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NOTAT

– Magazine on Democracy and Europe

**Seth Macinko:
Fishermen will be
paying to fish
– but to whom will
their money go?**

**Can the EU ensure
sustainable fisheries?**

Tradeable quotas

Global responsibility

Small scale fisheries

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Editorial:

Reforming Europe's fisheries

The time is more than ripe for a reform of the EU's Common Fisheries Policy (CFP). The EU Commission has stated that approximately 80 percent of the fish stocks in member states' waters are overexploited. A world record compared to other fishing regions around the world. According to the United Nations Food and Agricultural Organisation (FAO) an alarming 75 percent of fish stocks at global level are either overexploited or fully exploited.

As the world's largest fish market and with a vast fishing fleet operating in all of the seven oceans of the world the EU has an obligation to ensure sound governance of fisheries. The reform is therefore of paramount importance for the EU's fisheries as well as fisheries outside member states' territorial waters.

The reform process covers both the "internal" and the "external" dimension of the fisheries policy. There is a clear outline of the future for both dimensions to be seen in the EU Commissions' proposal for a reform that was released in July 2011 and is being negotiated during the Danish EU Presidency in the first half of 2012. At the core stands a banning of discards, improved scientific and fish catch data, increased surveillance of fisheries and the mandatory introduction of a system of Transferable Fishing Concessions (TFCs).

In this special edition of NOTAT the two rapporteurs from the European Parliament, Ulrike Rodust and Isabella Lövin, give their perspectives on the principles in the internal and external dimension respectively. Additional contributions from experts, scientists and NGO's focus on the possible consequences for coastal and small-scale fisheries and the problem of coherence between the CFP and the EU's development and trade policies in general.

We've given special attention to the TFCs. In countries like Denmark, Iceland and South Africa the introduction of similar systems has led to mixed experiences. The TFCs entail a handing over of rights to natural resources from the state to private enterprises. This can be viewed as giving away common natural wealth and thus, the opportunity of gaining considerable revenue through resource rent.

Furthermore, the system has led to a concentration of fishing concessions in the hands of the few. Is this really the optimal solution to the crisis in the EU's fisheries as the Commission and other proponents proclaim?



FOTO: SCANPIX



Fishing boats at Thorup Strand. The situation for artisanal fishermen is one of the most debated issues in the EU Commission's reform of the fisheries policy.

Third time lucky

The EU reform of the Common Fisheries Policy aims to ban discards, lower catch levels and create a market for fishing concessions. The EU Commission's political fish soup contains good ingredients, but how will it taste when all the chefs have had their say?

THE CFP REFORM. The Common Fisheries Policy (CFP) was established in 1983 and revised for the first time 20 years ago. The juvenile cods from back then, could have reached their maximum life-span by now had it not been for a failed fishing policies and the resulting overfishing.

The first two reforms have addressed concerns over the sustainability of EU fish stocks, but today more than 80 percent of the stocks are still overexploited. On that basis it's no surprise that the Commissioner for Maritime Affairs and Fisheries, Maria Damanaki, has stated that the third reform will have to be a radical one.

A big challenge

The reform process was initiated three years ago with the release of a Green Paper, but at the time only 382 stakeholders made use of the opportunity to contribute with comments and recommendations.

The real debate on the topic began two years later, in July 2011, when Damanaki released the Commission's draft policies. In the wake of the release, the fishing industry,

environmental organisations and politicians agreed that the current state of fisheries poses a threat to both the industry and the marine environment. Yet, disputes and outright disagreements on the ingredients of the policy make it clear that Damanaki is facing a big challenge.

Damanaki's recipe

Like any good fish recipe the proposed CFP contains few, but important ingredients. The reform aims to ban discards, set science based maximum catch levels, promote the principle of "regionalisation", and make "Transferable Fishing Concessions" mandatory for member states.

The British Minister for Fisheries, Richard Benyon, strongly supports the banning of discards, which is a pat on the back to the successful, public campaign - Hugh's Fish Fight. His Danish colleague, Mette Gjerskov, takes a similar position and has vowed to use the Danish EU Presidency in the first half of 2012 to "make discards history". This seems a reasonable response to the alarming figures presented in a report by the EU

Commission, which states that half the fish in several fisheries are discarded.

Yet, representatives from the fishing industry, supported by certain politicians, argue for a "gradual approach" and for a regulation that only applies to certain species of fish.

