

In the throes of birth pangs

Sifting through accusations and recriminations, the long and the short of Chile's new fisheries law are outlined here

It has been a long and difficult birth for Chile's new fisheries law. And if the recent bitter public disputes recorded in the Chilean press are anything to go by, the birth pangs are far from over.

The new law establishes a system of individual transferable quotas (ITQs) for Chile's most important commercial fish stocks. Its conception was prompted by the crisis in the industrial fishery caused by gross overcapacity and the associated problem of the 'race to fish'. The new law also has major implications for the Chilean artisanal fishing sector.

The passage of this law to privatize access rights to Chile's fishery resources comes at a time when Chile has just signed, or is in the process of signing, a large number of free trade agreements (FTAs). As well as providing market access for Chilean products to over 1.2 billion consumers in Asia, Europe, North America and Latin America, these FTAs also provide the possibility for direct foreign investment in Chile's fisheries—and fish quotas. This has set alarm bells ringing in the artisanal fishery, where there is a fear that Chilean fish stocks will be bought up by foreign investors, transforming this independent sector into a source of cheap labour.

The first birth pangs were felt in January 2001 when a 'transitory' law was enacted for two years, valid until 31 December 2002. This established transferable catch quotas, to be allocated to individual boatowners, for Chile's fully exploited fisheries. These fishing quotas were only applicable to industrial vessels, that is, those over 18 metres in length. The law was designed as a temporary breathing space for discussions and negotiations to build consensus around a more complete law—the so-called 'long law'.

However, the passage of the long law through the Chilean parliament became bogged down, with over 900 amendments proposed. In mid-2002, aware of the approaching deadline of 31 December, the government proposed that the transitory law be extended for a 10-year period. This so-called 'short law', *inter alia*, established an 'artisanal extraction regime' through which a proportion of the quotas are allocated to the artisanal fishing sector (to organizations, individuals or fishery enterprises). In the meantime, the long law will next be presented to the Chilean parliament in September 2004.

The birth of the new bill has caused deep divisions within Chile's artisanal fishing communities. It has also created new strategic alliances between actors in the artisanal and industrial fishing sectors, where industrial companies lease part of their quota to the artisanal fleet that fish in the 5-mile reserved zone—the first tentative step towards feudalization.

The birth process has also continued to exclude Chile's original fishing people from legal access to the sea. The Lafkenche and the Mapuche-Huilliche communities have long livelihood and cultural traditions associated with the sea, shellfish gathering and fishing. These traditional community-based rights are not recognized by Chile's fishery law, which rules that only formal syndicate or *gremio*-structured artisanal fishing organizations may have fishing rights.

Livelihood source

Illustrative of the divisions and controversy surrounding the law is the fishery for common hake (*Merluccius gayi*, known locally as *merluza común*). Popularly called *pescada*, this is Chile's most widely eaten fish, and a vital source of livelihood for some 14,000 artisanal

fishermen in Chile's central and southern regions.

Under the provisions of the short law, 35 per cent of the common hake quotas are allocated to the artisanal sector. However, it is reported that catches have dropped so low that many artisanal fishermen are currently receiving income support from the government to compensate their loss of earnings.

Likewise, 900 processing workers are reported to have been laid off by companies unable to obtain sufficient raw material, and a further 300 workers have not had their contracts renewed.

According to a recent report by the University of Concepción, the methods used to estimate common hake stocks are fundamentally flawed. It claims that there is roughly only half the quantity of hake in Chilean waters as indicated in the official statistics of the Institute for Fisheries Promotion.

This claim has been hotly disputed by the Institute of Fisheries Research (Inpesca). While acknowledging that there may be some environmental factors acting on hake stocks, Inpesca says that there is no problem of overexploitation or faults in the stock evaluation methods. One of the main environmental factors acting on the hake is held to be the widespread

invasion of squid. These are said to be the cause of significant predation (and non-fishing mortality) on hake stocks.

Cosme Caracciolo, the president of the national artisanal fishermen's organization, CONAPACH, lays the blame for the hake declines firmly on the system of fisheries management based on ITQs. He also attacks the government's limited capacity to monitor and control the fishery, since it only monitors what is legally landed. Caracciolo claims that the fishing methods used by the industrial sector (bottom and mid-water trawling) are non-selective and highly damaging to the fishery. He points out that these make large catches of hake below the commercially optimal size, which are discarded at sea. Caracciolo claims that if undersize hake discards are included, catch rates would be at least five times what are currently recorded, and that this is placing unsustainable pressure on the hake biomass. It is also noteworthy that while artisanal fishing operations are restricted to designated areas where the vessels are registered, the industrial fleet is free to migrate up and down the coast, and to land wherever they choose. This makes the industrial operations particularly difficult to control.

Artisanal fishers

Faced with an absence of hake, and with an abundance of squid, many artisanal fishermen in the central region, notably

around San Antonio and Valparaiso, have made significant investments to catch, process and export squid.

Given the relatively low value of squid, such operations require high catch rates. According to CONAPACH, every tonne of squid caught incurs costs of 30,000 pesos (some US\$40), while earning 50,000 pesos (some US\$70). This excludes crew wages of around 20,000 pesos (some US\$27), and leaves little margin.

The fish law row has recently intensified due to the approval of an amendment to the short law (Resolution 174). This gives the Fisheries Sub-secretariat discretionary powers to allow foreign fleet access to squid within Chile's exclusive economic zone, granting licences for up to one year. Furthermore, on June 1 2004, through several resolutions, the Fisheries Sub-secretary granted fishing licences to a number of industrial vessels to catch squid for fishmeal.

These developments directly undermine the efforts being made in the artisanal sector to catch, process and export squid. Also, as noted by Caracciolo, "the artisanal fishermen are catching squid for direct human consumption, while the industrial operations are reducing it to fishmeal for salmon aquaculture." To emphasize this wasteful use of resources and to promote their cause, CONAPACH celebrated the feast of Saint Peter on June 28 by offering dishes prepared with squid caught by the artisanal fishermen.

The long and the short of it seems to be that Chile's artisanal fishing sector is being severely restricted by the new law, and unfairly discriminated against in the face of lax controls over industrial operations and foreign competition. The new baby of the Chilean fisheries law would also seem to be exacerbating an intense sibling rivalry and internecine conflict that is dividing the sector and threatening the artisanal fishers' way of life. Privatization of fisheries may be good for business and foreign trade relations. But can it help conserve fish stocks, maintain employment, reconcile conflicts of interest and allocate resource benefits equitably? Surely these should be the priorities of any new fisheries law. 🐙

This article is by Brian O'Riordan (briano@skypro.be) of ICSF's Brussels office