

**The New Fishing Quota System  
For The Small Scale, Traditional Fishers at  
Hawston:  
Problems and Prospects**

July 2001



UNIVERSITY *of the*  
WESTERN CAPE

**By**

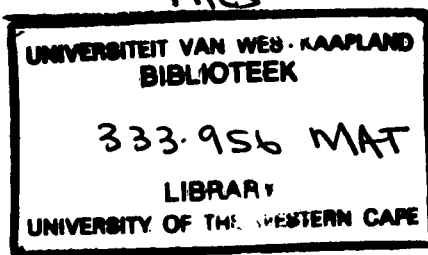
**Josette Matthee**

**A dissertation submitted to the School of  
Government, University of the Western  
Cape in partial fulfilment of the degree of  
Masters of Public Administration**



UNIVERSITY *of the*  
WESTERN CAPE

*THES*



# TABLE OF CONTENTS

<u>Topic</u>	<u>Page Number</u>
Table of Contents	a-b
Acknowledgements	c
Abstract	d-e

## CHAPTER 1

### INTRODUCTION

Nature and Scope of the Study	1
1.1 Statement of the problem	1-3
1.2 Hypothesis	3
1.3 Aim of the study	4
1.4 Research Methodology	4-6
1.5 Sampling	6
1.6 Assumptions	7-9
1.7 Limitation of the research	9-10
1.8 Importance of the research	10
1.9 Organization of the Study	11



## CHAPTER 2

2.1 Historical background of fishing in Greater Hermanus and Hawston.	12-14
2.2 The geographic location of Greater Hermanus	14-16
2.3 The geographic location and conditions of Hawston	16-17
2.3.1 The commercial abalone divers	17-19
2.3.2 The boat assistants	19-20
2.3.3 The Hawston Fishing Community Organization	20-21
2.4 Poaching and it's effects	21-22
2.4.1 The Poachers	22-23

## **CHAPTER 3**

- 3.1 Information on the old system: fishing legislation and access rights. 24-25
- 3.2 The Acts and government bodies that plays an important role on South African fisheries 25-29

## **CHAPTER 4**

- 4.1 The new system: Hawston and the legislative/political arena 30-33
- 4.2 Facts of mismanagement in Departmental Affairs bedevilling the quota system 33-35

## **CHAPTER 5**

- Problems confronting small-scale fishers in Hawston
- 5.1 The Overberg Commercial Divers Association (OVCD) 36-41
- 5.2 Hawston Fishing Company 41-46
- 5.3 Southern Boat Assistant Company 46-49
- 5.4 Synopsis of the main research results 50-52

## **CHAPTER 6**

- 6.1 Findings 53-62
- 6.2 Conclusions 63-64
- 6.3 Recommendations 64-70

- BIBLIOGRAPHY 71-72





## ACKNOWLEDGEMENTS

The researcher extends much appreciation and thanks to the following persons of the Hawston fishing community, without whose active participation and considerable time, this research study would not have been possible : Mr. Jerome Firgaji, Mr. Ferdi Henn, Mr. Philipus May, and Mr. Roy Swart.

For providing vital information and a historical background on Hawston and its people, the author would like to thank Mr Aldrich Gillion and wife.

Sincere thanks also to Samantha Damon for her exceptional typing skills, the staff of the School of Government at the University of the Western Cape for their support in enabling research into a critical area of marine resources management.

To my husband, thank you for your love, understanding, patience and motivation that allowed me to complete my research.

To Ilhaam Groenewald, for you're unconditional availability, love and support.

Finally, to Professor Chisepo Mphaisha for the patience he displayed during supervision of this mini-thesis



UNIVERSITY *of the*  
WESTERN CAPE

## ABSTRACT

Hawston, a small fishing town situated in Greater Hermanus is famous for its lucrative abalone resource. Since the drastic reduction of the abalone quota, which was implemented from 1994-2001, black commercial abalone divers have been on the receiving end of the new fishing legislation. The decimation of abalone by illegal harvesters, and the annual allocation of one and a half ton of abalone to all black commercial divers at present, are serious factors that influence the future of the commercial abalone divers and their counterparts. An abalone quota plays a pivotal role regarding the existence of various groups of people namely the Southern boat assistants, Overberg commercial abalone divers, Hawston fishing community etc. This study attempts to examine the effects of the drastic reduction of the abalone quota on the commercial divers (from 22-ton to one and a half ton), the boat assistants and the Hawston fishing community. The mentioned groups are also engaged in harvesting their allocated crayfish quotas, the research project mainly focuses on the effect of the new quota system on the allocation of abalone and crayfish quotas in Hawston.

In essence, this research project seeks to examine the validity or invalidity of the White Paper regarding policies of the new Living Resources Act on commercial abalone divers, the boat assistants and the Hawston fishing community. The researcher has noted the various shortcomings in the White Paper on Marine Resources and the associated indiscrepancies being practiced by the Department of Environmental Affairs. In the study, a qualitative method is used to assess the impact of the implementation of new fishing quotas on various social groups in Hawston (existing and new groups). This was done by means of in-depth interviews. Some of the policy makers at the Department of Environmental Affairs were also interviewed.

An evaluation of data gathered through the use of interviews and review of primary and secondary literature, revealed that equitable fishing quota allocation systems are not addressing the needs of the small-scale fishers in Hawston.

By means of reports, it was concluded that various factors are infringing on the rights of those excluded from receiving allocation systems and also has the effect of fuelling uncertainty for the future of commercial abalone divers and small scale fishers in Hawston. The primary objective of this study is to investigate if the White Paper Policy on Marine Resources is benefiting the disadvantaged small-scale fishers in Hawston. Most important for the commercial abalone diver in Hawston, is the effect of the decimation of abalone and how legislation in the new quota system will influence their lives.



## CHAPTER 1

### INTRODUCTION

#### Nature and Scope of the Study

This study focuses on the questions of equal and adequate access to fishing rights by the fishing community of Hawston.

#### **1.1 Statement of the problem:**

As a result of colonialism and apartheid, the fishing industry in South Africa still displays evidence of being structurally and socially unequal. White business dominated the industry years ago and still dominating it at all levels today. Given the high levels of inequality within the industry, there is broad agreement that the industry should be restructured, giving priority to job creation and equitable resource distribution.

Within the birth of a new democratic South Africa, the Department of Environmental Affairs and Tourism set up the Fisheries Transformation Council (FTC) to facilitate the process of allocation of fishing rights particularly with respect to assisting historically disadvantaged small and medium sized fishing groups.

To date, the implementation of the new allocation policy has not been entirely successful, especially since many small-scale fishers have remained in poverty and have received no significant financial or other benefits from the new system.

The White Paper aims to, amongst other, remove the quota decisions from the political arena, due to the perception that Ministers have, in the past, distributed quotas to followers and friends. It is also argued that the 1997 White Paper is "very vague in places where it should be specific", referring to the whole question of the redistribution of fishing rights. It is said that the policy seems to go out of its way to placate big fishing companies.

Besides some of the given reasons, various other reasons include: corruption within the community fishing groups and the system of allocation, lack of capacity to access the system, lack of capacity to manage a quota effectively, corruption in the awarding of "paper" quotas, etc.



According to Horst Kleinschmidt, Deputy Director General at the Department of Marine and Coastal Management, "hoodwinking" ranges from small-scale subsistence fishermen to many big name fishing companies and this is a serious threat to an already exploited marine resource. At present the attitude of free-for-all, with too many applicants for far too few fish, kelp, abalone, crayfish and deep-sea fish, makes it extremely difficult to allocate quotas in an equitable fashion.

According to the Minister of Marine and Coastal Management, Minister Valli Moosa, another aspect that leads to exploitation, is the paper quota. He says that: "a paper quota is one which is sold by a person with rights to catch certain fish or shell fish to somebody else, who does the catching." Some quota-holders of abalone, crayfish and rock lobsters have sold their quotas to the highest bidders.

There is also a strong belief that the New Living Marine Resources Act contains loopholes that have been taken up by poachers and illegal paper quota holders to exploit the flaw in the Act.

In four years, quota applications have increased from 500 to more than 12 000 in 2001, which has led to a permanent state of crisis in the Marine Industry. The problem is how to deal with this huge number of claims to fishing rights, without fatally endangering the species.

The researcher envisages finding some clear solutions from this chaos; inefficiency and snarling mess of conflicting interests that currently bedevils the fishing industry.

The views of small-scale fishers, subsistence quota holders and commercial abalone divers, will form the primary focus of the research study since they play a pivotal role within the fishing industry, as well as in Hawston. The experiences and opinions of these vital stakeholders are of utmost importance in demonstrating whether redistribution has been realised for sustainable resource use and management, the development of jobs within the small-scale fishing sector, and the promotion of small-scale enterprises, which are needed for economic development and for socio-economic equity.

This research does not preclude the importance of other stakeholders and factors impacting on the quota redistribution process such as:

- The strong economic and political position of White business within the fishing industry (Private White conglomerates);
- Various opportunists that form companies using the names of Black fishermen to gain quotas without distributing the financial returns to these members;
- The obvious lack of participation by small traditional fishing communities in the transformation process of the fishing industry;
- Nepotism and corruption in the allocation of quotas;
- The awarding of paper quotas to individuals, companies or groups who sell their quotas at a profit;
- Lack of transparency in quota allocations;
- Inadequate selection criteria in the Department of Environmental affairs to select quota holders;
- Problems related to transparency, nepotism and corruption within individual companies e.g. directors of new established fishing companies who take profits without passing financial benefits to the company members;
- Lack of monitoring of fishing quota allocations ;
- The lack of transformation or incompetence within the Department of Marine and Coastal management;
- The political cloud hanging over the lucrative fishing industry e.g. not capitalising politically on the issues of relocation of quotas; and
- How boat assistants (workers for a commercial abalone diver) have been affected by the impasse in the quota award system.

### ***1.2 Hypothesis and Assumptions:***

This study hypothesises that the new quota system does not benefit the small-scale fishers. In order to demonstrate this hypothesis, we take the case study of Hawston.

The researcher will have to deal with the fact that the reduction of the tonnage for the abalone diver does have a serious effect on the commercial abalone divers and the various groups involved in the abalone industry.

Another question is whether the exploitation of abalone is due to the work of poachers or as a result of the absence of sea urchin, which protects the juvenile abalone from the crayfish and has led to the drastic reduction of abalone yield per commercial diver.

It is also further hypothesised that any further reduction on the one and half ton abalone per diver allocation, will lead to complete financial ruin in Hawston.

### **1.3 Aim of the study:**

The aim of the study is to examine the extent to which the new fishing quota system will benefit the historically disadvantaged fishing community of Hawston. The researcher will also undertake an in-depth study to observe the effect of the reduction of abalone quota on the various groups involved in abalone harvesting in Hawston.

The study thus aims to:

- Provide a brief historical background of fishing in the Greater Hermanus and Hawston area;
- Examine the "old" fishing legislation vis-à-vis access rights;
- Examine the provisions of new fishing legislation especially in terms of the quota system;
- Highlight problems confronting historically disadvantaged small and medium sized fishing groups; and
- Make recommendations that may improve the situation

### **1.4 Research Methodology:**

This research context is one in which very limited literature exists and where research on the fishing industry in South Africa, particularly the small-scale fishing communities is scant. At present, the fishing industry is a controversial issue, on a national level, owing to the current quota allocation problems that are so widely covered in the print and broadcasting media.

The fishing community of Hawston itself is extremely cautious about expressing their views on the new quota system, due to the increased community conflict and distrust that has arisen. This discord is specifically rife between the commercial divers, poachers, subsistence crayfish quota holders and the community, due to the lack of transparency, especially by those who benefit from the quotas.

The new individual transferable quota (ITQ) has only recently been implemented for the fishing community, with effects that are uncertain, as yet. The most challenging aspect regarding new policy implementation is that there is no previous experience in South Africa, which may be drawn upon for research purposes.

The diverse complexity regarding fishing rights in the Greater Hermanus and other rural fishing communities, urges the researcher to opt for an exploratory research design that is “appropriate and feasible”, according to Mouton and Marais (1990:43). They concur that exploratory research is pursued in a relatively unknown research area.

Furthermore, they are of the opinion that an exploratory research design also enables an open and flexible research strategy, and the use of methods such as literature reviews, interviews, case studies and informants that may lead to insights and comprehension (Mouton and Marais 1990: 43). The researcher agrees with the latter statement, mainly because this method of research ensures a wider spectrum of diverse opinions.

An in depth research methodology, employing different methods of data collection that may compensate for any limitations was used, entailing:

- A review of the related literature and legislation in the fishing industry.
- In-depth, semi-structured interviews with key persons who have practical experience of the problem to be studied. These persons include representatives of the Board of Trustees of Walker Bay; Tuna Marine fishing companies of Greater Hermanus, the Commercial Divers' Association, the Hawston Fishing Community and members of the Southern Boat Assistant Company.
- Semi-structured interviews with additional informants on the research subject e.g. two Norwegian researchers presently employed with the Department of Environmental Affairs and Tourism namely Svein Munkejord and Hans Erstad.

Primary data was obtained by means of an interview schedule that guided the semi-structured interviews. The purpose of this interview schedule was to identify details such as name, age, years in the industry and included a series of closed and open-ended questions to ascertain the individuals' experiences with, and views of the impact and effect of the new quota system.

The researcher have found it necessary to conduct the interviews in a manner that allowed the exploration of issues raised by respondents that are not covered in the interview schedule. There was therefore a high level of flexibility in the interview format to clearly gather a holistic view of any other problematic areas in the fishing rights allocations. Despite this flexibility, every attempt was made to gather all the information as required by the schedule.

### **1.5 Sampling:**

Interviews were planned to confirm continuity on the allocations of abalone and crayfish quotas, specifically to the few beneficiaries of the Hawston community. These representatives, who will be mentioned later on, were easily identified and interviewed by researcher, as a result of long-standing relationships within the local community. The researcher contacted representatives from each grouping. These included:

- Mr. Ferdi Henn – a representative of the Board of Trustees of Tuna Marine, on behalf of the commercial divers of Hawston;
- Mr. Jerome Figaji – Trustee of the Southern Boat Assistant Company and Secretary of the Overberg Commercial Abalone Divers Company;
- Mr Phillipus May – Managing Director of Hawston Fishing Company and Chairperson of the Community Development Organization of Hawston, on behalf of the poaching community;

Having had long-term contact with a lot of fishing families known to the researcher, interviews were gladly granted by all representatives. Questions regarding the cut in tonnage per abalone diver from +/- 22 tons to one and a half-ton were regarded as confidential and referred to the Executive Director of Tuna Marine for answers, since he was intricately involved in the abalone quota exports.



### **1.6 Assumptions:**

The researcher has drawn from previous research regarding fishing rights, since fisherfolk in Hawston, presently experience the same quota allocations. Besides the similarities in Kalk Bay, Ocean View and Hawston, the latter place also experienced reduction in the tonnage of abalone per diver. The new quota allocation system is not sufficiently addressing the needs of small-scale fishers in the awarding of quotas. A definite assumption is that the quota allocation is indeed a complex one, requiring fishers to meet a range of criteria and required to follow a process of selection, which is unfamiliar to them.

