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FOOD & ALLIED WORKERS UNION



BI-ANNUAL NATIONAL CONFERENCE

FISHERIES POLICY AND RESPONSE TO WHITE PAPER

THEME:
*"Unite Deepen,
the National Democratic Revolution
for Working Class Interest"*

29 June - 04 July 1997 CAPE TOWN

FOOD AND ALLIED WORKERS UNION COMMISSION ON SEA FISHERIES CONFERENCE 1997

COMMISSION ON SEA FISHERIES

INTRODUCTION

This paper is intended to serve as an aid to discussion in the Commission dealing with Sea Fisheries. Accordingly, its various sections provide an overview of the key issues which can inform discussion.

BACKGROUND

Historically, access to marine resources was unrestricted. In order to facilitate the monopolisation of the fishing resource by a few white companies, a system of quotas was introduced. In this way many black fisher folk lost the access rights they had had for generations. At the present time, the fishing industry is completely biased in favour of a few large and medium sized white companies. This is illustrated by the fact that just three (3) companies hold;

- 72% of the hake quota ;
- 75% of the abalone quota , and
- 71% of the sole quota.

Overall , across all species, approximately nine tenths (9/10) of the resource is controlled by a hand-full of companies. Since 1994, some of these companies have attempted to blacken their faces. They have also sold minority shares to some black business consortia. Further, a few members of the black elite have been given quotas. None of the above amounts to any kind of restructuring. None of the historic imbalances have been addressed. The above have merely been attempts to confuse the issue and to frustrate any process that attempts to restructure the industry.

Prior to, and after the 1994 election, there were various initiatives by Alliance members to outline an equitable and just policy of reconstruction and development for the fishing industry.

THE RDP

The RDP outlines the broad framework within which policy development should occur ;

“ The primary objective of fisheries policy is the upliftment of impoverished coastal communities through improved access to marine resources and the sustainable management of those resources through appropriate strategies. “

THE INTERNATIONAL DEVELOPMENT RESEARCH CENTRE (IDRC)

In 1995 the IDRC published the environment reconstruction and development guide. This document outline the following recommendations for fisheries policy ;

1. The government must change the way that fishing licenses and quotas are given. They must make sure that communities also get fishing licenses. They must also do more to stop people without licenses catching fish.
2. Communities, industry and unions must take part in changing the industry.
3. Community based fishing should be encouraged. This will create more jobs for poor people living on the coast. The community can help to make sure that people without licenses do not catch the fish.
4. The government should look at helping local communities to set up co-operatives to process and sell fish.
5. The rights of small - scale fishers must be protected.
6. Local communities must be allowed to catch a certain amount of fish. The government must help these communities to buy nets and boats.

THE FISHERIES POLICY DEVELOPMENT COMMITTEE (FPDC)

On the 27 October 1994 the Minister of Environmental Affairs and Tourism initiated a process of developing a National Fisheries Policy. Mr. Mandla Gxanyana, General Secretary of FAWU, was appointed to lead the policy development committee whose task it was to develop a national fisheries policy. This committee initiated a massive process of investigating the development of a national fisheries policy. It was the most comprehensive, inclusive and far reaching fisheries policy development process ever conducted in South Africa. The report of the FPDC was handed to the Minister in June 1996. It was understood that this report would form the basis of a White Paper on sea fisheries policy.

Regarding access rights, the FPDC looked at a number of possible solutions to facilitate the entry of historical disadvantaged people into the fishing industry. One of the models outlined a particularly useful and effective way of transferring access rights to historically disadvantaged people. In terms of this model the following example was used to illustrate how the procedure might work. If a company hold rights to particular fishery, these rights should be reduced by a total of ten percent (10%) spread over a period of five to ten (5-10) years i.e., a process of attrition amounting to about one to two percent (1-2%) per year. This process can be followed by each company with respect to their existing rights in particular fisheries. After the reduction of rights has taken place, a second phase could begin in terms of which the holder should be granted long term security, guaranteeing possession of the remaining rights.