Limiting catches

The imposing of Science based maximum catch levels (or "Maximum Sustainable Yield" as referred to in the CFP) seems to go straight into the book, provided that the European Union comes up with a compensation scheme for those who are expected to lose their jobs as a result of overall quota reductions. This has been a demand from the industry. In her draft report to the European Parliament, the MEP and rapporteur on the "basic regulation", Ulrike Rodust, proposes that "economic and social hardships must be cushioned financially through the European Maritime and Fisheries Fund."

Regionalisation is basically about the EU moving away from what is perceived as "micro-management" and instead manage



fisheries on the basis of greater cooperation between member states and the introduction of multi-annual fisheries plans to be developed. How exactly to devolve fisheries management responsibilities to regional bodies is far from certain, but the principles go well with most stakeholders.

A market for fishing concessions?

The last ingredient of Damanaki's recipe is sweet or sour depending on the point of view. The controversy over mandatory introductions of Transferable Fishing Concessions (TFCs) – or tradable, individual fishing quotas – stems from the fact that it is a system that will cause major changes in the fisheries sectors. This is evident from almost every country where similar systems have been introduced.

The fishing sectors are split. Some, in particular the small-scale sector, argue that TFCs will lead to a concentration of fishing quotas on fewer hands and thus may result in the loss of jobs. Others argue that it will lead to a higher level of responsibility in the sector and an efficient reduction of the overall fishing capacity. Most non-governmental organizations, including conservation groups, argue that the outcome will be a shift towards fewer but much larger fishing

vessels that are generally making use of environmentally harmful fishing gears.

While these important questions concerning the composition of the fishing fleet and job opportunities have been heating the debate, another highly controversial aspect has received surprisingly little attention. The proposal of mandatory Transferable Fishing Concessions can be seen as a call for mandatory forfeiture of national wealth into private hands.

A game of rights to resources

The European governments take quite divergent stances on the issue of TFCs. Some countries fear that TFCs will lead to foreign takeover of national wealth and yet others have already introduced similar systems. It is within this minefield that the politicians have to navigate today, and it is hardly a surprise that many have taken a pragmatic approach and seek the diplomatic solution.

It has taken the Commission more than two years to develop this recipe and one legitimate question that can be asked is if it contains the right ingredients? Damanaki could have chosen to develop a system where fishing rights are granted on the basis of strict environmental, social and economic

criteria rather than a system of Transferable Fishing Concessions.

One thing the majority seems to agree upon, in the midst of the heated debates, is that the reform process is on the right track and that we will have a new Common Fisheries Policy in force in 2013. The members of the European Parliament and the Council still have a lot of hard work to do in 2012 in order to find solutions acceptable to all member states and most stakeholders.

The years ahead will show if the wise saying 'third time lucky' holds true. ♦

The Green Paper

The European Commission kick started the reform of the Common Fisheries Policy with its release of the Green Paper in April 2009. This discussion paper provides analysis of the challenges and shortcomings of the current fishing policy, and invited individuals and organisations to contribute with opinions and information before the end of 2009. A total of 382 contributions were provided to the European Commission.



Hugh's Fish Fight is a campaign against the 'insane waste' of fish thrown overboard, launched by the British celebrity chef, Hugh Fearnley-Whittingstall. The aim is to change the EU fishing policy, which he argues is the reason why about half the fish caught in the North Sea are thrown back into the sea, dead. www.fishfight.net

Fishermen will be paying to fish

— but to whom will their money go?

Former commercial crab fisherman and present fisheries expert, Seth Macinko, finds it hard to see the point in giving away natural resources to private enterprises and fishermen.

FORFEITURE. A headline in the 17 February edition of the New York Times reads “Congress Will Auction Public Airwaves to Pay for Benefits.” Pricing access to valuable public natural resources for public benefits is hardly a radical idea — for example, we don’t simply give away oil, or natural gas, or timber. So, one wonders, how long the present trend of giving away public natural resource wealth will continue to be the flavour of the day in fisheries policy.

Take Europe, for example. In these times of extreme, and in some cases mandatory, austerity measures, is this the time for mandatory forfeiture of national wealth? Yet the call in the current proposal to reform the EU’s Common Fisheries Policy (CFP) for mandatory “individual transferable concessions” is exactly that, a call for mandatory forfeiture of national wealth into private hands. And this forfeiture is completely unnecessary.

Lucky owners

The evidence is clear from around the world where similar schemes, involving tradable assigned catch allocations, have been implemented. Many, if not most, of the actual operations catching fish on the water are leasing some or all of their catch allocations. That is, fishermen are paying to fish. But note that they are paying those lucky enough to have been given the allocations in the first place from governments. The scale of these lease payments needs to be understood in these difficult economic times.

