Future Agricultures

CAADP Policy Brief

CAADP and Fisheries Policy in Africa: are we aiming for the right reform?

There has been much talk in the last few years about how agriculture is key to both poverty reduction and economic growth. In Africa, the New Economic Partnership for African Development (NEPAD) launched the Comprehensive African Agricultural Development Programme (CAADP) in 2003 with the objective to attract significant donor funding for a new push for agricultural development. Although fisheries are officially part of the CAADP, the sector has yet to demonstrate its capacities to contribute to the CAADP objectives. This brief reviews the main policy issues related to fisheries in Africa. It discusses in particular the current model (the so-called "wealth-based approach") that is being proposed as the overall policy 'blanket' for the continent's fisheries, and examines why this model may not be the most appropriate for African small-scale fisheries.

An apparent gloomy situation

The social and economic value of fisheries to Africa is vast, but remains largely unrecognised. For some 200 million people –about 30% of the continent's population– fish is the main source of animal protein and an important source of vital micro-nutrients (Heck et al. 2007). Fisheries provide a direct source of livelihoods to over 10 million Africans, many of whom are small-scale operators supplying food to local and sub-regional markets, while another 5 to 10 times more engage in inland fisheries as a secondary but critical activity in rural areas. Fisheries also represent the leading agriculture export commodity for Africa (and for other developing countries globally), forming a significant element of some national economies. Yet, according to some observers, the situation is rather gloomy.

The Fisheries Adviser to the United Kingdom Department for International Development (DFID) for instance told participants at the first Conference of African ministers of fisheries and aquaculture (CAMFA) organized in Sept 2010 under the auspices of the African Union (AU) and NEPAD, that Africa was losing between US$ 2 to 5 billion annually due to the mismanagement in the sector. Illegal fishing alone, he explained, accounts for some US$ 1 billion 'stolen' from the waters of sub-Saharan Africa every year, arguing that despite being Africa's most renewable natural asset, fisheries were yet to capture the attention of many donors and national governments in the region.

His pessimistic appraisal echoes the recent Partnership for Fisheries in Africa (PAF) created to support the CAADP in relation to fisheries

policy, which highlights that "with a few notable exceptions, African fisheries governance is typically ineffective, resulting in fisheries being overexploited economically and often well beyond biologically sustainable limits. Policy objectives are often poorly directed and apparently sensible policy choices often have unintended consequences" (PAF 2010).

The problem, the fisheries experts explain, comes from the failure of the actors of the sector to recognise how much wealth (understand 'rent') can be generated by the resource and to adopt instead some forms of short-sighted economic strategy leading to the dissipation of this rent –and subsequently to the over-exploitation of the resource. In this context, they argue, the only solution is to undergo a drastic fisheries reform, the main objective of which should be to establish the 'right' institutions that would allow capturing the huge wealth that the resource can generate (see e.g. Leal 2010). As one of these experts explained, while fish resources are limited by nature, in contrast "there is no similar limit to the sustainable value or wealth that can be generated from their exploitation" (Anon 2010). What is needed, therefore, is an institutional set-up that helps capturing 'the wealth of the ocean' and turning it into an economic surplus.

Thus the participants to the CAMFA were asked to return to their own countries and convey a reinsuring message: the African fisheries disease is about to be cured and the name of the medication is "wealth-based approach".

The real problem, of course, is that the reality is not that simple. While there is no doubt that fisheries resources –like other natural resources: forest, pasture, or water- can indeed be overexploited, reducing the issues of African fisheries to a rent-dissipation and pirate fishing problem is a rather simplistic way to formulate the issue. What we propose to do in the rest of this paper is to revisit some aspects of the African fisheries policy narrative as it is being constructed in the CADDP and PAF arenas. For this we draw on a series of recent policy documents that were published in preparation to the CAMFA conference. In particular we are intended to challenge some of the statements made in these policy documents, highlighting how these have led to the 'closing down' of the policy debate toward one narrow pathway: the wealth-based approach.

The Social protection function of fisheries

First, one reasonable question to ask is: is the situation of the fisheries in Africa that gloomy? Not quite. Many fish experts would agree that fisheries and aquaculture in Africa still represent largely untapped potentials. While much of the coastal fishing areas around the African continent have been reported to be either fully or over-exploited, it is apparent that inland fisheries are still fairly healthy, accounting for almost one quarter of the world production and avail an opportunity for further expansion in exploitation. Likewise aquaculture production grew by an average of 13% between 2005 and 2008 across Africa -although it still represents less than 1% of the world total aquaculture production.

