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## **FISHING IN A SEA OF SHARKS - RECONSTRUCTION AND DEVELOPMENT IN THE SOUTH AFRICAN FISHING INDUSTRY<sup>1</sup>**

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### **Introduction**

Through the Reconstruction and Development Programme (RDP) programmes for nearly all sectors of the South African economy have been drawn up, trying to link reconstruction and development with the gradual transformation of the whole state administration (Munslow and Fitzgerald 1995). In the particular field of fisheries the original RDP-document states that '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'. From the outset this is a most acceptable goal, but what do you do if improved access for some means taking away jobs from others? Or to phrase it more generally; is it possible to reconcile justice and more equal distribution with the goal of economic efficiency? The following article is an account of the difficult process of working out a new fisheries policy, concentrating on the following issues: What is the background for the new policy initiative? How was the policy process organised and what is the content of the proposed 'new fisheries policy'? How did the existing stakeholders react in terms of strategies and what is the room for affirmative action? If reallocation of fishing rights and quotas on a grand scale is difficult, how is it possible to make the new policy more legitimate? What are the chances for success? And, finally, what are the prospects for the poor coastal communities?

The article is divided in eight short sections, each devoted to particular aspects of the questions raised above, while the final, concluding section discusses the fundamental question underlying the whole policy process: is it possible to implement change without redistribution? Although the article is nearly stripped of explicit theoretical considerations, the implicit framework is institutional theory and different perspectives on institutional change (Holm, 1995). The basic idea is that fisheries management takes place through institutions. Institutional

change can be seen from (at least) three different perspectives. According to the first, change is seen as the rational outcome of a process of setting up new structures to serve new ends, while the second stresses that institutional structures are the outcome of contending political forces. The third perspective tends to see institutional change more as a reflection of more general ideological changes in society. Here, all three perspectives will be used to evaluate the proposal for a new South African fisheries policy.

### **The Apartheid Legacy**

When apartheid as a political system was, finally, brought down, South Africa and the new government was left with a depressing legacy: poverty, unemployment, a poor educational system and an extremely unequal distribution of resources. The small fishing sector was to some extent an exception, or to put it more precisely: the formal part of the sector was performing reasonably well in economic terms and the resources were well managed. According to some leaders of the fishing industry they were performing so well that they hardly needed any restructuring or further development planned by government. However, the 40 years of apartheid and more than 300 years with traditional colonial discrimination, had left the fishing sector with some very special characteristic features: an extremely uneven distribution of resources between whites and blacks (defined to include Indians, Coloureds and Africans); a skewed distribution of fish resources between small-scale and large-scale operators; a totally uneven regional distribution of catching and processing possibilities; a fisheries administration dominated by white politicians and white administrators with little legitimacy among the predominantly black coastal population.

In 1994 the total South African quota amounted to 512 437 tons within the eight species regulated by total allowable catch quotas (TACs).<sup>2</sup> Of these quotas 0.75 per cent were awarded to blacks. Of the 2 700 registered commercial fishing boats in South Africa, 7 per cent are owned by blacks, while of the 4 000 fishing licenses issued, approximately 6 per cent are issued to blacks (SBS 1996). Even if this distribution was marginally improved in 1995 by some affirmative allocations (see p17), the general picture is relatively clear: blacks have, in the past, had little or no direct access to the main resources in the South African fisheries.

The same imbalance applies to the allocation between the 'big business' and the 'small business' sectors. Of the total quota (512 437 tons) 7 per cent was awarded to the small business sector while the rest was allocated to big business. There are, however, some variations from one species to another. Big business

disposes of 88 per cent of the hake quota, 85 per cent of the sole, 99 per cent of the anchovy, 80 per cent of horse mackerel and pilchard, 70 per cent of West Coast rock lobster and 84 per cent of the abalone. According to the small business sector approximately 90 per cent of the economic value of the TAC-regulated species is controlled by the big business sector (SBS, 1996). This is probably an exaggerated figure, especially since there are no clear criteria to distinguish the two sectors. Using the 1994 figures another calculation shows that the ten largest companies are responsible for 70 per cent of the turnover in the fishing sector (Bross, personal communication).<sup>3</sup> Nevertheless, the dominance of large companies is extreme compared to virtually any other fishing sector in the world. In the economically important hake sector three companies alone control 72 per cent of the TAC. In anchovy and sardines three companies control 79 per cent of the TAC; in pilchard 30 per cent, while five companies effectively control 90 per cent of the abalone fishery. Similarly three companies control 82 per cent of the South Coast rock lobster fishery (White Paper 1997).

When it is added that some of these companies are large in several types of fisheries (for example Irvin & Johnson, Sea Harvest, Marine Products, Oceana), it is hard to escape the impression of an oligopolistic structure. This domination by a few companies is further enhanced by the fact that quotas are generally granted to companies which own or operate the fishing vessels, perform the actual processing, and market the products right through to the final consumers in a fully vertically integrated operation. This pattern has developed for some specific historical reasons, not all directly related to apartheid, but nevertheless grossly discriminatory towards the small-scale business sector.<sup>4</sup> During the apartheid era the established companies had enjoyed a strict national protection, making it difficult for new entrants of whatever colour to start competing.

The third feature of the apartheid era is the gross regional imbalance. Ninety-five per cent of the fishing is done by vessels owned and operated from the Western Cape and in particular from Cape Town. This again reflects both the basic resource endowment, where most of the resources are located close to the Western Cape coast, and the historical development of most fisheries, originating in Cape Town or the smaller communities on the West Coast. There are, however, three other maritime provinces (KwaZulu-Natal, Eastern Cape and Northern Cape), each claiming a larger part of the pie, at least of the resources being caught in the inshore waters. Eastern Cape, which happens to be the poorest province in the country, has for example only 6 per cent of the limited inshore trawl quota and 7 per cent of the total pelagic quota, the rest remaining with Western Cape vessel and company owners (The Eastern Cape FF 1995).

The most serious legacy of the apartheid era is the administrative system, set up to serve the predominantly white owners and operators. The system, described more in detail below, consists briefly of a Department of Sea Fisheries, located within the Ministry of Environmental Affairs and Tourism and a comprehensive Sea Fisheries Research Institute (SFRI), concentrating on marine research and acting as the main adviser to the Ministry. Both the Department and the SFRI are located in Cape Town. In biological and macroeconomic terms this administration has not fared badly. Since South Africa introduced its 200 miles Exclusive Economic Zone in 1977, the management of the most important hake stocks has, internationally, been considered a success (Payne and Cochrane 1994). The same applies, with some reservations, to the anchovy and pilchard stocks. Only the management of West Coast rock lobster is considered to be in serious trouble, with falling catch rates and greatly reduced growth rates. The marine science, not only at SFRI, but at the main universities as well is considered to be of world class, even if the scientific community was largely isolated during the boycott years.

