haphazard and uneven information. As a general rule, however, those countries which provide the most written information are those most active in the field.

Considering Table 2 (p. 19), it is probably true to say that Asia has produced the most activity in fisheries cooperatives for artisanal fishermen. In part, this must be due to the examples of Japan and Korea and in part due to the colonial experiences with cooperatives in the Indian subcontinent. Both influences have provided an acceptance of cooperative principles, although the pathway to cooperative development in fisheries has never been easy. Japan and Korea represent the prime examples of successes, but now these can scarcely be considered as non-industrialised fishing countries. Perhaps their main importance is to counter the argument that cooperatives are an imported Western idea, and that traditional cooperation patterns can not be transformed into functioning institutions.

Indonesia and Malaysia illustrate two countries in which there has been fairly considerable government intervention and support, and both have dual types of fishermen's organizations - associations and cooperatives. In Malaysia, an umbrella fisheries organization, MAJUJUKAN, was set up in 1974 to merge small societies and to provide finance and management advice, with the emphasis on fisheries associations rather than organizations. The associations appear to be far more government controlled and directed than the cooperatives which arose more spontaneously. The latter feel somewhat relegated to the background and consider that, with the assistance given to associations, the position of the cooperative would now be very different. In Indonesia, the major government effort appears to be in the promotion of the KUDS (rural cooperatives) which are more whole-community based than occupationally based.

In India and Bangladesh, there exist enormous numbers of societies and it is not surprising to find examples of both successes and failures. Unlike Japan which has similar numbers representing virtually all the fishermen, the proportion within the cooperative movement in India is much smaller. In India the most successful cooperatives have been situated near urban markets, eg. around Bombay (Johnson personal communication). In Bangladesh, despite the fact that many societies were formed by middlemen to gain access to fishing licences and aquaculture tanks reserved for cooperatives, (Ponnuthurai 1973), some successes have been achieved in the exporting of shrimps caught in the Bay of Bengal (ILO/SIDA). In India and Bangladesh, there are many bogus societies (Kurien 1980) so the true cooperative picture is over estimated. Rao (1978) suggests that about two-thirds of the Indian primary fisheries cooperatives are defunct.

TABLE 2 : ASIA

COUNTRY	DIan an eom fom fam iion	NP om far y C o o p s	N o o f M e m b e r s	US no ic one /A i pes x	I n l i a n d i e	C o o f f a s h o r t	O f f a c i l i t y	A q u a c u i t y	C r e d i t l i n e s	P r o d u c t i o n	I n p u t s	C o n s u m p t i o n	M a r k e t i n g	T r a d e	B W o r k i n g	R M a n u f a c t u r i n g	I n s u r a n c e	C G o o n d u s t r y	C W o e m f u r i e	O h e r	% o f C o o p y	AS p p a r o r e n t G o v t (1-3)	S F u a c i c i e u s e o r	ASP i u r p j A o e l t n i s c n i g e s	Comments			
Bangladesh		3886		86/1				X	X	X				X									S/F					
Hong Kong	1976 1966	80 72	2500 2033					X					X									20%	1	S/F				
India	1982 1980	5331 6990	597000	72/9/1				X	X	X	X	X	X	X			X				1*		2	S/F	Govt/IRDP		Fish Farmers Development Agency/ Small Farmers Development Agency	
Indonesia		248	66000	1	X	X	X	X	X	X	X	X							X				2	S	ODA (TA)		Government assists with fish auctions	
Japan	1975	5422		86/1	X	X	X	X	X	X	X	X	X	X			X		X	X	2*	100%	3	S				
Korea (Rep of)	1983	1436	137000	72/1	X	X	X	X	X	X	X	X	X	X			X		X	X	3*		3	S			Saemul Undoing in fishing communities. Highly developed national federation	
Malaysia	1980	34	19640	1	X	X	X	X					X										3	S			1974 - set up MAJRIKAN to merge small societies and to provide finance and management	
Pakistan	1976				X			X	X	X	X	X	X	X					X									
Sri Lanka	1979	78 100	23000 11680	4	X			X	X	X	X	X	X	X										2	F	APB loans for boats.	Started 1949 but most societies defaulted on loans or failed Aba Dhabi (extension)	
Taiwan	1972	68		1	X			X	X	X	X	X	X	X														
Thailand	1977	19	3900		X	X	X	X	X	X	X	X	X	X										2	F	US Volunteer ADIB Agriculture		

\* Footnote: 1 = Education; 2 = Education and Women's Groups; 3 = Extension Guidance







Sri Lanka is an example of a country in which much of the local marketing of fish used to be undertaken fairly competently by the cooperative movement. Under reorganization in 1964 the Fisheries Societies were amalgamated and the local marketing function taken over by a state fish marketing corporation which failed where the cooperatives had succeeded (Jayasuriya 1980). Nevertheless, the cooperative movement still includes about 36% of fishermen, whilst it now markets only 5% of fish caught. Conversely in Hong Kong, the Hong Kong Fish Market set up in 1946 was intended to be run by the cooperatives. This in fact did not work out and it is now run as a corporation with advice from the four fisheries cooperative unions. Most of the 80 fishery cooperatives are inefficient and do little work, only providing credit, although some do provide onshore housing for their members.

In Africa (Table 3 - p. 20), Egypt, Kenya, Ghana and Nigeria stand out as having the most cooperative experience. In Kenya, a quarter of the fishermen come within the cooperative movement; the most successful cooperatives are reported to be on Lake Turkana (Jul-Larsen) and at Lamu (Okidi 1979). The cooperative at Lake Turkana is remarkable for its isolation but it is reported that it is under stress because of transport problems and the loss of the Ugandan market. However, most cooperatives are reported to start out well and then fail after a time, eg. on Lake Naivasha, which failed due to misunderstandings and the difficulties of retail marketing (Nzioka 1981).

In Egypt, over 85% of the fish marketed is caught by fisheries cooperatives, some of the most successful of which are based at Alexandria, the Red Sea and on Lake Aswan. Although they tried marketing their fish, most fish sales are done through government agency, which subsidises fish prices and effectively undercuts them; the shortage of cold storage space also constrained this activity.

In Nigeria, strong government support through subsidies on trawlers and supplies has boosted membership of fisheries cooperatives. In Ghana, attempts have been made to coordinate the activities of the fishermen's cooperatives with those of the women who act as the principal traders. In the 256 cooperatives there are 24 000 fishermen members and 9 000 fishmongers. This is reported to have led to conflicts of interests.

In Mali, considerable government support and external aid has been put into fisheries cooperatives. Although it is still early to say whether this effort has been successful, the Mali fish cooperatives face very basic problems of migrant fishermen and illiteracy in a situation where survival is the first objective. One of the incentives to join the cooperatives has been access to World Food Programme supplies in exchange for fish. It is reported that the fishermen then sell these supplies at a better price (Nieuwkerk et al 1983). Whilst this shows initiative on the part of the fishermen, it is arguable that such channelling neither helps the cooperative movement nor enables the food aid to reach the intended beneficiaries.

In the Caribbean and Latin America (Table 4 - p. 21), some of the smaller countries have had some remarkable successes in fisheries cooperatives. Belize, with its access to the American lobster and, more recently, shrimp markets, has already been mentioned. It is a good example of the government acting to restrict the fishing and exporting of certain species to the cooperative sector in order to encourage the cooperatives and to control the fishery. In St Lucia, the nine cooperatives capture 75% of the market and they have been successful, with full government support, in providing a varied range of services. Perhaps the most important country in Latin America as far as fisheries cooperatives are concerned is Mexico which has about 265 cooperatives situated on the Pacific and Atlantic coasts as well as inland. Here, however, there appear to be a variety of different types of fisheries organizations which perhaps leads to a certain amount of confusion. For example, shrimp fishery is restricted to cooperatives, but the cooperatives are so heavily dependent upon the private sector for boats, ice and transport that in some cases it would appear that the private sector is all but fishing for shrimps and marketing them in the disguise of the cooperative.

Throughout many countries in Latin America, however, fisheries cooperatives have met with little success and records reading "only one fisheries cooperative now active" are all too familiar. Such has been the harm done to the fishermen by ill-advised and ill-fated attempts to set up fisheries cooperatives in several areas of Latin America, that the term "cooperative" often has bad connotations which renders its use futile for future attempts to organize the fishermen, eg. Panama, Costa Rica and Nicaragua (Pollnac 1981, 1983, personal communication). In Panama, for example, it is understood that, of a number of fisheries cooperatives, the only two successful ones are those which have received the least government support (Monteza, personal communication).

