

# THE MANDELA INITIATIVE

*Dialogue and action to overcome poverty and inequality*

A summary of research undertaken for the Mandela Initiative, May 2017  
Supported by the Department of Science and Technology and National Research Foundation

## Job creation in fisheries in South Africa

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University of the Western Cape, as a contribution to the study  
“Job creation in agriculture, forestry and fisheries”, led by Ben Cousins,  
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### 1. What is the project about and why is it important?

Three narratives have dominated fisheries debates in South Africa since 1994:

- Reform of the fishing sector is based on the *allocation of rights*, but this is opposed by the narrative of established industry: ‘*cut our quotas and we will cut jobs*’
- The ‘*not enough fish in the sea*’ narrative: global fish stocks under additional pressure from climate variability, overfishing & anthropogenic emissions. Key responses: stock assessment, precautionary management, ecosystem approach, and Marine Protected Areas.
- The ‘*fishing rights are human rights*’ narrative: right to be recognized, support for role of women, protection of customary practices, co-management of resources, & managing quotas through a legal entity.

### 2. What is the significance of the study?

Social and economic indicators based on the Thomson scale help provide insights on the nature and structure of the fishing industry, including: dependency of the small-scale (SSF) on large-scale fisheries (LSF) with regard to infrastructure (catching, processing and marketing); vertical and horizontal consolidation of the LSF sector constrains SSF; SSF = seen as a ‘safe haven’ for the poor to buy and sell some fish.

	Large-scale and commercial sector	Small-scale fisheries
1. Number of fishers employed	16,854 direct (crew) 10,876 indirect (processing) 27,000 direct	Conflicting estimates: 29,000 vs 22,601 fishers; 147 vs 316 coastal



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	100,000 indirect (11 615 by Big 5 companies)	communities; around 180,000 people benefit indirectly
2. Fish caught for human consumption and utilisation	700,000 tonnes	70,000 tonnes (10% of industrial catch) vs 220 tonnes (DAFF 2016); 84% true subsistence (especially on east coast); 16% artisanal (WC)
3. Fish caught fishmeal, oil, pet food	275,000 tonnes of anchovy, round redeye herring	None
4. Nature of the sectors	Capital intensive Vertically integrated: catching, processing and marketing Horizontal consolidation (new entrants entering into catch-share agreements – leasing and joint ventures)	Renting boats Armchair fishers Subcontracting of fishers Company agents signing agreements with IR rights holders (8,000) Processing and marketing agreements with companies
5. Policies	NDP; Operation Phakisa; New Growth Path; DAFF strategic framework 2014	SSFP 2012; amendment of MLRA in 2014; DTI funding conditional on forming ‘cooperatives’
6. Allocation	Allocating all species to commercial entities – linefish, lobster etc.,	Backtracking on promises: (no linefish to SSF; not declaring apportionment for SS; rights allocation postponed to 2017
7. Safe havens	I&J processing all hake long-line with the collapse of Spanish market and influx of cheap catfish from Vietnam	Interim Relief permits; recreational permits absorb job losses in closed season; casual & short time workers



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## 3. What are the main research findings and their policy implications?

### 3.1 Fisheries policies are not pro-poor in character

- The Marine Living Resources Act 18 of 1998 followed macro-economic policy in emphasising growth rather than redistribution
- Companies are required to transform race and gender employment profile and provide decent working conditions
- Fishers who do not comply and cannot meet the criteria of the formal allocation process will remain so-called 'subsistence fishers'
- Policies that promote pro-poor economic policies and job creation are a façade for capture of all aspects of fisheries by the LSF
- SSF will always remain as 'subsistence fishers', with some social relief

### 3.2 Inconsistencies in policy constrain job creation

- Individual Transferable Quota (ITQ) = mechanism to redistribute rights to new entrants who meet criteria
- The fisheries department requires SSF to apply for commercial rights under the same rules and regulations as LSF
- The rights are allocated to an individual or private company. This strategy results in many SSF companies with limited sales, & unable to compete with LSF
- ITQs de-concentrate fishing rights and result in a large number of unviable rights, which then inevitably leads to a re-concentration of rights within LSF
- Class action against ITQs: fishers, fisher representatives, NGOs and academics incorporated the recognition of SSF and rights to practice their livelihoods into the heads of argument.
- Interim relief permits are social packages for the poor, but do not create space for SSF to develop
- ITQs as a 'market mechanism' do not lead to equitable redistribution

### 3.3 Recognition is provided to SSF, but no rights have been allocated as yet

- Can the state move beyond recognition of SSF, to practical support for their livelihoods in fisheries, through changes in policy, fisheries law, and regulations?



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- Sticky issue of allocations to the LSF sector: Minister and DDF have backtracked on policy and lacked the political will to allocate real rights to SSF
- Ten years after the process of recognising SSF, no rights have been allocated

### *3.4 Aquaculture is not a magic bullet to create jobs*

- Aquaculture is emphasized in the NDP and embodied in Blue Growth and Operation Phakisa, with the potential to create jobs for a few technically trained and skilled professionals
- The existing abalone industry is likely to benefit, plus a few new government-funded projects, but not community-based aquaculture
- The fisheries department and environmental NGOs prioritise working with LSF to change their fishing methods while still making large profits.
- Support for the livelihoods and food security of the poor in coastal communities, is present in government rhetoric but missing in practice, and illegal fishing, poaching and other forms of crime continue to take place
- LSF capture of the environmental narrative is evident in the Blue Growth and Operation Phakisa
- Much evidence indicates that SSF are more sustainable, and provides livelihoods and jobs to many more people, than does LSF

*For more on the Mandela Initiative research projects, see:*

[www.mandelainitiative.org.za/research/research-areas-themes.html](http://www.mandelainitiative.org.za/research/research-areas-themes.html)