The problem is the lack of legitimacy and the lack of attention towards black fishers and communities. The whole process of allocating quotas and licences has been considered corrupt, where both the Minister, the Quota Board and the administration has been liable to political pressure from the established owners and processors. This image of a 'closed shop' has been further enhanced by a total lack of transparency in the allocation process and a system of laws geared towards the protection of established companies and right holders. Or as pronounced in a letter to President Mandela from the organisation representing the Informal Fishing Communities: 'Our people are being denied their rights to participate in the fishing industry because the Quota Board is unilaterally allocating fishing rights to the privileged, greedy few' (*The Argus*, 24 November 1996). Whatever the real merit of the allegations, the problem (seen from a management point of view) is the wide-spread lack of trust in the administration, their regulations and their officers, a fact which makes poaching all the more reasonable and acceptable at the grassroots levels.

### **A Small and Mature Fishing Industry<sup>5</sup>**

Although most participants in the political debate over access-rights consider the fisheries to be 'a major element in the national economy and a potentially powerful engine for growth and redistribution' (Bross 1995:222), the truth of the matter is that the fishing industry contributes roughly 0.37 per cent of the Gross Domestic Product (0.19 per cent on a value added basis). Even in the Western Cape, containing most of the fishing industry in the country, it accounts for only

2.3 per cent of the Regional Product. In terms of employment, approximately 27 000 persons are occupied in the commercial sector, of whom less than half have permanent employment. The fishing industry hence employs 0.2 per cent of the labour force, or 1.5 per cent of those employed in the formal sector in the province.

The role of fisheries should nevertheless not be discounted. Firstly, it provides employment in a number of poor coastal villages where few other employment alternatives are available. Secondly, the fishing industry is an important earner of foreign exchange, with current annual exports exceeding R400 million (or US\$ 100 million). Thirdly, the informal part of the industry provides food and some cash to a large but unknown number of subsistence fishers, especially in Transkei. Fourthly, the recreational part of the industry is considerable, involving an estimated 700 000 recreational fishermen, creating important economic activities in related sectors such as tourism. Finally, the fisheries play an important part in the perception of many South Africans and an increasing number of foreign tourists of South Africa as a 'unspoiled country', particularly well suited for the increasing trend of 'green eco-tourism'. But whatever the merits, the fishing industry, including its subsistence and recreational parts, will not be able to deliver more than a minor part of the new employment needed to overcome the present level of unemployment and poverty in the coastal communities. This is also due to the fact that the fishing industry hardly dispose of any 'unused' or 'under-utilised' resources which can be handed out to people previously discriminated against.

Although South Africa is the largest fishing nation in Africa, it ranks only at 30th place on a world scale with a total production of 579 000 tons in 1995 (FAO 1995). The landed (first-hand value) was estimated to approximately R 800 million or R 1 737 million as processed. The most important species in terms of volume and value are indicated in Table 1. As can be seen from the table, the former dominant pelagic fisheries still makes up for 50 per cent of the volume, but less than 20 per cent of the value, while the demersal trawl fisheries (mainly hake) are responsible for only 30 per cent of the volume but more than 50 per cent of the value.

The industry consists of 19 different fisheries, of which only the most important ones will be described here. The previously dominating pelagic sector employs at present some 1 010 fishermen and 3 690 shore based workers, producing fishmeal, oil and canned pilchards. Five industrial groups dominate the sector, disposing of eight reduction plants and six canning factories, located all along the West Coast except for one canning factory in the Eastern Cape. Most of the products are sold on the national market, where demand clearly surpasses

supply at the moment. After many years of declining pilchard stocks and increasing, but fluctuating, anchovy stocks, the resource situation seems to revert. The 69 vessels employed are old (average 24.5 years) and not up to date technologically.

**Table 1: Total nominal catch and estimated value of South African commercial sea fisheries 1993-94.**

INDUSTRY SECTOR	Volume (tons) 1994	Volume (tons) 1995	Value (R mill) 1994	Value (R mill) 1995
Offshore Trawl	171 286	162 543	626 268	744 508
Inshore Trawl	15 104	15 235	52 164	60 722
<b>TOTAL DEMERSAL</b>	<b>186 390</b>	<b>177 778</b>	<b>678 432</b>	<b>805 230</b>
Purse Seine (Pelagic)	314 461	366 456	289 475	403 835
Rock Lobster	3 190	2 850	168 347	185 901
Crustacean Trawl	609	512	13 298	11 261
Line Fish	23 389	24 745	164 321	216 946
Demersal Longlining	2 452	1 696	38 122	26 520
Abalone	613	616	53 884	54 054
Miscellaneous Nets	1 228	1 338	2 555	3 895
Oysters	120	180	945	1 431
Mussel and Oyster Farm	2 887	2 082	13 759	23 566
<b>TOTAL</b>	<b>535 339</b>	<b>576 233</b>	<b>1 423 136</b>	<b>1 732 659</b>
Seaweed	857	1 250	2 782	4 215
Guano	281	0	219	0
<b>GRAND TOTAL</b>	<b>536 477</b>	<b>579 483</b>	<b>1 426 139</b>	<b>1 736 874</b>

Source: Sea Fisheries Department of Environmental Affairs: South African Commercial Fisheries Review 1994, 1995.

The deep-sea trawling sub-sector is heavily concentrated with three companies disposing of 72 per cent of the total quota. Although 40 entities have been given quotas, only 11 units perform the actual trawling operations, commanding some 52 vessels, more than half of them able to freeze the products at sea. The sector is highly capital intensive, both in its catching and processing operations. The main products are fresh fish and frozen fish delivered inland and to foreign export markets of which Spain, Australia, Japan are the most important. The inshore

trawl fishery is a more limited fishery (maximum 16 000 tons) consisting of 11 quota holders, disposing of 32 smaller (and older) trawlers, catching mainly hake and highly prized by-catch varieties.

The line fisheries cover a variety of different operations: some 552 boats using hand lines fishing for different demersal species, of which snoek is the most important, 459 vessels are employed in the seasonal tuna fisheries, while 237 licences are granted for squid fishing, of which more than half are for small open boats fishing for mother ships. An increasing number of the larger vessels in the squid fisheries are being converted to factory freezers, producing the whole catch on board. The squid fishery takes place mainly outside the Eastern Cape.