One other interesting point of Latin American "fisheries" cooperatives is that there are a number of specialised cooperatives collecting algae/seaweed. Indeed, in Chile there are six such cooperatives federated under the name of Cooperalgas Ltda. which are reported as being very profitable (Anon 1982). In Brazil and Costa Rica, there also are several sea salt cooperatives.

As can be seen from this brief survey, the experiences of fisheries cooperatives have been variable and a number of reasons for failure and characteristics necessary for success can be discerned. These will be discussed in Section 6. However, it is fair to say that where fisheries cooperatives have been successful they have usually begun to build on their success by providing a greater range of services. Another important point is the role of government for it is clear that, whilst government support is essential, it can also be damaging both at the time and for future cooperative attempts.

#### 4.3. Activities and Attitudes of Development Agencies

Development agencies in general are supportive of the idea of aid to fisheries cooperatives, or at least maintain an open mind about their use in specific situations. For example, 57% of recent World Bank fishery projects included some form of assistance to or through fishery cooperatives (Pollnac 1981).

FAO, too, has used the fisheries cooperative as a development tool in the past. Since about 1977, however, the concept of the community fishing centre (CFC) as the development model began to receive more attention. This does not rule out the cooperative as the principal participant in such centres, but it takes a more flexible approach allowing private or state enterprise to play a part if this is considered appropriate (Ben Yami 1980, Pollnac 1983).

The individual officers in development agencies usually have attitudes towards fishery cooperatives which depend upon their own experience and attitudes regarding cooperatives. To generalise, officers whose main discipline is fisheries tend to consider that fisheries cooperatives are inappropriate and unworkable. Officers, whose main discipline is cooperatives, tend to feel that the cooperative model is best and that cooperative principles are universally applicable. There are obviously many grades of opinion between these two poles.

Nevertheless, whilst FAO and the World Bank are probably the main international agencies concerned with fisheries cooperatives, other agencies also provide some assistance to fisheries cooperatives. IFAD, for example, has funded fisheries projects in Grenada, Cuba, Djibouti and Yemen which have had cooperative elements. ILO tends to fund projects which support the cooperative aspects of fisheries, eg. by assisting with legislation, management and training. For example, they recently provided cooperative expertise in South Yemen to assist training for fisheries cooperative staff.

The World Food Programme channels some of its food aid through fisheries cooperatives, eg. in Somalia and Mali. The development banks, particularly the Asian Development Bank, have also assisted fisheries cooperatives, for example by providing loans for boats in Sri Lanka and aquaculture cooperatives in Thailand.

The bilateral aid agencies have also been active in supporting fisheries cooperatives. The Scandinavian countries, which have considerable experience in fisheries and a strong tradition of fisheries cooperatives themselves, have directed a good proportion of their aid to fisheries through cooperatives. NORAD, for example, has given assistance to boat building cooperatives in Kenya. DANIDA has been involved in fish cooperatives in the Caribbean and SIDA, through the COOPTRADE programme, has assisted in the export of frozen shrimps by the Bangladesh National Fishermen's Cooperative Society. From the UK, ODA has provided technical assistance to the Indonesian fisheries cooperatives.

In general, aid to fisheries cooperatives comes either as capital equipment, such as boats and engines, ice plant and cold stores, or as technical assistance on particular aspects of cooperative needs such as handling, processing, marketing and cooperative management and training.

On the non-governmental side, the International Cooperative Alliance (ICA) is the most active organization, although its main efforts have been as an information source and acting to encourage national cooperative movements in the promotion of fisheries cooperatives. ICA's Fisheries Committee meets once a year and their work is supplemented by a regional sub-committee on fisheries cooperatives in South-East Asia. In these activities, they have been considerably supported by the Japanese cooperative Zengyoren (National Federation of Fisheries Cooperatives). Whilst ICA has occasionally supported consultancy visits to fisheries cooperatives in various countries, eg. Sudan, one of their main aid roles may be to encourage and facilitate direct assistance between cooperatives in industrialised countries and those in developing countries.

Other development agencies such as OXFAM, Euro Action Acord, and some of the missionary societies, have also provided assistance to fisheries cooperatives as and when the opportunity and need has arisen. Missionaries have often been the initiating force in local situations, advising and encouraging and sometimes even managing the cooperative until it becomes established. Digby (1973) cites the example of Trinidad and Tobago where the influence of a dynamic priest reactivated a dormant fisheries society. The Lake Turkana Fisheries Cooperative was set up in 1962 with help from OXFAM and the Catholic Mission and was established with a monopoly for marketing all the fish landed in the district. During its most successful years this cooperative had an expatriate manager fully funded from external sources; he had almost complete control of the production, processing and marketing and the members had little influence on management.

Apart from the major fisheries development programmes which may have a decisive influence upon the progress of fisheries cooperatives, depending on whether they are used and promoted or not, it is probable that most development assistance to fisheries cooperatives comes because they represent an established organizational structure. Even if some are in a distressed state, many development agencies would prefer to use an existing people's institution rather than creating a new one. If there is no hope of resuscitating an existing structure or the fishermen are antagonistic towards it, then alternative steps are usually considered.

## **5. ISSUES FOR FISHERIES COOPERATIVES**

### **5.1. Are fishermen different? Will they cooperate?**

Fishermen the world over, from industrialised to the poorest nations, have a reputation for being highly individualistic and competitive, unpredictable, lazy and prone to gambling and drinking. They are considered unreliable and seldom very credit worthy.

Without denying the essence of some of these characteristics, such a view is very much a land-based, external perspective which does not do justice to fishermen and the risks and demands of their work. It is a viewpoint based upon misunderstanding.

Because of the nature and location of their work, fishermen are away from their home communities and cannot easily be visited at work. When they are in their communities, they are relaxing, often at times when others are working. Hence, the views regarding laziness, gambling, drinking, etc. Similarly, because their work removes them from much of the rest of society, they tend to have become marginalised, both within their own communities and, at the extreme, as separated fishing villages. Once the process of marginalisation has begun, it feeds on itself and fishermen become suspicious of the outside world and vice versa. One of the products of such marginalisation is illiteracy.

When rural small farmers are considered as a group, the outside world has very similar preconceptions. Small farmers, we are told, are also very independent, traditional and suspicious of outside influences. They may also be viewed as lazy and stupid, depending upon the importance that has been attached to their uptake of a particular piece of technology. Often, too, they are illiterate. However, they do cooperate broadly with each other, while fishermen are seen as acting much more independently and individualistically and prone not to cooperate with each other.

The most important criterion for success of any cooperative is the willingness and need of all members to cooperate and in this fishermen are no exception. Further, the anthropological work of Malinowski on the Trobriand islanders, Firth on the Polynesian Tikopia and Malay fishermen and Emmerson in Indonesia have shown that there are specific types of fishing and areas of activity in which fishermen will and do cooperate (Emmerson 1980). When successful fisheries cooperatives are identified, it can invariably be shown that the fishermen and their initiators/advisers "got it right" and identified areas of activity which the fishermen needed and in which they were willing to cooperate eg. Marianad Cooperative near Trivandrum, S. India (Kurien 1980).

The basic answer to the issues raised in this section, then, is that fishermen are human beings who, given the right circumstances, will cooperate with each other in an organization if it is to their mutual advantage and if it continues to be so. They very quickly sense when it is no longer of use to them.

However, these observations should not obscure the fact that, by its very nature, fishing is a very different sort of business to farming with different needs, timings and demands upon the fishermen. Aquaculture is perhaps half way between farming and fishing and it is perhaps no coincidence that cooperatives, as conceived for agriculture, have been more successful in this area of fisheries.

## 5.2. Is the cooperative structure appropriate?

One of the charges leveled against cooperatives is that they are inappropriate organizations, developed in Western industrialised countries, and cannot be transplanted into completely different contexts, especially that of artisanal fisheries in the third world. Against this charge, it must be observed that successful fisheries cooperatives have developed in a parallel or converging fashion on opposite sides of the world and in completely different cultures, eg. in Japan and Korea and in Western Europe. In these two areas, the fishery cooperative has progressed into a strong, modern commercial organization well able to compete with other commercial and state bodies. Of course, cooperatives as an organizational development is inappropriate if it is imposed upon an underdeveloped artisanal fishery; in such instances most, in fact, will fail. But that is not what is in argument.