During phase one, potential new entrants should be assessed to ensure that they have adequate potential and capacity to make use of the rights for which they apply. They

should pay a purchase price for the rights allocated. They should also be able to receive financial and technical assistance from the State. The State would be able to use the income from the purchase prices for the financial and technical empowerment of the historically disadvantaged entrants.

The FPDC also outlined other examples of changes that could create opportunities for new entrants ;

1. Small business should be allowed entry into the pelagic fishery, particularly in terms of catches that can be made inshore.
2. The long lining of hake could provide opportunities for a wider range of entrants.
3. Regarding West Coast rock lobster, hoopnetting can be operated inexpensively and could therefore be used as a means of broadening access.
4. There are several small scale fisheries that are either underdeveloped or are completely new. After appropriate development, these industries could offer opportunities for small business and other new entrants. Examples include the development of fisheries on whelks, West Coast limpets, white mussel and some sea weeds and kelp.
5. In many cases companies own the fishing vehicles, the quotas, the factories and the markets. If this food chain could be broken up, it could create opportunities for new entrants in various aspects of the industry. Further, private boat owners have been allocated quotas that have to be sold to specific factories. This can lead to unfair practices, for example factories may set low prices or even refuse to purchase catches. Such unfair practices must stop. Private boat owners should be allowed to sell the catches to any factory.

INTERNATIONAL TRANSPORT WORKERS FEDERATION (ITF)

The ITF sees its responsibilities as going beyond the protection of worker's rights. According to the ITF, South Africa is perfectly placed to develop a progressive fishing policy which supports industry sustainability and provides decent conditions of employment. See attached ITF statement on the issues facing fishing workers.

OBJECTIVES

The most important issue that concerns the commission on fisheries is the question of restructuring. The restructuring of the fishing industry is the broad objective that we need to discuss in this commission. In order to facilitate this discussion the question of restructuring can be broken down into the following constituent issues ;

1. Access rights ;
2. Management of the allocation function ;
3. Labour ;

4. Development ;
5. Sustainable utilisation

All of the above issues are interlinked. There are also a number of other issues that are pertinent to restructuring. However, the above mentioned are the most important issues with regard to restructuring.

ACCESS RIGHTS

Fishing resources are owned by the State and can be dealt with by the State in whatever fashion that it chooses. There is no question of private ownership. Accordingly, the State is not constrained by the constitutional protections on private property that constrain the redistribution of land and other private property. The current holders of access rights are not the owners of the resource. The State has a much freer hand in the redistribution of the fishing resource than it has with respect to many other of South Africa's natural resources. Moreover, the State is constitutionally obligated to uphold and implement socio economic rights. With regard to the fishing industry, the State is in a very advantageous position to develop and implement a comprehensive and thorough restructuring policy and programme. With regard to the fishing industry, we are accordingly entitled to expect nothing less than a comprehensive political settlement in favour of the historically disadvantaged. Norway, New Zealand, Australia and Japan have all carried out restructuring processes to empower the historically disadvantaged or marginalised members of their communities. South African fisheries policy development should at the very least equal the restructuring initiatives and policies of these Countries. We have no excuse for producing any policy that does not amount to a just and equitable political settlement in favour of the historically dispossessed.

How does one restructure the fishing industry with respect to access rights. If the political commitment is present, there are a variety of models to choose from. The model outlined above under the FPDC should serve as the starting point for discussion of the redistribution of access rights.

MANAGEMENT

By management we refer to the management of the allocation of the access rights. This should not be confused with other forms of sea fisheries management like scientific management. Currently, the Quota Board allocates the rights to access. This has been an unsatisfactory institution that has perpetuated the historical imbalances. The quota board has advanced the interest of the big companies. Recently, a small portion of the total allowable catch (TAC) has been allocated to new entrants. However, most of this allocation has not gone to people who have historically fished for their living. It has, instead, gone to a new elite. Giving quotas to a small black elite and the creation by business of meaningless share schemes, only creates confusion and worsens the problem. It is a cosmetic approach and should not be confused with restructuring. Moreover, the quota board has no mandate to restructure the industry.

