

# Undoing a Great Wrong

**Small-scale fishing communities in Chile are up in arms against the imposition of a new fisheries law and the neoliberal paradigm**

Chile stretches along the southeast rim of the Pacific Ocean. The seas off South America's southwestern coast are one of the five most productive and biodiverse marine areas on Earth. After 50 years of applying an orthodox neoliberal economic model, fishing and aquaculture comprise the second largest sector of the Chilean export economy, with an annual production of 3.4 million tonnes, valued at US \$8.5 billion.

Chile ranks 12th among the world's largest landers of fish, crustaceans, molluscs and marine invertebrates. It is also the world's second largest producer of fishmeal, the fifth largest exporter of seaweed for human consumption, the leading exporter of mussels (bivalve molluscs), and the second largest producer of industrially farmed Atlantic salmon (*Salmo salar*).

## A decade of corruption

Both the civil and military dictatorship of 1973-1990 and subsequent civilian governments made several attempts to privatize Chile's valuable fisheries. They failed due to the resistance of citizens' organizations and coastal communities. However, the imposition of the neoliberal fishing export model succeeded through a corrupt parliamentary negotiation between the then minister of the economy, government officials, politicians and some artisanal fishing leaders, who privatized Chilean fisheries through the enactment of a law in January 2013.

This flawed legislation handed over the ownership of fisheries for free—and in perpetuity—to seven Chilean business clans and transnational companies. It eliminated the State as the assigner of property rights, as well as the access and use of the country's fisheries resources. That capacity was transferred to the market through a system of fishing licences and individual

transferable quotas (ITQs), which are legally bankable and tradable.

This authoritarian restructuring of the fishing sector allowed the neoliberal civilian governments of the last decade to implement their technocratic and modernizing agendas. In turn, this opened extensive coastal territories and their valuable biodiversity to investment flows from the implementation of various agreements, including free trade agreements, consolidating Chile's role as one of the main exporters of marine protein to global markets.

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## New power relations, speculation

The new law eliminated indigenous communities and small-scale fishers who were not boatowners as "legal subjects" with rights to access and use Chile's marine resources. Only 10 per cent of the total fishing quotas were allocated to 12,901 boat owners, called 'artisanal shipowners', who constituted 13 per cent of the total number of artisanal fishers officially registered.

The heterogeneous fleet of vessels classified as artisanal includes the so-called lanchas that are 12-18 metres long overall and have up to 80 cubic metres of hold capacity. These semi-industrial vessels represent 72 per cent of artisanal fishing landings; they are used by fishers who do not own boats.

With the creation of an active market for the purchase, sale, lease, mortgage and even inheritance of fishing licences and ITQs, the

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Artisanal fishermen in a cove in Puerto Montt, Chile. The new law eliminated indigenous communities and small-scale fishers who were not boatowners as “legal subjects” with rights to access and use Chile’s marine resources

30

‘speculative phase’ in Chilean fisheries began. It has facilitated the processes of company mergers and economic concentration. While nine large industrial companies control 18 of the 21 main Chilean fisheries, banks and the financial system have increasingly become owners of fishing licences and quotas, as well as aquaculture concessions. A section of ‘artisanal shipowners’ has emerged as rentiers, through the leasing of their annual fishing quotas.

#### Environmental impacts

Neoliberal policies mean that about 70 per cent of fish catches are destined for export, while the majority of pelagic fish catches and some bottom-fish species are transformed into fishmeal and fish oil, destined as raw material for the animal production and pet food industry.

The application of this extractive export model, together with weak governmental control, has had a destructive impact. Up to 57 per cent of

Chilean fisheries are in a state of over-exploitation and collapse, while illegal fishing volumes exceed legal catches by 300 per cent.

The increase in exports of marine products has been detrimental to the consumption of marine protein by the Chilean population, the annual average of which is only 11.7 kg of fish per person. It is below the per capita global annual average of 20.4 kg, according to the Food and Agriculture Organization of the United Nations (FAO).

This is despite 15.6 per cent of Chile’s citizens suffering from moderate food insecurity and 3.8 per cent from severe food insecurity, according to 2023 COFI/FAO’s State of Food Security and Nutrition in the World.

#### The transformation of small-scale fisheries

There are 467 coastal communities called caletas along the 4,200 km of coastline and 30,000 km of protected coastline in which live and work 101,245 artisanal fishers. Their production is

equivalent to 32.7 per cent of Chile's fishery and aquaculture production.