If one accepts as basic the right of people, including fishermen, to have some significant degree of control over their means of production and their life, one has to accept cooperation as one of the means to achieving this right. The exact form of such cooperation can and does vary enormously, from traditional and cultural mutual assistance built up over time to formal cooperatives with boards of directors, annual general meetings (AGMs), audits, etc.

The traditional structures may well be the starting point for the formation of a cooperative, but, as development progresses and an originally isolated fishing community becomes more integrated with the rest of society, so a process of formalising the organization will begin. One of the ways in which it can do so is by the formation of a cooperative. The cooperative is an organization recognised by the outside world; it is one to which the outside world is prepared to give credit even though its individual members are regarded as not credit worthy. In this respect, the modern world is saying to the artisanal fishery "if you wish to develop and become more integrated with the rest of society, you have to accept this 'imposition' of an organization with which we can deal". The fishermen, if they are to form a cooperative, must appreciate the need for the legal obligations of boards of directors, AGMs and audits in order to safeguard their control over their organization, and its use as a route to fairer dealings with the outside world.

On the other hand, modern society does show a variety of different organizational forms and in continuing such a dialogue with a developing fishing community, one should be flexible in their approach and be prepared to understand the activities and their constraints. For instance, the outside world in the form of government advisers, banks, middlemen, etc., which have direct dealings with the cooperative, must recognise that fishermen are often not available for meetings during land-based working hours, their production is unpredictable, their catches and hence their income is seasonal and their assets, such as boats, engines and gear rapidly depreciate. To illustrate this, one of the financial differences between fishing and farming is the need for substantial capital investment at the beginning of a fishery enterprise; L R Khan in 1972 calculated that the average fishing unit in Bangladesh required an initial capital investment of 6 500 Taka (25T = \$1) compared to the investment of about 300 Taka needed for growing one acre of rice. It is probable that of all outside groups, the middleman understands these characteristics of fishing better than most; this is one of the reasons why he is more successful in his dealings with fishermen than banks and government advisers.

The legal requirements for cooperatives are usually laid down in some form of Cooperative Act and Rules. Opinion differs as to whether it is better to have a separate law for fisheries cooperatives or to have an all embracing, but more generalised cooperative law. Some countries, such as Denmark, have no cooperative law at all, the cooperatives being considered as a form of company which is owned and controlled by its members (hence covered under company law). Without going too deeply into the legal implications, or wishing to lay down absolute rules, it is the opinion of the author that it is better to have a generalised cooperative law which sets out the legal obligations of organizations wishing to be considered as cooperatives and which gives guidelines for the drafting of constitutions and bylaws of individual cooperatives. It is the latter which are all important for the fishing cooperatives since they will define a mode of operation suited to the group. It is the duty of all those advising the drafting of such constitutions to ensure that the mode of operation is so suited.

In summary, the cooperative structure is seen as an appropriate means of encouraging fishermen's participation and control over their production in a process of improving and integrating the fishery with the rest of society. As such, it represents a balance between the demands of modern society and the needs of the developing community, providing credibility on the one hand and flexibility and control by the members on the other. That is not to say, however, that fisheries cooperatives have never been imposed inappropriately; the many failures show that they have.

### 5.3. Why use cooperatives rather than other organizations?

Cooperatives are just one of the organizational modes used for development of artisanal fisheries. As a rather marginalised and exploited group of people attempt, with the help of development agencies and government, to move out of this position, they are bound to come up against existing economic and social power structures. While traditional means of cooperation are of use in maintaining a fairly fine balance in the status quo, if the aim is a more equitable share in the resources for the fishermen, there

is bound to be opposition. This can only be countered by some form of organization. If such a challenge is not the aim then obviously cooperatives are inappropriate and development of fisheries through individuals and private companies may be more effective. That way, however, may lead ultimately to greater inequality and exploitation.

Cooperatives lie in between the extremes of private and state ownership. If private ownership is often more effective but unequal, giving greater incentive for individual enterprise, state ownership often leads to inefficiency, corruption and lack of initiative and enterprise. Cooperatives combine both the best and worst potential of each and the realisation of these potentials largely depends upon efficient management and firm control by the members. Good management is most often the key to effectiveness of any economic structure.

In the fishing industry, the area of marketing has most often been taken over by some sort of state fish marketing corporation. A successful example can be seen in Egypt, where fish prices to the consumer are heavily subsidised as a matter of government policy. Unsuccessful attempts at state marketing corporations can be seen in Sri Lanka and Mexico. The experience suggests that state organizations are less successful in developing artisanal fisheries than cooperatives, whilst private ownership produces a one-sided development which does not have general community benefit as its primary goal.

However, some cooperatives have been disastrous failures. Their reputation in many parts of the world amongst both fishermen and fisheries officers is so bad that the very name "cooperative" is an anathema and attempts to reintroduce this form of organization under that name would be counter-productive.

Realisation of this has led FAO, in particular, to develop the idea of the Community Fishery Centre as a flexible means of building up the services and infrastructure necessary for artisanal fishery improvement. This approach, which consists of a gradual building up, one module at a time (by module is meant a specific activity, eg. landing facilities, stores, boat building, marketing), of the Community Fishery Centre according to the needs and capabilities available locally, recognises a great flexibility in the pattern of ownership. Ben Yami (1980) gives the range of possibilities for module ownership as shown in Figure III (p. 28). It can be seen that this does not preclude cooperative or community based enterprise, and in fact may encourage a blend of all types of ownership depending upon the situation and the appropriateness to the particular module. This approach recognises the complexity and interdependence of all fishery activities without requiring that all activities are controlled by the same group of people.

Cooperatives do, however, have certain potential advantages over other forms of ownership. These can be summarised as follows:

1. Greater control by members over the business and benefits of their organization
2. Combined action can be more effective than individual action whether it is in reduced costs of inputs bought in bulk or in negotiation with buyers or government
3. Support of second and third tier federations of cooperatives providing advice and more specialised services which a primary society could not organize
4. Group commitment to actions undertaken by the cooperative

Disadvantages of cooperative action are as follows:

1. Time and effort lost in reaching cooperative decisions, often leading to inefficiency
2. Difficulties of maintaining members' support and commitment
3. Potential for corruption
4. Some loss of individual enterprise and responsibility



FIGURE III

POSSIBLE OWNERSHIP PATTERNS IN COMMUNITY FISHERY CENTRES

Key Elements	1	2	3
Private enterprise	Single, privately-owned modules	Sets of modules privately-owned	All CFC services company-owned Trading station
Cooperative	Sets of cooperative-owned modules	All CFC services one cooperative	CFC run by a large cooperative society outside the community
Government	CFC as independent state-owned enterprise	CFC as a branch of state company	CFC temporarily administered by government service
Community enterprise	Single modules owned by the community	Sets of modules owned by the community	All CFC services community-owned

#### 5.4. How do the expectations of government and cooperative members differ?

Despite the fact that cooperatives are people's organizations, government has played a key role in the development of cooperatives. The initial idea to promote artisanal fisheries cooperatives usually comes from government and it is fair to say that some government support is vital to the progress of cooperatives. However, in promoting fisheries cooperatives, governments do so with a variety of different motives and expectations, which may be at variance with the motives and expectations of the members.

Governments use the cooperative movement as a tool for development for introducing new technologies and ideas to improve the fishery. The use of a group as the intermediary between government and people is well recognised; officials often prefer to deal with representatives of a group rather than large numbers of individuals. If the group is a cooperative so much the better. Thus, for extension purposes, a cooperative/group structure has its advantages; similarly, for channelling loans and funds for development through the cooperative. The government may also grant special licenses or restrict certain activities such as catching and marketing of specific species to cooperative members.

In return for this support, the government expects the cooperative to pass on both the benefits and the regulations to its members so that the fishery develops in a more planned and controllable manner. There is, however, a very fine balance between the expectation that the cooperative will perform in a reasonable way and the expectation that the government can direct and control both the resources and the members of the cooperative. The expectations of control of fishermen's cooperatives by the government of Angola can be seen in the quote from Marches tropicaux 2 juillet 1976 on the development of artisanal fisheries, "Fishermen will be grouped into organized cooperatives, orientated and disciplined by the State".

