

## Activities of the Women's Economic Group (KEW)

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### Background

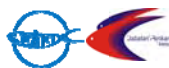
Under the ASEAN-SEAFDEC Fisheries Consultative Group (FCG) collaborative mechanism adopted by the Association of Southeast Asian Nations (ASEAN) and the Southeast Asian Fisheries Development Center (SEAFDEC) in 1998, the Training Department (TD) collaborated with the Department of Fisheries (DOF) of Thailand to implement a coastal resource management program starting in 2001. An existing project proposal planned to be implemented in Chumphon Province, Thailand was reformulated as the joint TD and DOF initiative for a period of five years. Thailand was designated as the lead country and SEAFDEC/TD as the implementing department for SEAFDEC. It was also agreed that the knowledge and experiences gained from the project would be disseminated to the other Member Countries through the SEAFDEC information transfer and dissemination approaches.

The project has produced tangible impact and was acknowledged by the SEAFDEC Member Countries at the 4<sup>th</sup> SEAFDEC FCG Meeting in Myanmar in March 2002 and the 25<sup>th</sup> SEAFDEC Program Committee Meeting in Singapore in October 2002. The latter meeting pointed out that it was an opportune time to transfer the technologies, including experiences and knowledge gained, to other Member Countries. Thus, the Committee Member from Malaysia offered Langkawi as a pilot site for the implementation of a similar approach on a cost-sharing basis. Several SEAFDEC/TD missions to Langkawi were subsequently conducted to look into the possibility of setting up a similar coastal resources management project, called the "Locally Based Coastal Resources Management in Pulau Langkawi (LBCRM-PL)". The project was initiated in August 2003 for 24 months during its first phase under the co-financing arrangement with the Japanese Trust Fund-1 (TF-1) and DOF Malaysia. However, in the course of the project operation, the financial arrangement with TF-1 was terminated in December 2004 and a new financing arrangement under TF-4 commenced in January 2005.

In conjunction with this change, it was determined that the first phase of the project would be terminated at the end of 2004 and the 2<sup>nd</sup> phase of the project to start in January 2005 with three years tenure until the end of 2007. The 2<sup>nd</sup> phase put more emphasis on human capacity building in the coastal resources management sector. Consequently, the project title of the second phase was also changed to "Integrated Coastal Resources Management in Pulau Langkawi (ICRM-PL)". The overall objectives of this project are: establishment of sustainable coastal fisheries management at the local level; rehabilitation of coastal fisheries; and alleviation of poverty in coastal fisheries communities. More specifically, the project aimed to provide technical assistance to ensure the sustainable development of coastal fishery communities in Pulau Langkawi within the framework of the collaborative project.

The ICRM-PL project has six main activities, with "encourage local business venture" as one of the main activities. Encourage Local Business was mainly concerned with increasing and creating alternative job opportunities, mainly outside the marine capture fisheries, placing emphasis on increasing income. The alternative job opportunities were envisaged to compensate part of the decreased income resulting from lesser dependence on marine capture fisheries. The project envisaged to assist the people in increasing their incomes in two ways: by improving technologies in fishing and handling, marketing and processing of fisheries products; and by creating alternative job opportunities outside capture fisheries through the promotion of coastal aquaculture, fish cage culture, etc.

The ICRM-PL project was implemented in Kuala Teriang, where the Kuala Teriang KEN (Kampung Ekonomi Nelayan - Fishermen's Economic Group) is active as a functional group to handle group economic activities specifically in fundamentally developing community economics. Establishment of local business ventures was part of the implementation plan to mainly create job opportunities for the women in the community.



### **Objectives**

1. Create alternative job to increase households incomes and develop community economics; and
2. Enhance women's participation in community development.

### **Outcomes**

1. Improved role of women, for them to be more active and skillful in the techniques of fish processing and product development;
2. Developed products in community to be promoted as modern products; and
3. Increased incomes of the fishing households.