For individuals that are engaged in the application process for fishing rights, there is no definite set of allocation rules or policies that favour the small-scale operators. It is still a high level of uncertainty of the outcomes exists, if one compares this to the outcomes prescribed by the White Paper, for the established industrial business sector. Minister Valli Moosa stipulated clearly on television recently that the allocation of fishing rights still has a lot of teething problems.

As a result of the problems being encountered by the Ministry, they intend lengthening the duration of the permits allocated for existing crayfish, white fish and abalone quota holders, thereby cutting down the number of new applicants, that number in the thousands.

*For small-scale operators to benefit, the quota system will need to change so as to generate a more sustainable and economically feasible development framework, within the fishing industry.*

It is assumed that the process of application needs to be speedily improved on two levels.

These are:

- Simplifying the process for small-scale fishers, and
- Providing larger quota allocations for longer periods to this sector.

In this way, it is proposed that one not only ensures improved equity, but one also increases the potential for job creation through the creation of a stabilized and sustainable small business. This will cut out the long waiting time for permit issuing which leads to reduced income of

families dependent on this source of business, the subsequent the worsening of living conditions and inability to meet the basic needs of the Hawston community.

*Small-scale fishing operators are crucial to the development of the fishing industry in South Africa in general, particularly so for the Hawston community.*

The South African fishing industry is the eleventh largest in the world. The value of this lucrative industry in South Africa is R1, 7 billion a year and it provides a living for about a hundred thousand people most of who reside in the Western Cape.

The current and dominant discourse, within the context of the global economy, assumes that the larger the business, the more competitive potential it has on world markets. This statement is true with regards to the price of abalone sold commercially, as well as on the black market.

The negative consequences of this paradigm however, is that job losses within large industries often destabilize national economies, and that job creation, a priority objective of development in South Africa, is dependent on small and medium enterprises and most definitely not on larger industrial sectors. Because of the latter statement, small-scale fishing needs to be given equal, if not more favourable terms for quota allocation criteria and award process.

Small-scale fishing should be regarded as an integral component in the building of the economy of the country, not only owing to its potential for sustainable job creation, but also in terms of enabling greater equity in resource use and benefit.

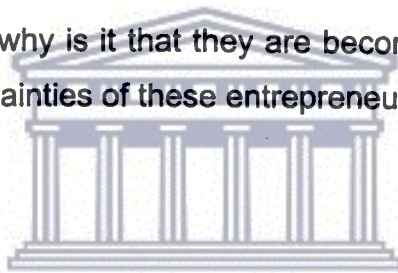
*The new quota allocation is definitely not benefiting the commercial abalone diver, because the tonnage of abalone (*halitosis midae*) has been drastically reduced to one and a half-ton per diver. Abalone is regarded as a means of generating a sustainable, feasible and economic development agent within the fishing industry.*

In Hawston, the approximately 20 commercial- and approximately 10 assistant divers are facing a bleak and uncertain future. The tonnage of approximately 22 tons per diver (in 1997) has been drastically reduced to one and a half ton per diver, in 2000. This measure was implemented without providing definite and acceptable reasons on why it was done.

The big conglomerates such as Tuna Marine, Walker Bay and Lusitania are still in the driving seats as far as this industry is concerned and they are benefiting financially. Financially, they are now stronger and reaping greater profits, compared to a few decades ago, because of the higher export value of abalone and harvesting of abalone from their 11 farms, situated between Port Elizabeth and Port Nolloth.

The export of cultured abalone to the Far East is probably the most lucrative business at present. Yet, for the Hawston community, all negotiations, strikes and talks with the abalone factories and Parliament, have turned out to be catastrophic and deadlocked on a range of issues. The previously “upper class” within the small community of Hawston are now facing financial ruin and the loss of capital assets and investments they have acquired, such as 4x4 vehicles, diving boats, equipment, etc.

The question that they beg to have answered is “who is really representing the rights of this minority group in parliament, and why is it that they are becoming worse off every year”? The latter statement is but a few uncertainties of these entrepreneurs.



### **1.7 Limitations of the research:**

As far as the limitations of this research are concerned, the researcher focused only on one community, namely Hawston, which is located within the Greater Hermanus region. Mount Pleasant, Zwehile, Sandbaai, Vermont, Onrus and Hermanus are also communities close by that depend on fishing rights in order to make a living from marine resources. They are also experiencing similar problems regarding the allocation of fishing quotas, but were excluded in this study, because most commercial abalone divers are from Hawston. Hawston is thus the centre point of the researcher's study.

The researcher also concentrated specifically on the problems experienced by small-scale fishers in accessing fishing rights. The study does not focus on problems external to the system, such as community corruption, nepotism, “poachers” with criminal records, and who have been granted abalone and crayfish quotas etc., and other factors that generally hampers the success of the group being studied.

Due to the study being limited to the fishers of Hawston only, an area bias approach in the documentation of only certain problems common to the area is inevitable.

Responses obtained also reflect the views of this select group being interviewed. Furthermore, the research was conducted at the time when the new fishing rights application forms were not issued yet.

According to the Department of Environmental Affairs the forms will be sent to various points by the end of July 2001. By implication, this may have an influence on the research results.

Due to the focus of this study, social problems, such as the rights of the widows of fishermen, rights of the hand line fishers; assistant divers and the rights of the poachers in Hawston, were excluded in this study.

These exclusions were made, notwithstanding the pressing need to address all these unanswered questions, which are coming to a boiling point and needs to be answered, in order to sustain the harmony and peace of this community.

### ***1.8 Importance of the Research:***

From results in similar Kalk Bay research study, it is true that "research within the small-scale fishing industry in South Africa is very limited and this research project therefore makes a definite contribution towards a seriously neglected area of study". It is hoped that this study would make a contribution, with regards to this concern.

Because of the extreme limitation on available information on rural fishing communities, this study is one of a relatively small number of independent studies currently examining the process of transformation in quota allocations. It also endeavours to find some solutions for the troubled people of Hawston, many of whom do not have a thorough knowledge of their rights.

The results of this study may be used, in some small way, to guide policy formulation and implementation, in order to facilitate and develop the small-scale fishing industry. It may also provide valuable information on the experiences of small-scale fishers in negotiating the new quota system, specifically around the various problems confronting small-scale fishers and other key persons within the new quota allocation system. It is hoped that this study will inspire pioneers to participate in a transparent, accessible and fair allocation system, by voicing their valuable opinion, and ultimately making them beneficiaries of a lucrative fishing industry.

In addition, it is hoped that this study may give small-scale fishers a “platform” for expressing their problems within the new system. It also aims to document the responses of fisherpersons currently operating within the new quota system, specifically those responses related to critical problems in the fishing industry.

### **1.9 Organization of the Study:**

This research report will be presented in the following manner:

- Chapter 1: Introduction – Nature and scope of the study
- Chapter 2: Historical background of fishing in Greater Hermanus and Hawston.
- Chapter 3: Information on the old systems: fishing legislations and access rights.
- Chapter 4: The new system: Hawston and the legislative/political arena.
- Chapter 5: Problems confronting small-scale fishers, abalone divers and crayfish quota holders.
- Chapter 6: Findings, conclusions and recommendations.





## CHAPTER 2

### ***2.1 Historical Background of Fishing in Greater Hermanus, specifically in Hawston.***

Discussions in this chapter will cover small-scale fishing in South Africa, the geographical location; socio-economic conditions of Hawston and the history of fishing in Hawston.

It is evident that the development of a lucrative fishing industry in South Africa is influenced by the political history of the country. The industry is therefore implicitly associated with social inequities and imbalances, due to colonialism and apartheid. It is this reality that we inherited in the present democratic era. Evidence to support this statement abounds. For example, according to the Cape Argus March 4, 1999, "it is clear that those members of the New National Party (NNP) and their friends who have always benefited from racial quotas, are not prepared to share, and will do everything to protect their privileges".

Irrespective of the latter statement, the struggles of the small-scale fishing operators are particularly significant, since they were rightfully the pioneers in subsistence and commercial fishing, and also proved to have considerable innovation in fishing and diving techniques, in their struggle for survival. They have also displayed incredible courage to secure marine resources, such as abalone, for their future generation.

A lucrative fishing industry currently proves that small-scale commercial fishing is regarded as an important sector for development in the South African economy, owing to its potential in sustainable job creation. It may be argued that fishing is not a "major" industry in South Africa – accounting for less than 1% of GDP – it nevertheless remains a politically and economically important industry. The reasons for this includes the fact that:

- Internationally, fishing is becoming a key part of trade and co-operation agreements, as was clearly evident in the recent European Union – South African trade negotiations, and currently within the South African Development Community. Examples include regional programmes such as BENEFIT (Benguela Environment Fisheries Interaction and Training) Programme, involving South Africa, Namibia and Angola (Benefit 1999:1).

- Fish is an important resource for many South Africans in enabling food and financial security and therefore, is a natural resource that should be sustained and managed for the benefit of all South Africans.
- Fishing is a relatively small industry, but it nevertheless creates and sustains a significant number of jobs as mentioned previously, approximately around 100 000. This is especially important within a South African context where approximately 50% of people are unemployed and job declines are a constant threat.
- As evident in other sectors in the South African economy, the fishing industry is dominated by a minority group of white-controlled commercial operators and processors.

Another unavoidable factor, is the transformation of the industry to enable a process of equity and development within a fast changing global and increasingly pressured national economic environment. The continuing questions of marginalisation and oppression from the White minority conglomerates on small-scale fishers still indicate extreme backlogs, e.g. poverty. Measures to correct these socio-economic imbalances through reconstruction programmes are therefore of paramount importance in establishing a higher, more visible level of equity in accordance with the ethos of South Africa as a developing, democratic country.

At present there are various interpretations as to how reconstruction and redistribution is, or should, be effected. It may be argued that political transformation has changed the fishing industry in definite ways. To the extent that the new system of fishing rights, together with the emergence of new entrants in the form of Black empowerment companies, are paving a way towards greater inclusiveness and higher levels of economic and social equity.

On the other hand, the same processes, hailed as successes in transformation, have not changed the position or the struggles of small-scale fishing operators. Speculation exists that the current changes have caused more complexity regarding social and economic positions within the new "changed" political environment. Small-scale fishers are no longer only struggling to survive, but simultaneously are also having to negotiate the changes, tensions, compromises and conflicts within the new rights system, with no visible platform to stand on. Therefore, it can be argued that they are continuing to struggle for political recognition and economic inclusion as they did at their genesis more than 300 years ago. The cycle of disempowerment and exclusion has not yet been broken.

There are many reasons for the lack of radical change in the fishing industry. One important factor has been that the accommodation of new entrants posed problems in terms of the implications of job losses within the established, mainly white-owned industries, and, in terms of quota share allocations. It is claimed that the process of transformation aims to include previously marginalized and excluded groups.

Moreover, the transformation processes, as well as the emerging new quota system has been riddled with controversy. These allegations range from corruption and nepotism to intentional failure and inequity etc. The disadvantaged communities of traditional small fisheries have remained marginalized, and for some, their situations deteriorated to such an extent that they have been forced to exit the industry, whilst established large fishing companies, have continued to expand and flourish.

As a result, the fishing community of Hawston continues to experience the pressure of de facto exclusion from economic and political systems and all other processes that are governing the fishing sector. Even though the fishers of Hawston are unique in their historical development and current context, their position is a reflection of the current marginalisation in economic development, political consultation and resource management that is generally being experienced by traditional fishing communities in South Africa.

Yet, it is communities such as those of Hawston, that not only form critical building blocks in a potentially powerful economic growth engine for sustainable employment creation, but it is also these coastal communities that are important access points in enabling participation and co-operation in sustainable resource use and protection. For change agents to be honest and loyal towards the concepts of equity, adequate allocations and good company practices will form the pathways of a new and equal fishing rights systems.

## ***2.2 The geographic location of Greater Hermanus:***

Hermanus is situated near Cape Agulhas, the southernmost point of Africa. The word Agulhas means "needles" which refers to the pointed rocks, especially along the coast of Greater Hermanus.

Once described as a fishing hamlet, today Hermanus is a small seaside town with a population of between 4200 - 7483 Whites and 3283 Coloured and Black inhabitants, according to Jose Burman ( 1989:18). The town lies along the seashore, stretching in a 12-kilometre crescent, contained between mountains and the sea. From anywhere in Hermanus, you are within easy range of the sea.

Hermanus takes its ease beside the ocean, stretching itself lazily along the shoreline for some 12km, protected by the Klein River Mountains that flanks the sea. The town, once famed for its fishing, did not develop into a big fishing industry centre because of the inadequacy of the Old Harbour. The fish were there, but the harbour could not accommodate more than a small number of boats, and the entrance was so narrow and difficult that only one boat at a time could be beached, which led to birth of a new harbour.

The provision of a new harbour not only made fishing much easier and safer for the fishing community, but it encouraged other activities, amongst them the birth of the abalone industry. The pioneer of the abalone industry in Hermanus was Brian Lockwood McFarlane. In 1956 Brian Mac Farlane built a factory called Walker Bay Cannery, which was located at the new harbour. Julius Abrahams, who began bagging and shipping seaweed to the Far East, USA, Britain and France, established Sea Plant Products in 1953.

Abrahams abandoned seaweed and went into the marketing and exporting of abalone to the Far East. John Church opened Tuna Marine in 1958 in the New Harbour. The abalone industry started in Hermanus and is today strictly controlled by an annual quota. Still, the Fisheries Department regulates this industry very strictly. They alone determine which diver will sell what proportion of his catch, to which company. Only 10% of the canned products, according to Burman, are for the South African market, the rest being exported.

Hermanus Sea Foods, a subsidiary of Lusitania is a large enterprise employing more than 200+ employees who does the packaging of fish, crayfish and other catches of marine resources. Today the lucrative abalone industry, situated in the New Harbour in Hermanus, is a blooming industry, containing about 75% of the abalone quotas.



### **2.3 The geographic location and conditions of Hawston:**

Hawston is named after Mr. Haw, a former civil commissioner of Caledon. Back in the 1850's it was a conglomeration of little fishing villages, clustered around the inlet of "Herriesbaai". Hawston is situated off the coast beyond Danger Point and begins on Dyer's Island. Samson Dyer, an African American, who is reputed to have come to the Cape in 1806, lived on Dyer's Island. According to the research of H.L.Hill, a surveyor at Hermanus many years ago, the government decided to take over the offshore islands for guano and offered Dyer four morgen of ground in exchange for his rights on Dyer's Island. This ground was adjoining Herriesbaai, which Dyer divided and sold it off as plots, thus starting Hawston.

Hawston was always a fishing village, and for many years continued as nothing more than that. The present day harbour has been built adjoining Herriesbaai – a fairly tricky inlet in the sea, which is used by commercial divers, and all other fishers. There are a rich and diverse species of marine resources present in the area. Hawston is in close proximity to the well-stocked Agulhas bank fishing ground, which stretches from Danger Point to Cape St Francis on the east Coast.

Today Hawston is an entirely "Coloured" population, consisting of approximately 4000 households. It has a panoramic view of a lagoon, a magnificent stretch of water, some 10km long and up to 2km broad in places, where an international Golf Course are in its final stages of completion. This Golf Course is on the inlet in the lagoon, formed by the outflow of the Afdaks River, which shelters many wild fowl; and is a birdwatcher's dream.