In addition there are two important rock lobster fisheries: on the West Coast and on the South Coast. The West Coast fishery operates inshore with some 1 249 craft, mainly dinghies or other types of open boats. The catches have declined dramatically over the last years, probably due to strong competition from a large unofficial sector of poachers (the informal sector) and a sizeable recreational sector. The commercial catches are, except for 20 per cent reserved for the domestic market, exported to the United States and the Far Eastern markets. The fishery provides some 3 600 people with seasonal employment, scattered all along the western coastline where alternative employment is nearly non-existent. This makes any rationalisation effort difficult, even if the fishery is grossly over-capitalised (Bross 1995:230). The South Coast fishery on the other hand, is heavily concentrated with only five companies commanding 14 larger vessels, catching some 1 000 tons annually; 12 per cent of the output is reserved for domestic use, while the rest is exported.

Last, but not least in political terms, there is a heavily disputed abalone fishery, controlled by five companies, with 45 registered divers delivering to three canneries. This sector is characterised by considerable poaching and strong competition from the recreational fishermen, controlled only by bag limits. At present there is a thriving illegal market for abalone, commanding high prices for export to the Far East.

As can be seen from this brief presentation, the South African fishing industry is relatively small, it is concentrated both in terms of ownership and geographical location, with mature companies developed over the last 50-100 years, possessing modern equipment both in catching and processing. Although the fleet is on average old, and not completely up to date technologically, it is well adapted to the South African situation where labour is (still) cheap compared to capital. Most of the commercial sector is economically efficient, producing a considerable surplus for the operators involved, also being able to compete

successfully on the most advanced foreign markets. Most available resources are fully utilised and the few suggested 'new resources' (such as for example 'orange roughy') will need more research and trial fishing before their importance can be assessed more accurately. Mariculture, and especially shellfish farming (2 850 tons in 1994) has turned out to be one alternative, but the number of protected locations are few and the sector will not be able to provide any large number of jobs. The same applies to increased use of by-catch. There are, consequently, few new possibilities where new entrants can be accommodated, be they fishermen formerly deprived of existing rights or new black entrepreneurs in general who would like to participate in the industrial and semi-industrial fisheries. If new entrants are to be allowed into the established fisheries, old participants will have to quit. The dilemma is precisely formulated by Cochran (1995:6): 'The RDP aims of meeting basic needs and building the economy cannot be met by increasing exploitation pressure on these resources and improvement must come from better and broader utilisation'.

But 'better and broader utilisation' is not producing access rights, and we are back to the original political problem: on the one hand the need for a new fisheries policy to comply with the new political situation, and on the other, the limited space for redistribution. Like everybody else stuck in such a difficult position, the new government decided to establish a committee: the Fisheries Policy Development Committee (FPDC).

### **The Fisheries Policy Development Committee (FPDC)**

The process of working out a new fisheries policy was initiated by the Minister of Environmental Affairs and Tourism at a public launch on 27 October 1994. The immediate background was the unrest among fishers and fishworkers over the present policy, claimed to be corrupt and insensitive to the very difficult situation of most coastal communities. By that time some ANC-aligned groups in the fishing industry had already worked out a preliminary programme as part of the electoral manifesto. In December 1994 a new meeting was held in Cape Town in order to discuss the structure of the committee. It was agreed to set up a plenary committee, consisting of five representatives from the 13 different sectors of the fishing industry, in addition to one governmental representative from each of the maritime provinces and a representative of the Ministry, altogether 70 members. The Working Committee consisted originally of 18 members, drawn from all the participating groups in the plenary committee. The committee was headed by Mandla Gxanyana, General Secretary of the Food and Allied Workers Union, assisted by a small permanent secretariat, originally staffed by five assistants with special qualifications.

The Working Committee soon encountered large problems, not only on actual policy matters, but also on the question of representation. Organised labour claimed to be under-represented, demanding five representatives in the Working Committee (and 20 in the Plenary). After a staged walkout, backed by big business, who walked out on the consecutive meeting, organised labour got their demand accepted, in order to get the process going again. By the same time it was agreed that all other sectors should be entitled to ten representatives each, increasing the plenary to 150 members.

The workings of the FPD Committee have been open, requesting all stakeholders to submit their ideas for a first integrated document. This draft document was discussed on subsequent meetings in order to identify areas of agreement. On difficult issues where the Working Committee was not able to find a common solution, technical teams were set up to provide possible solutions. Six technical or task teams were set up, of which the Technical Team on Access Rights played the most prominent role. Based on its unilateral recommendation of an individual transferable quota system (ITQ) for most South African fisheries, two workshops have been held in order to find a common ground among the different sector participants. In addition all meetings have been open for interested parties who have occasionally also been allowed the right to participate in the Committee's discussions. Drafts have been widely circulated for comments and the participants have consulted extensively with their constituencies. However, the exact role and importance of the newly created provincial forums is still unclear. By May 1996 the Working Committee had finalised a draft which was endorsed in principle by the Plenary Committee during a two day meeting in Cape Town, although with strong reservations from some sectors. By 4 June the final document was handed over to the Minister, who promised to proceed immediately with the drafting of a White Paper. The White Paper was produced during the fall of 1996 and submitted to Parliament in May 1997, after a process of both formal and informal consultations.<sup>6</sup>

Considering the difficult situation, with few new fishing resources available for distribution, considerable tension over redistribution, limited financial resources, the previous history of discrimination and the simple fact that most of the stakeholders had never met before, progress has been impressive. As formulated by one of the participants: 'After five meetings we are at least starting to talk the same language'. Measured against the original timetable and the great expectations of the many 'have-nots', progress has been less impressive. The document is no recipe for redistribution. In general terms the Fisheries Policy Development Committee has only been able to reach agreement on issues where existing interests are not threatened. On contentious issues the wording of the

compromises is vague, and the outcome on certain key issues is explicitly refuted by some participants.

Three different set of factors can explain this outcome. Firstly, the FPDC was never given the status and resources required to formulate an entirely new policy. The financial requirements were grossly underestimated. The setting up of a professional secretariat, the meetings of the Plenary Committee, the frequent meetings of the Working Committee, the use of various technical teams and the assembly of regional forums cost considerably more than the R300 000 originally set aside for the purpose.<sup>7</sup> The result has been that the chairman and the Working Committee have spent much time and effort to acquire the necessary funds. Banks, donors and other Ministries have had to step in in order to keep the process going, while the secretariat had to cut down on staff and consultants. Nor was the leadership role given sufficient attention. Although the FPDC chairman was granted full salary for his job, he kept his position as general secretary of FAWU, not being able to put in the necessary time, effort and political clout when difficult issues turned up.