### **Procedure of implementation**

Women in the community at the project site were the target group to participate in the local business venture activity. The top priority objective of this activity was to increase the income of the fishing households. SEAFDEC/TD conducted the preliminary socio-economic survey, the result of which disclosed that over 80% of housewives in the project area were idle and willing to do some work in order to acquire additional income. The women's group established on 9 February 2004 was a sub-group of the Kuala Teriang KEN. Before becoming an official group for the project, the group was a volunteer group under the Women's Islam (WI), with its main activity focused on social activities and meetings. The women's group was initially composed of 11 members from three villages: 2 members from Kuala Teriang, 5 members from Batu Ara, and 4 members from Kuala Melaka. Now, there are 15 members tasked to carry out the group's activities in the project. The women's group was named the KEW (Kumpulan Ekonomi Wanita - Women's Economic Group) in Kuala Teriang.

Appraisal assessment of data was used to formulate and arrange the training course and activities for the women's group. The agreed activities of the women's group included:

1. Study tour on fish processing to observe active and successful women's groups in other provinces and countries;
2. Training course based on the women's needs;
3. Construction of facilities and procurement of materials;
4. Providing channel of coordination with related government agencies; and
5. Arranging discussions and problem analysis including finding possible solutions.

### **Study tours**

1. A study tour to Chumphon and Phangnga Provinces in Thailand was conducted from 28 April to 2 May 2004, by the team consisting of five (5) representatives of the women's group and two (2) officers of DOF Malaysia. This was aimed at learning how to set up a cottage scale fish processing yard and processing of value-added products, exchanging views on women's participation in community development, and studying the organization and operational characteristics of women's activities. In addition, the team visited fishing villages in Phangnga Province, where the inhabitants were predominantly Muslims and where the participation of women in the activities is very visible.
2. A study tour to Johor and Perak, Malaysia was conducted on 2-6 August 2004. Fish cracker processing was the main activity observed during the study tour, which had two participants comprising an officer from DOF Malaysia and the leader of the women's group.

### **Training course**

1. A training course on surimi and fish ball processing was conducted in Penang, Malaysia on 10-12 May 2004, with six (6) members of the women's group participating.

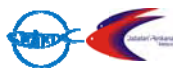
2. A training course on Simple Bookkeeping and Accounting Management was held on 15-16 June 2004 in Langkawi, Malaysia, attended by 10 leading women's group members. Four basic ledger books; i.e. General Ledger, Materials Ledger, Product Ledger, and Labour Ledger, were introduced during the training and a practical exercise for completing the books were also carried out by the participants.
3. A training course on Accounting, Marketing and GMP was held in Kelantan, Malaysia on 18-20 September 2004, where 12 members of the women's group participated.
4. A training course on Fish Product Processing at the Fisheries Institute of Malaysia (IPM) in Kuala Terengganu, Malaysia was conducted on 9-14 April 2005. The training course covered the basic concept of food hygiene and minced fish production using underutilized fish species. Fifteen (15) members of the women's group participated in the training, which included the production of Surimi and Otoshimi products, Tilapia Fillet, Fish ball and Fish cake, Fish Nugget, fish finger, fish burger and Keropok Lekor.
5. The training course on processing seasoned/dried fish satay using threadfin bream was arranged by the DOF and the Malaysian Agriculture Research and Development Institute (MARDI) on 18-19 September 2005.
6. Training on computerized bookkeeping system was also conducted in April 2006 by a computer supplier from the Kedah State.
7. A 3-day training course in accounting was organized by the Kedah State on 13-15 September 2006 for the KEN and KEW in the state. Three members of KEW participated in the training which had a total of 40 participants.



**Training courses: simple bookkeeping and accounting management (left) and fish processing at IPM (right)**

### **Construction of facilities and procurement of materials**

1. The DOF Malaysia provided most of the equipment and materials to the women's group since the start of its active production. The fund was disbursed for this purpose from September 2004 until the middle of November 2004, when the cottage-scale fish processing yard was completed. The equipment provided are as follows:
  - Hot oven
  - Gas stove with 2 gas containers
  - Sealing machine
  - Freezer (refrigerator)
  - 2 Tables and chairs
  - Packaging and labeling materials
  - Building (4 m x 8 m)



The total budget allocated was 50,000 RM (Malaysian Ringgit), of which 20,000 RM was contributed by the village fund of the LADA (Langkawi Development Agency) and 30,000 RM for equipment and materials was from the DOF of Kedah State. The cottage-scale fish processing yard was completed in the middle of November 2004 and the women's group started their production activities in December.

