policy brief

Sharing Benefits from the Coast in South Africa
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Coastal resources in South Africa are vital for local coastal communities, many of whom live in abject poverty. These resources also hold significant value for a number of different sectors, such as mining, fisheries, forestry and tourism, many of which supply expanding global consumer markets. Although these activities provide many opportunities for economic development and income generation, global patterns indicate growing levels of economic inequality between custodians of these resources and those exploiting them, as well as an increasing incidence of poverty.

Benefit sharing is a popular term to describe interventions to redress inequalities, and thus alleviate poverty. The expression was originally developed in the context of bioprospecting, but today the term is adopted much more widely to encompass a diversity of different sectors. We explored a range of economic sectors use coastal resources along the South African coast. For example, the mining sector extracts titanium from coastal dunes along the KwaZulu-Natal coast; the forestry sector has extensive plantations located in areas that historically comprised coastal indigenous forest; the fisheries sector includes a wide diversity of intertidal and inshore resource harvesting; and the tourism sector utilises coastal land and beaches. These activities bring various ecological, economic, social and cultural benefits to local people. Moreover, most households are involved in two or more of these sectors, demonstrating the significant linkages between sectors and their impacts on livelihoods. However, many of the benefits that emerge from these sectors are often paralleled by equivalent or greater losses.

Weighing the mussel harvest at Sokhulu

Photo: Rachel Wynberg

Introduction

The research was conducted in both South Africa and Mozambique. In South Africa, case studies included the communities of Sobhuza and Mbonambi in the KwaZulu-Natal Province and Mankosi in the Eastern Cape Province (Figure 1). These case studies represented marginalised or poor communities reliant on coastal resources, and also included so-called benefit-sharing arrangements (e.g. fishing committee to determine the allocation of permits or a shareholder scheme to distribute profits from mining or tourism). We explored a diversity of arrangements between the state, community, non-governmental organisations (NGOs) and/or business and also investigated a range of sectors, including forestry, fisheries, tourism, agriculture, mining and conservation. Because communities often pursue a diverse portfolio of livelihoods, across sectors, we also explored interactions of benefits and losses between sectors. Both quantitative and qualitative research methods were used and included 515 household surveys, 46 focus groups and 61 key informant interviews.

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1. Ensure that decisions are informed by the interlinking benefits and losses between sectors

A range of sectors (e.g. mining, tourism, fisheries, forestry) use coastal resources and have impacts on coastal communities. Interlinkages between these sectors must be taken into consideration in policy implementation and economic development planning to enable coherence and effectiveness. Benefits within and across sectors need to be understood in relation to the losses in order to minimise negative impacts on communities.

- A range of economic sectors use coastal resources along the South African coast. For example, the mining sector extracts titanium from coastal dunes along the KwaZulu-Natal coast; the forestry sector has extensive plantations located in areas that historically comprised coastal indigenous forest; the fisheries sector includes a wide diversity of intertidal and inshore resource harvesting; and the tourism sector utilises coastal land and beaches. These activities bring various ecological, economic, social and cultural benefits to local people. Moreover, most households are involved in two or more of these sectors, demonstrating the significant linkages between sectors and their impacts on livelihoods. However, many of the benefits that emerge from these sectors are often paralleled by equivalent or greater losses.

- For example, although there may be economic benefits from mining, it also leads to the loss of livelihoods through pollution and flood events in people’s fields; destruction of indigenous forests, prohibiting access to and use of forest resources; reduced access to the coast and its resources; negative impacts on fishery resources through water abstraction and siltation; and reduced tourism opportunities (Figure 2). Communities often perceive these losses to exceed the monetary benefits they may receive from mining through employment, highlighting how an intervention in one sector can have serious repercussions in other seemingly unrelated sectors. These factors need to be taken into account when decisions are made about whether or not to permit mining, including the substantial non-monetary values which communities derive from natural resources.