Conversely, the fishermen expect that by forming a cooperative they will be able to have access to certain supplies, services and credit which would otherwise be more difficult to obtain. Pollnac in his studies on Panamanian fishermen (1977 and 1981) showed that most cooperative fishermen expected the cooperative to provide equipment, marketing and funds. If due to inefficiencies, corruption or misunderstandings of the problem and requirements of the fishermen, these facilities are not adequately provided by government (or other agency) then it is not surprising that the members' expectations are disappointed and loan defaulting becomes common. This problem is associated with all types of organizations not just cooperatives.

The fishermen also may regard the loans and equipment coming from government sources as free gifts, especially as in some cases, the obligations and interest on them are not properly explained. As a result, they do not repay the loans and treat the boats and engines with less care or respect. Thus, it is small wonder that some governments become disenchanted with the performance and idea of cooperatives.

It would appear that while many governments actively support cooperatives in theory, their main concern is with the collection of revenue rather than the welfare of the fishermen, eg., in Bangladesh (Ponnuthurai 1975). There is also a tendency on the part of governments to be too expectant of short term results. In contrast, the history of fisheries cooperatives shows that their development requires a long term commitment with a clear and uniform policy, eg. in the leasing of inland waters in India (Rao 1976). Disappointment will also result if the cooperative is regarded as a means of collecting loan interest and yet loan repayments are not enforced.

The cooperative members may be responding to a need to reduce an exploitative situation and in doing so redress the traditional balance of power within a community and ultimately within the state itself. Whilst this may be very necessary for development, it may also be against the interests of government whose power relies upon the status quo.

Cooperatives may thus be seen as dangerous, requiring much greater control than private enterprise. In Mexico, cooperatives have in fact become highly politicised and may in some cases be formed to bind the fishermen into the prevailing system. Also, in return for electoral support, the government provides the cooperatives with economic benefits and overlooks illegal activities (Sanders 1979).

In summary, while the expectations of both government and cooperative members may on the face of it be similar, both sides may have "hidden agendas" and expectations which are not compatible nor easily achieved. Disappointment in these may lead to disenchantment with the cooperative process which, in turn, leads to too great a control of the cooperative by government and its advisers. This leads to a dependency situation which is difficult and painful to break or to a total rejection of the cooperative by the fishermen who can sense the increasing government control.

#### 5.5. What criteria for membership should be considered?

When considering the question of who should be members of a fishermen's cooperative, the more basic question of who the fishermen are, arises. On the face of it, the fishermen are all those who go fishing and who derive the majority of their income from this activity. However, functionally, one finds that fishermen are divided up into such categories as boat owners (non-fishing owner and owner/skipper), skippers and crew.

While there is general agreement that owner/skipper should be included in cooperative membership, the decision becomes more difficult as one goes down the scale of skipper and crew. The argument against inclusion of others than boat owners is that these others receive the benefits of the cooperative through improved catching efficiency and since the crew receive a share of the catch, they benefit from an improved system. However, if the cooperative is involved with marketing all the fish so that the crew no longer receive a share of the catch, but merely become paid employees of the member, then the cooperative structure is likely to increase the differences between owner and crew even more. If the crew still receive a share of the catch which has to be marketed through the cooperative, then why should they not be members too?

Another argument which is raised against inclusion of crew is that such is the mobility of fishermen that today's crew member is likely to become tomorrow's skipper and the next year's boat owner. Thus, it is argued, their time will come to become members. This pattern is sometimes reflected in different levels of membership, for instance as found in Indonesia, where there are full members (ie..those who have paid for their share in full and who receive all the benefits) and candidate members (those who are in the process of paying for their share) (Hamley pers comm). The poorer candidate members may have a hard time of it, however, because the cost of one's share is periodically raised through inflation. The result is that some may never achieve full membership.

Residence is another criterion. In some cases, a potential member has to show that he resides for at least 60% of the time within a certain area defined by the cooperative. Whilst this has obvious advantage in some situations and would not be a problem in many communities, it is inappropriate when attempting to encourage membership amongst migrant fishermen who move up and down a river or along the coast following certain species of migratory fish, eg..in Andhra Pradesh in India and in West Africa. Another factor to be considered is the difficulties caused if membership is restricted to fishing areas subject to shifting sand banks, etc., eg..in Mexico.

The problem of non-fishing boat owners is much more difficult. Very often these people are the very middlemen who control the marketing of the fish and may be exploiting the men who actually catch them. Often too they may be merchants who have seen the opportunity of cashing in on government loans for boats and have become members for that purpose. Taken to its extreme, as exemplified in Bangladesh and India, some bogus societies have been formed by small groups of non-fishermen in order to gain

access to loans, licences, etc., which they then use to their own advantage. The case of the Marianad cooperative at Trivandrum, Kerala, illustrates this. A group of true fishermen who wanted to set up a cooperative were told by the Registrar of Cooperatives that one was already in existence in their village. They found it had been set up without their knowledge by one man who put up the initial capital and used false names and fingerprints in listing the members required for registration. In this event, the end result was favourable in that the true fishermen were able to buy the man out and started one of the model successes of fisheries cooperatives in India (Kurien 1980).

In Indonesia and some other countries there is another category of membership - the buyer member ie. the middleman. In general, it is considered to be a bad idea to include such people because it mixes two different interest groups. Further, since the buyers are usually more astute business wise and are more available for cooperative meetings and responsibilities, they may quickly dominate the society to the detriment of the fishermen. A similar, but not quite so contentious, group which might be considered for membership are the fish processors, especially if they belong to the same families as the fishermen. If they do not, then a separate group or fish processing cooperative might be more suitable. However, involvement of the processors is often a way to bring the women of the fishing community into the activities of the cooperative.

There is thus no one right answer about membership. All that can be suggested is that the various groups or categories of potential members be considered carefully for their interests and the pros and cons of their inclusion as members.

The other question relating to membership is the optimum size and numbers of members. This too may be quite variable depending upon circumstances. In India, the minimum number required for forming a cooperative is 51 members (Kurien 1980) whilst some of the cooperatives in the Caribbean, for example, may have less than ten members. The smaller the group, however, the more vulnerable. In Benin, for example, it was found that traditional groups of five to eight fishermen were not able to pool enough resources nor generate sufficient income to remain viable (Anon 1982). Conversely if the group or cooperative is too large or extends over too great an area, the sense of belonging to a group is lost and the support and control by members over the activities is reduced. Within these limits, the actual number of members is perhaps not the key issue; what is more relevant is the commitment and support of those members to the cooperative and the degree of support amongst all the fishermen in the area. Ideally, most if not all the fishermen in an area should be cooperative members, and they should feel that it is their own organization (not one imposed from above) and represents their interests.

One of the ways in which the government can encourage membership is by granting licences or by restricting catches to certain species to cooperatives and their members. There are many examples of such exclusive fishing rights being restricted to cooperatives eg. coastal fishing areas in Japan, access to fish tanks in Bangladesh and restriction of lobster and shrimp catches in Belize and Mexico. Similarly, in Lake Turkana, the cooperative has a monopoly of the marketing of fish caught, although there exists a number of raft fishermen, outside of the cooperative, attempting to make their way into crew and boat ownership (Jul-Larsen).

#### 5.6. In what activities should the cooperative engage?

Need is the first prerequisite in determining the activities of a cooperative and only knowledge and study of the situation can advise what activities are needed. If the fishermen do not perceive the need for an activity proposed, or for a cooperative to provide it, then the cooperative's success is limited. Of course, the process of cooperative formation and the accompanying discussions which lead to its organization will usually illustrate that the group can achieve something which will assist in dealing with the underlying needs of the group. This is an important part of early cooperative education.

Without going through all the types of activities outlined in Section 3, there are several issues to be discussed regarding them. The first is that of single purpose versus multipurpose cooperatives (multipurpose in the restricted sense of several activities relating to fisheries). Ben Yami (1980), considering Community Fisheries Centres, states that "the more general services a CFC can provide, the greater will be its success in attracting fishermen to use its facilities". This holds equally true for cooperatives, although Digby (1976) advised the Jamaican fishery cooperatives not to get into such areas as selling soft drinks and consumer goods. Ben Yami again suggests that the CFC should not suddenly materialise in the fishing community but should be built up physically and organizationally one module at a time according to the needs and capabilities for local construction and operation.