Hawston is an Afrikaans-speaking rural "Coloured" community. It is also regarded as one of the richest abalone and crayfish marine resource waters. The significance of Hawston as a fishing ground is most definitely its abalone that may be traced back to approximately 50 years ago. Fishing and diving were taken up as a means of economic survival in most households. Hand line fishing, the dominant fishing method, continued to be practised, since its impact on marine resources was almost non-existent.

In the early years of the establishment, Hawston fishers were the major supplies of table fish. Hand line fishing persists to be the dominant method of fishing for the majority fishers in Hawston.



Similar to the catching of snoek in Stompneus Bay, a very small fishing community along the West Coast near Saldanha Bay, Hawston also developed seasonal catching from April, May to June or July every year. Even though abalone and crayfish harvesting are also done, hand line fishing still remains an integral part of the fishing industry here.

The Hawston fishing community consists of various groups of people that form the heartbeat of the previously richest abalone, crayfish and fish resources. They consist of the commercial abalone divers, their boat assistants, and the poaching groups. The author finds it crucial to elaborate on the mentioned groups, in order to really understand and underlining the importance of these three groups, especially within the context of the new transition period.

### **2.3.1 The Commercial Abalone Divers:**

The very first "Coloured" person to discover how to dive abalone, about thirty-five years ago, was a teacher named Mr. Joey Raaff. The author's family is closely connected to this individual. The author's deceased father, Mr. Robert Johnson, taught five of his brothers-in-law, together with other residents of Hawston, how to dive abalone. Today, Hawston has 56 commercial divers. Abalone was loaded off at a factory, Bo-drift that was situated between Onrus and Sandbaai, not far away. The three factories, namely Sea Plant Products (Marine Products) Walker Bay Cannery, (Irvin & Johnson) and Tuna Marine (Oceana), which together hold 82% of the present TAC quotas, were established in Westcliffe, Hermanus about thirty years ago.

The 56 registered divers are, by law, compelled to deliver their catches to the mentioned registered companies. These companies have the sole right to process and export abalone. At present Lusitania is the only factory that supplies abalone and crayfish locally, but at extremely high prices.

In comparison, abalone divers were first paid two and a half-cent for every 100 abalone, about 25 years ago. Yet, to them, it meant having enough money to feed their households. Yet, from this paltry money, they had to pay the boat assistants and cover the costs of wear and tear of equipment.

About 20 years ago however, they received an increase of R75 for every 100 abalone caught. The minority white factory owners allowed cash loans to the divers, especially during winter times, which gave the conglomerates an even tighter hold on the divers. Better equipment, jeeps and increases in inflation, exacted a toll on the divers' livelihood.

Only in the late 80's did divers receive R10 per kg abalone, which barely kept "the wolves at bay". Irrespective of the ever-increasing demand on their income, some abalone divers regarded themselves as an exclusive group, better than the average residents. The boat assistants (the two men who worked on their boats) were financially, always at a disadvantage. This point will be elaborated under the section entitled "boat assistants".

An increasing demand for abalone, without fair remuneration, forced the "Duikersbond Vereniging" (Association of the Divers' Fraternity), established about 15 years ago, to call for a strike. They demanded to get more than their R10 per kilo abalone, in 1996. At the time, factories received R200 per kilo abalone for exporting! Irrespective of negotiations, the strike failed dismally for the divers and their assistants. Abalone quota per diver, during the 1990's, was between 12-23 ton per diver. It was then reduced to 8-ton abalone per diver, which they had to deliver alive to the factories.

Yet, the white factory owners were in an even better financial position, if one takes into consideration the increase in exports to the East; higher prices per kilo on export abalone, and a better hold on the quota allocation. The latter statement ensured that 10 white divers were allocated more quotas under the National Party (NP) regime, as well as the right and access to dive as much abalone as they could, for personal use.

Black divers could only dive during certain times, whenever the factories demanded it. Abalone price per kg was only slightly increased from R10 – R18 per kg. Irrespective of all the new demands, this lucrative industry created a niche for new divers who bought abalone quotas at the extremely high cost of between R250 000 – R700 000. During 1998-1999 these quotas were reduced to all quota holders. Still, at that time the factory, which now had increased white management, were the only exporters of abalone.

In 1995, the registered commercial diver appointed assistant abalone divers, who currently receive about R3 – R4 per kilo abalone. This is the maximum that an assistant diver and the boat assistants can receive, is about R1500 – R3000 per abalone season.

Simultaneously, the registered diver also receives a monthly income from the factories of about R10 000 every month, with no overheads to pay. The increasing conflict experienced in the Hawston community has resulted from issues as described above. Assistant divers are constantly struggling to survive every year and are therefore forced to additionally, do hand line fishing to provide for their families.

By contrast, white divers are receiving approximately R20 000 per month. The salaries received every month come from exportation of live abalone and therefore fluctuate, depending on the condition of the abalone. During the late 1990's white divers lobbied black divers to buy their export rights at a cost of R50 000. All divers, except for 10 black divers, sold their export rights to the organization established by mainly white management.

Divers were robbed of their export rights during a vulnerable stage (winter), when money was a scarce. At present, despite the advances made by the democratically elected South African government, all new legislative initiatives implemented by Minister Pallo Jordan in 1997, was fought and won by the white conglomerates lawyers, in order to ensure white-owned interests. Beneficiaries will continue to exploit the teething process and flaws of any new transition periods. Business continues as usual. The 3 export factories in Hermanus have been allocated more that 300-ton of the abalone quota.

The reduction in the abalone quota to one and a half-ton per diver and the increased quotas to the factories has led to the development that a few "privileged" divers were appointed to harvest abalone quota for factories. This situation is at present leading new conflicts amongst divers, since only two families are benefiting from this arrangement.

The "Duikersbond Vereniging" was replaced by OCDA (Overberg Commercial Divers Association), 7 years ago. From interviews conducted with all commercial divers, this organisation did not play a constructive or guiding role in this industry.

### **2.3.2 The boat assistants:**

These are men employed by the commercial diver to assist on the boat with the use of diving equipment, such as compressors, nets, pipes, etc.

Currently, there are 142 boat assistants. As mentioned previously, the money they received from the diver is very little. After the strikes in 1996, after intense negotiations with the Minister of Environmental Affairs at the time, Mr. Pallo Jordan, each boat assistant was granted a quota of approx. 85 kg per person. Registered assistant divers now take out the combined quotas of abalone. This new legislation has led to some sort of financial relief of approx. R1000-R1500 per person, per month paid by their organisation, the Southern Boat Assistant Company.

The organization, previously known as the Overberg Boat Assistant Organization, (Southern Boat Assistant Company) has also received a 5-ton crayfish allocation quota. Under the management of the Chairperson, Mr. Derek Raats, Secretary Mr. Jerome Figaji and Treasurer Mr. John Gillion, very active negotiations and participatory decision-making has occurred. Since being established 5 years ago, they are playing a significant role. For example, they have ensured that the widows of the boat assistants receive their deceased husbands' income. They also bought their own diving and crayfish equipment. These steps can surely be regarded as a positive one.

The establishment of this organization started off on a good footing. Unfortunately, tension arose when trying to integrate the role of "older" boat assistants who now had to compete for a living with very young commercial divers. However, when it came to registration, no recognition in whatsoever was given to the older boat assistants, the very people that contributed towards a blooming abalone industry. Thus, there exists a new tension between the pioneers of the Southern Boat Assistants Company, registered and non-registered assistants and the commercial divers. Tension originated because of the low price per kilo abalone that their employers (the commercial divers) were prepared to pay. Daunting factors such as no benefits for boat assistants, non-registered assistants that also wanted to benefit from the monthly payments are but a few of the factors that hampered the success of this organisation. Conflict and distrust are evident between the various groups.

### **2.3.3 The Hawston Fishing Community Organization:**

*The question to ask here is "who is the Hawston fishing community"?*

- They are first of all younger men, as compared to the commercial divers, who refused the above organisation access to buy a quota.



- They are regarded as the poachers in the community – the people, who harvested thousands of illegal abalone, that they sold mainly to syndicates, who in turn then exported abalone illegally.
- They are also residents of Hawston that are representing the needs of an excluded group who do want to make a living out of the marine resources, because of unemployment.
- They are the carriers of illegal abalone for poachers.

Poaching in Hawston has affected every resident in Hawston. In some way or the another, people have become involved in this “quick rich” industry. Even commercial divers have become involved, because of high price per kilo, R220/kg – instead of the R10- R18 a kilo they receive from the factories.

As mentioned before, the high price per kilo for illegal abalone can be regarded as one of the key factors leading to people's involvement in poaching, whether abalone or crayfish. The residents that represent the Hawston Fishing Community have, over the short period of 4 years played a remarkable role in the community. At present they hold a quota of 8-ton abalone. Members of the Hawston Fishing Community include Philipus May and Tommy Gelderblom, who plays a pivotal role with regards to job creation.

Achievements for this organization includes acquiring diving equipment for four boats, four 4x4 vehicles to be used by the divers and for community purposes. Furthermore, one boat is used for whale watching, a method of providing job opportunities for people and another boat is used for catching the community's crayfish.

Conflict and ongoing confrontation was evident, especially after the 1997 strike of abalone divers in Hawston against the poaching groups. The name “poacher” remains a stigma in community. With all the conflict in Hawston amongst the small-scale fishers, abalone divers, boat assistants and the community of Hawston, the researcher recognises that an in-depth study on poaching and its effect on the marine resource needs to occur.

#### **2.4 Poaching and its effects:**

Poaching, or the illegal harvesting of abalone, is the single biggest threat to the South African abalone resource. It could result in the closure of both the commercial and recreational abalone sectors.



Poaching has increased dramatically. In 2001, law enforcement authorities, such as Neptune I and Neptune II confiscated more than 265 000 illegally harvested abalone. There is concern that the abalone resource is in a crisis, because poachers have been responsible for decimating the abalone resource. Many of the animals they catch are undersized, which means that they do not have a chance to reproduce themselves before they are killed.

#### **2.4.1 The Poachers:**

As mentioned under the section "Hawston Community Organization", poaching is considered to originate from that section of the community.

According to Marine and Coastal Management:

- Poachers are criminals. Some of them are part of powerful and highly organized gangs.
- Poachers are recreational divers who catch more than their daily limit of abalone or who sell or barter their catch.
- Poachers are commercial abalone quota holders who catch more abalone than they are entitled to.
- Furthermore, the Hermanus Times October 1996 speaks of a "poaching culture".

To poach abalone has become the most lucrative illegal industry, especially to the minority group of middlemen who sells the abalone to the "buyer". Harvesting abalone at R120 per kg has, over a period of five years, involved so many people in Hawston, because of the financial gains that were made. When the recreational fishing season for abalone closed earlier each year, the lack of money for basic needs drove most people to become involved with the poaching of abalone and crayfish. Thousands of cases regarding illegal poaching kept the Hermanus Magistrate busy to such an extent, that the situation called for desperate measures to save the marine resource.

In August 2000, the government introduced a highly organized anti-poaching campaign called Operation Neptune II. It was estimated that poaching costs the country as much as R500 million per annum. Operation Neptune is a campaign that is a joint operation between Marine

and Coastal Management, the South African Police Service and other law enforcement agencies.

According to Cape Argus June 7, 2001 "it is a joint effort between the police, defence force, fisheries inspectors from the Marine and Coastal Management branch (MCM); Minister Moosa's department of [The Department of Environmental Affairs], local authority conservation officials and non-government conservation organizations like "Sea Watch". It was established a few years ago to control poaching on the Southern Cape coastline, particularly to target abalone poachers operating between Rooi Els and Danger Point. Operation Neptune started with a budget of R1million which was, according to a news report, Cape Argus June 7, 2001, increased to R50 million grant over three years to support Coastal Care.

South Africa's White Paper for Sustainable Coastal Development established the policy framework that gave rise to Coast Care. Operation Neptune (a collaboration venture between MCM and the SA Police Service) netted a minimum of 500 000 (mostly undersized) illegally caught abalone between 1994 and 1999. According to the Annual Review 2000/2001, Operation Neptune has been arresting an increasing number of poachers.

To conclude the section on poaching, the researcher wishes to note that, due to the focus of this study, additional issues such as the effect of poaching on the community; ways to combat poaching and the various court cases regarding poaching, cannot be discussed in this mini-thesis.

## CHAPTER 3

### **3.1 Information on the old systems: fishing legislation and access rights.**

*In this section, the researcher focuses on the old and new fishing quota systems. This section discusses fishing legislation and access rights to commercial fishing rights holders only, and does not cover subsistence or recreational fishing rights.*

Under colonialism, both under Dutch and British law in South Africa, restrictions were placed on fishing by the colonisers, who wanted to promote agricultural production. These restrictions were relaxed under the British rule. An open access system imposed danger to the local fishermen, which became evident in 1889, with the arrival of the American schooner, Alice, which harvested large amounts of fish, using a purse seine net (Stibbe and Moss 1998: p.30).

Protests by Cape fisherpeople led to the introduction of the Fisheries Protection Act No 29 of 1890 that prohibited the use of purse-seine nets and dynamite (Kirkaldy 1988: 141). However, in 1893, the prohibition of purse-seine nets was withdrawn, this after recommendations were made by a Parliamentary Select committee, on the state of fishing in the Cape. The Fisheries Protection Act of 1893 lifted restrictions on the purse seine net and instead made provisions for closed seasons, required the protection of seals and sea birds, and the registration of all boats and nets.

The existence of multi-species, approximately 200 marine resources, and due to the wide geographical distribution of the fishing industry; it is difficult to monitor the implementation of legislation. However, data managed via input controls such as Total Allowable Effort levels established during the 1800s, began to control the industry. Not until 1985; as a result of declining catches and concern voiced by participants and scientists, that the first comprehensive management framework was introduced.

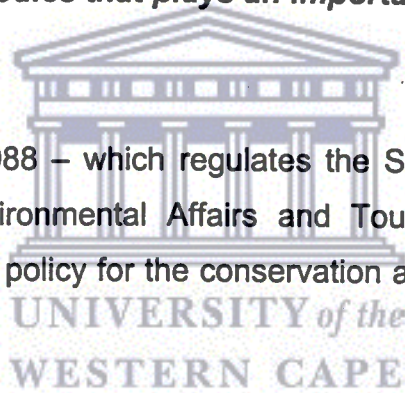
One of the main objectives behind this initiative was to steer fishing efforts away from “vulnerable” reef fish to more “resilient” shoaling species. The old system was characterised by lack of biological fisheries data, the level of protection of species depended largely on subjective perceptions of its vulnerability to exploitation, rather than on quantitative evaluations.

Prior to 1985, the line-fishery can be described as an open access fishery and participants were only required to register with the government at a nominal cost, in order to be able to sell fish legally. The registration of participants in 1985 was based on historic participation and did not discriminate against any component of the fisher population. Since 1984 substantial research has been directed at line-fishery and it is now accepted that the fishery is commercially over-subscribed, that many of the stocks have been seriously depleted; and that fishery is in decline.

The real risk of fishery collapse is highlighted by recent stock assessments on prime target species, which show that many have collapsed and at present require extreme fishing efforts to halt the continued declines. Commercial line-fishing rights have not yet been allocated in terms of the Marine Living Resources Act (MLRA) of 1998; commercial line-fishers are still operating under an extension of their previous permits and the allied permit conditions.