A new policy needs to have a new institutional management framework. This should be comprised of structures and powers. The Quota Board has to go. At this point in our transformation, it cannot be denied that at an important level, the allocation of access

rights is a political function. Accordingly, the Minister needs to take responsibility for this function. To assist the minister in exercising this function there needs to be an advisory committee. This committee should include representatives of historically disadvantaged sectors within the fishing industry. These representatives should be accountable to the sector they represent. They should be people who have a thorough knowledge of the RDP, the equitable restructuring of the fishing industry and development.

LABOUR

The rights of workers in the fishing industry need to be protected at all levels. Furthermore, restructuring should proceed on the basis of ensuring job security. The bosses of the big companies have attempted to co-opt workers and confuse the issue of restructuring by suggesting that jobs will be lost by a restructuring of the industry. In other words, if quotas are taken away from the privileged few, workers will lose their jobs. This is a myth.

Restructuring of the fishing industry will instead create more job opportunities. Restructuring will be able to create more jobs because :

1. the new entrants will not have the capital to conduct high-tech fishing operations, instead, they will operate labour intensive fishing processes ;
2. The development of new fisheries will lead to the creation of an entirely new sector in the fishing industry ;
3. The food chain will be broken up. -in other words instead of a few companies controlling all of the fishing, processing and marketing of the resource, these various functions will be operated by different people and organisations.

If the current status quo is maintained and entrenched by giving existing quota holders real and long term rights, workers employed in the fishing industry will begin to loose their jobs. Once big business believes that its access rights are secure in the medium to long term, it will embark on a capital investment programme. This will see the importation of high tech fishing and processing equipment from overseas. This equipment, completely new to South Africa, is designed to replace workers.

The ITF has outlined a number of important issues which relate to the working conditions of fishing workers world-wide. See attached ITF statement on the issues facing fishing workers.

DEVELOPMENT

The process of restructuring needs to be underpinned by an effective development policy and programme. This should contain the following elements :

1. A development arm should be set up in the Department of Sea Fisheries in order to ensure that new entrants are empowered to maximise their new access rights by catching and processing the fish themselves;

2. Funding - the government needs to allocate funds for development assistance. This will assist new entrants in acquiring the necessary equipment e.g. boats and nets as well as the necessary expertise to operate fishing enterprises ;
3. Development of new fisheries and mariculture. Example of new fisheries include the development of fisheries on West Coast limpets, white mussels, some sea weeds and kelps.

SUSTAINABLE UTILISATION

Sustainable utilisation means using living marine resources in a responsible way that will help future generations to have at least the same levels of catch and a healthy marine environment.

Sustainable utilisation is a multi faceted concept. There are a number of issues that impact upon sustainable utilisation

1. environmental principles for example the harvesting of one type of fish must not put at risk the continued existence of other types ;
2. scientific research ;
3. multi disciplinary research ;
4. fisheries management in general ;
5. a just and equitable access to fishing resources.

These are only some of the issues that impact upon sustainable utilisation. If historically disadvantaged people are prevented from gaining access rights, they may continue to harvest marine resources illegally. There are many communities on the East and West Coasts of South Africa who, through historical dispossession, have been denied access to an important food source. Unless they are allowed to fish legally, they may, in some cases, be forced to fish illegally. This will have a negative impact on the ability to achieve sustainable utilisation. Sustainable utilisation must not only be thought of as a scientific and an environmental issue. Sustainable utilisation needs to be seen holistically and this by necessity, includes the granting of access rights to historically disadvantaged people.

THE WHITE PAPER

On the 19 June 1997 the Minister of Environmental Affairs and Tourism launched the White Paper on Marine Fisheries Policy for South Africa. Copies of this paper are available to conference delegates.