The picture emerging is that because of the complexity and interrelatedness of fisheries activities single purpose cooperatives, providing say only credit, are unlikely to be very successful. However, to try to set up a full-blown multipurpose cooperative serving many functions in a community which may be unused to the idea of cooperatives is also inviting trouble. An order of priorities for activities, reflecting in part the ease of their achievement, should be established. Thus the first few activities undertaken may not be the most pressing, but they may be the most achievable, and hence bring in the support from members necessary to tackle the more difficult, and more important needs. However, by a gradual growth in activities, the aim of fisheries cooperatives should be to serve the multipurpose interests of the fishermen.

Another issue relates to community services and to the involvement of members' families - the women and youth. By and large such community services and activities can only be undertaken when the cooperative is well established and perhaps when it has back-up support, eg., in educational activities from a federation of cooperatives. However, if the cooperative is to be accepted by the larger community outside its direct members, it needs to consider its relationship with them. In Japan, for example, many cooperatives run activities for women and youth; these may be unrelated to the main fishing business but serve to encourage involvement with the cooperative. On the other hand, youth programmes may have a vocational training element to encourage the youth of the community to enter the fishing business and to ensure the continuity of the cooperative in the future.

The women often play a key role in the fishing business, acting as buyers and processors for their husband's fish. In West Africa, the "fish mummies" are a significant force in the fishing economy and neglect of them by the cooperative would be detrimental. However, attempts in Benin to form women's fish processing cooperatives have not met with great success. The women, who were anyway very competitive, did not fully understand cooperative principles, were often illiterate and had trouble thinking in terms of great increases in throughput of fish. These indicate the importance of education before, during and after the setting up of a cooperative.

#### 5.7. How should the cooperative be managed?

Good management is essential to the success of any business venture; cooperatives are no exception to this rule. It is probable, in fact, that good management is even more necessary for them. It is also a management that must have certain special inter-personal skills. In a cooperative, where major decisions have to reflect agreement amongst the members, the process may be slow. Further, if agreement cannot be reached easily, the decisions will tend to be put aside because none of the members wish to take the responsibility. This kind of decision making, and lack of it, requires special patience and skills from managers.

Except for the smaller fisheries cooperatives where all members can control the cooperative themselves, the members will have to delegate responsibility for directing the affairs of their society to elected members of the board of directors (or whatever name is ascribed to it). One of the difficulties sometimes found in fisheries cooperatives is that

the better fishermen tend to be out fishing whilst the less efficient ones are more available for regular participation in the cooperative. Thus, the cooperative may in the end be controlled by less able members of the society. Attempts must be made to ensure the active participation of all members, for example, by arranging meetings at suitable times.

However, the board of directors should not necessarily be in charge of the day-to-day running of the cooperative. Usually, this is put in the hands of a manager, who is responsible to the board. It is the manager who is the key person and a great deal depends upon his leadership. Qualities necessary for a good manager of a cooperative besides a good business sense, include honesty and dedication so that he can maintain the confidence of the members.

Good managers are not easy to find, and while they may sometimes develop from amongst the fishermen themselves, this is not usually the case. Alternatively, a trustworthy middleman might become a good manager, but care in the choice is very necessary here because of the obvious potential for a conflict of interest. One of the dilemmas of setting up a cooperative is the following vicious circle: the cooperative needs good management from the start; it cannot attract good managers or keep them unless they are well paid; it cannot pay well unless it is effective as a business; but, it cannot be effective and earn enough to pay a good manager unless it is well managed.

With a number of cooperatives the way out of this vicious circle has been to make use of the advice and supervision of voluntary agencies (eg. local missions, etc.) and the government. In a number of countries, the government offers a service to help in the management of incipient cooperatives. This ranges from the secondment of cooperative department staff to manage the cooperative for the first few years to the provision of funds to "top up" the salary of the manager employed by the cooperative.

The direct use of voluntary agency personnel or government officials in the position of manager is generally inadvisable. It can create a dependency situation and does not allow much room for the development and on-the-job training of local managers. A preferred alternative is for the appointment of a manager approved of by the cooperative members (ie. not independently appointed by government) whose salary may be topped up, if appropriate, through a government grant for this purpose, but with no management control by government. Such funds should gradually be decreased as the cooperative moves towards profitability. Regular advice, as needed (but not direction), can be provided by the agency or government staff. It is only in this way, it is considered, that a viable and effective society can sustain itself with a permanent reliable manager responsible to the members alone and not to anyone else.

In the beginning of a small society, the appointment of a full-time professional manager will be inappropriate. However, someone has to perform these functions and take day-to-day responsibility for the affairs of the cooperative. Such a person can be one of the fishermen themselves or an outsider, e.g. a schoolmaster working on a voluntary basis. Either way, that person must be responsible to the members who have the power to ask him to step down if necessary. Above all the manager should understand cooperative principles and the legal requirements, for a cooperative to function.

## **6. "FISHERIES COOPERATIVES HAVE NOT OFTEN BEEN ALLOWED TO WORK" - REASONS FOR SUCCESS AND FAILURE**

In the introduction to this paper, the view was expressed that fisheries cooperatives have not often been allowed to work. This section attempts to show through examples of success and failure why this is a truer statement than that fisheries cooperatives do not work.

### 6.1. Financial Reasons

A cooperative has both a social and business function. If either function does not work, the whole will collapse. This is especially true of the business function, for if a cooperative is founded upon a poor judgement of the economic viability of the fishery, either because the resource is not there, there are insufficient numbers of members, or other reasons, then the main reason for forming it will be undermined. Thus, if the initial assessment is correct, the chances of success will depend upon the social viability; if it is not correct, the cooperative will fail for financial reasons.

In this assessment one of the major factors will be access to the market. Some of the most successful cooperatives have been those close to an urban market which provides an easy means of selling high quality fish. An example of this are the fishery cooperatives around Bombay in India. A valuable export market is also a factor which can bring success, since this ensures a good return on investment and effort. The cooperatives in Belize are good examples of societies which have access (restricted to themselves) to both production and export of lobsters to the United States. Similarly, the Mexican cooperatives have access to the shrimp export trade. Indeed, the cooperatives in Mexico have always been able to generate greater monetary production with less volume of fish caught compared to the "permissionarios" (licencees) because the species restricted to them are more valuable (Groot 1982).

Even if the cooperative does not have easy access to a market it can be successful. The cooperative on Lake Turkana, Kenya, is in a very isolated situation but has been remarkably successful, although now it is experiencing difficulties due to loss, due to civil unrest, of the Ugandan market.

The development of any fishery requires substantial funding. Many reports quote lack of funds as being one of the main difficulties of cooperatives, eg. India, Nigeria. This may be in part due to members not investing in their society which is a reflection of their support. Share capital alone, however, is not enough to run the business. Reports from Thailand indicate that fishery cooperatives require much more capital than other types. Often financial difficulties and lack of development arise because fishery cooperatives do not have a very good credit rating. Further, there is often an historical background of failure on loan repayments (normally due to factors other than financial ones) and fishery societies have to continually prove otherwise. However, financial constraints and difficulties of obtaining loans is one reason for failure which can be forestalled by more imagination, flexibility and foresight on the part of the banks and other lending agencies.

In the past, these constraints have not allowed the cooperatives to succeed.

### 6.2. Technical Reasons

Digby (1973) states that fishery cooperatives rarely fail for technical reasons alone. Whilst this may be true, they may be an important contributory factor. When any piece of equipment breaks down, be it an engine, or an ice plant, cold store or transport lorry, part of the production of the business is put at risk. The longer it is out of action the greater the loss. The more inefficient the cooperative, the longer it will be out of action. The more internally or externally stressed the cooperative, the more inefficient.

Mechanical plant always breaks down at some stage and availability of spares, quality of maintenance and workmanship is important. The quality of the cooperative will be reflected in its ability to cope with these breakdowns.

There is, however, a different sort of technical reason which may put stress on the fishery and hence the cooperative. The resource base of the fishery, ie. the fish, may decline due to a number of factors - overfishing, pollution and destruction of breeding grounds and habitat. In many situations, the numbers of fishermen are far too great for the resource to be sustained. In Chile in 1972 there were 12 000 fishermen; ten years

later in 1982 there were 30 000. In Mauritius, there are currently 3 500 registered fishermen, while the waters can only support about 1 000. In the Jalisco area of Mexico, there are too many fishermen to be supported by the fishery.

A fishing cooperative cannot be sustained on a declining resource base. Something has to give, and if it is not the fishery, then it is the cooperative or both. More positively, the fishery cooperative can be used to limit the fishing effort (eg., by limiting members or limiting catch) in an attempt at conservation.