### ***3.2 The Acts and government bodies that plays an important role on South African fisheries are the following:***

- The Sea Fishery Act of 1988 – which regulates the South African fisheries. This Act gives the Minister of Environmental Affairs and Tourism (MEAST) the mandate to formulate all aspects of the policy for the conservation and utilisation of the living marine resources.
- Important also, are the three institutions in South African Fisheries Management, which have a significant impact on the structure and functioning of the industry. These are:
  - The Sea Fisheries Advisory Council (SFAC), an advisory body appointed directly by the Minister to advise on issues such as the determination of the annual TACS, the rules and regulations to be applied in the management and preservation of the marine resources.
  - The Quota Board (QB) established in 1990 under the apartheid regime. This Act clearly specifies that no person having any direct or indirect interest in fishing can be appointed to the QB. Functioning of the QB includes recommendations to the Minister for approval guidelines for the allocation of quotas and fishing rights, as well granting of fishing rights in accordance with section 25 of the Act.



The Acts that have been mentioned had serious effects on the fishing community of Hawston. This can be evidenced by the legislation enforcing reduction of the 56 commercial abalone divers and that led to several striking actions. Irrespective of their involvement in the strikes, the people of Hawston feel worse off since the election of a democratic South Africa.

The Hawston fishing community's plight for a fairer distribution of access rights to the marine resources failed dismally, because the rights remained with the white conglomerates. The plights from the various fishing communities urged the Minister to establish the Fisheries Policy Development Committee (FPDC) in order to formulate a new fisheries policy for South Africa.

As previously mentioned, due to commercial divers having their quotas drastically reduced, it became evident to the Hawston community, that the structure and development of the fishing industry, was biased in favour of the minority shareholders viz. the three big export companies, that remain white owned. Principally owing to its high economic value in comparison with the small group of black quota holders, the large industrial operations, which are exclusively white, owned and benefited from apartheid privilege with a virtually total access to fishing rights.





The tables below illustrate the dominance of the industrial companies in quota allocations in 1996, effectively excluding small-scale and medium sized emerging fishing enterprises and demonstrating the negative effects which apartheid policies continue to have in the industry.

<b>FISHERY</b>	<b>TAC (TONS)</b>	<b>NUMBER OF QUOTA HOLDERS</b>	<b>% OF TAC HELD BY THE LARGEST QUOTA HOLDERS</b>		
			<b>3 TOP</b>	<b>10 TOP</b>	<b>20 TOP</b>
<b>HAKE</b>	148 300	49	72	82	87
<b>WEST COAST ROCK LOBSTER</b>	1 500	104	23	51	73
<b>SOUTH COAST ROCK LOBSTER</b>	427	6	82	100 (6 all)	-
<b>ABALONE</b>	615	16	75	95	100 (16 all)
<b>PILCHARD</b>	105 000	59	30	55	63
<b>ANCHOVY</b>	70 000	18	36	79	100 (18 all)
<b>SOLE</b>	872	11	71	100 (11 all)	-

As mentioned earlier, apartheid policies dramatically influenced access to and use of coastal resources, still plays a pivotal role on the skewed quota allocations. Under apartheid, the government effectively ensured that the large majority of coastal resources and developmental opportunities were reserved for whites, a statement, which again, is evident in the table above.

Also, the inequitable quota allocations in terms of industrial sector and population grouping were facilitated by apartheid legislation that gave the responsible Minister exclusive quota allocation power. According to the White Paper on a Marine Fisheries Policy for South Africa (1997:11), "quotas were granted by the Minister responsible acting on the advice of officials stationed mainly in Pretoria, who were not dedicated solely to fisheries matters..."

Following the proposal of the Diemont Commission in 1986, the allocation of quotas was entrusted to a statutory board, since exclusive Ministerial quota appropriation drew widespread criticism e.g. bribery or other form of illegalities. The Fisheries Policy Development Committee (FPDC) also suggested replacing the quota board with an allocation board that practically had the same functions and powers.

All the squabbling about regarding the allocation of functions and powers led to various misconceptions and inappropriate implementation of the White Paper since 1998-2000. According to Argus 24/7/97, Thuys Mocke, lawyer for the South African Informal Fishermen's Co-Operation said that the White Paper is "very vague in places where it should be 'specific', such as the whole question of the redistribution of fishing rights".

The possibility of having to tender for now-free fishing rights has been on the cards since the new Fisheries Act of 1998. During the early 1990's, John Wiley, Minister of Environmental Affairs (DEA), reduced the 56 commercial divers abalone quotas and increased the quotas of the Tuna Marine, Walker Bay Cannery. This effectively secured 75%-82% of the quotas with the three largest quota holders.

In this manner, the Minister at that time, protected his decision from any opposition from the established industrial sector that would have voiced concerns if the 56 commercial abalone divers did not get an increase per kg on abalone. White commercial divers quotas were also increased.

Whilst it may thus appear that legislative mechanisms were put in place for the "equitable" development of the fishing industry through the establishment of a quota board, these developments remained strategically targeted at enabling the white-controlled fishing industry, whose position was already entrenched, to ensure significant political and economic control.

Questions regarding legislative rights of the black abalone diver, reduction of their quotas from 22-ton to one and a half-ton equally to all divers, remains unanswered till this day. The export rights of most divers, except for the 10 divers, who were forced into selling their allocations, because of increase financial difficulties, remains a sore topic.

Since white divers joined this industry, they have benefited from this lucrative industry, whereas their black counterparts are now facing a bleak and uncertain future. Allocation of crayfish to

subsistence quota holders is regarded as a positive step, irrespective of the “irregularities” according to some residents in Hawston.

As I have already mentioned under the “history of Hawston”, much has to be done to work towards harmony as prescribed by the White Paper Policy.



## CHAPTER 4

### 4.1 *The new system: Hawston and the legislative/political arena.*

Despite the long-standing and highly discriminatory apartheid practices against black fishers, their consequent economic marginalization and the generally perceived low cost effective harvesting productivity, the Hawston fishing community continues to survive, albeit under difficult circumstances.

The democratic transition in 1994 has led to the promulgation of new policies and legislation, directed at establishing higher levels of equity, participation and transparency within the fishing industry. Most important key policy and legislative frameworks in this regard, are the Marine Fisheries Policy for South Africa (1997) and the Marine Living Resources Act No 18 of 1998.

With respect to an improved system of access rights, the Marine Fisheries Policy for South Africa (1997:15) states that, in order to address the problems in the fishing industry, mechanisms need to be developed in order to achieve the following objectives:

- A fairer system of allocation of access rights to harvest South Africa's marine sources.
- A system, which ensures greater access to the resources by those who have been, denied access previously.
- A reduction in the current levels of pressure on the resources, which in some cases threaten the very sustainability of a resource.

It further stipulates that (1997:15):

“The present system of access rights has to be restructured fundamentally. Minor changes to the current system of access rights will not resolve the current problems. A new system, which creates real long term rights, whenever feasible, based on a percentage of the TAC of resources, should be established”.

To emphasise this statement, the Sunday Times of 20/08/2000, states that “as another significant departure from previous practices, Horst Kleinsmidt has called upon Cabinet to improve allocation of long term rights to create stability and encourage long term investment in

the industry". He also says that such rights will extend from three to five years, although the MLRA does allow for rights to run up for 15 years.

Regarding new entrants for abalone and crayfish quotas, the above policy objectives have been incorporated into the Marine Living Resources Act, No 18 of 1998, referring to Section 18(5) which make clear stipulations:

"In granting any rights referred to in subsection (1), the Minister shall in order to achieve the objectives contemplated in section 2, have particular regard to the need to permit new entrants, particularly those from historically disadvantaged sectors of society."

The Act also provides for the establishment of a Fisheries Transformation Council (FTC) whose main objective is "to facilitate the achievement of fair and equitable access to the rights referred to in Section 18" (Section 30).

Section 31 of the Act specifies that the FTC shall enable equity in the allocation of rights in the following manner:

- "The Minister may, notwithstanding the provisions of this Act, allocate rights to the Council
- The Council shall lease rights, according to criteria determined by the Minister, to persons from historically disadvantaged sectors of society and to small and medium size enterprises".

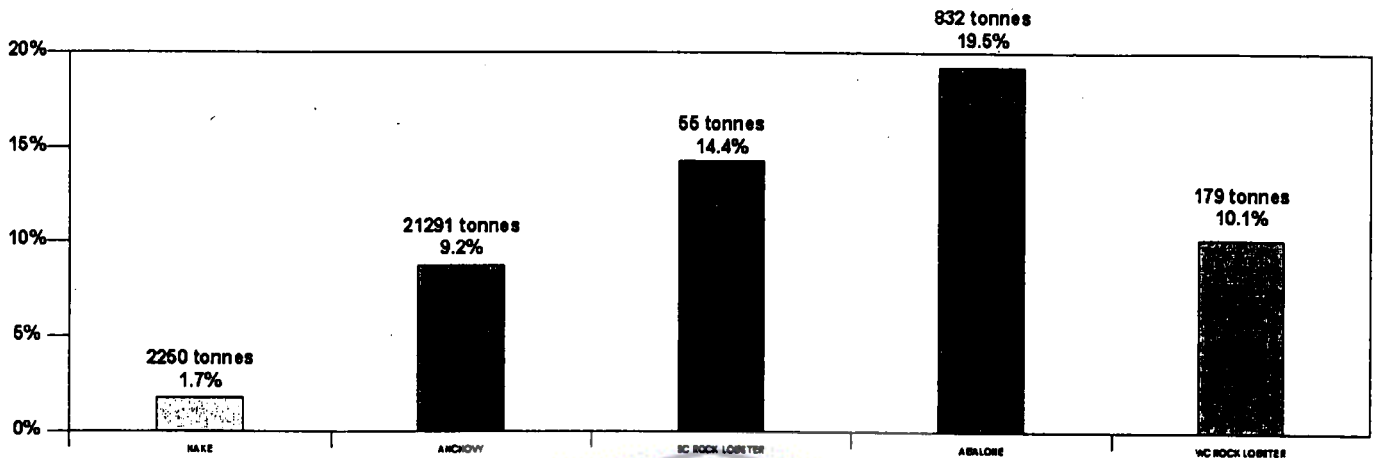
The powers of the FTC are also extended to capacity enhancement in order to enable greater levels of equity in rights allocations in this respect Section 32 of the Act states:

"The Council may, subject to restrictions determined by the Minister in the development and capacity building of persons from historically disadvantaged sectors of society and small and medium size enterprises" (Section 33(d)). With the legislation in place to facilitate improved equity in access rights and allocation, the challenge lies now with the institutional arrangements and other implementation mechanisms, to be coherently developed. The results, thus far, have been a marginal progression in rights redistribution.



According to Hersoug and Holm 1996:4, in 1996, a mere 0,75% of the total TAC was allocated to black stakeholders, with an improvement in the allocation of new entrants, but this remains unsubstantial, as the graph below so clearly indicates.

### Percentages of TAC awarded to new entrants in 1999



From the graph above, it is apparent that the redistribution of quotas from the established large companies to the small business sector has been nominal, if not close to zero. To emphasise this statement Hersoug and Holm says that in 1996, the industrial companies controlled 88% of the hake quota; 99% if the anchovy quota; 84% of the abalone; and 70% of the West Coast Rock lobster quotas. In comparing the figures in the graph with the percentages, it is evident that there has been virtually no reallocation of quotas from the large to the small operators.

The percentages of quotas for redistribution are relatively low, insofar as only 20% of the TAC for abalone being awarded to new entrants. Black entrants bought quotas from the commercial divers at a cost of approximately R250 000 and higher amounts, whereas white entrants had the privilege to harvest the abalone of the factories, which presently is 84% of abalone quotas.

Consequently the positions of Hawston and similar coastal fishing communities have remained unchanged. Specifically in the case of Hawston, the commercial divers' abalone quota has, in the interim, become part of the TAC and reduced according to adjustments in the overall TAC indicator. This position has marginalized Hawston fishers e.g. the commercial divers, assistant divers, and the boat assistants even more.

It may be argued that the redistribution of rights is being phased in, in order to ensure the sustainable growth of the industry. This statement is emphasised by the views of people on the White Paper Policy of 1997 that benefited the big conglomerates rather than the disadvantaged groups. Nevertheless, movement in the allocation of fishing rights to previously disadvantaged groups is minor, at least at too slow a pace for significant changes to become evident and for the latter group to acquire economic independence from the big conglomerates.

It is uncertain whether policy and legislation have adequately addressed the needs of the small coastal fishing communities, both in the critical short term as well as the in the long term. Various complaints and concerns were raised in news reports regarding effective policy implementation, especially with respect to the institutional arrangements of change management, monitoring and support to new entrants.

#### ***4.2 Facts of mismanagement in Departmental Affairs bedevilling the quota system:***

Reasons for concern were corroborated in the findings of an internal audit into the Department of Marine and Coastal Management, which revealed that R24 million has been mismanaged within the 3-month investigation period. The result of the findings has led to the suspension of the Chief Director as well as other key personnel (Ministry of Environmental Affairs and Tourism: Press Statement December 7, 1999).

The Argus of June 10, 2000 further says "chaos uncovered by an internal audit of the department, involving the hiring of a controversial investigator, Kevin Trystman at a cost of more than R500 000. It is also said that this has led to the ousting of Ms. Rejoice Mabudafhasi, involved in the administrative management of fishing quotas. The internal audit also found that the register of fishing quotas was not being properly maintained."

This finding revealed the ineffective monitoring of fishing rights holders, with serious consequences, such as holders continuing to use rights and permits that have expired (Internal Audit Report 1999:14). This is a critical problem, since it implies that the large industrial companies are not being monitored, and that progress regarding implementation of policy cannot easily be monitored. Horst Kleinschmidt, the Deputy Director-General also raised concerns about big companies under-declaring their total allowable catch e.g. hake catches were reported, which the Deputy Director-General believes, could easily be double the stated amounts.

Progress of new entrants cannot easily be established. Kleinschimdt also raises concerns about hoodwinking that occurs almost every inch of the way. He stated that “the problem is enforcing the rules and finding the evidence with which to convict offenders, while at the same time, accommodating the political demands to transform the industry, two briefs that the department finds all but impossible to fulfil”. (Sunday Times: 11/6/2000)

For all the cheating on quotas “downstream” as it were, the department finds itself overwhelmed “upstream” by the deception of applicants for quotas, or the newly preferred term, rights allocations.

Moreover, the internal audit also found that payments to the FTC were irregular (Internal Audit Report 1999:13-14). The latter being a key mechanism in facilitating equity and the capacity-building of previously disadvantaged fishing stakeholders, the FTC may not be optimally focussed on these tasks, but rather on processes to overcome obstacles related to the unavailability of the required finance to accomplish their work.

An unstable environment, which has created a significant gap between policy and legislative environment, directed at equity, transparency and redistribution of fishing rights, and its practical rights, often seems only to be ideologies. The consequences for small-scale fishers, who have for many decades been attempting to become more secure stakeholders within the industry through increased quota allocations, are substantial and threaten their survival.