Secondly, from the onset the FPDC was conceived as a committee which should reach unanimous recommendations, due to the problems of agreeing on a just representation. Difficult issues could therefore not be solved by voting or by a majority/minority advice. The result was endless discussions where finally one representative could block a decision agreed by all the others. By the end of the process, however, the Working Committee had to resort to more pragmatic solutions and presented the Minister with two different options (without identifying those responsible for the different viewpoints). Difficult questions, such as the extent of redistribution, and mechanisms for black empowerment had to be left out, as consensus was impossible. These problems were further complicated by the fact that the Minister in charge gave little political guidance to the Commission during the process.

Finally, the setting up of the committee reflects some of the problems operating in a sector where some interests are very well organised while others are poorly organised. Among the interests sitting on the FPDC only big business and organised labour operated with a clear mandate on behalf of their constituencies. The others, like the small business sector or the informal sector had to organise a group which could grant the representatives a certain backing. When discussions turn to plain negotiations, big business and the trade unions can give and take on behalf of their members, while the other interests are operating more in their private capacity, being unable to grant delivery or to restrain their members. During the entire process it was unclear to what extent the loosely created constituencies were to be heard or if, in fact, they had a vetoing power.

This applied in particular to the provincial forums, where positions and viewpoints differed greatly.

All in all, FPDC is probably no more than a first step in a lengthy process of transforming the South African fishing industry and definitely not the ultimate commission being able to design the new fisheries policy, as widely believed. Consequently, the time perspective will also have to change. While Namibia was able to draw up and implement a complete new fisheries policy within three years after independence, the South African process will probably drag on for a much longer period of time.

### **A New Fisheries Policy?**

What is the content of the emerging 'new fisheries policy' as it is presented in the document 'Fisheries Policy for South Africa' (FPSA)? The starting point is that all marine resources are 'a national asset and heritage of all its people' and the custodianship is vested with the State. Consequently, it is the State's responsibility to allocate rights to utilise these resources. Access rights should therefore be allocated to existing and prospective users, based on a set of agreed criteria, such as capability, historical involvement and past performance, contributions towards the development of the fisheries, labour relations and social responsibilities. Access rights should in principle be long-term and transferable. Holders of access rights will make payments which will be dedicated to improving the management of living marine resources. The FPD Committee proposes a development in two phases: one transitional where (some of) the inequities of the past are addressed by accommodation of newcomers and the possible use of affirmative action, and a phase two when free enterprise principles will operate and any need for preferential treatment will disappear. During phase one the newcomers should not be allowed to sell their rights except under some very special circumstances (later to be specified), while in phase two the access rights are freely transferable, like in an ordinary ITQ-system. The state can also in principle operate on the quota market, buying back private rights for later redistribution. The key principle of the proposed policy is that there will be 'no arbitrary or sudden removal or decrease of the access rights of any holder, current or future' and that 'restructuring and broadening of participation will be carried out whilst maintaining stability within the fishing industry ... This policy will seek to minimise adverse effects on existing holders of rights, the associated labour force, communities and other legitimate stakeholders'.

The marine resources are divided in four groups, for which different control mechanisms (regulatory measures) can be used. Catch control, effort control, marine reserves, user zones, closed season, size limits as well as gear restriction

should all be used, but it is admitted that all measures are not equally effective, thus forcing the fisheries administration to make priorities as to where it will use its (limited) control, monitoring and surveillance capacity. In this respect the most valuable resources should receive the most control and surveillance activities.

Most marine resources are trans-boundary and should therefore be administrated on a national (central) level. Stocks which do not overlap regional boundaries, occur relatively near shore and are not mobile, can be managed by regional (provincial) authorities or even by local communities as a form of co-management.

The fishers should in the future, according to the FPDC-document, be divided in three groups; industrial and semi-industrial, subsistence, and recreational, each with specific rights and obligations. While subsistence fishers can be granted specific zones along the coast for harvesting and sale, recreational fishers should be prepared to pay more for their access rights. Foreign fishing companies should not be allocated resources, except as part of joint ventures where the fish is landed in South Africa and not less than 80 per cent of the employees are South African nationals.

In terms of institutional arrangements there is a clear preference for a separate Ministry of Fisheries and Marine Resources. Within this Ministry the present Chief Directorate shall continue more or less as the current Department of Sea Fisheries. The same applies to the Sea Fisheries Research Institute, but with an enhanced group of advisers, including economists and sociologists, to be called upon when needed. The present Sea Fisheries Advisory Committee is transformed to a Consultative Advisory Forum (CAF), with a broader representation, giving advice on the level of TACs and the types of management and control measures required. The present Quota Board shall be transformed into an Allocation Board along the same lines, deciding on the allocation of rights and quotas. During the more permanent phase two, it is envisaged that the Allocation Board shall be concerned with the continuous evaluation of whether right(s) holders are fulfilling their obligations. Failing to live up to these obligations could then result in withdrawal or temporary suspension of the allocated rights.

Management is supposed to be carried out as a type of co-management, where essential issues affecting the industry are discussed in the various forums, with the old, established interests groups and the newly established Fishing Forums.<sup>8</sup>

Is this an outline for a new fisheries policy? The answer depends to some degree on which elements are singled out for analysis. Seen from an outsiders point of view, there are three particular traits to the new (proposed) system:

- Firstly, the extent to which old structures are maintained, is striking. Even if the representation have been broadened, both the Sea Fisheries Advisory Council and the Quota Board are maintained with basically the same functions. The same applies to the Sea Fisheries Chief Directorate and the Sea Fisheries Research Institute. The whole set-up reflects a strong belief in scientific advice and the possibility of obtaining advice from 'disinterested' members.<sup>9</sup> At same time the scepticism towards politicians is extremely strong, including the politicians of the new dispensation, putting in a number of checks and balances on the vital decisions on TACs and the distribution of quotas. From their previous experiences with political favouritism it is not difficult to understand this preoccupation with 'impartial advice', but it is hard to see how members of the new boards should be less open to influence and lobbying activities than the previous, even if a strong preference for lawyers is signalled. In the end the setting of TACs and the distribution of quotas are political decisions, where somebody has to be politically responsible.
- The second refers to the nature of the proposed system of access rights. The FPDC document is clearly inspired by well established Individual Transferable Quota (ITQ) systems in the United States of America, Canada, New Zealand and Australia, although in the case of South Africa the proposal is that fishing rights be made transferable, not the quotas as such. From one point of view this is definitely a break with the past, when the state interfered in all matters of distribution, including the allocation of rights and quotas. For the previously disadvantaged groups and for the potential entrants it is hard to understand why the state should give up its traditional right to allocate rights, when finally a new regime has entered into power. For the established right holders the situation is less paradoxical. If they maintain their rights and quotas, they do not any longer need the state to perform the allocation, which is more effectively done by the market. In any case, access rights were also sold (indirectly) under the previous regime, but normally as a result of acquisitions and mergers, and dependent on the approval of the fishing authorities. According to the FPDC access rights will be granted on a long-term basis and the holders 'will have to make payments', without specifying more precisely the amount nor the principles involved. This could imply that the present policy will be continued without any great changes.
- The third and last feature is the complete lack of attention to the main challenge: how to improve access for the former underprivileged to marine resources. In view of the original terms of reference this is a serious deficiency. The FPDC does not in any way indicate how much of the existing quotas which could be reallocated and how this process could be organised,

except by indicating a possible buy-back programme. Instead the committee tries to divert the potential newcomers into new resources, under-utilised resources, mariculture, discards, increased value added products, etc, that is, fields which may yield some limited possibilities years ahead. For the potential entrants these areas can be considered as 'theoretical possibilities'.