Perhaps more importantly than the potential expansion of fisheries (which is, as we pointed out above, intrinsically limited by the depletable nature of the resource) is the recognition that fisheries in the world –and in particular small-scale fisheries- have so far, and will continue in the future, to play a remarkable role in poverty alleviation, essentially through their capacities to absorb surplus labour. Thus, the number of full-time fishers recorded in the world has increased at an average rate of 2.5 % per year in the last 20 years -a total of 400% since 1950- representing a faster expansion than the agricultural sector (35% growth over the same period). In other words, the small-scale fisheries

Table 1. The social protection functions of small-scale fisheries

	Welfare mechanisms	Beneficiaries	Strategies
Pro-poor dimension of fisheries:	Labour buffer / safety valve: Poor rural household rely more heavily on common-pool resources	Poor households unable to maintain a minimum living standard	Ex-ante strategy against long-term structural poverty
Safety-net capacity of fisheries	Safety-net effect: Fishery provides alternative and/or additional source of support in case of chock	Vulnerable households -may or may not be below the 'poverty line'	Ex-post response against transient poverty / chocks

Source: Béné et al. (2010).

sector -so often denigrated for its backwardness, lack of productivity and inability to generate wealth - has, over the last 40 years, been proportionally more efficient in absorbing the excess of unskilled labour in the developing world than the agricultural sector.

What these numbers do not reflect well however is that those fisheries are not necessarily "poverty traps" or "last resort activities" in which people fall and from where they are never able to exit –in sharp contrast to what is sometimes asserted in the literature. Analysis shows instead that the number of fishers operating in fisheries fluctuated greatly over time, revealing the remarkable occupational and temporal mobility of people in particular in Africa. In the case of Lake Mweru in Zambia for instance, recent works showed that between 1992 and 1997 no less than 3000 fishers left the fishery for other opportunities in other sectors (Jul Larsen et al. 2003). Some would even argue that this conclusion apply on a more general basis: although mobility out of fisheries is in theory reduced by the amount of capital invested in

Box 1. The safety-net capacity of fisheries

In periods of individual or collective economic crisis, fishing can provide alternative or additional sources of income, employment and food for the poor and vulnerable households whose livelihoods have been temporarily reduced or affected by unexpected shocks. Idiosyncratic shocks can happen for example when a household head loses his or her job, or when farm crops fail. Crisis can also take the form of covariant shocks, when the whole local or even national economy suddenly deteriorates or collapses. Recurrent civil wars or military conflicts, population displacement and natural disasters –all frequent in developing countries- also create circumstances where affected households turn to fisheries as additional or alternative sources of income, food or employment. One of the most famous examples of safety net function played by small-scale fisheries is the case of the Lake Kariba at the border between Zambia and Zimbabwe. Three times over the last 40 years, the fishery has provided such a safety net for the southern African population. First, in the mid-1970s when several thousand miners working in the copper-belt in Zambia lost their jobs, migrated to the Lake region, and undertook fishing as an alternative livelihood; second, a few years later during the Zimbabwean Independence War when several hundred families moved to the Lake region for security reasons and entered the fishery to ensure minimum revenues until the security situation in their region of origin had improved. More recent information suggests that the fishery is again playing this role with an increasing number of Zimbabweans moving back to the lake following the recent economic collapse of the country.

fishing assets, "for most artisanal fisheries, and especially those in low-income countries, the assets tied up in fishing are not that great, and mobility is relatively high" (Allison and Ellis 2001, p.383).

Several mechanisms have been described in the literature by which fisheries play an important social protection function (Table 1). These, which can be grouped under 'labour buffer' and 'safety net' mechanisms (see e.g. Box 1), have been shown to be critical in contributing to poverty prevention in sub-Sahara Africa. It is important to understand, however, that these different mechanisms have been successful in preventing millions of people from falling deeper in poverty principally because these people have been able to enter the fishery sector temporary -or for a more substantial period of time-, either as an ex-post response to unexpected shock or crises (safety net), or as a main livelihood option for (rural or urban) surplus labour (labour buffer). These social protection functions were made possible however thanks to the 'porosity' of the sector (people getting in and out the fisheries) –which is exactly what the advocates of the wealth-based approach would declaim as the 'failure' of the current African fishery management system.