On the “surface” it would appear that the new fishing rights system is aimed at greater levels of equity. In practice however, it seems that movement in redistribution is not only slow, but that significant institutional mechanisms created for facilitating change, notably the FTC, is also being hampered by the lack of transformation, effectiveness and time consuming efforts by the Department. An example is the delay in getting application forms for quota allocations in place.

The delay by the Department of Marine and Coastal Management to get everything in order has, in the past and at present, led to serious financial implications for the fishers and their families. The old, apartheid fishing rights system was explicitly exclusionary, yet concessions were made to small-scale fishers such as the crayfish and abalone quotas that were awarded to the boat assistants, to secure their monthly payments of R1200 –R1500 a month, as well as the Hawston Community Association, and the subsistence crayfish quota holders.

The new system attempts to be inclusive, but the policy goals of equity and improved access to quotas are also meaningless to the disadvantaged sector fishers, given the problems emerging within the FTC and the Department of Marine and Coastal Management, the main implementing agency. The tensions and conflicts within the transformation of the fishing quota, specifically the commercial abalone divers and the poachers, appears to be forcing the Minister to implement drastic measures, e.g. wanting to close the abalone resources if a solution cannot be proposed by both groups.

It is hoped that the implementation of medium-and-long term rights will bring about stability and growth within the fishing industry, whilst addressing the issue of transformation. The Minister has pointed out that transformation in the fishing industry is essential to address historical imbalances and to achieve equity within all branches of the fishing industry.

The Department also made a promise to move away from unviable allocations of fishing rights so as not to encourage "paper quota rights holders", according to Minister Moosa. The Minister intends to allocate rights for periods of up to four years (fifteen years in respect of marine culture and fish processing), which will greatly enhance opportunities for investment and the promotion of stability in the fishing industry.

In the case of abalone, it is proposed that the rights will be allocated for a period of two years. This is only to allow the industry, together with other stakeholders and the Department, to develop a plan that will lead to better management of the resource and significantly address the issue of over-exploitation and poaching.

The tensions and conflicts regarding the transformation of the fishing quota are therefore complex and wide-ranging in dimension and definitely have an impact on the lives of small-scale fishers. It is imperative that the people in the driving seats for transformation continue to have the interest of the small-scale, previously disadvantaged fishers at heart.

## CHAPTER 5

### ***Problems confronting small-scale fishers in Hawston:***

This chapter lists the responses of the Hawston fishing groups, namely the Overberg Commercial Abalone Divers (OCAD); the Hawston Fishing Community; and the Southern Boat Assistant Company. The compilations of the various inputs listed below were based on a structured process and thorough questions. The interviews were lengthy and a meaningful experience. The following responses were received:

#### ***5.1 The Overberg Commercial Divers Association (OVCD):***

Two representatives of OVCD were interviewed. They hold key managerial positions in the company.

#### ***Identifying details:***

OVCD consists of 47 historical black divers and 12 white divers. The age of the members range from 27-57 years. The older generation of abalone divers has been in fishing for up to 40 years. The commercial divers provide work for 142 boat assistants in Hawston. This lucrative resource provides income to 200 or more families in Greater Hermanus. The identified areas for harvesting of abalone are Hangklip, Hawston, Hermanus, Gansbaai and Buffelsjacht.

#### ***History of the group:***

The first positive step towards a unified association for all commercial divers occurred five years ago, with the establishment of the Overberg Commercial Divers Association. OVCD was a section 21 company at first. Three years ago, it was established as OVCD Limited, with the primary objective to run as a business, namely to market their abalone abroad at the best possible prices. During 1995 the commercial divers in Hawston only received a 90-ton quota allocation for abalone.

According to two representatives, the transformation process jeopardised the rights of diving right holders due to the fact that only one application document required to be filled in, under the auspices of OVCD, during 1999. The respondents firmly believe that, according to the



Companies Act, any major decision should be transparent. The 59 historical divers were totally unaware of any single application document that would be required and implemented for their future. The documents that have been viewed stated the following: "we humbly ask for 30 ton of abalone...." The respondents are adamant that the ANC played a pivotal role regarding the request for a 30-ton allocation, and that the implications of that specific application was used as a measurement to allocate the divers a reasonable quota".

Abalone price per kg for divers was R30, whereas the factories received R200 per kg, during 1997-1998. Divers employing assistant divers to harvest abalone for R3-R5 a kilo on their behalf, lead to extra financial burden, on the part of the divers. The two respondents did research in 1998-1999 in order to put business strategies in place, so as to market their abalone overseas. This was a major breakthrough and has proven that the predictions of 5 industrial white management companies to be incorrect, with regards to their false predictions of a risky, financial unsound and unsustainable market.

This accomplishment has immensely changed the old historical ways towards accomplishing a better, sustainable and feasible future for the previously disadvantaged divers. However, the reduction of quota in 1999-2000 from 90-ton to 87,29 ton, has had a negative effect on the divers' monthly salaries, which was secured by their export rights. Sadly, however, antagonism towards OVCD, scepticism amongst white and black divers, and the attitude of about 10 commercial black divers (those who did not sell their export rights), are giving rise to further conflict, as is evidenced by, amongst other smearing campaigns.

***Current position in the industry:***

The OVCD group described their present situation as very critical, owing to the reduction of the abalone quota. Where divers previously had a 6-15 ton quota, it has now has been reduced to one and a half-ton for 2000-2001. Uncertainty regarding future allocations, and whether this would be a feasible tonnage to ensure a decent liveable income are sources of concern. From statistics released by Department of Environmental Affairs, there are currently 8 000 commercial licences issued in South Africa. The government has clearly stated that for the 2001 entry season, only 1 000-quota holders will be selected, through an Independent Board, for allocation.

It is highly probable that the cuts in the number of successful licence holders will have a direct affect on Hawston fishing communities. In a statement, by a subsistence quota holder of Ocean

View to Freek Robinson of the "Fokus" television programme, on 2 August 2001, it was strongly suggested that the Minister's attempt to apply a transparent quota allocation system, is actually encouraging criminal activities. This, together with the fact that hand line fishing is becoming increasingly nonviable, owing to the high labour intensity; rising cost in diesel, gear and bait; as well as the dwindling marine resource, will have significant impact on the Hawston fishers. The statement encapsulated by Freek Robinson namely "tata ma chance tata ma fish and the new policy waters" underscores the insecurity felt by most fishers across the country.

***Details and developments regarding new quota applications:***

As mentioned already the Overberg Commercial Abalone Divers applied for increased quota tonnage of abalone in 1999. Instead, they received a reduced quota of 87,290 for 2000. Furthermore, 10-15 successful quota holders for abalone approached the factories to buy their abalone at a price of R200 per kilo, to the total dismay of OVCDAs, who estimated that they could get an export price of R400 per kilo abalone.

Subsequently, 10 commercial divers who belong to OVCDAs received an additional separate quota of 3,6-ton abalone. They established the Hawston Abalone Divers Association, which then contracted the white conglomerates to sell their abalone. Presently, the latter group receives far less than OVCDAs, which is now being paid in US dollars.

These 10 divers also received their money, but were advised by legal counsel, to apply for a quota. Restrictions, including harvesting grounds; the fact that abalone must be kept alive when weighed by the factories, placed new demands on these divers. Quota holders of abalone, in various places, like Kalk Bay, Hout Bay etc., lobbied with the commercial and assistant divers to harvest their abalone for them. This development has led to increased conflict, since only one or two divers have access to harvesting the abalone of the new entrants.

Another development, initiated by the abalone factory owners, is that they employ 1 – 2 assistant divers to harvest their quotas at a cost of only R6 a kilo, because of in the fact that they are providing equipment.

In addition, factories now employ a few "Coloured" commercial abalone divers to harvest their quota at R10 a kilo, whereas white commercial divers receive R20 a kilo. This situation is at present very sensitive, especially amongst the other OVCDAs members. According to the

respondents, the above-mentioned development requires immediate intervention by the Department of Environmental Affairs.

*Main problems encountered in the application for quotas:*

Clearly the OVCDAs has experienced a number of problems in the application for quotas. However, the greatest of all problems is corruption. The respondents are convinced that political contacts are needed to get ahead in this industry. Therefore some groups get quotas and others not. The implication of this statement implies that fishers have to be well-positioned politically to ensure that their applications are successful.

Corruption includes bribery and the lack of monitoring of quota allocations. This results in persons being awarded quotas, who were not previously in the fishing industry. Another undermining factor, counting against small-scale fishers, is that they are considered to have virtually no investment in the industry, owing to their low annual income. One of the criteria for to be successful as a quota applicant in 2000-2001, is that he/she needs to demonstrate significant investment in the industry, such as capital investment in gear and boats.

This criteria places small-scale fishers at a disadvantage since they are not able to make these investments, owing to their previous exclusion, and also because of their small-scale operations, which enables minimal investment. It is evident that the history and struggles of the old traditional fishers are being discarded in new quota allocation processes. Being a traditional small-scale fisher does not ensure one's quota application, since length of work in the fishing industry does not weigh heavily in the selection criteria. Traditional fishers are being placed on the same levels as all other new entrants.

***Positive and negative aspects of the new system for small-scale fishers:***

The respondents are positive about the pioneering work that has been done in order to enter this market-driven business, so that they could export their abalone quota at the highest price per kilo. A remarkable initiative by members of OVCDAs, is that they are taking the Southern Boat Assistant Company under their wings, with regards to selling their quota to the best buyers overseas. Another positive aspect is that the new system has made provision for, and a distinction between boat assistants, commercial divers and the poachers, by providing the three groups with individual quotas.

The negative aspects of the system include the lack of clarity and transparency on what a new entrant is. It remains unclear whether a traditional fisher is one who was previously excluded from quota allocations, or whether it refers to anyone who was not in the industry before.

The latter statement should be seriously considered since the state has revoked the permits of all quota holders of marine resources, including the fishers that were in the industry for a long time. The Department has terminated its policy of free access to all. The fact that there are many new entrants in the industry, thereby effectively crowding out traditional fishers in quota allocations, is having negative effects on the "old fishers" in Hawston. The new system also ignores the investments made by small-scale operators who gradually purchased quotas in the past. Black abalone divers who bought the quotas at a high price from white and black holders, were set back and are experiencing serious financial challenges because of the severe cuts in abalone quotas. All these investments came to nought, with the introduction of the new quota system.

Reductions in quotas to small-scale fishers, owing to reductions in the TAC and increasing numbers of new entrants, (from 500 -12 000), does not encourage investment in the industry. Uncertainty with regards to the size of their annual quota allocations, prevents fishers from investing according to projected incomes. Furthermore, cuts in quotas are felt more intensely by small-scale fishers, than by large-scale industrial companies. There is no guarantee of quota retention, which places small-scale fishers at an additional disadvantage, when reapplying for a quota. The bodies being set up to assist small-scale fishers such as the FTC have been ineffective because of lack of communication, implementation and capacity-building with fishing communities.

***Suggestions to improve the system to benefit commercial abalone divers:***

The most important suggestion offered is that the Department must grant each historical diver more than one and a half ton of abalone in order to secure financial sustainability. Secondly, it is proposed that the Department intervenes in the white industry in order to regulate the proposed prices per kilo for abalone, which in turn will prevent exploitation by the factories. State control over the abalone quota is indeed the most positive step undertaken by the Department, and the group regards equal redistribution that can lead to both parties to benefit, as the only way forward.



Also, bodies that are set up to assist abalone divers through capacity building, should become more visible and effective and engage in programmes aimed at enhancing the ability of all divers to improve both their application for, and management of quotas. Moreover, the government could invest in infrastructure e.g. the upliftment of Hawston Harbour to assist all small-scale operators, such as in the provision of building a factory, storage- ; processing- ; and packaging facilities.

If the Department can make the latter possible, this will enable small-scale fishers to negotiate higher prices for their harvests and also eliminate their dependence on certain processors who currently dominate the industry. This step will also provide work to most of the unemployed people in Hawston and provide a form of financial security to all stakeholders involved in the projects.

### **5.2 Hawston Fishing Company:**

The representative interviewed is Mr. Phillipus May, managing director of this group. His family history can be traced back to the founder of Hawston namely Samson Dyer.

#### **Identifying details:**

The Hawston Fishing Company represents 185 poachers, 28 boats assistants and 12 skippers, and 3 managing directors. The fishers in this group are predominantly abalone divers and crayfish catchers. The majority of these men engage in hand line fishing whenever seasonal catching is permitted. The Hawston Fishing Community, as it was initially established years ago, was re-established as the Hawston Fishing Company, in 1996.

#### **History of the Group:**

The initial initiative to establish a community-based organisation was started approximately 15 years ago by Phillipus May, a great-great grandchild of the founder of Hawston, namely Samson Dyer, in 1806. The group experienced extreme hardship. Amongst other, it includes the extreme poverty of the old hand line fishers; their designated status as result of the legacy of apartheid; the financial constraints such households experienced; and the limited opportunities experienced by their children. These were some of the factors that urged Phillipus May to start an organisation that would address the dire needs of the Hawston community.



Being a librarian made access to information a bit easier. Initially, when applying for a 100-ton abalone they only received a 10-ton allocation in 1996. Most of the poachers broke away from this organisation and started their own companies, taking with them divers who were allocated various quotas. To be regarded as a poacher by commercial divers was a serious problem. Commercial divers considered poachers as intimidating and a threat to their future existence.

Serious conflicts and confrontation started between the two groups in 1995 when the formation of the Hawston Fishing Community was attempted. In 1994, recommendations by Minister Dawie De Villiers, included the fact that the founder of this organisation should officially apply for a quota, opened a can of worms regarding quota allocations.

***Current position in the industry:***

The Hawston Fishing Company's membership was affected by the allocation of 10-ton abalone and 3-ton crayfish. From the beginning of 1999, all quotas were suspended although big companies were allowed to catch a certain percentage of their anticipated quota allocations.

Suspension of fishing rights was the result of a pending court decision regarding the validity of the new quota allocations. This situation resulted in extreme poaching activities by most of the Hawston community in some way or the other; whilst the commercial divers became involved in selling their abalone to big buyers in Hawston.

Households in Hawston were crippled financially because the fishing permits of small-scale operators were renewed in June 1999 and this restricted the harvesting of their quotas. This situation again indicated the preference given to the development of large-scale industry, whilst the small-scale sector was neglected.

***Details of previous and or existing fishing quotas:***

In 1985, 63.5-ton of abalone were allocated to all hand line fishers and boat assistants of Hawston, Mount Pleasant and Gansbaai. This development clearly illustrated the politically driven motive of the tri-cameral Labour Party, in order to draw the votes of the fishing communities.

Irrespective of the Labour Party's motives, this opportunity could have been regarded as the first of its kind to establish an independent market that would have enabled the residents of Hawston to uplift themselves, and in some ways ensure financial sustainability. Sadly, instead of standing together to secure the 63.5 tons of abalone, commercial divers and some of the community members jeopardised this opportunity for injecting economic activity for their towns, by not co-operating.

Instead, the 63.5-ton abalone allocation (worth R66 million), went to FISCOR, a private company, who purchased the fishing rights of some beneficiaries of the allocation. The application for 100-ton of abalone for the Hawston Fishing Company was rejected and only 10-ton was allocated.