In summary it is hard to escape the feeling of 'new wine in old bottles'. With the important exception of greater transparency in the policy process, it is largely the same goals, the same instruments as before, implemented by the old institutional structures. And this conclusion should not be very surprising. It is largely the old stakeholders sitting on the FPDC, the old administrators sitting in the Chief Directorate (and in the Ministry of Environmental Affairs and Tourism) and the old researchers sitting in Sea Fisheries Research Institute and the connected university institutes. Although it would be unfair to say, 'business as usual', the impression of continuity is much stronger than a break with the past.

### **Black Empowerment - But How?**

While the key players in big business have agreed to the basic strategy (leave the quota allocations as they are), they display certain interesting disparities in terms of strategy. Broadly, we can distinguish three partly overlapping strategies.

The first is concerned with the 'peanuts', the relatively small changes which can be made within the framework of the existing system. Here we find the admission of a few selected black applicants which receive minor quotas as part of affirmative action, a policy started in 1994. The granting of a limited community quota (10 000 tons distributed to 34 community trusts) belongs in the same category, although the process has come to a standstill after the Supreme Court suspended the community quotas, allegedly because the community trusts were not explicitly mentioned in the existing law<sup>10</sup>. Also the limited linefish experiment can be placed in the same category, granting smaller quotas to a limited number of small-scale fishers on a trial basis of possibly three years. None of these measures are going to upset the present pattern of resource allocation, except for minor adjustments.

The second strategy is the deal described above, between big business and the trade unions. The trade unions are not supporting big business free of charge. Besides protecting the employment of their members, their agenda contains better pay, improved social benefits, guaranteed work as well as pensions. It is characteristic that a large section of the FPSA-document, drafted by labour, contains an extensive section on labour rights and demands. If the trade unions

are to support big business, the companies have to improve working conditions, a demand they seem willing to accept.

The third strategy is probably the most innovative, being pursued by some of the largest fishing companies in the industry. They have long time ago realised that important changes are underway, making black empowerment a necessity. Two alternative routes have been chosen. Oceana, the third largest fishing company in South Africa, has persuaded a high-profile black company, Real Africa Investment Limited (RAIL), to come on board as co-owner of a consortium controlling 52 per cent of the shares. The consortium includes the former majority holder (26 per cent) and a variety of black interests with a combined 26 per cent stake. The interests include the Food and Allied Workers' Union (through pension funds), community and church organisations, in addition to groups of black and coloured businessmen. And the company makes no secret about the goal of the reorganisation, which is to retain or, even better, to increase their quotas. Whatever the final outcome, the company has already secured a powerful black lobby defending the interests of the company.

The second option, preferred by another large company (Premier Fishing), has been to negotiate a deal with its 1 000 employees, where a 20 per cent stake has been sold for a nominal price (1 cent per share). The ownership share of the employees can be increased later if the parties are interested in so doing. All the employees are currently involved in the fishing industry and many of them live in the smaller coastal communities. The most interesting new feature is, however, the active involvement of workers through Joint Management Teams. Through these teams they are involved in the daily running of the processing plants as well as the important questions of restructuring the industry. 'You cannot be part of something if you're not involved in control', as one of the union officials expressed the basic philosophy (*Cape Times*, 22 September 1995). Similar schemes are also on the way in the two largest fishing companies, Irwin & Johnson and Sea Harvest, although on a more limited scale.

Which of the two strategies will be most successful remains to be seen. That depends, among other things, on what is considered to be most important in the new policy, black ownership in general or empowerment of groups directly involved in the industry, previously prevented from a more active role. Both strategies have been actively endorsed by the unions, and even brought into the FPDC-document, which reads: 'The creation of Employee Share Purchase Schemes and Employee Share Option Schemes to give employees an opportunity to share the prosperity and growth of the companies in which they work, will be encouraged'.

## **Two scenarios: 'Sustainable growth' or 'Continued poaching' ?**

When entering political crossroads it is sometimes worthwhile to consider alternatives in terms of scenarios. The first scenario, called 'sustainable growth', implies that the FPDC document is considered as an acceptable compromise, also in terms of access rights. The White Paper is tabled in Parliament in 1997 and the subsequent laws and regulations prepared and implemented by 1998. The representatives of big business and the trade unions realise they have to grant some concessions, and in return they receive a more stable quota situation through the introduction of a modified ITQ-system. The potential new entrants realise that the proposed regime is no revolution, but the best that can be achieved, given the prevailing economic situation. They have obtained a more open and transparent management system and a certain percentage of all the main quotas for redistribution among formerly disadvantaged groups. Line fishing quotas have been distributed to many smaller operators, which have been given economic support by various state agencies. Administration of the near-shore resources, including the monitoring, control and surveillance, is partly done in cooperation with local communities, while cooperation with the Navy takes care of the offshore control tasks. After a transitional period of five years (starting in 1998), the South African commercial fisheries operates mainly according to the logic of the market, while the interests of the subsistence fishermen are guaranteed and their activities are within the concept of sustainable development. This scenario can be specified further, but the basic message is that the compromise outlined in the FPDC document works, in terms of being considered just and legitimate, at least by the great majority of stakeholders. Hence, more of the state resources, both in terms of money and manpower, can be redirected from control to development tasks.