Challenging the wealth-based narrative

In the logic of the PAF fisheries experts, the critical underlying issue is indeed the 'open access' nature of the fisheries: "Amongst the more damaging [consequences] is that fishers and policy makers regard fish resources as if they were free goods. Treating fisheries this way invites destructive behaviour that only maximises the benefits of those fishing" (PAF 2010). Within this narrative, the way to tackle the problem is straightforward: we need to 'fence' the fishery, restrict its access to a limited number of operators through an efficient fishing rights system. This is then expected to lead to the maximization of the sector's wealth (the economic rent), increase (or restoration of) the profits of the operators who remain in the fishery, and presumably lead to the redistribution of benefits to the rest of the society. The argument is attractive, and the approach have seduced many development agencies advisors (including some of the World Bank, FAO, and DFID) who see the wealth-based model as the only way to create enough wealth from fisheries to contribute to economic growth and poverty reduction. We should emphasise here that the community of opinion that now supports the 'wealth-based' perspective is spread through a number of agencies, not just DFID, and that the view has its origins in countries which have passed on to highly capitalised, low labour fisheries sectors (Norway, New Zealand, Iceland, etc.)

What will happen during this 'reform' process to the households who are excluded from the fisheries is not clear though. Admittedly, the experts recognise: "The precise change will depend on the particular circumstances of the fishery and on choices made concerning use rights and fiscal arrangements. It is likely however that there will be *a reduction in the direct labour share and an increase in profits* (...). Such changes can lead to some difficult issues, and it will be important to analyse potential impacts of policy change and to identify mitigating measures as necessary" (Anon 2010) (our emphasis).

What exactly would be the reduction in labour share and its social cost if we were to apply the wealth-based approach to African fisheries? Answering this question directly is difficult as such reform has not been yet implemented. But experience elsewhere in the world can provide some initial (rough) indications. Based on historical data from Norway, Béné and his colleagues (2010) showed that transforming the Norwegian fisheries (that supported hundreds of thousands of small-scale operators

before WWII) into the powerful wealth-generating, highly capitalised fishery that it is today had been done at the expensive of a 90% reduction in the number of fishers. At the scale of Africa, this would mean that approximately 9 out of the 10 million people that are directly dependent on fisheries in Africa as full-time fishers and/or fish traders would have to exit the fishery sector to leave the remaining 1 million the chance to create wealth and accumulate rent. This figure however does not account for the other (approximately 90 million) farmers and resource-poor who engage in fishing as part of a diversified livelihood strategy. Nonetheless, if we 'neglect' these and focus only on the 10 millions who depend directly on fishing, and we assume that the daily income derived by those men and women is, say, US$3 per day, a back-of-the-envelope replacement cost calculation suggests that the value of the labour buffer function offered by African small-scale fisheries (i.e. the process of maintaining those 10 million people above a poverty line of US$1.25 per day) is worth US$5.8 billion per year. This US$5.8 billion value is equivalent to, or possibly twice as large as, the US$ 2 to 5 billion which are estimated to be lost annually due to the 'mis-management' of these fisheries. In other words, even if the new management system put in place was successful enough to capture and redistribute the rent generated (an assumption which is quite disputable), the wealth created would not be enough just to compensate the people who would have been forced to leave the fisheries.

Under-estimating (or omitting) the social costs of the fisheries reform is not however the only weakness of the wealth-based approach. When it comes to 'demonstrate' the empiric evidence of its success, the experts are eager to refer to "countries with increasingly successful fisheries [such as] Iceland, Norway, the USA, Canada, and Australia" (Anon 2010).

We would argue that in a similar situation, if some international consultants debating the right pathways to agricultural development in Sub-Sahara Africa were to refer to the USA, Canada, or France to demonstrate the pertinence of their models, no doubt that their colleagues –including those from the South- would point out the ludicrousness of the argument. It is now well recognised that the structural and economic transformations which developing countries are going through as part of their economic and societal development, are substantially different from those through which now-developed countries went through few decades ago. Strangely enough this reality does not seem to emerge in the fishery spheres, and the experts from the South who are engaged in the PAF initiative seem to fully endorse the argument put forward by the wealth-based approach consultants.