#### ***Details of new quota applications:***

The group reapplies for abalone and crayfish quota each year. The representative of this group, also an ANC-leader in the Hawston Community, works closely with the community by lobbying with politicians, political parties and top government officials. The representatives of this group have done a lot of travelling to negotiate for better quotas.

This group has developed a system whereby applications for quotas have to be completed, along with a prescribed application form, motivation and a business plan. The latter should include details on who the major stakeholders of the applicant company are, how profits will be distributed and which processors and or distributors will be contracted with.

This company, in their short period of legal existence, annually gives 10% of their profits, for projects to create jobs, 10% for study bursaries, and 5% for historical hand line fishers, whereas the commercial divers do not make any such contributions to their community. The company has also bought 2 boats and equipment, 2 vehicles to provide employment opportunities e.g. whale watching and 6 tourism guides were given training.

#### ***Main problems encountered in the application for quotas:***

What the group regards as the main problem, is that the application process is very frustrating. The time at which quotas are allocated places operators at a disadvantage. Subsequently, fishers have very short periods for harvesting.

Another problem encountered by the group, is that no-one on the allocation board seems to really listen and truly understand the problems of small-scale fishers. The example used by the representatives is that they are still perceived as promoting a culture of stealing and illegally taking abalone, selling it illegally and trying to duck the system.

The group also felt that, even though a transformation process has taken place, the persons in key positions, were still from the old regime. Subsequently, white quota applicants were treated with more respect and speed than the Hawston fishers. The FTC was supposedly established to solve the problems of small-scale fishers, but instead, has had no contact with fishing communities.

The process of application and granting for quotas is extremely hampered by conflict amongst the commercial abalone divers; the poachers; and divers with the boat assistants, that became members of the Fishing Company. In addition, historically marginalised divers do not foresee future problems, such as the closure of the abalone industry as a result of decimation, exploitation etc.

Corruption and nepotism are regarded as a serious problem. As mentioned elsewhere, bigger quotas are given to white persons and their friends. Under these unfair conditions, the group understands that engaging in bribery would lead to greater success by the group, in terms of their quota applications. The current allocation criteria prevents the issuing of paper quotas, whilst in the past, paper quotas were granted to non-fishers, a practice that caused great corruption. People are now tempted to view it as "their turn" to be corrupt.

The question of "new entrants" created another difficulty for the group. It is generally felt that new entrants should refer to those people that live off the sea, but were excluded from the system before 1994 – it should not include everyone who are first time applicants, such as whites and non-fishers.

Another significant difficulty encountered in the quota application process, is that the Department of Marine and Coastal Management is still white-dominated, with the key positions in the Department being retained by white persons. This is viewed as a hindrance, with regards to transformation and the effective implementation of new policies, such as the new quota system.

***Positive and negative aspects of the new system for small-scale fishers:***

The most positive aspects of the system identified, includes the marginal benefits accruing to small-scale fishers in terms of income from quotas, and the scope for quota allocations to black fishing groups.

Negative aspects of the new system were that there was no direct communication with the Department of Marine and Coastal Management in terms of quotas. The existence of hierarchical structures within the Department still discourages dialogue from community structures. Currently, no assistance exists for small-scale fishers with regards to marketing skills; there are no capacity building programmes, no help, guidance or support from the white industrial factories, which forces fishers to use their own initiative in applying for quotas.

The lack of supportive mechanisms for small-scale fishers was aggravated by attitudes of the personnel employed by the Department of Marine and Coastal Management. They displayed limited insight and sensitivity for the problems of small fishing communities. Corruption, the major problem, appeared to be pervasive throughout the system, at various levels of decision-making and quota allocation.

In order to address this impasse, it was recommended that the Minister of Environmental Affairs and Tourism conducts personal visits and listens directly to this community, in order to gather first-hand information. It is crucial to gain clarity about the exact identity of disadvantaged quota holders, in order to facilitate redistribution for higher levels of equity. Important also, is that the industry needs to be restructured to enable infrastructure development and greater access to resources for small-scale fishers. More bursary schemes should be made available to black persons, especially candidates from the fishing communities (e.g. to study for marine biologists etc.)

***Comments on whether the present system could sustain small-scale fishers of Hawston Community Company:***

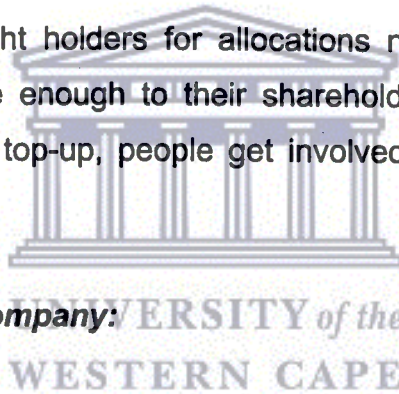
In order to become sustainable for small-scale operators, the system needs comprehensive changes, to comply with the needs of the fishers. Quotas allocated to the disadvantaged sector, specifically the people who have been bluntly denied diving rights, are spread "thin" and have proven to be non-viable.

The reason for this is that the 185 poachers who initially joined the Company, had to establish their own companies to get quotas. Only 60 members remained and the 14 members that are commercial divers, harvest their quotas.

In the case of Hawston Fishing Company the quotas allocated were too small to enable cost-efficient harvesting for all the members. The 1 000 available quotas for successful applicants, will most definitely encourage all applicants to apply for a large amount of quotas, of which a number of small quotas may be allocated. This is not economically viable to harvest, since the investment in the process may outweigh the profits to be made.

To ensure economic viability, the tax burden on small companies should also be lifted, since a large proportion of profits is used for tax payments. In the case of Hawston Fishing Company, 25% of their profit goes into Hawston Community for work creation and study-bursaries.

According to the respondent, right holders for allocations need a top-up allocation, as their existing quotas proved not to be enough to their shareholders or members, to sustain their families. In the absence of this top-up, people get involved in poaching to supplement their income.



### **5.3 Southern Boat Assistant Company:**

The respondent Mr. Jerome Figaji is the treasurer of the Company, a 32 year-old male, the son of an abalone diver who is still active in diving after 35 years. He is also an assistant diver.

#### ***Identifying details:***

The Southern Boat Assistant Company was established two years ago. Initially they were called the Overberg Boat Assistant Organisation. The beneficiaries of this company include the assistant divers and the boat assistants.

#### ***History of the Company:***

At present the Company consists of 142 members. They have an abalone quota of 9,7-ton and 5-ton of crayfish which is harvested annually by the divers in the company. The birth of the



Overberg Boat Assistant Organisation started 6 years ago, mainly as a result of financial insecurity and because of problems with their employers, the commercial abalone divers.

They received the paltry amount of R1500 – R3000 seasonally from commercial divers. Nor did they receive any benefits such as medical aid or pensions. Financial assistance from their employers was hardly ever given. This situation forced them to poach either crayfish or abalone to provide food for their families.

Under the guidance of the Marketing Manager to Overberg Commercial Abalone Divers Limited, (OCAD)Mr. Ferdi Henn , their abalone was sold to overseas companies and not to the local white industrial companies. This positive step is currently ensuring a financial income of R1200 per member per month.

***Details of new quota applications:***

The Southern Boat Assistant Company recently applied for a larger quota to ensure financial sustainability. Lobbying was done through various avenues, as well as with the Director of Marine and Coastal Management, in a bid to motivate and approve the application. The application emphasised that a top-up (increase) in a rock lobster quota allocation, is one way to ensure that further reduction in abalone quota, (due to decimating by poachers) will not have a major set back on the Southern Boat Assistant Company.

The outcome of the negotiation process was not positive, with most of the rock lobster quotas being allocated to West Coast companies and fishers. Certain individuals also received proportionally larger lobster quota allocations of 5-tons.

***Main problems encountered in the application for quotas:***

One of the main problems experienced by the boat assistants, is the reduction of the abalone quota of the divers. Reduction has a direct and devastating impact on their seasonally based annual income. Another major problem was the insecurity around having to apply for quotas each year. Quotas can also be revoked any time.

Furthermore, quotas are not owned by a group or individual; creating instability in business planning. Another problem is that most fishers do not have the business skills and acumen to apply for a quota successfully.

Due to the illiteracy of most fishers, more literate and "educated" persons are then used to apply for, and manage quotas allocated to the mentioned fishers. In most cases these persons often trick fishers, by taking a large portion of the profits that are made.

If a fisher makes an application, he/she usually has to know the right person in order to be successful. Reasons for the latter statement are related to corruption and nepotism, and the high level of competition for the limited fish resources. The group also interprets statements by the Director of Marine and Coastal Management who has said that "the sea is for everyone", as problematic, given the limits of the resource and the non-acknowledgment of those that have historically harvested the seas to provide for their households.

Small-scale fishers, as an independent group, acknowledge that they are not politically or economically powerful enough to influence the quota allocation process. They feel therefore that legislation should be passed, in their favour. They recommend that Hawston fishers must have 60% more territorial right than outsiders and new entrants over the resource, given their long history of fishing within this area. Another proposed affirmative action initiative, regarding this industry, is to reallocate the quotas given for the white fishing industries, who have for so long benefited from it previously, in an unfair manner. The statement below lends support to this proposal.

"It is easy to knock a TAC or to question a particular management system. I am sure that a particular method of modelling leaves room for questions and we need to balance some scientific findings with socio-economic needs in our country, especially in the aftermath of apartheid" - Horst Kleinschmidt, quoted in "View from the Helm", Fishing Industry News South Africa, February 2001.

***Positive and negative aspects of the new system for small-scale fishers:***

Where they previously received no monthly income, boat assistants now get R1200 per month to provide for their families. By marketing their abalone quota internationally, they are secured of their monthly income.

A negative aspect of the system that was mentioned, was that quotas are allocated to persons who do not need them, yet are kept from those who need them. This particularly relates to the relatively small quotas allocated to fishers who are engaged in a daily struggle for survival. One primary reason for the quota allocations not effectively promoting equity, is that none of the quota applications are being investigated or evaluated, resulting in inappropriate allocations being made to non-fishers and paper quota holders.

Moreover, the institutional mechanisms for promoting equity is not effective; the FTC has made no contact with Hawston fishers and the latter do not know who the FTC is. In this way the fishers continue to be marginalized. For this group, one of the most disturbing facts, is that the person who heads the Department of Marine and Coastal Management does not know enough about the history and the needs of the small-scale fishers. They perceive this to be the main reason for the misallocation of fishing quotas.

***Comments on whether the present system should sustain small-scale fishers:***

The system, as it is operating at present, cannot sustain the needs of small-scale operators. However, should more quotas be allocated to the small-scale sector, sustainability may increase. The system needs to recognise that fishers require alternative means of making a livelihood, since reef fish stocks have increased in price. More quotas should be allocated to small-scale fishers and more community quotas should be allocated. This will enable communities to successfully manage their quotas.

## 5.4 Synopsis of the main research results:

To successfully navigate the new quota system, it is evident that a range of obstacles needs to be addressed, to ensure equity in the fishing industry.

Some of the major difficulties that emerged from the field research are:

- Corruption in the allocation and management of quotas;
- The application of a broad definition of a “new entrant” which includes non-fishers, and further marginalizes traditional small-scale fishers in the allocation process.
- The lack of understanding by authorities of the problems of small-scale fishers in respect of investment in the industry, quota harvesting risks and limitations, and the lack of administrative capacity in fulfilling the application requirements, contributes to the problems of small-scale operators.
- The complete lack of acknowledgement of historical and territorial rights especially of traditional, small-scale fishers such as the residents of Hawston, is problematic.
- The major factor that gives rise to poaching and the decimation of the rich abalone and crayfish resources, are the decreases in allocations of abalone quotas for the commercial divers, which has a devastating financial impact on the divers and the boat assistants.
- Exploitation by the big industries to employ specifically black assistants and commercial divers to harvest abalone at the lowest cost possible, vis-à-vis employment of white divers at a reasonable costs, is a concerning factor that needs to be dealt with at a political level.
- The quota allocation process in itself presents a range of problems. These include:
  - the significant costs involved in acquiring quota applications;
  - the provision of a 10 minute presentation to motivate an application. This requires considerable verbal skills, placing many fishers at a considerable disadvantage;
  - the lack of co-ordination in quota application presentations which requires of fishers to spend considerable time away from work, placing additional strain on their economic circumstances; and racial, gender and general discrimination against small-scale black fishers by the Department of Marine and Coastal Management.

• **Problems encountered with the Department of Marine and Coastal Management include:**

- A reluctance to listen to the plight of small-scale fishers and to take account of their history and struggles;
- The omission of investigations to ascertain whether quota applications are fishers, not only facilitates corruption, but also results in paper quotas still being awarded;
- The ineffectiveness of the FTC which, amongst other, still has not made capacity-building programmes available to Hawston fishers;
- The persistent bureaucratic and top-down communication which is still prevalent in the Department;
- Issues of equity and redistribution within the new quota system appears not to be adequately addressed, as individual quota applicants are receiving proportionally higher quotas than community groups, such as the Hawston fishers;
- The fact that no monitoring of quota management is being done in order to assess the extent to which new allocations are realising higher levels of equity and redistribution;
- The exceedingly late notification of quota allocations allows for very limited time for harvesting, and the across-the-board application of reductions in quotas, has a greater impact on small-scale fishers, since they are more dependent on the resource. These reductions may result in small-scale fishers being unable to invest in the industry or to realise their business plans as well as insufficient financial assistance to provide in their everyday supplies. As a result, increased poaching activities by members of the various organisations in Hawston, appears to be inevitable.

The suggestions made for the improvement of the system for small-scale fishers, by the groups that have been interviewed, include:

- Increased capital investment by the government in infrastructure, in order to assist small-scale operators;
- the allocation of larger quotas to small-scale fishers and fishing groups;
- regular consultation with fishing communities to ascertain their needs;
- simplification of the quota application process;
- improved visibility and effectiveness of the struggles to develop the small-scale, disadvantaged fishing sector;



- A clearer definition of the disadvantaged sector and clarification is especially needed as to who is considered to be a new entrant;
- A proposal that the Department of Marine and Coastal Management should provide comprehensive information on application procedures, processes, regulations, policy changes, and any other issues related to the new system that effect small-scale operators, and an ombudsman should be established to investigate complaints against quota holders and managers.
- To eliminate problems regarding the lucrative abalone resources, of which the already mentioned groups are highly dependent on financial reasons, increased tons of abalone should be allocated to the historical black divers to ensure sustainability.
- When quotas are issued, in order to avoid unfair lobbying, the issuing of paper quotas and corruption from taking place, an assessment of the regional marine resources, in the specific area needs to occur.

Finally, the majority of respondents indicated that their benefits from the new quota system have been marginal. Without serious improvements to the system, specifically around increased access to larger quotas, the industry would not be sustainable. This is particularly unfair since they, the small-scale fishers, have contributed to the economy by means of selling their products at the lowest price to the white conglomerates in the fishing industries.

UNIVERSITY of the  
WESTERN CAPE

## CHAPTER 6

### *Findings, Conclusions and Recommendations.*

This chapter discusses the range of identified problems confronting small-scale fishers of Hawston within the new quota system, as well as the implications that these problems have on the future of the fishers. The findings, conclusions and recommendations have been derived from the discussion and will therefore be a reflection of the hopes and disappointments of the fishing community of Hawston.