The other scenario is termed 'continued poaching', in the fisheries jargon. Here the 'compromise' is not accepted, least of all the contentious issues of access rights and redistribution. Therefore, the issue has to be handed over to a Presidential Committee of Inquiry. After a year of deliberations, they still propose a modest restructuring of the industry, a position opposed by the ANC, which is preparing for elections and needs some strong posturing in the coastal communities. After the White Paper eventually has passed Parliament, the larger companies decide to take the quota issue to court, where the differences are battled out through a protracted process. In the meantime the fisheries regime is by and large considered illegitimate by the unorganised fishers and in general by the coastal population. Poaching and illegal fishing is therefore endemic,

especially for the near-shore resources. Line fishermen try to utilise the hake and other linefish species as they see fit. Quotas have to be reduced every year, and policing of the fishing resources is increasing every year, giving rise to greater tensions between the predominantly black coastal communities and the fisheries authorities. Management becomes more and more control-oriented, having little or nothing to offer in terms of development. The regime is, by and large, considered illegitimate, and a state of warfare prevails between the fishers and the state. The fishing industry is considered a problematic sector and is increasingly shunned by investors.

The two scenarios are, intentionally, a bit caricatured. In between the two extremes we find a number of possible outcomes, not equally good or bad, but both scenarios are definitely within what is today considered possible. From a management point of view, there is no doubt as to which development alternative is the most preferable. For the existing companies the choice is not equally clear. In the short run it is a question of how much of the quota they have to give up to accommodate new entrants, what will be paid in compensation, and what will be the security of tenure for the remaining quotas. At present they seem to rely on a stalling strategy, hoping that 'restructuring' will somehow wither away over time. In the end it all boils down to what is meant exactly by 'reconstruction', 'affirmative action' and all the other catchwords connected with the RDP.

### **Affirmative Action**

There is no doubt that blacks were discriminated against during the 40 years of official apartheid, although there are important differences in extent between coloureds and Africans. Not only were they in many instances denied direct access to the resources, but they were also indirectly restricted in a number of ways. Firstly, the curtailment of property ownership rights of blacks made it impossible for them to acquire collateral as a basis for financing loans, thus excluding blacks from the process of capital and asset accrual (SBS 1995). Secondly, by the fact that apartheid education effectively restricted access to acquisition of technical and professional skills by blacks needed to run a modern, competitive business. Thirdly, by concentrating nearly all state support through the para-statal organisations to the white owners and operators. Fourthly, by limiting the use of commercial and public facilities to one group only. Fifthly, by creating a marketing system which was effectively a 'closed shop', giving very few opportunities for black entrepreneurs. And, finally, by adopting a regulatory regime in the fishing industry which favoured one group over the others.

But accepting that discrimination took place is not the same as accepting a reconstruction of the industry. In this area there are probably some important lessons to be learnt from the land reform programme, making a distinction between restitution, redistribution and rural development in general. Concerning restitution, a Land Claims Court is proposed to sort out the grievances and secure a uniform treatment of the claimants. A cut-off date has been suggested (the Land Act of 1913), where claims predating this year is up to the minister's discretion. The basic principle regarding both restitution and redistribution is to make full use of the market (a willing buyer/willing seller), where discriminated blacks will be given a certain economic support from government in order to acquire land. Rural development will be taken care of through a variety of measures, ranging from extension services to the establishment of infrastructure.

'Undoing the wrongs of the past' is indeed a complicated task in the fishing industry. For who was discriminated against in the sense that could require restitution? The most obvious group is the fishers that had catching rights, but lost them as part of the political process. For those people it should be possible to get the rights back, but difficult questions remain, as to how far back in time (the cut-off date) and the extent of the restitution. (What kind of licences and quotas should they receive today?)

The next group consists of all fishermen applying for rights in the past, but who were denied, for different reasons. To what extent is it possible to correct the wrongs of the past towards this group? Even more complicated is the large group of people, living in the coastal communities, which never applied, knowing it was virtually impossible to acquire a licence or a quota. In a country where traditional communities were totally destroyed through forced removals and where migrations are endemic, how to distinguish the 'true' bona fide fisher from 'gold-diggers', who have suddenly discovered that the fishing sector may offer some easy gains. A particularly intriguing problem, discussed intensively in the FPD Committee, is the status of poachers. Being denied access rights to the rock lobster and abalone fisheries a large number of coastal fishers started poaching, partly as a way of surviving and gradually as a way of living. To what extent shall these fishers be treated as bona fide fishers with traditional rights?<sup>11</sup>

The few questions raised above indicate that the reconstruction of the industry will be a rather complicated task. In addition there are some important differences between agriculture and fisheries: In the case of land, the state disposes of funds and areas of considerable size which can be distributed to the land-hungry. In the case of fisheries, the government does not (in practice) dispose over any available quotas. Quotas for new entrants can only be handed out when an existing quota-holder forfeits his right, or in the case of new resources being discovered.

If quotas or licences are to be redistributed on a larger scale, the state will have to organise a buy-back scheme. With the existing quota prices such a scheme would require substantial funds, which will have to be raised either inside the sector (for example by quota fees) or by central government allocations.

Again we meet the difficult trade-off between justice (restitution and redistribution of rights) and efficiency (leaving the rights with the existing quota holders). During the political process following the recommendations of the FPDC a compromise will have to be made. At present it seems not very likely that a large-scale redistribution will take place for the political reasons mentioned before, ie resistance from big business and the labour unions. Affirmative action will have to concentrate on other issues, like education and training, state support for acquisition of productive assets, and access to public utilities. Access will remain restricted as long as nearly all the stakeholders agree that any type of open access in the commercial fisheries will be damaging to the resources.<sup>12</sup> What can then be done in order to increase the legitimacy of the new system?

### **Can a National Asset Have a Few Private Owners?**

The dilemma posed in the heading is not particular for South Africa. Any fisheries management system where the resources are declared national property and the regime is based on limited access will face the same problem. What is special for South Africa is the extremely limited number of access holders and the huge number of potential entrants, at least in the near-shore, coastal fisheries. Three broad strategies seem available in the South African context, given that all the potential entrants cannot be accommodated.<sup>13</sup>

The first strategy applies to a more transparent and just management system. As pointed out by Jentoft (1993) it is perfectly possible that (actual and potential) fishermen will accept a negative result if they have the impression that the process has been just. In South Africa this means much more than getting in a few blacks in the all-white fisheries administration. It means a complete restructuring of the processes leading up to the final decisions. A particular feature of the South African system is the use of a Quota Board where politicians and participants from the fishing industry are explicitly banned from participation. This was originally done in order to curb the rampant political allocations to friends and allies, but the result is in many ways awkward; a body without expertise on fishing and not politically responsible to anybody. If the South African system is turned into an ITQ-system, the importance of such a Quota Board (or Allocation Board as it is called in the FPDC-document) is going to diminish. After the initial allocations have been done it will still function as a review team, ensuring that the quota holders fulfill their obligations and redistributing quotas

which are forfeited. It is hard to see why such an 'nonpolitical' organ should be less liable to political pressure, lobbying and even corruption, than a politically determined allocation process. In the end the allocation of valuable resources belonging to the society is a political decision, as is the allocation of any other resource to a particular group.