### 6.3. Leadership and Management

Whilst financial and technical soundness are a pre-requisite for cooperative success, to some extent these can be controlled by good management. Thus, one of the key factors in all successful cooperatives is the quality of its leadership or management. Throughout the record of successful fisheries (and other) cooperatives are examples of the part played by honest and dedicated leaders who provided the initial impetus and kept the society running in the difficult early years.

Managers and leaders may come from unexpected sources. In some instances, leadership may be provided by established leaders of the community who see the value of the cooperative for the community as a whole. In other instances, the fishermen may be forming their society in opposition to established leaders. The leaders which do arise may be uneducated and at the beginning timid of their role and their rights. Hamley (pers comm) gives the illustration of the manager of a fishermen's cooperative in Dominica who at the outset was almost insignificant, but who grew with the development of the cooperative into a dynamic and gifted leader of his society.

Even after the society has become established, good leadership and management remain vital to its continued success. Many of the failures of fisheries cooperatives have been ascribed to poor management and to the shortage of qualified personnel to run the cooperative. In the People's Democratic Republic of Yemen, such has been the expansion of the fisheries cooperative movement that they have been in danger of failure due to staff shortages; the recently completed ILO project aimed to improve the training of cooperative managers, accountants, etc., in order to overcome this problem (ILO 1983).

In the absence of suitably inspired people from within the fishing community, much of the initial work in education and encouragement of the fishermen to form a cooperative often comes from voluntary agencies and/or government officials. As with many things in the cooperative movement, there is a very fine balance between education and encouragement of people to do something for themselves, and actually doing it for them and in the end directing them. The quality of the advisers or cooperative department staff, in their positions as "leaders" is therefore very important. Often, unfortunately, the cooperative department is a civil service backwater - it is not on the main route to professional advancement - so that often the least able and enthusiastic officials are given the job of assisting the organization of cooperatives. Fisheries cooperatives, in turn, are usually at the bottom of cooperative "pecking order". In referring to cooperative department staff in Panama, Digby (1973) noted that organizers tended to be generalists who knew a little about everything except fisheries and were possibly worse than useless in advising fishermen on setting up their cooperative. Also, because of a lack of understanding of the long-term nature of fisheries cooperatives, development officers are changed too often and sometimes not even replaced. Digby (1973) cites the instance in Guyana where cooperative development progressed well from 1953-1958 under the influence of an enthusiastic officer appointed to organize and register cooperatives. This progress lapsed into inactivity for the next ten years when he was withdrawn and owing to staff shortages was not replaced.



#### 6.4. Members' Attitudes - Internal Enthusiasm and Sabotage

Some successful cooperatives derive their initial impetus from the enthusiasm of the founding members, rather than the vision of a few leaders. This "grass roots" variation of cooperative principles at work, while not the only valid way of developing a cooperative can produce its own dynamism and commitment to the activities of the group. This is all the more strengthened when the group is acting against outside exploitative forces. A good example of this is the Marianad fishery cooperative in Kerala where the struggle for formation produced a sense of purpose in the group (Kurien 1980).

The reverse of this picture shows that if a cooperative does not have the support of its members, then it will fail. If the members become disillusioned with the society, if it is not performing or producing benefits to match their expectations, they will do little to encourage its success. The withdrawal of their support will be seen in various ways, such as selling part or all of their fish outside of the cooperative, not repaying loans, not caring for cooperatively owned equipment, withdrawing or just not subscribing to savings and share capital and generally acting independently where they could act together. The list of the ways in which the members can intentionally or unintentionally sabotage their society is seemingly endless and some combination of these will be found in every failure.

Some understanding and commitment to cooperative principles is a crucial factor in influencing fisheries cooperative development. Successful cooperatives have worked when dealing with exactly the same problems as others which failed in similar circumstances and the only difference between them is the understanding of cooperative principles and the loyalty and support of the members. The attitude of the members is thus a vital factor in whether a cooperative is allowed to work or not.

From a western country, the Prince Rupert Fishermen's Cooperative in Canada stands out as an example of support and dedication of the members despite problems and failures of other fishermen's cooperatives around them. As Digby (1973) says, their success "was achieved in almost identical circumstances of membership ignorance, trade union friction, the hostility of private interests, the indifference of government and the lack of any outside body of inspirers or advisers. Nor does there seem to have been any special technical or economic features of the northern fisheries which might have made cooperation easier".

#### 6.5. Non-members' Attitudes - External Sabotage

The case of the Prince Rupert Fishermen's Cooperative identifies a number of external forces which may sabotage an incipient fishermen's society - trade union friction, private interests and government indifference. In the developing artisanal fishery, these outside vested interests may not be quite so formalised. They are still present, however, and cannot be neglected. In setting up a group of fishermen whose intention is to act together to increase their efficiency and income, certain economic and social relationships will be disturbed. While some increase in efficiency and income can come from improved fishing and handling techniques, perhaps the major reason for setting up a cooperative is to deal with social and economic injustices. One cannot do this without arousing hostility from those who have grown used to an exploitative position even if they do not necessarily see themselves as that - most middlemen, for example, see themselves in a more benevolent light; see themselves as taking the fish, already decaying fast, off the hands of the fishermen, offering credit for all kinds of business and social reasons, acting as a link between the outside world and the isolated fishing community. The setting up of a cooperative suggests a lack of trust in the middleman who played a definite role in the community. Now not only will he lose an economic activity but also a social position - no wonder he and other traders become hostile and work to undermine the cooperative. The methods they will use range from the economic, eg. not buying fish from the cooperative or its members, to social pressures and political influence, even violence.

The non-members' attitudes may not be overtly hostile but, rather, reflect a reaction to changes brought about by the cooperative. Such reactions may have been unforeseen and therefore come as a surprise. For example, the failure of the Lake Naivasha Fishermen's Cooperative in Kenya was brought about largely because the marketing policy of the cooperative (transport of all fish to a retail outlet in Nairobi) so reduced the local market for fish that all the traders and middlemen went elsewhere. The crews of the boats were paid in a share of the catch but, since the traders had gone, the crews found it very difficult to realise the monetary value of their fish. This, in addition to transport and marketing difficulties, in the end upset the workings of the cooperative (Nzioka 1981).

#### 6.6. Communication and Training

An apparent theme in the reports of failures of fisheries cooperatives is that the members never really understood what the society was about nor appreciated the principles of the cooperative process. This especially happened if the cooperative was seen as a channel for government aid, as happened in Malaysia. The fishermen thought that loans for the boats were a gift which did not have to be repaid. It was also true of the cooperative of women fish processors in Benin. These women are very competitive and were not given enough instruction about cooperative principles nor time to experience how they work before the cooperatives were set up.

Motivation and education about cooperatives are vital prerequisites; if they are overlooked or underestimated it is probable that the societies will fail. The more unused people are to cooperatives or the greater the antagonism to them due to previous experiences, the more care and subtlety is required for motivation. If these aspects are neglected either because they are considered unimportant or because there is no money for them, ie. if the bureaucracy does not allow it, it is arguable that the whole programme is put in jeopardy.

Training represents the second educational phase. Once the members of a group or pre-cooperative fully support the idea of a cooperative, training in organizational methods gives them the tools with which to work their society. Methods such as how to run a meeting, how to keep accounts, how to choose a "chairman", how the members can get rid of a chairman or manager, are important. More specific skills such as store keeping, maintenance of engines and boats, etc., will be needed to give the members and their representatives the skills and confidence to run an organization which helps to bring them into closer contact with, and to enjoy some of the advantages of, the more modern sectors of society.

#### 6.7. Government Involvement and Interference

There are three groups of people who complicate the workings of a cooperative. The first two are the members and the non-members, already discussed; the third is the government. As with the other two, there may well be good will towards the cooperative movement rather than hostility, but government often plays a more crucial role in cooperative success or failure. Fisheries cooperatives have worked in the past despite government indifference, eg. in Canada, but more often than not overt government influence and control has stifled cooperatives and not allowed an independent development which is so important to their survival.

Some governments, eg. Malawi, virtually ban the idea of cooperatives, but most have cooperative laws and departments to administer the law and register cooperatives. Most try to be supportive but in some, for example in Trinidad and Tobago, the government pays lip service to fisheries cooperatives but is apparently more interested in quick technological progress using foreign investment and local businessmen. Government is often looking for short-term results and looks to the cooperative movement to achieve

those results on its behalf. Few real long-term benefits can be expected, however, unless at the same time the cooperative is allowed to develop around its own interests. The government often does not appreciate the need for long-term commitment, with a clear and uniform policy, to the cooperative process.

