

FAWU

Response to the White Paper On A Marine Fisheries Policy For South Africa

1. INTRODUCTION

This document has been written to inform Deputy President Thabo Mbeki of FAWU's objections to the above-mentioned White Paper. It also includes FAWU's recommendations for changing the policy.

The fishing industry in South Africa is an Apartheid creation. Like other aspects of our society, it needs to be completely transformed and restructured. Currently, the industry is marked by:

- Monopolised control of every aspect of the fishing value-chain: from production to processing to marketing to distribution;
- Highly restricted access to the resource by historically disadvantaged members of our society; and
- Disempowered communities who originally had unrestricted access to marine resources

The above conditions have been created by a process of systematically violating the human rights of fishers and fishing communities. A new White Paper on Fisheries has the potential to change this in a sustainable economic and environmental way.

Unfortunately, the 1997 White Paper on Fisheries does not adequately address the legacy of history. In fact, there are more similarities in this Paper to the 1988 Sea Fisheries Act than there is to any framework of transformation. One such framework was put forward by the Fishing Policy Development Committee (FPDC). However, it seems that key aspects of the FPDC's recommendations were ignored. This is unacceptable.

2. SPECIFIC CRITICISM OF THE WHITE PAPER

1. The White Paper has not established an agenda with the potential to facilitate the complete restructuring of the industry. The paper encourages the kind of co-optive strategies that big business is already employing by suggesting equity transfers. Clearly the entire Access Rights section has been included at the instance of big business. Moreover, the 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. There is also no proposed time frame outlining when phase one will end, and the Commercial Public Company and Implementation Committee cease to exist. It appears that the Implementation Committee will draft a policy, guidelines and criteria for the distribution of Access Rights in phase 2. This transfers the right of the legislature to make policy to a body of unelected officials.
2. Whether or not paper quotas will continue to exist is not clearly spelt out. However, the Paper does say that Access Rights 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.
3. The Paper is ambiguous with respect to whether or not subsistence users will be able to sell their catch and also describing criteria for classifying people as subsistence fishers. There is no clear direction and one could argue the question both ways.
4. 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 in 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.
5. 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. It should be seen holistically and this, by necessity, includes the granting of access rights to historically disadvantaged people.

6. Market control through vertical integration also is a major concern to independent fisherman. Vertical integration refers to the way in which the big fishing companies controlled every aspect of the fishing industry, from production to processing to marketing to distribution. They therefore control access to most of the marine resources through the biased quota allocation system, as well as the processing plants and distribution channels. During Apartheid, independent fishermen were virtually forced to sell their products to processing plants owned by the big companies because there were no other means for them to process the fish into more value-added commodities. The major fishing companies (eg: I&J, Oceana, etc.) thus operated as both monopolies (a small group of sellers) and monopsonies (a small group of buyers), and were able to determine the price of the fish, as well as all other aspects of the industry.
7. Minimum standards of employment are not addressed in the White Paper. However, monitoring minimum standards for fishing workers is not an easy task. The same vessel may fish in the waters of another country and/or employ a crew from another country. This makes the question of national and international regulation crucial. There need to be clear lines of governmental responsibility for the monitoring of fish catches, safety on board and employment conditions generally.
8. 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 technology fishing and processing equipment from overseas. This equipment, completely new to South Africa, is designed to replace workers.

3. PROPOSALS TO BE INCLUDED IN AN AMENDED FISHERIES WHITE PAPER

On the 27 October 1994, the Minister of Environmental Affairs and Tourism initiated a process of developing a National Fisheries Policy, called the Fisheries Policy Development Committee (FPDC). The committee initiated a massive process of investigating the development of a national fisheries policy. The report of the FPDC was handed to the Minister in June 1996. The following points are particularly relevant to amending the White Paper.

1. 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

an 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 holds rights to a particular fishery, these rights should be reduced by a total of 10%, spread over a period of five to ten years, i.e. a process of attrition amounting to about one to two percent 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.

2. 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.
3. The FPDC also outlined other examples of changes that could create opportunities for new entrants, outlined below:
 - Small business should be allowed entry into the pelagic fishery, particularly in terms of catches that can be made inshore.
 - The long lining of hake could provide opportunities for a wider range of entrants.
 - Regarding West Coast rock lobster, hoopnetting can be operated inexpensively and could therefore be used as a means of broadening access.
 - 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 seaweed and kelp.
 - In many cases companies own the fishing vehicles, the quotas, the factories and the markets. If this 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.

The FPDC was a credible and legitimate process. Its recommendations should serve as a minimum framework for the restructuring of the industry. FAWU proposes that the points identified below be included in an amended fisheries policy.