2. After the tsunami (26 December 2004), the women's group's vital activity shifted its momentum to the rehabilitation of the affected area, and responding to their needs, the DOF and LKIM (Malaysia Fisheries Development Authority) contributed 60,000 RM to expand the processing yard to cope with the women's requirements to increase their processing capacity.
3. SEAFDEC/TD provided a complete computer unit to the women's group in June 2005 to enable them to improve transparency and be able to adopt an effective bookkeeping and accounting system.
4. The DOF Malaysia also provided the necessary equipment such as a strainer and a digital weighing scale up to 15 kg to the women's group in July 2005.
5. The construction of the second cottage-scale fish processing yard under the auspices of the Japanese Grassroots Assistance for Tsunami Disaster (JGATD) had been delayed due to the slow process of designing and approval within the Malaysian authorities. Construction eventually started in October 2006. The cost allocated for this construction was RM 186,000 broken down as follows:

Building cost	RM 100,000 (JGATD)
	RM 60,000 (DOF)
Machinery and equipment	RM 26,000 (JGATD)
<b>Total</b>	<b>RM 186,000</b>

6. Aimed at diversifying the production lines of the KEW, the DOF donated a Maruku forming and cooking machine costing about RM 19,000 under their own Tsunami Fund. In addition, various fish processing machineries like continuous sealing machine, cooking oven, dryer, and labeling machine costing about RM 50,000 were purchased by the DOF in September 2007 to fully equip the newly completed fish processing yard. The processing yard was expected to be operational in early 2008.

#### **Providing channel of coordination with related government agencies**

1. The marketing channel has been expanded through private traders such as the Ismail Group. A sales outlet at the Handicraft Sales Center was provided by LADA (Langkawi Development Agency).
2. A one-day workshop was organized by the Fish Technology and Fishermen Community Section of the DOF in Langkawi on 8<sup>th</sup> May 2006, in a bid to identify appropriate and lucrative local business ventures. Twelve (12) and 8 members from KEN and KEW Kuala Teriang, respectively participated in the workshop.
3. During the National Contest on Women's Group Activity organized by the Ministry of Agriculture of Malaysia on 8<sup>th</sup> August 2006, the women's group (KEW) in Kuala Teriang was awarded the 5<sup>th</sup> prize for their various group activities. The KEW in Kuala Teriang was the only group selected from the fisheries sector.
4. The Annual Meeting of the KEN and KEW Federation was held in the state of Negeri Sembilan on 19-21 December 2006 with 128 representatives from KENs/KEWs of the country. Two members of the Women's Group (KEW) Kuala Teriang participated in the meeting and presented the progress of their activities. Their performance was extremely highlighted as the first success case in Malaysia and an effort to disseminate similar activities in other KEWs was proposed.

### Arranging discussions and problem analysis including finding possible solutions

1. The simplified two ledger books, i.e. "Monthly Material Procurement Record" and "Monthly Production and Sales Record", were modified into "a user-friendly version" and introduced to the KEW in April 2007. Since then, records on output products, purchasing materials and sales of products, have been clearly and precisely recorded. Monthly stock inventory by physical verification was also conducted. The bookkeeping and accounting practices have been closely monitored periodically by the DOF Extension Officer and the SEAFDEC team. When it was necessary to make rectification or correction of the entries in the books, spot training were conducted by the SEAFDEC staff.
2. The ICRM-PL project also conducts ICC meetings (Implementation Coordination Committee) three times/year, and SC meetings (Steering Committee) once a year. During those meetings, problems on the women's group activities are discussed and solutions are also formulated.