A BRIEF ASSESMENT OF THE RESTRUCTURING POLICY AND PROCESS OUTLINED IN THE WHITE PAPER

1. The paper spells out how new access, empowerment and restructuring should occur. It does so by describing new mechanisms like share trusts and other forms of equity transfer. It also describes two phases and the institutions and processes that will occur during each of these phases.
2. The section on restructuring, is in general, very weak. While it attempts to describe institutions processes and time frames, it falls far short of realising the Alliances objectives, especially a historical settlement in favour of the victims of apartheid. It attempts to duck the issue and does so by describing a number of institutions and processes that have not been part of the debate of the Alliance to date.
3. The Paper suggests that participation can be broadened by the transfer of ownership in existing companies to the disadvantaged. In this regard they recommended equity transfers to the previously disadvantaged. The drafters suggest that the previously disadvantaged should buy a significant portion of equity in large companies. Further, they advise share participation and the setting up of a share trust. While share schemes can be made viable, this is not the point at this stage. It is very strange to find a White Paper suggesting equity transfer schemes as the first mechanism for broadening participation.
4. The Paper is very concerned with maintaining stability and strengthening international competitiveness. This tends to a purchase approach towards restructuring. So, if you want to get into the industry, you've got to buy shares. The next part of the Access Rights sections deals with the implementation process. Here two measures are proposed;
 - The establishment of a Commercial Public Company to which quotas are allocated and which in turn rents them to fisher's who do not have quotas;
 - The establishment of an Implementation Committee of Finite life.
 - The Commercial Public Company will rent, lease or contract quotas to SMME's who have some capacity. The State will be the sole shareholder and the company will be governed by the provisions of the Company's Act and the Act establishing it. There will be an independent board of directors who will oversee the running of the company. The Commercial Public Company looks like a quota board by other means. Moreover, it looks like a quota board merely for the purposes of the historically disadvantaged sector. So, historically disadvantaged groups will have to gain access via a commercial public company while the historically privileged will continue to get their quotas directly from the Minister. This is an entirely unsatisfactory proposal.

The paper goes on to describe the setting up of an Implementation Committee. This committee will evaluate, develop and implement the proposed restructuring. The committee's tasks include;

- Developing guidelines for criteria and parameters that future new entrants will have to meet to be eligible for tendering for rights;
- Developing guidelines on the maximum and the minimum number of fishers each industry can sustain;

- Simplifying the tendering process of phase 2, developing tender criteria, calling for tenders and adjudicating them.

It appears that the Implementation Committee will develop the long term criteria for restructuring. It will do this while calling for tenders and adjudicating them. While it is not clear what is meant here, it appears that the Implementation Committee will adjudicate the tenders of the big companies and the Commercial Public Company will adjudicate the tenders of SMME's and new entrants.

The Paper says that the transformation process will be outlined by the Implementation Committee: It says that the Industry will be given a reasonable period of time to implement empowerment and affirmative action strategies. Apparently, existing holders of rights will have to meet these criteria in order to participate in future. The Paper gives examples of what transformation and broadening participation will include. These are:

1. Transferring significant equity to previously disadvantaged persons and communities;
2. Changing the boards of directors by bringing in new directors from previously disadvantaged sectors;
3. Transforming management;
4. Transferring skills;
5. Restructuring to become globally competitive.

Several companies have already put processes in place to effect the transfer of equity. The paper encourages the kind of co-optive strategies that big business is already employing. Clearly, this section, if not the entire Access Rights section, has been included at the instance of big business. Entire section dealing with restructuring and transformation seems to be rather ad-hoc. It does not describe how the Commercial Public Company and the Implementation Committee relate to each other. Nor does it inform us how long phase 1 will be. It also fails to spell out whether or not the Commercial Public Company and the Implementation Committee will cease to exist at the end of phase 1. However, it does appear that the Implementation Committee will draft a policy, guidelines and criteria for the distribution of Access Rights in phase 2.

The Implementation Committee will make the restructuring recommendations that should have come out of the Paper itself!

Whether or not Paper quotas will continue to exist is not clearly spelt out. However, the Paper does say that the Access Right will be transferable, inheritable and divisible. It says that the right can be traded, leased and sold freely to another South African citizen subject to the consent of the regulators. It does not spell out what the conditions attaching to the title of the deed will be. Accordingly, one is unable to ascertain under what conditions the regulator would prevent the right being transferred. It appears therefore that the Paper quota system may well continue. The Paper is ambiguous with regard to whether or not subsistence users can sell part of their catch. It talks about the consequences of allowing subsistence users to sell their catch and also describes criteria for classifying people as subsistence fishers. There is no clear direction and one could argue the question both ways.