- Linkages are also evident between the fisheries and tourism sectors. Tourism may benefit local communities significantly through employment, training and capacity development and enhanced livelihood opportunities, such as providing a market for marine resources. However, an increased demand for fish products by tourists may also

Key findings and policy recommendations

Weighing the mussel harvest at Sokhulu

Photo: Rachel Wynberg

Exploring mixed dunes with Canarium. Richards Bay

Photo: Rachel Wynberg

Figure 1 Case study communities in South Africa
In the forestry sector, plantations can benefit livelihoods, through income generation and the provision of useful material, and lead to livelihood losses, through the destruction of indigenous forests and over-use of water. Along the KwaZulu-Natal coast it is important to revisit historical decisions, both about the removal of indigenous forests and their replanting with alien species that may have little value to communities.

The research reveals that the characteristics of different sectors and resources lead to different benefit outcomes. For example, although agriculture is mostly pursued for subsistence purposes, most households benefit from this sector and do not associate it with significant losses, with a similar trend noted for forestry. In contrast to mining, which is driven by a multinational corporation exploiting state-owned mineral resources, both agriculture and forestry are activities pursued in homesteads and communal areas by individual households with autonomy in decision-making. This suggests a linkage between benefits, and the access, control and ownership of land and resources.

Rights and access to resources are also central in the fisheries sector, but these are underpinned to a large extent by the common pool nature of fisheries resources, and strong national and provincial government rules, applied in regulation and management. Although fishing permits were perceived by the majority of fishers at all study sites as an important benefit, different policy approaches to the management and sale of resources play a key role in benefit distribution. For example, in KwaZulu-Natal, the introduction of a co-management approach to fisheries management and the provision of subsistence fishing permits has formalised access rights, which were historically illegal. Recognition of these rights was considered a substantial benefit by fisher communities. However, prohibitions on the sale of resources were perceived by communities to curtail benefits, and reduce livelihood opportunities. In the Eastern Cape, a different management approach is in place with limited government intervention, but this has led to a greater proportion of monetary benefits among fishers.

Rights to coastal forest resources are also often ambiguous. In South Africa, many coastal communities were forcibly removed from forested land during apartheid, and their rights to this land and its resources remain unclear. Although communities have in some cases successfully claimed back their land, forest resources may have already been removed, degraded or transformed. Rights to a resource thus does not necessarily guarantee the ability to benefit from its use. Despite the existence of strong laws that require access to the coast to be facilitated, rights to physically access the coast are unclear. Although the coast is a public asset, adjacent land may be privately concessions or owned. This hinders access to the coast, and thus its benefits. Government, in partnership with coastal stakeholders, needs to identify ways in which coastal access can be enhanced, especially for those who have historic links to the area or who are dependent on resources from the coastal area for food and livelihoods.
3. Support partnerships to share benefits

A range of interventions has been initiated in different sectors as a means to enhance benefits of coastal resources to local communities. External actors, such as private businesses and NGOs, as well as the state, have played a critical role in initiating and implementing these benefit-sharing arrangements. Ongoing support and promotion of these interventions is vitally important to unlock livelihood opportunities and promote more equitable sharing of long-term benefits. It is equally important for the state not to rely on these interventions, and to continue providing basic services to affected communities.

- Benefit-sharing arrangements include those mechanisms and tools that are implemented to promote fair and equitable outcomes to local communities from coastal resource use. Benefit-sharing mechanisms - which we understand to mean the institutions through which people gain access to and control over resources and through which benefits are distributed – are typically linked to a decision-making process which will use certain instruments or tools (e.g. permits, community levies, equity in shares) to distribute benefits (see Figure 3). The state often plays a key role in such arrangements, both in providing a conducive policy environment and in catalysing their establishment. External, non-state actors are also often drivers and implementers of such benefit-sharing arrangements.

- The outcome of these arrangements is largely determined by the objectives of different actors. For example, NGOs with a developmental mandate have initiated benefit-sharing mechanisms in the tourism sector which have led to the promotion of participatory and inclusive institutional structures with decentralised decision-making and a focus on rural development.

