

Micro enterprises in fisheries for livelihood security- scope & challenges

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While talking about entrepreneurship, I remember the quote "Only the paranoid survive." By Andy Grove, former CEO of Intel.

Entrepreneurship, according to Onuoha (2007), "is the practice of starting new organizations or revitalizing mature organizations, particularly new businesses generally in response to identified opportunities." Schumpeter (1965) defined "entrepreneurs as individuals who exploit market opportunity through technical and/or organizational innovation". But the most popular definition being "entrepreneurship is about taking risk" by Frank H. Knight (1921) and Peter Drucker (1970).

What is the risk in entrepreneurship?

In one word it is Money..its all about losing money and the bitter consequences of it at individual, family and societal level, and at a broader sense at national level. But still entrepreneurship is the most widely discussed and topic catching attention of economists world over, because of its potential for economic growth, job creation, and regional and national competitiveness.

Is there something called Entrepreneurial behaviour?

Entrepreneurial behaviour has been defined as the study of human behavior involved in identifying and exploiting opportunities through creating and developing new ventures (Bird & Schjoedt, 2009). Entrepreneurial behavior is also increasingly recognized as a proponent to social change and facilitating innovation within established organizations (Kuratko, Ireland, Covin, & Hornsby, 2005). There is a belief that it's the entrepreneurial behaviour of people in a Country which decide the initiation and growth or sustainability of entrepreneurship there.

A Special Issue on Entrepreneurial Behavior emphasizes the importance of refocusing research attention towards concrete and observable human action in venture and organizational creation and emergence (Bird, Schjoedt, & Baum, 2012).

Although entrepreneurs in different countries usually share some universal traits, they may also have other traits that are specific to their own culture. For example, entrepreneurial activity is encouraged as an avenue to stimulating economic growth and empowering marginalized segments of population in less-developed countries (Yasin, 1996).

Why to think of enterprises in food processing sector?- The case of India

According to Ministry of Food Processing:

- The **Indian** gourmet **food market** is currently valued at US\$ 1.3 billion and is growing at a Compound Annual Growth Rate (CAGR) of 20 per cent. **India's** organic **food market** is

expected to increase by three times by 2020. The online **food** ordering business in **India** is in its nascent stage, but witnessing exponential growth.

- Its 350 million strong urban middle class with its changing food habits poses a huge market for agricultural products and processed food.
- Food processing industry will show the annual growth of 40-60% in next five years

Need for Value addition

- Value addition of food products is expected to increase from **8 per cent to 35 per cent by 2025**
- **86% of households** prefer to have instant food due to steep rise in dual income level and standard of living, convenience, and influence of western countries.
- The Food & Grocery market in India is the sixth largest in the world. Food & Grocery retail market in India further constitutes almost 65% of the total retail market in India.
- By 2020, Indian Food and Retail market is expected to touch \$ 828.92 bn
- Consumer spending rate on processed food had increased **7.6% (2008 to 2010)**

World over, the entrepreneurship development, especially based on value addition, is paid huge attention. The Global Entrepreneurship Development Index(GEDI) methodology collects data on the entrepreneurial attitudes, abilities and aspirations of the local population and then weights these against the prevailing social and economic 'infrastructure' – this includes aspects such as broadband connectivity and the transport links to external markets. The share contribution from a sector to the **State Value Added (GVA) is also taken as an important indicator rather than Gross Domestic Product(GDP)**. **Gross Value Added(GVA)** measures the value added to the goods and service i.e it quantifies the productivity of the economy

Value addition of fish for entrepreneurship

Fisheries being an important sector contributing to the country by way of providing quality protein to the people there, employment, and export earning, the revenue generation from value addition of fish is also important.

Fish is the source of best source of animal protein and any food out of fish is now considered a health food. This indicates the scope of value addition of fish and starting enterprises based on that. This will become again attractive, when the opportunities are made accessible for the primary producers, the original custodians of the resource.

But a highly perishable commodity, fish require scientific approach for the value addition and building its value chain extending to ultimate consumer. The resource, the technology, the final product, the packaging , pricing etc , in nutshell the business model, should be decided according to the market opportunity and identifying the market demand.

The products range various processed ready to cook and ready to eat products to live fish. But in any entrepreneurship development process, the enterprenuer has to go through different

stages which may vary according to the innovation, type of market, skill levels, state support, legal parameters and of course the entrepreneurial potential of the person or the group.

According to Barraza Carols, Entrepreneurship has four stages

- **Innovation**

Generating the idea, innovation, identifying a market opportunity, information search, conception, screening ideas for feasibility, identifying where to extract value and the development of the product or service.

- **Triggering event,**

This stage involves gestation, the motivation to start a business, the decision to proceed, the business planning, identifying the different resources required, risk assessment, resource acquisition and assembling.

- **Implementation**

This stage includes infancy, incorporation, setting up and launching the new venture, business strategy, implementing the business plan, running the business, deploying of resources, building success and managing the venture.

- **Growth**

This phase is stage of adolescence, maximizing profits, harvesting the rewards and continually growing the venture to include other opportunities

Accordingly, in the fish based enterprises also, one should understand the fish value chains existing in the locality, both in inland as well as marine sectors and identify the right opportunity. The screening of market opportunity as well as identification of suitable innovation is of equal significance. The length and the type of processes involved in the fish value chain vary based on the markets involved. The vulnerabilities also should be kept in view.

Fish based Micro- enterprises from ICAR-CIFT

ICAR-CIFT has developed and standardised different business models, giving a special focus on women, for starting micro-enterprises in fish. Some are based on fresh fish and some based on dry fish and yet another range of products based on secondary raw materials. From edible products like pickles, wafers, battered and breaded products, dry fish to organic manure from processing waste is covered under that. The Institute has proven the viability of such models in coastal villages through pilot level demonstration units. Through series of field level programmes, knowledge and skill development is achieved among fisherfolk. The enterprise development is promoted in P-P-P mode.

Micro enterprises & Small business

While discussing about the scope of **micro enterprises** in fisheries, one should surely know what is the difference between a micro enterprise and a **small business**.

Micro-enterprise is a business employing fewer than 10 people, and with an annual turnover or a total balance sheet which does not surpass 2 millions Euros. Micro-enterprises belong to the Small and medium enterprises category

Micro-enterprise usually employs upto 10 employees only, while small business may go upto a scale of 500 employees

Scope

Technological developments in fish processing sector offer scope for innovation, increase in productivity, increase in shelf life, improve food safety and reduce waste during processing operations (Ninan,G).

Challenges

The undulations in availability of resource as well as the price is the major challenge. Constant price fluctuation, perishability of the products, poor information literacy of costal women etc also pose threat is enterprise development as well as in its sustainability.

One has to be a dreamer, a thinker and at the same time a street smart to become an entrepreneur. The opportunities are immense, but challenges also plenty. Hence, as Jessica Herrin, founder and CEO of Stella & Dot told, "You have to see failure as the beginning and the middle, but never entertain it as an end." -

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