The rapid changeover of government officers responsible for fisheries cooperatives has already been mentioned as a disturbing factor. Another is the location of responsibility for fisheries cooperatives within the government. Often, this is divided at least between two departments (Fisheries and Cooperatives) but also may involve a number of other ministries as well. In Bangladesh, for example, responsibility over certain areas of fisheries cooperatives rests with five different departments or ministries. Each department has its own ways of dealing with things and may even have policies at complete variance with the others. Sometimes, there may be little or no contact between them. If these various units cannot agree, it is unrealistic to expect the leaders of fishermen's cooperatives to know what is going on.

Independent changes in policy can also have a disastrous effect. In Indonesia, for example, three fisheries cooperatives were given long-term government loans to buy several wooden trawlers for shrimp fishing. Within three months, however, the government passed an edict banning shrimp trawling. The cooperatives were thus left with an expensive loan to pay off but were unable to fish (Hamley personal communication).

Governments can, however, be of enormous support to incipient cooperatives. Measures which encourage membership, such as restricted access to resources or markets, ensure that only cooperative members can fish for certain species or in certain waters, eg. in Bangladesh, Japan, Belize and Mexico. Even the channeling of food aid through fisheries cooperatives, which may have a more dubious effect, if backed up by cooperative motivation and education, can support for a cooperative and contribute to its survival after the food aid stops.

In the absence of established and effective higher levels of the cooperative movement to provide education and training, this role often falls to the cooperative and/or fishery departments. If this role is not supported by governments, the cooperative movement may well begin to falter.

Most cooperative departments are also responsible for the registration and yearly audit of societies. If these two activities fall behind, the legal requirements for each society cannot be fulfilled and AGMs cannot be held. This encourages societies to fail, their officers and managers to get away with corruption and members to become disillusioned.

Another form of assistance which has already been mentioned is in the secondment of staff to assist in the running of fishery cooperatives. This is a practice which is almost universally questioned by cooperative operators and theoreticians and, if government is assisting with support for management, a better alternative is the provision of a fund to pay for the salaries of managers. Where the government exercises too much control and tries to direct the cooperative, failure is more often the consequence. Over-support is sometimes too much for cooperative well being and tends to mean that the cooperative is not allowed the independence needed for its own development.

## **7. FISHERIES COOPERATIVE DEVELOPMENT - SOME LESSONS FOR THE FUTURE**

This final section assumes that fisheries cooperatives are an accepted tool for development of artisanal fisheries - accepted by both development agency and government - despite their shortcomings and an often patchy record of success. It attempts to draw together some of the threads in this paper in the form of lessons for the

future. While acknowledging that for fisheries cooperatives to work the wish to cooperate and the action to do so must come from the fishermen, the following suggestions are made more for the attention of development agencies and governments.

#### 7.1. Where are we starting from?

Because of the history of fisheries cooperatives, most people involved with artisanal fisheries development approach their use with some care, if not scepticism. They are not seen as a panacea and few would agree with the suggestion, "give them a cooperative and all will be well". Advocates and organizers of cooperatives should start with an awareness of their potential but also of their difficulties. The same should be the case for the fishermen.

Fisheries cooperative development is not just about cooperation between fishermen, but also about cooperation between the promotional agency, government and fishermen. Fishermen are often starting from a position in which many have had little or no experience (other than traditional forms) of cooperatives and no knowledge of cooperative principles. Alternatively, some fishermen may have had bitter experience of cooperatives, be fully aware of what has happened as a result of them, but still not understand cooperative principles. One must be fully aware of the positions of all parties, the previous history and what is expected from cooperation.

#### 7.2. The need for feasibility study

One of the lessons for the future, gleaned from the past history, is the need for a feasibility study of the fish and the fishermen. All too often fisheries cooperatives have been started or imposed to tackle specific problems, without a thorough knowledge of the resource and its constraints, of the fishermen's society and its economy. Not only is this kind of knowledge and understanding necessary, but there needs also to be an anticipation of what may happen as the cooperative develops. This requires an examination of questions such as the following: How will it alter relationships within the community and with the larger society? What will happen to the fish resource if the cooperative becomes successful in attracting more members who are more efficient at their job? What are the critical factors which may cause the cooperative to fail? How can these be minimised? What could happen if the cooperative does fail? Will the fishermen be worse off if it does?

Such feasibility studies should be done both in the larger context of artisanal fisheries development in the country and in the local context; the first if there are no or few cooperative already; the second to find out if a cooperative is viable both economically, technically and socially. If the study shows serious potential problems with any of these, the venture should be approached with great care and wariness.

Whilst economic and technical soundness may be fairly easy to evaluate, social soundness is often more difficult. It should include a judgement of the willingness of the fishermen to form a group and the back-up required in terms of education, organizational training and motivation.

Finally, the feasibility study should identify (with the assistance of the fishermen) the activities which the cooperative will undertake. If possible a plan for bringing in future activities should be drawn up, and the various organizational functions, eg. format and timing of meetings, roles of directors and managers, representation of government on the board of directors, etc., suggested as appropriate.

The term "feasibility study" may have inappropriate connotations especially if a small group of fishermen is being considered. The author would not want a small group of fishermen, whose enthusiasm for forming a cooperative is their strongest asset, to be put off by the need for a feasibility study. Obviously, the scales of both society and study need to be matched, but what is required is the assistance of an outside person to ensure that the group is attempting realistic, self-sustaining activities. Potential difficulties

should be identified, discussed with the group and ways found of minimising their impact. Such studies could be carried out by cooperative and fishery department staff, or suitably experienced persons from voluntary agencies. They do not necessarily involve foreign experts or expensive consultants.

### 7.3. Flexibility of approach

In some cases, much of the groundwork for a feasibility study will have been carried out already, especially when a fisheries cooperative is being set up within the framework of existing, successful fisheries cooperatives. If the cooperatives have not been successful in the past, or are a virtually new concept in the area, much greater care needs to be taken at the feasibility stage to identify the right approach. Cooperative law should be general enough to allow variations of approach to suit particular situations whilst remaining within the spirit of cooperation.

Flexibility of approach is vital to the initial success of a group, pre-cooperative or full cooperative. Flexibility may come from calling the group by a different name, thus avoiding the term cooperative altogether (if the name is deemed a problem) even though cooperative principles apply. Flexibility may also come from phasing the development, allowing time for education of what cooperation is about and for motivation. Thus, savings groups may develop into supply/bulk buying pre-cooperatives which, in turn, may wish to register and take on the roles of marketing and credit.

Flexibility also means that the cooperative is allowed to develop at its own pace, without the expectations of short-term success. This requires a long-term commitment from the government with consistent policies for both cooperatives and fisheries, on which the fishermen can rely. This should not, however, be an excuse for complacency, for whilst the cooperatives must be allowed their own development, there must also be encouragement and advice, coupled with the regular supply of those services promised by the development agency or the government.

### 7.4. Member education and cooperative motivation

Fisheries cooperative development needs a commitment (from a development agency, government or cooperative apex organization) to provide member education in the fields of cooperative principles and organizations, the roles of directors, managers and members, and skills such as how to run effective meetings and reach decisions, book-keeping, store-keeping, etc. These are essential in the early phases of development and meetings and training sessions must be organized in appropriate places and times to encourage maximum participation.

Cooperative education and motivation can be a very "dry" subject. Attempts should, therefore, be made to bring imagination into the presentation of training sessions and they should not degenerate into mere lectures of exhortations to the members to cooperate. Since nothing is better to encourage members' commitment than success and participation in it, demonstrations of cooperative principles at work and examples of how neighbouring groups have successfully overcome similar problems can play an important part in shaping the perspective and activities of a new (or existing) cooperative.

### 7.5. Government education and motivation

Cooperative department officials do not necessarily represent the government as a whole. From the viewpoint of government as a whole, cooperatives are rarely understood and often no great confidence is held in them. However justifiable this lack of confidence may be from some past experience, an understanding of what cooperatives are, their potential and their limitations, is essential for governments seeking to encourage their development.

A true understanding of this, not only in cooperative departments, but also in fisheries departments and all other ministries involved, will help to reduce undue

expectations about the performance of cooperatives, and to encourage the necessary commitment required of government. There must also be an understanding that for cooperatives to achieve their potential, the members must have maximum control over their organization and that government control is best expressed at one step removed from the cooperative, ie. through the general laws of the country.

