Capturing Fisheries Value for Tribal Economic Development in Aotearoa/New Zealand

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Ngai Tahu territory in New Zealand’s South Island.

Waipapa Point, Catlins, New Zealand
Tribes in New Zealand look like mini developing countries with highly enforceable property rights.

Ngai Tahu investment properties.

Ngai Tahu fishing community.

Ngai Tahu is a $1 billion Maori coastal tribe with high unemployment for tribal members, many former fishers.
Problem

Most tribal fishers did not receive quota and can no longer fish commercially.

The tribe obtained commercial quota rights in 2004.

How should tribes manage commercial fishing rights? Should you lease quota to highest bidder or allocate to tribal members?
Examine how tribe can obtain maximum value for fishing rights by identifying barriers to value creation in fish supply chain.

Value in fish supply chains comes from:

1. Production – enforceable rights and ability to harvest fish.
2. Technology – increased efficiency through fishing & processing technologies.
3. Markets – access and information transfer about supply chain to consumer.
Processor-lease models disincentive maximum value creation for fish, fisher-held quota allocation models do not.
1. Outline processor-lease model & factors dis-incentivizing value creation.

2. Outline fisher-held quota model & factors that incentivize value creation.

3. Introduce case-study example of fisher-held quota model.
Most tribal quota is leased in packages to fish processing companies who lease it on to fishers.
For tribes, leasing quota in packages ensures quota in small share holdings and quota for hard to access species is fished.

For processors, leases override aggregation limits and package exports ensure low-value fish is sold.

For fishers, fishing with a big company ensures access to quota to cover by-catch.
Fisher leasing quota must land to company and has little negotiating power.

In lease model, fish is aggregated and sold, obstructing possibilities for added value through traceability.

Technology and capital transfer to fisher for improved efficiency does not occur, diminishing value.

Fisher leasing quota must land to company and has little negotiating power.
Fisher operates as share-cropper for fishing company, does not receive sufficient capital for technological improvements.

(1) Obstacles to value in lease model.

Fishing Rights

Fish processing company

Ngai Tahu flounder fisher.

Fisher receives $1-2/kg from quota holding processor.

Fisher’s flounder selling locally for $10/kg.
Quota for culturally significant species is allocated directly to tribal fishers who can contract directly with overseas companies.

Diagram:

- **Fishing Rights**
  - Te Rūnanga o NGĀI TAHU
  - Tribal quota owners
  - Tribal fisher
  - Fresh fish
  - Market Access
  - Fishing & processing technologies
  - International fishing company
  - Shimano

(2) Fisher held quota model.
Restrictions on quota ownership & fisheries enforcement ensure transparency and consistency in value chain for maximum value realization.

Fishers with quota rights provide fish to international company with full information transparency.

International company provides capital and technology to fisher.
Getting quota from Te Runanga risks privileging some at expense of others.

Currently, only culturally significant species are allocated directly.

Fishers lack access to international companies.
Eel quota leased to tribal fishers promotes economic development for Ngai Tahu communities.

Tribal fishers employ unemployed tribal members.

Tribal fishers hold quota negotiate prices with exporters.

Tribal fishers provide monitoring data to tribal scientists.
1. Lease models are hierarchical with fisher operating as sharecropper.

2. Relationship between international company and fishers with quota is reciprocal.

3. Fisher-held quota promotes regional economic development.
Conclusion

Property rights held by producers who contract with international companies incentivizes highest value for fish in market and to fishers.
Eels prepared traditionally, drying before smoking.

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