Discussions on: bookkeeping with local business team (left) and on problems and solutions ICC meeting (center); and KEW participants in training on food processing (right)

### Results

#### The first year (2004)

1. The two study tours conducted have been very fruitful as considered by the participants who also embrace the concept of "seeing is believing", which implanted innovative ideas in the women's group activities.
2. The main products of the women's group are dried/seasoned anchovy with fresh chili and dried chili.
3. Currently, marketing is concentrated in Langkawi and most of the products are sold at the project site. Since their product is new to the island, therefore sale is moving very fast without any competition.
4. The women's group was divided into four (4) sub-groups to distribute the processing work evenly and their activities are regulated by their self-established eight (8) rules:
  - One group will produce 3 kg of dried anchovy per day
  - The working hours start from 0930 until 1700
  - If a member in a sub-group cannot come to work, it is necessary to call a member from another sub-group to replace her
  - If a member from another sub-group doesn't come to work, that member will pay 3 RM to the group
  - All members must undertake their duty one way or another
  - The group will clean and dry 5 kg of anchovy each day (in preparation for the next day's production)
  - Facilities and working areas in the building should be cleaned before leaving, and
  - All members should maintain a good working relationship



### *The second year (2005)*

1. The facilities and equipment for producing fish products had suffered comparatively little damage by the tsunami and the activity by the women's group was reactivated soon after minor repair works on the facilities and equipment. The Project agreed to diversify into more product lines anticipating an expansion of the marketing opportunities. Coping with this need, a training course in fish processing was arranged at the Fisheries Institute of Malaysia (IPM) in Kuala Terengganu.
2. During the training course at IPM, the women's group planned to start the same processing, but dried product without handling wet fish was proposed, therefore the proposal to build a new fish processing yard in another site near the sea was submitted to the JKKK (Village Security and Development Community) for obtaining the necessary funds. At that time, it was most likely that the JKKK would provide the funds in 2006.
3. The systemized bookkeeping was a new concept of cash handling for the women's group and in the beginning it seemed a difficult task for the group to carry out (**Table 1**). However, based on the result of the training evaluation, 75% of the participants indicated that the system was "understandable". Subsequent monitoring was deemed necessary to put the system in place.
4. Expansion of the marketing channels for the products was one of the main concerns of the women's group. The Fisheries Institute in Malaysia (IPM) agreed to assist them by looking at the possibility of distributing the products in Kuala Lumpur and also by opening a stall in the new jetty in Perak State.

**Table 1. Accounting of the expenditures and income of the women's group in 2005**

Month	B/F	Sales	Materials	Share for attendance	Gross income	Balance
January	454.10					454.10
February	454.10	0.00	271.10	-	-271.10	183.00
March	183.00	186.50	270.00	0.00	-83.50	99.50
April	99.50	4,976.50	253.00	750.00	3,973.50	4,073.00
May	4,073.00	603.00	731.90	0.00	-128.90	3,944.10
June	3,944.10	1,559.00	862.90	0.00	696.10	4,640.20
July	4,640.20	2,129.50	1,479.00	0.00	650.50	5,290.70
August	5,290.70	771.00	618.40	0.00	152.60	5,443.30
September	5,443.30	1,156.00	294.50	2,840.00	-1,978.50	3,464.80
October	3,464.80	325.50	79.50	0.00	246.00	3,710.80
November	3,710.80	322.50	965.20	0.00	-642.70	3,068.10
December	3,068.10	894.00	783.60	0.00	110.40	3,178.50
<b>Total</b>		<b>12,923.5</b>	<b>6,609.1</b>	<b>3,590.0</b>	<b>2,724.4</b>	<b>3,178.50</b>

### *The third year (2006)*

1. Three snack-type products called Maruku (dry noodle type and biscuit type) and Rempeyde (fried cracker type) were developed through the initiative of the women's group from their own study, where the trial production took place in September 2006.
2. While reviewing their monthly transactions sheet in 2006, it was found that their business incurred some deficits. This was beyond their comprehension considering that the gross income in 2005 was RM 2,724.40 after deducting RM 3,590.00 which was distributed to the members (**Table 1**). Also considering that their production in 2005 resumed in March after the rehabilitation from the tsunami disaster. In order to determine the causes of the deficit (**Table 2**) and formulate measures for improvement, an investigation was conducted by a team consisting of members from DOF Headquarters, Fisheries Training Institute (IPM) of Terengganu and SEAFDEC/TD on 20-21 March 2007.