There must be clear criteria as to who will qualify, an open process of evaluation and a system of monitoring, securing that the fixed requirements are met. Furthermore, such a new transparent system will require some form of co-management, where the fishing interests on a geographical level (provinces and districts) as well as functional groups (like for example line fishers, trawlers, etc) are made part of the decision making process. 'The ones most affected by the government's decisions should be heard', is the starting principle of any co-management system. To what extent they should participate in the decision making is up to the political authorities to decide. The main challenge now is to broaden the base of participants, from the former 'closed shop' of the large (white) owners and operators, to include the small-scale fishermen and business participants.

The second strategy to improve legitimacy will be to require payments for rights, presently handed out for free. Granted that the fish stocks are national assets, the protected users have to pay a fee, which in principle is a payment back to the society. Whether this payment is done in the form of an user fee (as for example in Namibia or Mozambique) or as a down payment, once and for all, is up for discussion. The result will to a large degree depend on the nature of the ITQ-system; if rights are granted for perpetuity or for a limited number of years (5-10-15). Such a payment has already been accepted in principle, but the difficult question of size or level of the resource fee remains.

In neighbouring Namibia annual fees have to be paid before catching, ranging from 5 to 15 per cent of the first hand value, thus securing the state an annual income of approximately R100 million. How much of the resource levy which should be extracted before tax is therefore more of a technical question. Another disputed question is who should be the beneficiary of the levies, the central coffers, the provincial authorities, special funds for the upliftment of coastal communities or a specifically designed research fund? The motivation to pay seems to be considerably higher if the monies are specifically directed to fisheries related development and research. On the other hand it is an increasing demand in most ITQ-systems that fees are going to cover a part of (most or all) management costs, including monitoring, control and surveillance. Whatever the final outcome, the principle of real user payment will greatly enhance the legitimacy of the new management system.

The third type of strategy would be to put stronger demands on the existing (and future) quota holders. Not only should they comply with laws and regulations so that breaking the rules may invoke the cancellation of rights, but also produce certain benefits for the larger society. Consequently it has been suggested that all application forms should contain questions concerning investments, employment, labour practices including training, product and marketing strategies in addition to information on social benefits and social responsibilities towards the communities involved. The background for these increased demands is fairly simple; a number of the existing quota and licence holders have contributed very little to the surrounding societies, both in terms of investments and proper employment. Hence, the FPDC has been very occupied with the extinction of the 'paper quotas' and the 'quota lords', who in essence only trade their quotas for cash to other operators.

With these three strategies in place, South Africa's new fisheries policy should stand a greater chance of success. But the crucial question still remains: with all the old stakeholders in place, is it possible to establish an institutional system, able and willing to carry out the 'new' fisheries policy?

### **Change Without Redistribution**

The Reconstruction and Development Programme (RDP) can in many ways be conceived as the grand design of the 'New South Africa'. It deals not only with economic restructuring and welfare, but also with the transformation of the old state institutions. Put quite simply, the old state apparatus was essentially geared towards control, trying to protect the economic and social privileges and cultural values of the white minority by all possible means. With the new dispensation the catchword is development and the challenge is to produce the developmental state, able to uplift the 20 million living below the poverty line, empowering the black Africans previously barred from political and economic participation (Tjoenneland 1996). As explained above, fisheries can only, to a limited degree, meet these expectations. The resources are limited, they are nearly fully utilised and they 'belong' to a mature industry. But there are other and even more important factors involved. Recognising that the new regime has been in power for only a few years, it is probably too early to judge. At present (mid-1996) the most likely prospect is, 'change without redistribution', indicating that the present allocation of resources will continue, although under the label of a new, change-oriented fisheries policy. How could this happen, with ANC in a majority position in the new government, with thousands of potential entrants waiting to get their share of the resources and with a general programme geared towards reconstruction and redistribution?

Here it is worthwhile to return to the three different perspectives on institutional change (Holm 1995). From a rational perspective, institutions are instruments intentionally constructed to serve certain predefined goals. In our case the goals are vague. Everybody agrees on development, but few have bothered to explain and detail what 'reconstruction' should imply in the fishing sector. Not even the Technical Committee on Access Rights (1996:36) has been more exact than suggesting 'examples of changes which could create opportunities for new entrants'. The management institutions are also generally unaltered, with the same administrators in charge. Few affirmative action appointments have been made, and routines and procedures are basically the same as before. Even the proposals put forward by the FPDC are concentrating more on names and slight changes of procedure than on content and wholesale changes of the existing administrative order. The implicit message seems to be that by making the administration and especially the allocation process more transparent, sceptics and outsiders will accept the system as legitimate. From a rational institutional perspective there is consequently no reason to expect large changes.

Institutional development can also be seen from a political perspective, viewing the outcome (the institution) as a result of contending political and economic forces. Even if the ANC and its allies won an overwhelming victory in the 1994 elections, it was no 'winner take all'-situation. The revolution was 'a negotiated revolution', where the former chief architects of the apartheid system were members of government up to mid-1996, holding for example the position of Ministry of Environmental Affairs and Tourism, under which the Directorate of Fisheries is placed. All the present stakeholders, companies as well as individuals, are still in business and their 'property rights' are generally seen to be protected by the new Constitution. In addition they have the full support of the trade unions, wishing to protect their own employees. Facing this iron triangle of the old administration, the present owners and the unions, is an unwieldy alliance of central and provincial ANC politicians, representatives of the informal sector and generally unorganised workers. At present it seems highly unlikely that this coalition should be able to obtain any major redistribution of resources. A completely new institutional system is neither conceivable, as expertise, financial and administrative resources are so thoroughly vested with the old, established system.

A third perspective of institutional change will focus on the ideological forces in society, and view the institutional set-up partly as a result of changing ideological currents. This is a particularly interesting perspective in the South African case, where the FPDC has proposed a (modified) ITQ-system, to be the

basic system for allocation in the future. This proposal is actually not too different from the existing practice established in 1982-86, where quota holders can transfer limited quotas, dependent on government confirmation. The new element (if chosen) is that the state is relegated to an insignificant position, as soon as the initial allocation is made. The proposed transferable quota system, with its dependence on the market regulating access, is in stark opposition to the traditional ANC-position, relying heavily in the strong state, also in the economic sphere.

Even if most ANC-leaders and economic advisers now believe in 'a mixed economy' and gradually have changed their former strong position on state ownership over the last five years, the followers still look to the state for redistributive action. Slightly simplified we have a confrontation between those who believe the state is the solution and the ones believing the state is the problem. If the ITQ-system is finally adopted (after a shorter or longer transitional period), there is no doubt that the existing stakeholders will be able to further strengthen their position. They have the capital, either through own funds or credit, to buy additional quotas, they have the technical skills to operate both fishing vessels and processing plants and they have knowledge and control of the market.

