

Formal sector financing on the marine fish production and socio-economics of fishers in Sri Lanka

D. Weerasooriya¹, T. K. Hewapathirana² and M. J. S. Wijeyaratne¹

¹Dept. of Zoology, University of Kelaniya, Kelaniya, Sri Lanka.

²Dept. of Statistics and Computer Science, University of Kelaniya², Kelaniya, Sri Lanka.

Received on : 10-09-00

Accepted on : 16-11-00

Abstract

The present study was carried out to determine whether the formal sector financing has a significant effect on the marine fisheries in the North Western, Western and Southern provinces of Sri Lanka and to determine whether granting of loans has resulted in any socioeconomic development among the fishers. Results indicate that granting of loans to fisheries sector has not resulted in a significant increase in the marine fish production in these areas during the period 1987-1997. Further, there was no significant relationship between the marine fish production and the rate of repayment of loans. It was also revealed that the recovery of loans by the financial institutions was unsatisfactory. Improvements in the recovery of credit could be made by reviewing the reasons for failures of previous financing schemes, close monitoring and supervision and becoming more familiar with the attitudes and problems of the fishers. Study also showed that the majority of fishers who have obtained loans \geq Rs. 20,000/= live in tiled / asbestos roofed houses built up with bricks / cement blocks while the majority who have obtained $<$ Rs. 20,000/= live in cajan / tar / GI roofed houses built up with clay / wooden planks. It is necessary to train fishers to budget their income. Involvement of women of fisher households in bank lending and savings activities may be useful in this regard.

Key Words : Marine fish production. loans, recovery

1. Introduction

The fisheries sector plays an important role not only in providing protein for the nation but also in providing employment and income to the society. Despite the financial assistance provided in the past by the state to develop this industry, it has not yet progressed beyond the scope of a small