In Alaska, in two quite different fisheries, lease rates have reached 80 percent. That’s 80 percent of the sales value of the raw catch is paid to the holder of the catch allocation. This is a textbook example of a “resource rent” payment. Why not have the payments go directly to the public owners of the fishery resource?

Management or gift shop?

Remember, under these schemes, fishermen will be paying to fish; the only question is, to whom will their money go? Note that assigned catch allocations are assumed and the only variable is to whom a lease payment is made. This seems to be a broad public policy question and not just a matter of fishery management. This is an important point, because fishery management is the exclusive competence of the Commission. But surely a mandate that member states forfeit their resource wealth goes beyond fishery management.

It’s hard to believe that mandatory wealth forfeiture can withstand the tests of proportionality and subsidiarity under the EU treaties. In this light, the use of a new term in the lexicon of fisheries management is noteworthy. Similar schemes are known as individual transferable quotas, or more simply, catch shares. Recognizing the wealth forfeiture involved in just giving the shares away makes the choice of the word “concessions” interesting. The public is being asked to concede quite a lot indeed. ♦



Seth Macinko

Associate Professor in the Department of Marine Affairs, University of Rhode Island. PhD from the University of California, Berkeley.

Prior to coming to URI, he worked for the Alaska Department of Fish and Game.

He serves on a large number of scientific boards and committees on fisheries policy.

He participated in the commercial crab fisheries off Alaska before pursuing his academic studies.





Quotas for sale

The EU Commission follows “the Danish model” in its proposal to reform fishing. Is this also the future for the EU? The Danish minister is in doubt, and in Iceland “the Danish model” went wrong.

ICELAND CAME FIRST. In 1990 the Icelandic fishermen started to trade with catch quotas, which were the already caught fish. The right to catch them was privatised. Parts of nature got a sales price. And it was good.

Denmark introduced the same system in 2005, after an agreement between the then government and the Danish People’s Party. With individual transferable quotas (also known as ITQs) the price rose by 1,000 percent for coastal water quotas, and 3,000 percent for deep-sea quotas.

From discards to sustainability

The Commission now suggests that individual transferable quotas should be introduced in all EU countries, not least to reduce the waste of resources.

The theory is that you will get a more sustainable fishery if every single boat has its own quota, and at the same time you prohibit the discard of undersized fish, fish of the wrong kind, and fish where the national quota is exhausted. Then the fishermen

will only go for what they can take ashore for sale. But there is a difference between theory and reality: In Iceland they had some painful experiences.

Quota sales and a bubble economy

The mechanism that developed in Iceland when they got ITQ – individual transferable quotas – came in three stages:

- The quotas got a price.
- The price got converted into capital.
- The private capital found its way out into the world and was used for everything else than fishing – for example to a long list of loan-financed investments.

The sale of fishing quotas was part of the initiation of the Icelandic bubble economy – until it burst in the autumn of 2008, when the Icelandic banks collapsed.

The consequences for the fishery were already clear at that time: The big and rich got bigger and richer. The small fishermen were bought out with a one-off payment, and capital became concentrated in a few

hands. It was among other things used for investments in constantly growing sea-going fish factories that process catches at sea.

Broken down into figures:

- The ten biggest owners of quotas had gained control of more than 50 percent of all fishing quotas.
- 428 Icelandic fishery holdings closed down between 2003 and 2007.
- 60 percent of the fishing related work-places ashore disappeared.

A divided society

The above numbers and analysis were developed by Karl Benediktsson and Anna Karlsdóttir, researchers at the University of Iceland. In their report they conclude that the transferable quotas worked as a short-lived capital injection to the speculation economy.

The sale of quotas was the crucial question that more than anything else divided the Icelandic society. The sale of quotas also divided the European parliament, even

though there are no direct references to the Icelandic experiences in the debates.

On the one hand we have Carmen Fraga, Spanish member of the conservative group EPP (Christian Democrats) and long-standing defender of the interests of the large Spanish fishing fleet. She names herself a convinced advocate for the much debated quotas:

“As long as no one finds a new model, this model with transferable quotas is the only thing that can end overfishing”, she said at a committee meeting in the beginning of February.

Her colleague from the conservative group, the French Alain Cadet, on the other hand believed that transferable quotas entail a capitalisation of common resources that will affect coastal fishing and fishing society.

The chairman of the committee, the German social democrat Ulrike Robust, said that the core of the problem is overfishing, but she is unsure that transferable quotas are the only solution.