The Paper says that the allocation of commercial exploitation rights should become the

responsibility of the Minister on the advice of his department. He can establish a committee to assist him with decision making. The Paper does not spell out the relationship between the Minister, the Commercial Public Company and the Implementation Committee with regard to the allocation of commercial exploitation rights. Accordingly, there appears to be an overlap between the Minister's powers and that of the other two bodies. It appears that the drafters of the White Paper have not thought of this. On the development front, the White Paper talks about a specialised unit for fisheries and mari-culture sector development called the UFMD. It also talks about an integrated strategy of development including addressing the issue of appropriate funding schemes. The issue of funding schemes for development appears to be a new addition to the White Paper.

In this edition of the White Paper, the department has placed it's cards on the table. We can now see what it means by restructuring. There is no mention of an historical settlement in favour of the historically disadvantaged, whether explicitly or implicitly. It appears to advocate a clumsy reformulation of the current situation. It has a whole lot of incongruous mechanisms that appear to have overlapping powers. In phase 1 it appears that the big companies would get their access rights from either the Implementation Committee and/or the minister and the SMME's and historically disadvantaged gain access rights from the Commercial Public Company. It is hard to see what the department means by all of this. The question of equity transfers and changing the boards of directors of companies to reflect previously disadvantaged sectors, bears the stamp of big business. The entire premise of the Access Rights section is based on the big business view of transformation. It talks about transferring a significant equity to previously disadvantaged person's and bringing in new directors. This is the prime criteria by means of which big business will be able to get access rights indefinitely. No mention is made of what is meant by significant equity, what kinds of shares, and where the money will come from to buy these shares. This reflects all the current positions of big business. The Paper ducks all the critical issues. It does not in any way attempt to meaningfully address the needs of people who have been historically disadvantaged by apartheid. Further, many of the critical issues affecting restructuring have been postponed again and must now await the setting up of the Implementation Committee.

PROGRAMME OF ACTION

The commission must decide a programme of action. This can include :

1. A meeting of the Alliance to agree on a common vision, policy and the way forward.
2. Developing a comprehensive fisheries policy that reflects FAWU's position
3. Engaging the Minister, ANC study group and Parliamentary Committee on the policy.



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國際運輸勞工連
FEDERACIÓN INTERNACIONAL DE LOS TRABAJADORES DEL TRANSPORTE
FÉDÉRATION INTERNATIONALE DES OUVRIERS DU TRANSPORT
INTERNATIONELLA TRANSPORTARBETAREFEDERATIONEN
INTERNATIONALE TRANSPORTARBEITER-FÖDERATION
INTERNATIONAL TRANSPORT WORKERS' FEDERATION

ITF statement on the issues facing fishing workers FAWU National Conference 29th June - 4 July 1997

The International Transport Workers' Federation sends greetings and best wishes to all delegates to the Conference. It is obvious that the South African trade union movement is playing a crucial role in advancing the interests of workers in this period of transformation. In this regard FAWU clearly takes its place as the protector of the rights and interests of food workers in particular. But the union's responsibilities go far beyond its own members. FAWU has played, and will continue to play, an important role in the formulation of food policy in the country. For after all, food security is crucial to the well-being of the nation. At a time when South Africa is reviewing its fishing policy, this role is particularly important. South Africa ranks thirtieth in terms of the world's harvest of fish. The country is therefore not an insignificant player in the global industry.

Given its relationship to shipping, the ITF has a special interest in the fishing industry. One of its eight industrial divisions is the Fishermen's Section, to which over 70 trade unions are affiliated worldwide.

The ITF Fishermen's Section's activities fall into two distinct but closely related areas. On the one hand, the ITF is concerned with facilitating the work of its fishing affiliates in improving the working conditions of their members. On the other hand, the ITF puts resources and energy into trying to influence global and regional fisheries policies. The ITF is deeply concerned with the depletion of the world's fish resources and a long standing policy of the Section is the sustainable exploitation of living marine resources.