After thorough investigation, it was found that the economic returns in processing seasoned/dried anchovy was very sound, even coping with the rising commodity inflation in 2005 and 2006. Their profit margin against the direct production cost was as high as 86%.

**Table 2. Accounting of the expenditures and income of the women's group in 2006**

Month	B/F	Sales	Materials	Share for attendance	Gross income	Balance
January	3,178.50	611.50	533.30	0.00	78.20	3,256.70
February	3,256.70	2,248.00	711.45	0.00	1,537.05	4,793.75
March	4,793.75	795.00	103.20	0.00	691.80	5,485.55
April	5,485.55	102.00	3,004.35	0.00	-2,902.35	2,583.20
May	2,583.20	651.00	285.90	0.00	365.10	2,948.30
June	2,948.30	1,226.00	755.00	0.00	471.00	3,419.30
July	3,419.30	882.00	1,352.00	0.00	-470.00	2,949.30
August	2,949.30	882.00	611.00	0.00	271.00	3,220.30
September	3,220.30	495.00	440.00	0.00	55.00	3,275.30
October	3,275.30	291.00	144.70	1,272.00	-1,125.70	2,149.60
November	2,149.60	1,167.00	1,310.00	0.00	-143.00	2,006.60
December	2,006.60	1,550.00	731.00	0.00	819.00	2,825.60
<b>Total</b>		<b>10,900.5</b>	<b>9,981.9</b>	<b>1,272.0</b>	<b>-352.9</b>	<b>2,825.60</b>

**The fourth year (2007)**

1. Production was suspended for almost one month between middle May to middle June due to lack of cooking oil in the market and also because of a public civil work on road construction in front of the processing yard. Thus, production and sale volumes in May and June have relatively decreased (**Table 3**).
2. Construction of the new fish processing yard was completed in early 2007, however due to delayed installation of power and water supply systems by the contractor, commissioning of the yard has been dragging behind schedule.
3. Finally, the new fish processing yard was completed in early December 2007 including the installation of the electrical wirings and water pipes by the contractor. The official commissioning of the yard took place in early 2008.

**Table 3. Monthly transactions by the women's group in 2007**

Month	B/F	Sales	Production cost	Gross income	Share for attendance	Transfer to Saving AC	Net income	Other income	Balance
Jan	2,825.60	890.00	403.90	486.10	400.00	250.00	-163.90	0.00	2,661.70
Feb	2,661.70	1,513.00	288.10	1,224.90	400.00	250.00	574.90	0.00	3,236.60
Mar	3,236.60	984.50	691.20	293.30	0.00	250.00	43.30	0.00	3,279.90
Apr	3,279.90	3,182.00	911.00	2,271.00	0.00	0.00	2,271.00	0.00	5,550.90
May	5,550.90	803.50	365.90	437.60	0.00	0.00	437.60	0.00	5,988.50
Jun	5,988.50	1,369.50	944.60	424.90	0.00	0.00	424.90	0.00	6,413.40
Jul	6,413.40	1,979.00	391.15	1,587.85	2,773.00	600.00	-1,785.15	0.00	4,628.25
Aug	4,628.25	2,028.00	951.95	1,076.05	0.00	350.00	726.05	0.00	5,354.30
Sep	5,354.30	776.00	279.00	497.00	0.00	0.00	497.00	0.00	5,851.30
Oct	5,851.30	2,917.50	820.30	2,097.20	0.00	0.00	2,097.20	0.00	7,948.50
Nov	7,948.50	797.50	1,436.60	-639.10	2,000.00	0.00	-2,639.10	0.00	5,309.40
Dec	5,309.40	2,922.00	906.30	2,015.70	0.00	0.00	2,015.70	0.00	7,325.10
<b>Total</b>		<b>20,162.50</b>	<b>8,390.00</b>	<b>11,772.50</b>	<b>5,573.00</b>	<b>1,700.00</b>	<b>4,499.50</b>	<b>0.00</b>	<b>7,325.10</b>



Fish processing equipment provided by DOF Malaysia for the KEW in Kuala Teriang

## Conclusion

1. The women's group has 15 members with two offices, the new office is used to produce the products and old office is for selling their products.
2. They produce two main products, namely: Ikan Bilis (anchovy processing) and Maluku.
3. The money saved was 2,700 RM and their net income was 5,593.25 RM.
4. Marketing of the products by the KEW is mainly in Langkawi, and extended to Petronas petrol stations and the Carrefour Department Store.
5. The bookkeeping and accounting system for the processing of their transactions has been well established with the KEN thus, monitoring the financial status of the new enterprise was not a problem at all.
6. The women's group has acquired more improved technology on factory management from the IPM, which has been developed into commercial business. This group was expected get GMP (Good Manufactory Products) certificate during the next two months (August 2008).