- Private sector-led initiatives in the mining and forestry sectors have placed less of an emphasis on procedural fairness, inclusiveness and decentralised decision-making and have typically responded to legislative and policy requirements. Profit underpins the objective of these actors, but within a framework of legal compliance and social responsibility.

- State involvement typically occurs via partnerships or through the implementation of policies and laws. In the fisheries sector, state-led initiatives have shown a mix of characteristics, depending on a large extent on how far they have decentralised decision-making and incorporated participatory approaches to management. The fisheries co-management arrangements in Kwa-Zulu Natal, for example, have led to a series of benefits for both the fishers and the authorities, including resource sustainability. The challenge, however, is that such interventions are often conservation driven, with few linkages to broader livelihood priorities. In other provinces, co-management arrangements are almost non-existent, resource sustainability is weak, and decision-making remains centralised. The sometimes conflicting Constitutional imperatives to ensure both conservation and economic development have led to inconsistent fisheries management approaches, which do not necessarily reflect the realities on the ground.

- Although external interventions make positive contributions to the livelihoods of local communities, it is important that government takes responsibility for its core functions. Some of the key benefits emerging from non-state initiatives include health care, education, roads and drinking water, which reflect the failure of the state to deliver these basic services. State prioritisation of basic services would free up resources for external investment in other non-essential benefits. Ongoing support to various actors and their implementation of benefit-sharing interventions is key to enhancing local livelihoods and promoting equity.

**Figure 3** An example of benefit-sharing arrangements in the different sectors (the mechanisms and tools implemented to enhance benefits to local communities)
4. Get the institutions ‘right’

Despite the existence of benefit-sharing arrangements in various sectors, their effectiveness at achieving equity has been compromised by a lack of accountability, questions of representivity, elite capture of benefits, power dynamics, and a multiplicity of competing institutions at the local level. It is vital that substantial consideration is given to the institutions used to implement benefit sharing, in order to ensure that they reflect local realities and are accountable and participatory.

- Although efforts have been made to set up institutional arrangements to enhance benefits to local communities, a number of blockages have been identified that impede equitable benefit sharing. Political interference and patronage remain central obstacles. Institutions set up to share benefits must be accountable, transparent and properly representative of the communities they intend to benefit.

- The multiplicity of institutions in rural areas is a key factor that hinders equitable benefit sharing, including the frequently conflicting jurisdiction of traditional and state authorities and the failure of national government to clearly distinguish the roles of traditional leadership institutions and democratically elected local government representatives. The net result is that traditional authorities battle with local government, NGOs, companies, protected area authorities, and other actors, to maintain control over benefits from natural resources and their distribution. These factors, combined with a mismatch between local practices and top-down governance frameworks, create major institutional blockages for the equitable sharing of benefits. It is crucial to resolve ongoing policy debates to rationalise rural institutions and clarify the role of traditional authorities.

- Even progressive policies that promote benefit sharing in some sectors do not necessarily translate to equitable benefits on the ground. Power dynamics between the private sector, different government departments, traditional authorities and communities, fundamentally influence benefit distribution, as do internal power dynamics within communities. These dynamics are in turn influenced by the value of the resource, with higher-value resources such as minerals or prime coastal land, attracting more political competition. Elite capture of benefits by community leaders remains a significant problem, with benefits intended for the wider community not reaching local level.

- Institutions designated to share benefits are often selected expeditiously, without considering their appropriateness and legitimacy. It is imperative that sufficient time, resources and commitment are dedicated to ensure that benefit-sharing institutions are robust. This research has highlighted the fundamental importance of ensuring that institutions match local realities and that they are representative and accountable. Achieving fairness and equity requires participatory processes that adequately engage with local communities to ensure that their needs, values and aspirations are effectively incorporated into decision-making.