In the same rhetoric that leads them to declare that "what is true for New Zealand should be true for Mali" (see above), the wealth-based approach experts also claim that there is no difference between large and small-scale fisheries. As explained in the commissioned paper titled 'Wealth generation opportunities of African fish resources': "it will be useful to investigate the extent to which such characterization [small-scale versus large scale] is useful as policy entry points or whether the ultimate objectives are better achieved in other ways (e.g. by *including all fishers regardless of scale in the common framework*)" (our emphasis). This claim is made even clearer in another background paper which "highlights the generality of the economic analysis of the fisheries problem and the foundation that [the wealth-based approach] provides for practical solutions. This is to be compared to the alternative, which continues to see small-scale fishing as qualitatively different to other kinds of fishing (that may have various epithets—industrial, large-scale, etc). (...) Starting from this position, the

[Wealth-based Fisheries Management] sees small-scale fisheries as one group of exploiters of fish resources that must be integrated into fishery management plans in the same way as any other user" (Cunningham et al. 2009).

The fact that some international experts who worked for many years in fisheries can make such statement is relatively surprising. More surprising however is that African leaders and African fisheries experts endorse it with no discussion. Indeed: a modern Norwegian purse seiner would cost between 150 and 250 million Norwegian Kroner (≈US$25-40 million), while a plank boat in Malawi costs 10,000 Kwacha or less (US$75), i.e. ≈30-50×$10^4$ times less. The Norwegian fisher working on the purse seiner can catch up to 180 tonnes of fish per year while the farmer-fisher of the Lower Shire Valley in Malawi with his plank boat will catch during the same period about 1.7 tonnes (hundred times less). The Norwegian fisher has a life-insurance, unemployment scheme, a regular monthly salary (plus bonus) and his wife gets the fish that the family consumed every week from the nearby supermarket. The fisher-farmer from the Lower Shire has lost his wife from HIV/AIDs last year, grows maize on 0.25 ha and catches fish (with no license) during the receding season with his oldest son (12 years old). He and his 4 kids consume about 25% of his own catch every week. The wealth generated by the Norwegian fisheries is worth millions of dollar which are efficiently and effectively redistributed by the Norwegian state to the society in the form of supply of public services, education, health, retirement plan, etc. The wealth generated by the Lower Shire fishery is nil, but the 5 kg of fish that this farmer brings back home every week is the only source of vitamin A for his 4 children, and the 1000 Kwacha that he gets from selling the rest of his fish represents 35% of his total cash income for the week, allowing him to pay (partially) the school fees of his two daughters and their malaria medication during the rainy season.

Conclusion

Generating no wealth (rent) as in the case of the Lower Shire fishery –but also in a large number of other fisheries in Sub-Sahara Africa- does not mean that those fisheries are worth nothing. By reducing the value of fisheries to their rent, the wealth-based approach singularly misrepresents the real contribution that these small-scale fisheries play for the livelihood and food security of millions of people in Africa.

While rent extraction and wealth generation may be a legitimate objective for developed countries' fisheries where the appropriate institutional and governance conditions are in place to ensure that this rent is created, captured, and redistributed and that the benefits trickle down to the rest of the society (and not only to the few operators left in the fishery), empirical experience suggests that wealth-based model is not adapted to the large majority of small-scale fisheries operating in developing countries, in particular in Sub-Sahara Africa. In those countries, a severe lack of capacity and resources, and a weak public and private institutional context make it very difficult to ensure the creation, or subsequently the equitable redistribution, of this rent. In these conditions, relying on rent maximisation as the main path to poverty alleviation appears quite disconnected from the reality faced by fish-dependent communities in these countries. What field data reveal, instead, is that the main contribution of small-scale fisheries in developing countries may lie, paradoxically, in their semi-open, or common access, nature. For the large majority of households involved in fishing activities (full-time, temporary or occasional) in those countries, fishing and related activities may not generate high economic returns but it helps sustaining their livelihoods and prevent them from falling deeper into deprivation.

The literature reveals how important this poverty-prevention function is for the poor and vulnerable, especially in remote areas where alternative employment may be scarce and social-security programmes either minimal or nonexistent. In these areas fisheries play a critical role as an informal 'social protection system' for the resource-poor – a system which would otherwise have to be provided through other forms of social support by local or central governments.

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