#### ***The current impact of the new quota system on Hawston fishing:***

Due to the divisive impact of the apartheid system, it is evident that the fishing industry in South Africa has been consistently structured in favour of white-owned interests and capital. Manifestations of inequity and inequalities are deeply rooted in history, including the consequent struggles of small-scale fishers.

The new policy for the quota system is enshrined in current legislation and recognises the critical and complex need for redistribution. It also recognises the imperative of government's direct intervention to translate policy into concrete, achievable transformation outcomes. On the surface, these initiatives appear to be sound transformation ideologies, supposedly for the benefit of small-scale black fishers. In practice, however, it appears to continue marginalising them instead, and the fishing community of Hawston faces an even bleaker and uncertain future.

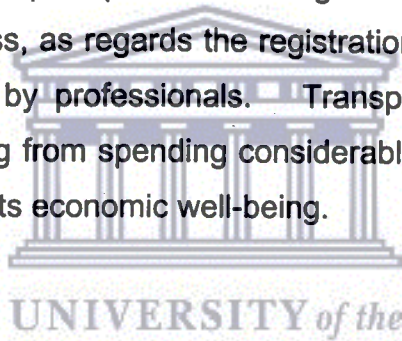
Instead of improvements since a democratic elected South Africa e.g. better quality of life, and better income, there has been a steady decline that threatens the small-scale fishers' ability to remain in the industry. The new quota system has been mooted as one of the primary causes of this condition. The significant outcome of this research study demonstrates the range and complexity of issues that confront small-scale fishers in successfully applying for quota within the new system.

***These obstacles are categorised as follows:***

***Administrative and Procedural:***

According to Le May 1999:32 applications for quotas are complicated, requiring business plans and often also the formation of a company. Because most fishers are illiterate, they find application procedures to be time-consuming and necessitates verbal proficiency, especially in oral presentations. In contrast however, no investigation is conducted as to whether an applicant is a fisher.

To confirm this statement, Kleinschmidt says that “there are thousands of constructs that need to be investigated, but we (Department of Marine and Coastal Management) don’t have the capacity” (Sunday Times 11/6/2001). These loopholes within the system could (and has) therefore led to the issuing of paper quotas and large-scale corruption. The lodging of applicants is an expensive process, as regards the registration of companies and fees entailed in the preparation of applicants by professionals. Transportation and telecommunications expenses, as well as costs arising from spending considerable time away from fishing in order to motivate applications also affects economic well-being.



***Constraining and differentially applied allocation criteria:***

Primarily, the applicants’ investment capacity in the fishing industry, and the ability of applicants to prove that they are able to harvest a quota before it is awarded to them, are regarded as important criteria in quota allocation. Owing to the previous exclusion of small-scale black fishers, based on assumptions that their current position is tenuous, as well as the fact that their physical contribution to investments in the industry may not be significant, are problematic perceptions.

This current situation of black fishing companies has direct negative impacts on their capacity to harvest a large quota. However, larger quotas are needed in order to build fishing enterprises to enable investment in the industry and to sustain a liveable income.

Dismal also, is the awarding of paper quotas, which indicates that these criteria are not being strictly adhered to. Corruption and nepotism in the allocation of quotas, is an added factor,

which hampers the success of the Hawston - and other small-scale traditional fishers. The Minister of Environmental Affairs and Tourism, Valli Moosa, has acknowledged the problems mentioned above. He stated on television that the problems are "structural." This is corroborated by studies done by Le May (1999:12). To date, there has been little action directed towards resolving this difficulty, and the position of disadvantaged fishers, such as the Hawston applicants, remains compromised.

Another problematic factor, is that of being a "new entrant", which does not necessarily result in the achievement of greater success, even though criteria specifically includes allocations to new entrants. The latter appears to be broadly defined, as to include all persons who have previously not benefited from the system, including non-fishers and traditional fishers. This appears to threaten the livelihood of, amongst other, small-scale fishers of Hawston, who have been making a living from this marine resource.

Moreover, allocation criteria does not require a consideration of the historical fishing rights of communities such as Hawston, thereby placing the Hawston quota applications on the same level of importance as all other non-fisher applicants. The Chief Director of the Department of Marine and Coastal Management has admitted that it is becoming increasingly difficult to identify new entrants, owing to the formation of mergers and joint ventures.

This difficulty should not apply to the Hawston fishing group, owing to their autonomy and clearly defined membership. The relative abundance of new entrants, corruption and the lack of political influence and the poor lobbying capacity by the Hawston fishing groups, have most definitely impacted negatively on their ability to secure improved quotas.

***Lack of transformation in the Department of Marine and Coastal Management:***

Hierarchical structures still exists in the Department of Marine and Coastal Management and it still operates in a bureaucratic fashion. Their failure to consult sufficiently with communities of Hawston has only emphasized their lack of communication, which has given rise to so many uncertainties.

There has also been insufficient information dissemination regarding quota allocation procedures, regulations and policy changes.

Implementation of the key elements, enshrined in the White Paper for sustainable coastal development, has been problematic and inconsistent.

Race, gender and economic discrimination are also realities experienced by Hawston quota applicants. Inter-communal discussions regarding the struggles and circumstances of small-scale operators should be regarded as imperative for effecting real transformation. Instead, there is a lack of transparency in quota allocation decisions.

A positive development by the government, is the awareness of the problems mentioned. There is the realisation by government that most of the senior executives in the Department are from the "old order" and linked to big fishing companies (Le May 1999:32). The problems caused by the inaction of the State in dealing with these problems, has a direct and ongoing negative impact on the disadvantaged small-scale fishers.

#### ***Poor performance of the FTC:***

The biggest concern regarding the FTC is that they have as yet made no contact with the disadvantaged fishers since their establishment. It also appears that people do not have the basic information regarding the FTC e.g. the perspective roles of each stakeholder. More critically however, the FTC has not launched any programmes, directly aimed at improvement and sustainability within the industry. The FTC displayed no profound new approach to uplift the circumstances of the disadvantaged fisher.

#### ***Misallocation of quotas***

The Quota Board (QB) and the Sea Fishery Advisory Committee (SFAC) formed an alliance, which was biased towards the industrial sector, and so indirectly supported the old structures (Hersoug, 1996:165). The Quota Board does not take historical and territorial plights or rights for survival of traditional, small-scale fishers into account, and therefore denies itself a major contribution to the industry.

This may be one reason for the allocation of relatively small quotas to small-scale operators and fishing groups. As mentioned already, the issuing of paper quotas are still the order of the day. This further fuels corruption; nepotism and the lack of transparency in the allocation process, resulting in black fishing groups of Hawston experiencing that are in desperate need of larger



quotas, to at least maintain a decent standard of living. The proportionally smaller allocations awarded to small-scale fishers are, from a monetary perspective, not viable.

***Compared to other successful applicants for a quota, small-scale fishers are placed at a greater risk within the new system. This situation is influenced by the following additional factors:***

***Exploitation by quota holders:***

Quota holders in Hawston, specifically commercial abalone divers, employ assistant abalone divers to harvest their abalone at a cost of R3 a kilo whereas they get R5 – R6 per kilo. This arrangement allows the quota holder to make a profit, by simply lending the assistant diver his equipment, vehicle and boat.

With the exception of only a few commercial divers, who harvest their own abalone quota, most of the subsistence quota holders also harvest their own quotas. In the case of Hawston abalone divers, only a few privileged divers get the opportunity to lobby for harvesting other quota holders of abalone or crayfish. The latter quota holders cannot harvest the quotas themselves, due to, amongst other, a shortage of equipment.

This situation is currently leading to conflict amongst the divers. Some divers have become suspicious of others, especially when some of them have secretly made deals with quota holders in other towns. Another big concern, in the case of Hawston, is that only a few black abalone divers harvest the quota of the two factories close by, namely Tuna Marine and Walker Bay. The 615 tons of abalone (quota allocations of 1996) allocated to the factories, benefit a few divers, whereas the bulk of the black divers are facing severe impoverishment.

The researcher has thus noted the underlying scepticism and unresolved conflict of the respondents, whilst conducting interviews.

A further drawback is the practice of competitive pricing activities, especially where the harvesting of quotas are contracted at a negotiated price, causing fishers undercut one another in a bid to secure a harvesting contract. This happens despite the fact that the fishers carry all the risk in harvesting. In the bid to secure a contract, their lives, equipment and boats are usually not compensated for in any way

Furthermore, of the older subsistence quota holders that were interviewed, the allocation of quotas to very young men, who cannot really be regarded as fishers, was viewed as an exclusionary practice.

***Increased cost of fishing:***

The increases in the cost of diesel, diving equipment and bait has placed financial strain on small-scale fishers. Requirements in the new quota system prescribe that bait has to be bought, whereas it could previously be harvested from the sea. These factors are constraining the returns on their investments beyond a sustainable level.

Other key issues that play a constraining role on the quota assessment for the Hawston fishers, includes their marginal position within the industry owing to being disadvantaged through apartheid, the lack of application of redistribution and the lack of acknowledgement of historical fishing rights.

The latter undermining factors, which actively restrict their quota access, are reinforced within an operating environment characterised by a highly centralised system of State control of rights allocation. Corruption and non-transparency is widespread, endemic and structural. The enduring adherence to a market-driven approach to redistribution of quotas protects the position of the established major industrial stakeholders. This research has focused on the black fishing groups of Hawston and has clearly illustrated that they are constantly engaged in a fight for survival, recognition, and inclusion. They also had to adapt to a constantly changing environment where marine resources are dwindling and where policies have placed additional limitations on access to resources.

Irrespective of positive effects, such as limited supplementary income, the prospects for expansion, such as the establishment of an abalone farm managed by black fishers, partnerships with larger industry players, and the application of a portion of quota profits into community development schemes, these benefits only constitute marginal progress. It is ultimately insufficient in addressing the pressing and colossal backlogs of the disadvantaged sector in the industry.

The Hawston fishing groups recognise that the State has a pivotal role to play in redistribution and in responding to the dire needs of small fishing villages. Their suggestions for improving the system are realistic and demonstrate an intimate knowledge of their relatively vulnerable position in the industry. Despite this, the range of obstacles which have to be overcome remain formidable.

In formulating the White Paper for Sustainable Coastal Development in South Africa, which aims to achieve the goals of equity and economic growth, by means of new resource management policies and legislation, many of the suggestions provided by the respondents should have been taken seriously and implemented long ago. It is obvious that a serious lack of policy implementation has occurred instead, which has impacted negatively on the vulnerable, disadvantaged black small-scale fishers.

According to various reports it is debatable whether legislation initiatives and the policy frameworks that were promulgated, are sufficient to drive the transformation process. It is also questionable whether those responsible for its implementation, namely the Department of Marine and Coastal Management, has been adequately aligned within the process through its own internal transformation.

The consequences of these shortcomings have had devastating results on small-scale black fishers. Limited financial returns to quota beneficiaries, increased risk of exploitation, and also the pressure of bearing all the risks entailed in harvesting quotas that are not owned by them, are additional and restrictive consequences for small-scale fishers. However, the continued lack of meaningful participation within the new system, particularly with regard to transformation process, and owing to poor consultation and communication by the relevant government department and ministry, could lead to an exacerbation of the problems and marginal status of small-scale black fishers within the industry.

Key indicators regarding the sustainability of small-scale black fishers within the industry, are therefore dismal as reflected by the responses obtained. The respondents demonstrated a general agreement that the lack of further changes in the quota allocation system to small-scale operators, who are supposedly supposed to be prioritised for development and significant benefit, will instead, hasten their inevitable exit from the industry.

***What are the implications for the future?***

In general, the position of small-scale Black fishers within the industry in South Africa is precarious. Irrespective of the fact that they have always held an inferior status in the industry, their prospects, which should have been improved with the introduction of the new system, is instead being undermined and actively eroded.

Some of the most concerning factors that will have serious repercussions on the future of the fishers if the current operating environment prevail, include are the following:

***The ultimate collapse of the fishery in Hawston:***

As mentioned in Chapter 2, regarding the conflict that is at present reaching a boiling point amongst the various groups in Hawston, solutions have to be found urgently to prevent the closure of crayfish and abalone harvesting to all harvesters. Marine research regarding the decline of abalone could result in the closure of both the commercial and recreational abalone. This has led to uncertainties regarding the future of the commercial divers.

The tendency was that poachers have been responsible for decimating the abalone resource. According to a report in the Sunday Times 21/1/00, the assumption conception amongst people that abalone is being wiped out by poachers are exaggerated, according to the three pioneering factories in Hermanus. Reports like this are but one of hundreds that have led the abalone divers in complete dismay and demoralised.

The Abalone Rights Holders Association, citing their own scientific survey, "proves" that abalone, is in abundance. Irrespective of these findings, the TAC was still reduced to one and a half-ton, which implies an effective cut of 26% in their annual quota. The future for abalone divers in Hawston is heading towards an ultimate collapse. Government intervention at this stage is of crucial importance to secure a form of financial stability for these pioneers.

Fighting for survival of the fittest in the case of the Hawston fishers has become a more complex and challenging task, as the results of this study indicate. Revelations about poaching by the commercial divers, in order to survive financially, has also come to the researcher attention.

There is therefore a very real threat that the Hawston fishery could ultimately collapse should the Minister, Mr Valli Moosa go through with his proposal to close the abalone and crayfish resources. Instead, a workable solution must be found whereby the poachers, divers and the community can equally benefit from the resources.

It is imperative that the Government should recognise and undertake urgent intervention to enable the positive development of these small-scale operators and fishing groups. Various newspaper reports, as mentioned throughout the research, are also reflecting the dismal circumstances at Hawston and detailing the extent of the crisis.

### ***Increasing levels of unemployment:***

There are simply too many applicants for a limited resource, which is complicated by an additional limited access of quotas (1000 quotas – as announced television on 26 July 2001). The increasing realisation of marginal financial returns owing to constrained access by fishers, has forced them to find alternative means of income generation or face unemployment, owing to diminished economic feasibility and sustainability in the harvesting of this resource.

Currently this industry is experiencing the phenomenon of barely “breaking even”, largely due to the cost of harvesting the resources, pricier equipment, diesel, payments of boat assistants and assistant divers. Given the economic infrastructure of the Hawston and Greater Hermanus fisheries, it will not only be the fishers that face unemployment, but would include associated workers, such as fish cleaners, hawkers and persons that generating an income from fish products.

Greater Hermanus' fishing industry only provides work to a limited number of people, in most cases illiterate commercial divers. Being a largely whites-only residential area, whereby blacks were excluded because of the phenomenal prices for accommodation, Greater Hermanus region employs mainly whites in executive jobs and positions. A daunting future reality of unemployment is facing the fishers of this region.



***Increase levels of poverty:***

Except for abalone divers, who were regarded as privileged group, the boat assistants, assistant divers and hand line fishers, have lived in poverty for most of their existence. The latter groups' incomes have consistently been low. It was also subject to seasonal fluctuations.

The assistant diver employed by a commercial diver takes all the risk at harvesting the abalone quota of one and a half-ton at a cost of R3 a kilo, which amounts to R1300 – R2000 per annum. The commercial diver, who now tends to budget for himself only, due to the cut in TAC, overlooks the dire needs of his/her employees. With limited benefits from the new quota system, poverty levels may increase, causing large-scale social disintegration.