These small-scale fishing communities are facing a deep reconfiguration of their living and working spaces. Pressured by the ageing of their male labour force, they bear various impacts from climate change, marine pollution, over-exploitation of fisheries and a growing occupation of coastal territories by mining, aquaculture, port, energy, real estate, tourism and industrial shipping projects. In terms of production, Chilean artisanal fishing has been reorienting the destination of its catches, becoming a growing supplier of raw materials for industrial fishing companies and export processing plants, while coastal communities are turning to marine farming, services or tourism.

Two revitalizing dynamics have emerged in the middle of all this. The number of women in the Chile's artisanal fishing sector increased from 22,063 in 2019 to 25,181 people in 2022, showing great dynamism and greater adaptability to new scenarios. There are currently 25,181 women (24 per cent of all artisanal fishers) who are boatowners, fishers, divers, seaweed and mollusc gatherers, fish smokers, or working in the marine, farming, services and tourism sectors. In addition, there is a growing development of small-scale aquaculture activities linked to the production of macro-algae, molluscs and bivalves. There are currently 714 owners of 800 cultivation centres, whose production is destined for local markets or intermediaries.

### A parliamentary annulment

In an unprecedented event in September 2022, the Maritime Interests and Aquaculture Commission of the Chamber of Deputies declared the new law on fishing and aquaculture "undeniably null and void". This decision was a response to a decade of sustained struggle by citizens' organizations and coastal communities, which had previously led to the conviction of parliamentarians for bribery.

After a year of meetings and negotiations with the industry and organizations of the artisanal sector, the government of Gabriel Boric announced that it will send to

## Conditions of Democracy

The demands of the citizens' movement and Chilean coastal communities to recover their rights taken away by the corrupt 2013 law:

- \* Restitution to the State of absolute, exclusive and imprescriptible dominion over the country's fishing patrimony, restoring its capacity to assign property rights, access and use of the country's marine resources and coastal areas;
- \* Elimination of the IRQ system, wherein fisheries are only perceived as negotiable goods and property and for the exclusive benefits of investors and owners of licences, fishing quotas and aquaculture concessions;
- \* Recognition that fisheries and coastal territories constitute a common patrimony that cannot be handed over as private property of an indefinite nature and tradeable legally;
- \* Strategic valuation of small-scale fisheries and aquaculture in the implementation of public policies for food security, public health, poverty alleviation and regional coastal development;
- \* Incorporation of a gender perspective in policies for strengthening artisanal fishing and small-scale aquaculture communities;
- \* Increased consumption of high biological quality marine proteins by the Chilean people, weakened by five decades of neo-liberal export policies. This measure, under a public health approach, should be complemented with the reduction of the high volumes of pelagic species, and some demersal species, to produce fishmeal and fish oil for the transnational animal feed industry; and
- \* Declaration of Chilean hake (*Merluccius gayi*), southern hake (*M. australis*), pilchard (*Strangomera bentincki*), anchovy (*Engraulis ringens*), golden kingklip (*Genypterus blacodes*) and squid (*Dosidicus gigas*) as fisheries exclusive for the artisanal sector.

parliament a draft of a new fishing law before the end of 2023. As a foretaste of the lobbying power of the salmon farming industry, the executive announced that the regulations for aquaculture will be discussed independently as an exclusive law for this productive exporting sector.

Coastal communities, small-scale fishers and citizens' organizations are on alert in the face of the possibility that the business sector controlling Chilean fishing and aquaculture, together with parliamentarians and high-level officials, may try to "make up" the text of the annulled law. They could achieve this through secondary changes or populist proposals, in order to maintain and consolidate the loss of the rights of indigenous communities and small-scale fishers through a privatizing logic in the new legislation.

For this reason it will be crucial to ensure a transparent parliamentary discussion, ensuring public oversight and the informed participation of the socio-environmental movement. The citizens' demands must remain front and centre to undo the historic wrong committed against small-scale fisheries of Chile (see box). 📌

### For more



#### Panorama de la pesca artesanal

<https://www.subpesca.cl/portal/616/w3-article-645.html>

#### Chilled Out

[https://www.icsf.net/wp-content/uploads/2021/06/4289\\_art\\_Sam76\\_e\\_art02.pdf](https://www.icsf.net/wp-content/uploads/2021/06/4289_art_Sam76_e_art02.pdf)

#### Nulidad ley de pesca: Comisión de Intereses Marítimos despachó la iniciativa a su par de Constitución

<https://www.senado.cl/nulidad-ley-de-pesca-comision-de-intereses-maritimos-despacho-la-mocion>

#### Coevolutionary decoupling in artisanal fisher communities: A temporal perspective from Chile

<https://www.sciencedirect.com/science/article/abs/pii/S0921800922000854>