- The extent to which the benefit-sharing arrangement is endogenous and locally supported, or exogenous and externally imposed plays a major role in determining whether intended benefits match the realities, needs and aspirations on the ground. Thus, where there has been a significant level of devolution and representative decision-making power in the mechanisms and institutional arrangements for access and benefit distribution, communities have perceived a greater level of tangible and intangible benefits. However, where there is little decentralisation of decision-making power, benefits have been largely outweighed by losses. The more people participate in decisions that affect them, the greater the possibility of equitable benefits.

- “Dual governance is a big problem in South Africa, especially in KZN - there are always conflicts between ward committees and the tribal authorities and that is a national problem… the roles of Councillors conflict with those of tribal authorities – one can’t determine who is more powerful between the two.”
  (local government official, Kwa-Zulu Natal)

- “In these communities, powerful people fight if they are not chosen to be in power, and then they go and start their own committees which contest existing ones, and that exacerbates conflict and really blocks local development as it creates confusion”
  (local government official, Eastern Cape)
Factors that enable benefit sharing for coastal resources

- Robust, representative and accountable institutions
- Decentralised decision-making that matches local realities
- Transparency
- Strong local participation
- Capacitated state
- Partnerships
- Trust between stakeholders
- Capacitated external actors
- Redistributive policies and laws
- Access to the coast and its resources
- Secure land and resource tenure

Factors that hinder benefit sharing for coastal resources

- Weak institutions
- Poor alignment between institution and benefit-sharing objectives
- Multiple, uncoordinated institutions
- Lack of accountability
- Centralised decision-making
- Autocratic decision-making
- Incapacitated state
- Elite capture of benefits
- Political interference
- Political patronage
- Absence of clear policy and legal framework for benefit sharing
- Lack of access to the coast and its resources
- Insecure land and resource tenure

“[in rural coastal communities]… benefits are not yet reaching everyone in the community because the local institutional structures for benefit sharing are flawed”

(provincial government official, Eastern Cape)
5. Recognise the value of both monetary and non-monetary benefits

A wide range of economic, social, cultural and ecological benefits accrue to local communities from coastal resource use. Although monetary benefits are of paramount importance to local livelihoods, non-monetary benefits are also highly valued. The multi-faceted nature of benefits needs to be taken into account when decisions are made about conservation and development interventions.

- Benefits from coastal resources are not only realised as economic opportunities, but also encapsulate broader non-monetary benefits such as the recognition of rights, the sharing of power, greater dignity, capacity development and empowerment, knowledge generation, decreased conflict, increased food security and enhanced social cohesion. Often, these equate to, or in some cases even exceed, the importance of monetary benefits. A key conclusion to emerge from this research points to the variable nature of coastal resource benefits and the different values placed on these benefits (Figure 4).

- Decision-making about development has typically relied largely on the economic benefits of various interventions without adequately considering the non-monetary benefits that may be sacrificed by the intervention. Recognition needs to be given to the 'hidden' values of social, cultural and ecological benefits in decision-making.

- These findings affirm the growing number of studies that challenge conventional frameworks for understanding human well-being, focused on money, commodities and economic growth and point towards the need for a more nuanced and complex approach to development in general, and benefit sharing in particular.

The multi-faceted nature of benefits, the reliance of communities on a diverse range of sectors for their livelihoods, and the inter-connectedness of benefits and losses between these sectors, underpins the importance of viewing coastal livelihoods in an integrated and holistic manner.

Figure 4 The range of benefits identified in this research from coastal resource use

- Food
- Empowerment
- Recognised rights (access & use of resources)
- Decreased conflict
- Social cohesion
- Greater dignity/cultural identity
- Sustainable resource use
- Sustainable land use
- Ecosystem services such as climate regulation, erosion control, water supply, provision of food, medicine, building materials
- Environmental awareness
- Social
- Cultural
- Ecological
- Economic
- Jobs
- Shareholding
- Infrastructure
- Markets
- Levies
- Economic security and resilience
- Livelihood diversity
- Food
- Empowerment
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- Levies
- Economic security and resilience
- Livelihood diversity
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