Working conditions

On the question of the employment conditions of fishing workers, the ITF has identified a number of crucial problems. World-wide it is not uncommon to find that fishing workers :-

- receive no guaranteed wage (i.e. are paid according to catch only), and are often charged inflated "expenses" for being on board;
- have no job security (indeed very often they have to work on a daily or voyage casual contract basis);
- are excluded from all existing national social security provisions including pensions, sick pay etc;
- work extremely long shifts (often for as long as the fish are available to be caught and thereafter processed), and spend long periods at sea without coming ashore;
- are exposed to extremes of weather and a hostile and dangerous working environment;
- do not enjoy the same protection as their shore based colleagues either because they are excluded from national trade union legislation or because they face employer intransigence;
- are physically and mentally abused by ships' skippers;

A primary task of the ITF's Fishermen's Section therefore is to assist its affiliates in developing minimum standards of employment.

But implementing and monitoring minimum standards for fishing workers is not always that simple. This is because, as with the shipping industry, many fishing vessels are owned in one country, fly the flag of another and employ crew from yet another country. Furthermore, the same vessel may then fish in the waters of a further country or on the high seas. This makes the question of national and international regulation critical. There need to be clear lines of governmental responsibility for the monitoring of fish catches, safety on board and employment conditions generally. The ITF's campaign against Flags of Convenience, which has recently been extended to include the fishing industry, forms part of an overall campaign for improved regulation.

President Eike Eulen **General Secretary** David Cockroft

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National and international policies on fishing

Like FAWU, the ITF sees its responsibilities as going beyond the protection of workers' rights. For what point is there in protecting fishing workers' rights only to find in twenty years time that there are no more fish to be caught? The ITF therefore plays an active role internationally in the development of policies which ensure the long term sustainability of the industry. Not only is this important for those who work in the industry, but indeed for those who depend on fish as the primary source of protein in their diet - one in five in Africa. The future food security of the continent is a source of great concern.

The fishing industry is in crisis worldwide. Evidence of this crisis includes the following :-

- since 1970 the world fishing fleet size has increased twice as fast as world catches of fish, resulting in an excess in fishing capacity and enormous pressure to extend the search for profitable fish catches: Some have described the industry as being run on "the economics of a madhouse", with over a million trawler vessels competing for an increasingly scarce natural resource;
- nine of the world's 17 major fishing grounds have been depleted by over-fishing, with four more under serious threat;
- serious "fish wars" have broken out in some regions as a result of the ever increasing tendency to ignore international agreements and treaties. These "wars" have sometimes involved shootouts and arrests;
- the crisis is particularly acute for the national industrial fisheries of some countries, as the operations of the multinational companies has lead to a reduction in fish prices which has in turn pushed local fishermen out of the market. The domination of the multinationals extends into fish processing, where five or six multinational companies control the processing of about 90% of the world's catch;
- the crisis has been exacerbated by pollution and by climatic changes;

The ITF is of the view that fishing workers have a crucial role to play in the development of long term fisheries management and environmental protection policies. For too long the national, sub regional, regional and international bodies which make such policies have excluded fishing workers from their deliberations and have thereby failed to take their interests into account. The ITF Fishermen's' Section, with the support of its affiliates, is trying to redress this by playing an active role in presenting the views of fishing workers in organisations such as the Food and Agricultural Organisation (FAO), International Maritime Organisation (IMO), the International Labour Organisation (ILO) and the United Nations, where appropriate.

South Africa

South Africa is perfectly placed to develop a progressive fishing policy which supports industry sustainability and provides decent conditions of employment. The industry in the country has a number of advantages, including reasonably healthy fish stocks and exclusive fishing rights on a wide continental shelf. Good policies in South Africa would no doubt have a knock-on effect on policies in Africa as a whole, and indeed worldwide policies. Moreover as many of the important fish stocks are highly migratory and straddle the boundaries of South Africa's coastal neighbours, a South African fisheries policy cannot afford to be too inward looking and must also have a regional dimension.

In this context the ITF wishes to support and encourage FAWU in its organisation of fishing workers. We thank you for the invitation to attend your conference, and apologise that we were unable to send a representative in person. We wish you all the best both now and in the future, and hope your conference takes the opportunity to debate the challenges facing us all.

**VIVA FAWU!
VIVA THE STRUGGLE OF FISHING WORKERS!
VIVA INTERNATIONAL SOLIDARITY!**