1. A new policy needs to have a new institutional management framework. This should be comprised of structures and powers. At an important level, the allocation of access rights is a political function. The Quota Board must be disbanded, and the Minister needs to take responsibility for the political function of access rights. 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 through knowledge of the equitable restructuring of the fishing industry and its development, including workers, artisanal fishers, SMME's, and community representatives.
2. 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. This may not be the case. Restructuring of the fishing industry will instead create more job opportunities. Restructuring will be able to create more jobs because:
 - The new entrants will not have the capital to conduct high-tech fishing operations. Instead, they will operate labour intensive fishing processes.
 - The development of new fisheries will lead to the creation of an entirely new sector in the fishing industry.
 - The control of the fishing sector 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.
3. Worker empowerment should be geared towards addressing the specific problems of the fishing industry as well as sufficing the recommendations of the LRA. There should be provision of life insurance and disability benefits for all workers on board fishing vessels due to the dangerous conditions on the vessels. Furthermore, for seasonal employees a minimum of 2% of the turnover generated by these employees during working seasons should be deposited into a provident fund to be made available to workers in the off-season.
4. As noted in the FPDC proposal, 10% of the TAC of each fish species held by each fish company should be allocated through a process of attrition over 5-10 years. This should take place on condition that the cumulative total of the TAC is no less than 50% for every fish species. This would be in accordance with international examples which have granted access rights to previously disadvantaged sectors of their society, notably New Zealand and Japan.
5. There should be demarcation of South Africa's 200 mile EEZ, allowing for no less than 50 nautical miles to be allocated exclusively to small-scale fishermen. Fishermen can survive on small scale fishing if they change their focus to "wet fish." Here, instead of being frozen,

the fish are placed on ice so that it remains fresh. The smaller boats are better equipped to handle this type of fishing since they do not stay at sea for long, i.e. approximately 5 – 8 days. It is not economically viable for a huge trawler to go to sea for such a short period of time. In this sense the small fishing vessels would have an advantage over the companies that operate larger vessels. This will also increase the ability to administer sustainable fishing operations due to the fact that smaller-scale operators invariably exploit less of any fish species. Community control can also be tied in to this aspect of administration by allowing designated zones of the 50 nautical mile zone to be held by fishing communities along the coasts. This will assist the ability to police the immediate inshore territory as well as empowering previously disadvantaged communities. At the same time, it would take pressure off State expenditure for the policing process.

6. Fisheries should form part of the broader strategy of food security. In order to achieve this, 0.2% of total production should be allocated to food security projects. Of particular relevance is supplying school feeding schemes with adequate protein food groups.
7. The future constitution of the Consultative Advisory Forum should be representative of different interest groups such as the fishing industry, fisheries scientists, fisheries conservationists, workers employed in the fishing industry, people involved in informal activities, and members of fishing communities. The agenda of this council should be to include matters such as investigating the feasibility of community-owned schemes, for example. In this way transparency will be enhanced and all stakeholders will become part of policy making in the fisheries sector.
8. The setting of the TAC for each species should be undertaken with a view to revising each one on a bi-annual basis. Industry, labour and scientists should be involved in a consensus management plan for each fishery. Once management plans are established, it should be a fairly technical matter to optimise the measures needed to implement the plans for each fishery, using a variety of mathematical models that are now available. Some progress has been made along this route, and basic management strategies have been formulated jointly by scientists and industry for the management of anchovy, for example. Labour, informal fishermen, and community representatives are yet to be included in this process. Community representatives could be especially beneficial to the setting of the TAC due to their elaborate knowledge of how ocean currents affect the availability of fish, for example. Collaboration between these people and scientists has the potential to produce fruitful results if properly supported.

4. CONCLUSION

The restructuring of the fishing industry is a political process, and requires a political settlement. In order to facilitate this, clear time-frames for each stage of the process should be identified and adhered to.

The 1997 White Paper on Fisheries bears many similarities to, and few significant improvements on, the 1988 Sea Fisheries Act. This is unacceptable in a democratic environment. Internationally, Norway, New Zealand, Australia, Japan and India have all restructured their fishing sectors in favour of historically disadvantaged participants. In every one of these cases, the rights given to the new beneficiaries have been more substantial than what is currently envisaged under the 1997 White Paper on Fisheries.

The above facts should seriously determine the outcome of a final fishing policy. There are numerous reasons why restructuring the sector in favour of the historically disadvantaged people of South Africa will be beneficial. Some of these include:

1. Small-scale fishers harvest the resource more efficiently. This has two direct related implications. The first is that the regenerative capacity of the species will increase. This, in turn, will help maintain, or increase, the contribution of fishing to GDP over time.
2. World stocks of fish are drastically declining due to historically unsustainable fishing methods. This means that the price of fish on the world market is relatively high. It also means that there are boats not in use by certain countries which have seen their fisheries collapse; thus, capital is available relatively cheaply. New entrants to the fishing industry in South Africa therefore have a comparative advantage to many producers elsewhere in the world, and can make a profitable contribution to the industry in a short space of time.
3. The reality of globalisation means that deregulated markets are the order of the day. This, again, aids the plight of new entrants to the sector when it is combined with the fact that fish is a scarce resource on world markets – the implication being that it has never been as easy to export produce to a variety of destinations. This will contribute to a positive role for new entrants to the sector in the short- and long-term.

In the final analysis, it must be stated that the restructuring of the industry in favour of the historically disadvantaged people of South Africa poses no economic or environmental threat. In fact, it is quite the contrary. Members of FAWU have articulated the above demands to our democratically elected Government. These basic demands should be included in their entirety in an amended White Paper on Fisheries.