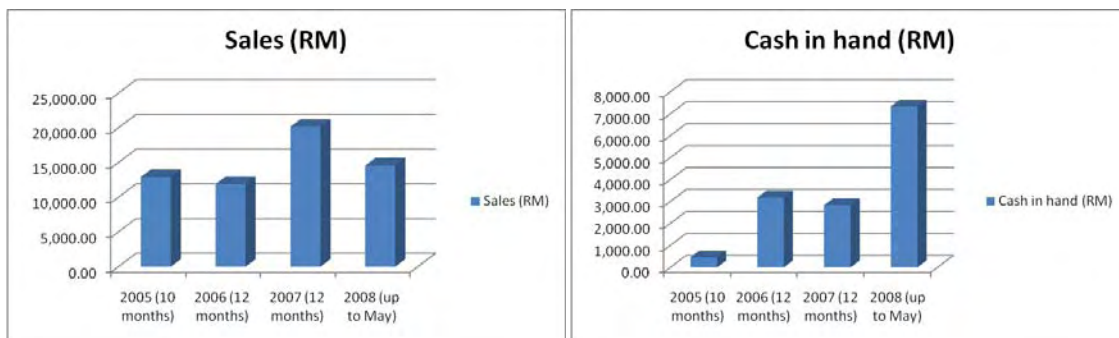
At the national Contest on Women's Group Activity organized by the Ministry of Agriculture on 8<sup>th</sup> August 2006, the women's group (KEW) in Kuala Teriang was awarded the 5<sup>th</sup> prize for their various group activities. Furthermore, The Annual Meeting of the KEN and KEW Federation was held in the state of Negeri Sembilan on 19-21 December 2006. Their performance was extremely highlighted as the first success case in Malaysia and an effort to disseminate similar activities in other KEWs was proposed



**Table 4 Comparison of the transactions of the women's group from 2005 to 2008**

Year	Cash C/F	Sales	Production cost	Gross income	Shares distributed	Transferred to Saving Acct.	Net income	Other source of income	End balance
2005 (10 months)	454.10	12,923.50	6,609.10	6,314.40	3,590.00	0.00	2,724.40	0.00	3,178.50
2006 (12 months)	3,178.50	11,900.50	9,981.90	1,918.60	1,271.50	1,000.00	-352.90	0.00	2,825.60
2007 (12 months)	2,825.60	20,162.50	8,390.00	11,772.50	5,573.00	1,700.00	4,499.50	0.00	7,325.10
2008 (up to May)	7,325.10	14,583.50	8,600.25	5,983.25	4,532.00	0.00	1,451.25	4,142.00	12,918.35

Note: Other source of income came from Agriculture Ministry of Malaysia

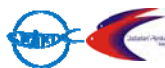


Production and sale of the KEW from 2005 to 2008 (left) and cash in hand of KEW from 2005 to 2008 (right)

**Recommendations**

1. The KEW as well as the DOF Malaysia should realize that managing the new premises (commercial-scale) is completely different from that in the past which is cottage-scale management.
2. The operational cost of the new premises including the depreciation of huge infrastructures and modern machinery is expected to be than five times more than the cost of maintaining the original premises.
3. In addition, the standardization of the product quality becomes more essential in case of mass production, particularly when envisaging an expansion of the marketing channels.
4. Guidance and training should be provided by the Fish Handling and Processing Unit of DOF Malaysia and the Malaysian Fisheries Institute (IPM) in Terengganu.
5. KEW is confident that they will be able to continue their business venture, in fact some members indicated that they will train their children to start learning the trade.





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