The failure to optimise opportunities within the fishing industry will impact negatively on the development of especially small-scale Black fishing groups and individuals; and therefore also result in diminished achievements in equity, increase poverty – an important goal of the White Paper and of the Marine Living Resources Act.

***Impact of maintaining the status quo:***

Even if one were to consider the unlikely scenario that the conditions under which the Hawston fisheries are operating did not deteriorate, the development of this group, through the lack of access to large quotas, will still be undermined. Their secondary status within the industry will be reinforced, as they will remain dependent on a living from line fishing. This in turn will negatively impact on their influence and economic power within the industry. As a result, unequal relations of power will intensify.

## CONCLUSIONS

### *The main conclusions of this research study are:*

The problems confronting small-scale fishers in Hawston in accessing quotas within the new system are numerous, diverse and complex, and are reinforced by a largely non-transparent and corrupt centralised allocation system and adherence to market-based mechanisms of redistribution.

The envisaged aims for the new legislation and policy instruments have been formulated to enable equity for previously disadvantaged groups. It is thus ironic that these groups remain marginalised, owing to their weaker position in the industry. Hersoug and Holm (1997:10) underscores this situation by stating that "the previously-disadvantaged sectors have not been able to establish the type of institutions which can strengthen their claims and interests and eventually make themselves self evident or 'part of the natural order' ".

Factors contributing to this problem include:

- widespread corruption in quota allocations;
- constraining allocation criteria;
- the lack of impact of the White Paper of Sustainable Coastal Development;
- the FTC's in absence of capacity building;
- and the lack of transformation within the appropriate government departments.

The needs of the small-scale, black fishers are not sufficiently and adequately address in the new quota system. Still evident today, is that the fishing industry in South Africa has historically been developed in favour of large white business. On-going implementation of legislation appears to have been happening without sufficient understanding, assessment and/or commitment to acknowledging the needs of small-scale traditional black fishers.

These events have culminated in the direct weakening of the positions of many small-scale black fishers. The continuing deterioration of the small-scale fishers' circumstances requires immediate intervention.

The repercussions of this within the industry will be devastating, not only in terms of equity, but also in terms of the lost contributions of small business development in employment creation and economic growth, and the relinquishment of a cheap food supply to poor communities.

Certain sectors of government do seem committed to meet its goals of equity, transparency and redistribution, even though it has assumed total control of quota allocation, whilst also adhering to a market driven model of redistribution.

Even with a transparent and "equal" system, the 1000 available quotas for one specific marine resource, as announced by Minister Valli Moosa on 26 July 2001, is surely not enough for the thousands of applicants who wish to be successful in their application. The thousands of unsuccessful applicants face financial ruin and unemployment.

### **RECOMMENDATIONS:**

Given the research results and the above-mentioned conclusions of this study, the following recommendations are offered in order to secure the future or the way forward for a sustainable and equitable fishery industry:

#### **Quota application processes:**

- The application process should be simplified and effectively structured to prevent time-wasting and labour costs.
- Small-scale quota holders should have access to motivate their applicant verbally, and needs to drastically shorten their waiting-period (for allocations).
- Presentations could be substituted through interviews with the applicants, followed by an on-site inspection to prevent the issuing of paper quotas. There can also be an on-site inspection system to ascertain whether they are fishers indeed, and the extent to which they are able to harvest the quotas granted.
- Other options should be introduced to reduce the costs of quota applications for fishers who cannot afford it, especially when establishing a company. In this regard, the onus should be placed on the Department of Marine and Coastal Management to explore partnerships with the Department of Trade and Industry, non-governmental organisations, the Small Business

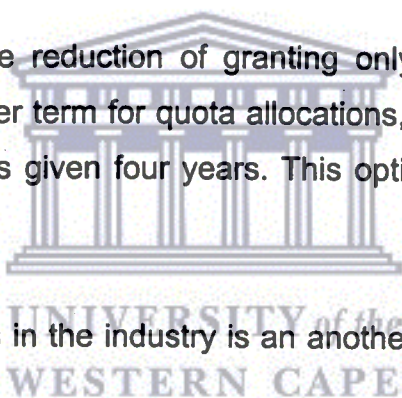


Development Corporation etc. to offer various forms of assistance to small fishing operators in the formalisation of their business and in the writing of business plans, financial assistance etc.

- The Department of Marine and Coastal Management, to ensure that the quota applications meet the required standards and criteria and are processed in accordance with policy requirements can provide an advisory service to historically disadvantaged applicants.

***Requirements for quota allocations:***

- Prioritisation should be given to fishers that has a long history in the fishing industry; are primarily dependent upon fishing for survival, and who have been excluded by the apartheid system, especially for new entrants in the industry. These will ensured equity that can be phased in and structured within the new quota system.
- The Minister could revoke the reduction of granting only 1000 applications. Instead, the minister could consider a longer term for quota allocations, e.g. abalone quota holders given two years and crayfish holders given four years. This option could lead to greater financial sustainability.
- The investment of applications in the industry is an another allocation criterion that needs to be re-examined.
- It is recommended that the position of the small-scale fishing applicants within the industry be carefully researched with a view to determining the factors constraining and enabling their investment, as well as the extent of their investment in the industry. Granted that exclusion due to apartheid makes the process of allocations complex, and will require extensive research and time, it should nevertheless be carried out to ensure that the small and medium fishing enterprises can be assisted strategically for development and greater inclusion within the new rights system.
- A compulsory criterion to be considered is that of investment in the industry. This should be reviewed with due consideration to historical and economic marginalisation, and applicants' history in the industry. However, in the case of allocation of abalone to historically disadvantaged participants, the Department should take into consideration the regional



marine resource available. For example, an abalone quota should not be granted to someone in Mossel Bay, where white fish are dominant.

- Exploitation by white management of assistant divers for harvesting their abalone quota is a source of concern and needs to be seriously investigated to prevent the repetition of economically –based apartheid practices.
- Improved communication, public partnerships and co-responsibility between the Department of Marine and Coastal Management and small-scale fishing communities is also needed.
- Ongoing consultation with stakeholders should also take place on a regular basis, specifically with those groups that have traditionally not been consulted with such as the disadvantaged small-scale fishers. It is essential for the Department of Marine and Coastal Management to prioritise the needs of small-scale fishers to become more attuned to the difficulties of the latter.
- The Department should also increase its levels of efficiency by, for example, notifying quota holders of their allocations, and/or providing reasons for late notification, acknowledging late authorisation, as well as advising fishers of alternatives that they may pursue. This could enable efficient harvesting, should administrative or legal delays have been beyond their control.

All of the above-mentioned criteria are indeed critical factors in the achievement of equity as outlined in the Marine Living Resources Act and in the goals in the White Paper for Sustainable Coastal Development.

The findings from the research results is that the Department of Marine and Coastal Management is bureaucratic and “top–down” in its dealings with fishers. This attitude is leading to a number of problems which can be effectively managed, should regular information be made available to fishers on structures, procedures, regulations, policy changes etc. Various ways of communicating in an improved manner can take place. Suggestions are regular newsletters, information dissemination via the Internet, radio, television as well as regular formal meetings with stakeholders and new entrants.



Regarding the above mentioned problems, a Draft Management proposal towards a people-centered approach was proposed for the South African Abalone Industry, and has already proven to be a successful venture initiated by the Department to provide input to a new management system for abalone resources. Mr. Karaka, a consultant to the Department, recently presented this proposal to the study group. To date, they have had 12 meetings with historically illegal harvesters (poachers) commercial divers and the community.

***Transformation of the Marine Coastal Management Department:***

It is strongly proposed that the Department of Marine and Coastal Management requires urgent transformation, in order to address the plight of the study group.

In particular, the following is suggested:

- Effective communication as opposed to traditional hierarchical and bureaucratic ways of communicating.
- Effective management of gender issues, racial and economic biases, especially in their relations with quota applicants.
- Importantly also is the significant shift in emphasis required in no longer dealing with large-scale white industry, but now towards enabling the development of small and medium sized operators.
- Equally critical is a commitment to countering corruption in quota allocations. ( As announced by Minister Valli Moosa, an attempt is made to secure transparency regarding quota applications for the 1000 successful applicants in a specific marine resource. It is hoped that the Department will be sensitive regarding the screening of 12 000 applicants for a 1000 successful quota applicants.
- It is also recommended that the process of capacity-building be undertaken with staff of the Department of Marine and Coastal Management, in order to enable transformation as mentioned above. In accordance with the strategic aims, as enshrined in the Marine Living Resources Act to enable higher levels of cost efficiency, transparency and improved management, a complete restructuring of the Department should be considered. This, in light of the outcomes of the Internal Audit Report (1999) which indicated serious mismanagement and flagrant contravention of Departmental guidelines.

- The establishment of an ombudsman or independent complaints directorate whose task it would be to investigate all complaints with respect to the Department of Marine and Coastal Management, as well as quota holders and companies, should be seriously considered.
- Another recommendation of one respondent, is that the Department should lay down policies for big fishing industries, which will ensure transparency and ensure a platform for productive negotiations.

### ***The Quota Board:***

Various newspapers made allegations of corruption in the allocation of quotas recently. This has caused widespread controversy and conflict within the industry and seriously compromised public and stakeholder confidence in the new quota system. It urgently requires an independent investigation at this level. The Fisheries Policy Department Committee (FPDC)'s final report suggested replacing the Quota Board with an Allocation Board (Argus 27/4/97). The White Paper recommends the scrapping the quota board and making the job "the responsibility of the Minister, on the advice of his department".

Because of the inevitable lobbying for the rich prizes, the White Paper envisages to remove quota decisions from the political arena. From this perspective, creating an independent statutory body make some sense. It is also imperative that the Quota Board becomes more acquainted with the needs of small-scale black fishers and should act with urgency to increase quotas within this critical sector of the industry.

According to Andrew Marshall, managing director of Oceana, "quotas should be awarded, after evaluation by an independent body, according to criteria such as transformation, investment, levels of expertise and performance".

A concern by one respondent is that quota applications increased from 500 to more than 12 000 in 1998–1999. The question here is, how will the Department deal with allocation of 1000 available successful quota holders from 12 000 more quota applicants in 2001-2002.

***The way forward for small fishing enterprise development:***

To ensure an economically viable future for small fishing enterprise development, the Department of Marine and Coastal Management and the FTC need to explore avenues of enabling the growth of small-scale fishing operators that were previously excluded form the system and development opportunities.

Specific proposals by the Hawston Fishing Community are to:

- buy property in Hawston harbour to develop it into various business ventures to provide work for as many unemployed people, specifically women.
- Alternatives to across-the board cuts in quotas, which impacts greater on vulnerable small-scale fishers, should be explored and minimized to prevent financial instability.
- Initiation of research studies on small-scale operators in the industry and their development, with reference to the parameters of the new quota system should also be prioritised.
- State intervention to improve the position of small-scale black fishers needs to be coherent and proactive.
- Serious decimation of the abalone resource from Hangklip to Buffelsjacht by poachers, calls for immediate intervention. This is but one of the intervening actions by the Department, which has proven to motivate members of the Historical Illegal Harvesters (HIH), the police, community, zoned consortiums etc. to work together and find possible solutions to secure this lucrative marine resource.

An example to illustrate how incoherent and fragmented action may impact negatively, rather than positively on small-scale operations, is when new entrants are awarded a sizable quota but is not able to find a plant to process its quota. This has happened because established industries were either functioning to capacity or aiming to keep new entrants out of the industry (Big News for Small Business December 1999:13).

The Fisheries Co-Management Research Report says "although the fisheries formulation process did not lead to any major adjustments in quota allocations or structures, it managed to bring people from different sectors together to discuss the problems facing the South African fishing industry, a major achievement of the policy."

Irrespective of a more transparent and equitable approach towards allocation of quotas, many obstacles and challenges are foreseen ahead before disadvantaged fishermen can be considered as equal partners in the process. Most importantly, the process of policy implementation has begun, the first positive step towards establishing a new fisheries policy for South Africa.

“Again, North’s observation (1990) seems applicable, that institutional change often occurs as a marginal adjustment of old structures rather than radical innovations or a total reorganisation”. (Fisheries Co-management research, 1997:169)

The creation of an Independent Access Rights Board (IARB), where the Minister is responsible for the allocation of access rights, is that such a board would be less vulnerable to political pressure, lobbying and nepotism. The latter statement was emphasised by (Hersoug, 1996), using the case scenario of Scandinavian countries where the same reasons were considered in determining the limits of the Minister of Fisheries management decisions.

It was believed that the allocation of valuable resources belonging to society should be a political decision that will ensure that the future of marine resources will be secured for generations to come. Hersoug (1996:50) concern remains, i.e. the question of fishermen’s participation to eliminate the problems of isolation as far as their future in the fishing industry concerns.

To conclude, attention is drawn to Kurien’s statement (1988):

“If fishermen’s organisations are to have more formalised roles in fishing management, they will require more empathy and support from many quarters: national governments, national fishing institutions, fish consumers, voluntary associations and international organisations”.

## BIBLIOGRAPHY

- Burman ,J. 1989. *A guide to the Riviera of the South*, Hermanus, Cape Town
- Carse T. 1959. *Die Bloudam is hul Oesland*, Cape Town: Haum.
- Hersoug B. and Holm P. 1998. "*Change without Redistribution: An Institutional Perspective on South Africa's New Fisheries Policy.*" Tromso: Norwegian College of Fishery Science, University of Tromso.
- Hersoug B. and Odd-Arne Paulsen. *Monitoring, Control and Surveillance in Fisheries Management*. Norwegian College of Fishery Science, University of Tromso
- Lees R. 1969 *Fishing for Fortunes: The Story of the Fishing Industry in Southern Africa and the men who made it*. Cape Town: Purnell
- Mouton J., and Marais, H.C. 1990. *Basic Concepts in the Methodology of the Social Sciences* HSRC Series in Methodology
- Robb F. 1975 *Fishermen of the Cape*, Cape Town: Longman Penguin Southern Africa
- Republic of South Africa. May 1997. *White Paper on a Marine Fisheries Policy for South Africa*, Minister of Environmental Affairs and Tourism
- Republic of South Africa, Government Gazette No. 20303. 1998. *Consideration of applications for fishing rights in terms of the Marine Living Resources Act (Act No 18 of 1998)*.
- Republic of South Africa, *Marine Living Resources Bill*, 1998. (as amended by the Portfolio Committee on Environmental Affairs and Tourism, National Assembly [94B-97]
- Republic of South Africa, December 7, 1999. *Ministry of Environmental Affairs and Tourism Press Statement*



Republic of South Africa, *Internal Audit: Investigation and Management findings of an Internal Audit of the Chief Directorate: Marine and Coastal Management*. December 1999. Report by the Acting Director-General of Environmental Affairs and Tourism.

White A.V. (ed.). 1994. *Building a New South Africa: Environment, Reconstruction and Development*. Ottawa: International Development Research Centre

**Miscellaneous Reports and booklets:**

Fisheries Co-management Research Project, Research Report No. 12  
Dept. Environmental Affairs and Tourism

A Strategy for Fisheries Development, Dept. Environmental Affairs and Tourism

Small-Scale Fisheries – Research Needs -

**Newspapers:**

*Big News For Small Business*, No.36, October 1999, p.10.

*Big News For Small Business*, No.37, November/December 1999, p. 13.