#### 7.6. Management and member vigilance

A good manager is most often the key to the business success of the cooperative. The manager should be appointed by and be responsible to the members, not the government. (In the case of secondment of cooperative department officials to assist in the setting up of the cooperative, it is considered better for them to be in an advisory role to a full-time manager rather than to have the direct managerial responsibility.) If the cooperative cannot support the salary of a full-time manager, funds should be identified to top-up the salary which the cooperative can afford, and provision made for the cooperative to increase its proportion of the salary each year as it develops. If it appears that the cooperative will never be able to afford to pay 100% of the manager's salary, other solutions should be investigated. These might include the amalgamation of societies or the vertical and/or horizontal integration of other fisheries activities and income of the cooperative. A cooperative should be a viable economic entity capable of supporting itself and the economic and social functions for which it is set up.

Members' vigilance, however, is both the key to the direction and control of the manager and a reflection of the commitment of the members. This vigilance should find organized expression in a board of directors which represents the members' interests. Such a board, in the early stages, may include government representatives. They should be in a minority, however, and should be persons acceptable to the cooperative members. Rather than being persons with administrative responsibility for cooperatives (ie. cooperative officers), they may better be chosen from the community, eg. school masters, extension agents, etc., or from outside it.

### 8. SUMMARY - LESSONS FOR THE FUTURE OF FISHERIES COOPERATIVES

1. Before starting a fisheries cooperative, all parties - fishermen, development agency and governments - should be very clear of their aims, objectives and expectations.

2. A feasibility study should be carried out to cover the technical, economic and social viability of the fisheries cooperative and the consequences that may be expected from such action. Such a feasibility study should be appropriate to the scale of operation considered.

3. A flexible approach should be taken in setting up fisheries cooperatives. This may require a gradual development process through groups and pre-cooperatives or may mean avoiding the term "cooperative" altogether.

4. Fisheries cooperative law should be included in general cooperative law which should be open enough to allow a flexible interpretation in the individual societies' bylaws to cover different situations.

5. Fisheries cooperatives should be started at the primary society level upwards, not from the apex downwards. The members must feel the need for the activities undertaken by the society and for such an organization to carry them out.

6. Members must see the cooperative as their own society and they must be able to control it themselves. Cooperative meetings and other activities must be held at times when the members can participate fully and they should be encouraged to do so.

7. Membership criteria need careful definition, especially with regard to boat ownership and crew, occupation and residence. The size of the society in terms of numbers should be large enough to ensure viability but not so large that members no longer identify with their society. Middlemen should not normally be invited to become members.

8. A gradual build up of functions undertaken by the society according to the needs and skills of the members and their community is recommended. Activities should complement the fishing business of the members, not compete with it.

9. Fishermen's cooperatives should aim to become multipurpose rather than single purpose societies, looking towards both vertical and horizontal integration of the fishing business. This is especially important for the smaller societies if they are to achieve greater economic viability. Creation of a cooperative between interest groups within the fishery (eg. producers and processors) may be possible, but not between interest groups outside the fishing industry (eg. farmers and fishermen).

10. Provision of credit facilities must take into account the variable and seasonal nature of fishing. Credit should be flexible enough to withstand pressures outside the control of members, but not too easy to encourage irresponsibility. Short term credit for non-fishing requirements of members may be considered appropriate under some conditions.

11. Extensive social and community activities should only be attempted when the society is economically strong enough, although activities involving the women and youth of the community may serve to strengthen commitment both to fishing and the cooperation.

12. Fishery cooperatives must be well managed. Managers should be both honest and trusted by the members and be good businessmen. They should be appointed (and discharged) by the members, not by government. Government may have a role in training, provision of advice and in topping up the salary of managers in the early stages.

13. Government support is vital to fisheries cooperatives development, but such involvement is best when it is indirect. Government attempts to control or to push various measures through the cooperatives may be detrimental. Positive action to channel funds, restrict fishing licences or marketing of certain fish through cooperatives can usually be beneficial in encouraging membership, but need care in their application.

14. Fisheries cooperatives development requires long term commitment from the government; frequent changes in government staff and policy will be detrimental, as will unrealistic short term expectations of cooperative performance. Cooperation between departments involved with fisheries cooperatives is essential.

15. The education of government officials in the potentials and limitations of cooperatives is needed in order that a realistic programme of fisheries cooperatives development may be pursued. The national and international cooperative movements and development agencies have an important role to play in this respect.

16. The education process in cooperatives cannot be underestimated. Education and training in technical aspects of fishing are taken for granted, but training in cooperative principles and skills is very important for members from the beginning. Motivation by experience and examples of successful cooperatives play an important part.

## APPENDIX I

### SOURCES OF CASE STUDIES ON FISHERIES COOPERATIVES

<u>Country</u>	<u>Reference</u>
Belize (British Honduras)	Gibson 1977, Digby 1973, FAO 1971
Bangladesh	Ponnuthural 1973
Canada	Digby 1973, FAO 1971
Costa Rica	Castro 1975
Denmark	Digby 1973, EEC 1976
Dominica	Digby 1973
England	Digby 1973, EEC 1976
France	Digby 1973
Guyana	Digby 1973
Hong Kong	Digby 1973
India, Maharashtra State	FAO 1971
India, Kerala State	Kurien 1980
Indonesia	Machima & Yuwono 1982
Ireland	Digby 1973, EEC 1976
Jamaica	Digby 1975
Japan	Digby 1973, Akiyama 1980
Kenya	Jul Larsen 1981, Nzioka 1981
Korea (Republic of)	Digby 1973
Malaysia	Ponnuthural 1975
Mexico	Mata 1979, Carballo 1979, Alcazar 1977
Norway	Digby 1973
Pakistan	Digby 1973
Panama	Pollnac 1977
Philippines	Obispo 1980, Toh 1980
Sweden	Digby 1973
Taiwan	FAO 1971
Tanzania	McHenry 1974
Trinidad and Tobago	Digby 1973





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# COPAC

COMMITTEE FOR THE PROMOTION  
OF AID TO COOPERATIVES

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INTERNATIONAL CO-OPERATIVE ALLIANCE  
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COPAC was established in 1971 in response to the emphasis of the Second United Nations Development Decade on the mobilisation of the people, particularly the poor, for their own development through their own organizations. United Nations agencies and international non-governmental organizations come together in COPAC with a view to improving co-ordination of their activities for the promotion of cooperatives in the developing countries. Close relations are also maintained with many non-member agencies active in this field. A list of such agencies is included in the COPAC Directory of Agencies Assisting Cooperatives in Developing Countries.

The essential function of COPAC is to promote co-ordinated assistance to cooperatives in developing countries. COPAC itself does not provide capital or technical assistance, although most of its individual member organizations do so. COPAC will, however, assist, whenever possible, in putting projects in a suitable form for submission to funding agencies. For this purpose, it published a Guide for the Preparation of Cooperative Projects.

COPAC publishes, twice a year, a Bulletin giving latest information on cooperative projects, newly approved or under consideration, recent missions, etc., by development agencies of all kinds. It also publishes an annual listing of projects under the title Current Assistance to Cooperatives in Developing Countries.

In addition to the regular six monthly COPAC committee meetings, occasional symposia and consultations are organized on themes relating to cooperative assistance. Participants - cooperative leaders, officials of development agencies, civil servants, researchers - come from both developed and developing countries, thus ensuring a fruitful two-way exchange.

Beginning in 1979, COPAC began publishing a series of Cooperative Information Notes on individual countries. By the end of 1983, such reports, describing the current status of cooperative development, had been prepared on 16 countries. Eighteen additional reports are under preparation during 1984-85.

COPAC also promotes action-oriented research on the role of cooperatives in economic and social development. The Secretariat may be called upon to draft documents or engage in research in circumstances where a variety of cooperatives interests and viewpoints must be taken into account impartially. Thus, the UN Secretary-General approaches COPAC from time to time for assistance in the preparation of reports on cooperative development for submission to ECOSOC and the General Assembly. Assistance has also been given to UNDP in the drafting of a Programme Advisory Note on Cooperatives and Similar Institutions and in the carrying out of an evaluation of UNDP-financed projects involving cooperatives.

COPAC welcomes contacts with all organizations concerned with cooperative development.