The great irony of the latter position ('the state is the problem') is of course that many of the existing companies and individual owners, to a large degree is the result of the most effective affirmative action ever seen in the world, namely the apartheid system. The apartheid system gave white-owned business preferential access in all areas of business, secured cheap labour and guaranteed sales through effective marketing monopolies. Today these companies are in a situation where they can manage without the state, now believing in the virtues of the free markets, allocating resources most effectively.

The only question which remains is to what extent the 'new' strategy will work. Will the 'have-nots' accept the deal, or will they, as suggested in the 'Continued poaching' - scenario, consider the 'new policy' illegitimate and continue fishing illegally? The next two or three years will give the answer. It might be a good idea that big business together with the trade unions considered a somewhat larger share of the resources for redistribution. If not, they may find themselves winning the battle (over the FPDC-document), but losing the war (over a sustainable fishing industry).

### Postscript

As expected, the White Paper which finally appeared on the 5 May 1997, is in many ways a continuation of the FPDC-document delivered in June 1996. The

goals are broadly the same and so are the means. The general message is also identical: 'redistribution and empowerment must take place without destabilising the industry unduly' (White Paper 1997:16). There are, however, certain important changes. Firstly, the Minister (and his administration?) has realised that the Quota Board is an impossible construction. In the White Paper it is recommended that the allocation of commercial exploitation rights should revert back to the Department from being an independent statutory body, now with the Minister holding ultimate power of decision-making. 'The same persons will become responsible for the granting and reviewing of all commercial rights, after reviewing the performance of the rights holders. Such a system will bring South Africa back in line with that of many fishing nations' (White Paper, 1997:35). Without doubt, this is the most important political decision regarding the administrative set-up of the new fisheries policy, where the White Paper deviates from the FPDC-document.

Secondly, the White Paper is more specific on the nature of the proposed ITQ-system. Not only shall the users pay an annual resource fee, which in principle shall cover the global recurrent costs of adequate fisheries management (including research, monitoring, control and surveillance), but the rights shall be auctioned through a once-off bidding process. Bidders will have to meet certain qualification requirements (like capacity to harvest the resources), but as soon as the right has been bought, it will be transferable and inheritable, just like any other fixed property.<sup>14</sup> There is only one hitch to the proposed system, making it quite different from existing ITQ-systems in Iceland, New Zealand, Canada and Alaska: the rights will be sold for a long period and then revert back to the state within that period through an annual attrition factor (a maximum term of 50 years will revert at a rate of 2 per cent per year). The realism of this 'political auction' remains to be seen. Suffice to say that no other fishing nation has succeeded in introducing a 100 per cent redistribution to the state. The interesting question in the case of South Africa is, however, to whom will the returned quotas be distributed: the former owners, that is, the established companies, or to new, formerly disadvantaged applicants?

Thirdly, through the White Paper it is realised that the chances of success for new, formerly disadvantaged applicants are small in such a system of transferable rights requiring considerable capital. It is, therefore, proposed to set up a Commercial Public Company (CPC) to buy fishing quotas from the state and to rent, lease or contract quotas to small and medium-sized operators, who have the necessary fishing capacity. In addition the White Paper recommends setting up a specialised unit to work on sector development: the Unit for Fisheries and Mariculture Development (UFDM). The UFDM can focus on tasks like

education, training, transfer of technical skills and organising regional service units to help improve local management capacity.

While the White Paper succeeds in elaborating upon a new, proposed fisheries policy, the most important issue, the extent of redistribution, is still in the air. According to the White Paper a small Implementation Committee should be established to evaluate, develop and implement the proposed restructuring and the promise is that the new system 'will be established as soon as feasible'. As can be seen also from this latest contribution to the restructuring process, redistribution without (significant) change is truly a difficult challenge.

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## NOTES

1. This article was originally written during the spring of 1996, when the author was a visiting professor at UWC, and submitted to *Transformation* in January 1997. Where applicable the

latest developments have been amended, while the content of the latest White Paper has been commented upon in a postscript.

2. Hake, sole, pilchard, anchovy, horse mackerel, South and West Coast rock lobster, and abalone.
3. These companies are not necessarily big in South African terms, ie compared to companies in other sectors. Most of the fishing companies termed 'big business' do, however, belong to larger groups or holding companies, thus commanding greater financial strength when needed.
4. When industrial fishing started 100 years ago, the main markets were 1500-2000 km away from the fishing port (Cape Town), which meant that transport needed to be integrated. When frozen fish later became the main product, trawling was the natural gear and the trawling companies soon found it profitable to integrate into processing and marketing as well. The same pattern was repeated when canning and fish meal production was established on a large scale during the second World War. Hence, vertically integrated companies are more the rule than the exception.
5. The facts and figures in this section are mainly drawn from Bross (1995) and FPDC (1996).
6. The White Paper has been produced by Sea Fisheries with the assistance of a Norwegian consultant.
7. At the end of the process the final bill seems to be approximately R 2.5 million.
8. Originating in the Western Cape, Fishing Forums have now been set up on local as well as provincial level in all the maritime provinces. The forums have representatives from all sectors of the fishing industry and are as yet not formally organized. In order to participate in the new fishing policy a national umbrella organization will probably be established, although the state has clearly signalled that no economic support will be made available.
9. The members of the new Allocation Board 'shall have no vested interests in the fishing industry'.
10. The community quota system was established in 1994 as a possible attempt by the last National Party government to attract votes in the coastal communities. The system was badly planned and even worsely implemented, resulting in fighting and failures in most of the communities involved. The 1996 allocation was brought to the Suprme Court who decided to cancel the community allocations on technical grounds. The cancelling of the system has political support, also from the government, which regocnises the widespread failure (De Wet Schutte et al 1994).
11. The Technical Committee on Access Rights of the NFPC has suggested a general amnesty for these fishers and a cut-off date, after which 'illegal fishing' is treated as plainly illegal.
12. Only the representative of the informal sector has consequently argued for a 'open access'-regime, within a specified TAC, which could be applied for certain resources or even for a part of the total qouta, like in the Norwegian cod fisheries where 15 per cent of the TAC is allocated on a 'catch as catch can' principle, although within the limitation of maximum vessel quotas.
13. Elements of all these strategies are found in the FPSA-document, although in a somewhat diluted or vague form, due to the compromises which had to be made.
14. Rights will be divisible, but only down to a certain minimum limit and all transfers will be subject to the consent of the regulator.