“Every country must decide for itself”

And what does the Danish presidency – represented by the Minister for Food, Agriculture and Fisheries Mette Gjerskov – think? She is in doubt.

“In Denmark we have had transferable quotas for a number of years. However, it is no secret that opinions are split. Several member states have a fishing administration, which is well functioning and adapted to specific conditions that are valid for their country. Thus, they will not be forced to introduce transferable quotas and change their current administration system. I appreciate that”, says Mette Gjerskov to NOTAT.

Are there unfortunate Danish – and maybe Icelandic – experiences that other countries can learn from, for example, with the concentration of capital?

“I think, that every country has to decide for itself how the fisheries should be regulated. I do not believe that you can transfer experiences directly from one country to another.”

A first discussion about what the countries think is on the agenda for the council meeting in April. The goal, or the hope, is that the 27 EU countries will then reach a political agreement in June. ♦



The breakers yard in Grenå harbour, Denmark, is the end station where the wooden boats from coastal communities all over the Scandinavian countries are destroyed en masse. Photo: Thomas Højrup, Grenå 2010.

Fishy business

In just five months, the value of a small Danish fishing boat went from 5.000 to more than 4 million euro. The explanation is simple: Transferable quotas.

OVERPRICING. HM45 is a small fibreglass boat just under five meters. It has no engine and no wheelhouse to protect the fisherman against the wind and sea. It’s certainly not the typical fishing vessel you would think of as part of the most modern fishing fleets in the world.

However, last time HM45 was sold the price was 32,370,000 Danish kroner or roughly 4,353,235 euro. Under the Danish system, quota shares and fishing rights have to be held on a vessel, and HM45 serves this purpose.

The HM45 has probably never been in water, but is a perfect example of how to invest, speculate and move around with fishing rights.

Welcome to the Wild West

The Danish ITQ (or individual transferable quota system) entered into force on January 1, 2007, but it had been made into law more than a year earlier. According to Professor Thomas Højrup, an expert in the field, quota prices shot up by up to 1,000 per cent during this period. Other critics have called the quota market “a wild west for holding companies and investors”.

The HM45 It was bought as new for 40.000 DKR or 5.300 euro in September 2007 by a fisheries company called August A/S (August Ltd).

August A/S sold the vessel in January 22, 2008, to a consortium of three people, one of whom was Tamme Bolt, the managing owner of August A/S. The price was now 9 times higher or 370.000 kroner (49.300 euro).

Three weeks later, on February 13, 2008, the HM45 was bought back into August Ltd. The price had now reached 32,370,000 DKR, or more than 800 times its value just five months earlier.

Huey, Dewey and Louie

August Ltd. owns five boats of exactly the



The Poca 475 – illustration from homepage of the Poca fiber boats producer. This small vessel is in theory allowed to land a staggering 500 tonnes of plaice per season.

same type and size as HM45 – the Poca 475. Three of them are called RIP, RAP and RUP – which is Danish for Huey, Dewey and Louie Duck. But actual fisheries take place from boats of a difference size: August Ltd. owns six boats of 16 metres and above, the largest being a 20-metres trawler of 56 tons.

In 2011, August Ltd. owned more than 7 per cent of total Danish quota for plaice in the North Sea, plus almost 10 per cent of plaice in the Skagerrak between Denmark and Norway. This may be more than authorities will tolerate in the future, as new maximum levels are underway (7,5 per cent for North Sea plaice, 6,5 per cent for plaice in the Skagerrak). ♦



The largest boat in the August Ltd. fleet, a 56-tons trawler named “Fru Middelboe”.



The Danish model:

Artisanal fisheries in crisis

The Danish model has widely been cited as a success story and appears as a role model for the EU in the CFP reform. It has also led to a loss of jobs in the rural parts of Denmark and the disappearance of a way of life, according to one expert.

MARKET FORCES. According to the EU Commission, the privatisation of fishing quotas will pave the way for a sustainable fisheries sector. The Danish model, with individual transferable quotas (ITQ), was introduced in 2005, and is perceived as an exemplary system. The Danish ITQ model has given fishers increased leeway to plan their own fishing activities – to rent, buy and trade fishing quotas as they see fit – as opposed to the former system, where the fishermens possibilities were framed and steered by the state. However, the new model has not been a success for all fishers involved.

NOTAT met up with Jeppe Høst, PhD student at Copenhagen University, who is researching the impacts of the ITQ system on the Danish fisheries sector and on Danish coastal communities.

Why is the Danish model commonly referred to as a success story?

“For fishermen it is important that they have the freedom to plan their own fishing activities, which is what the new model

provided. But since the introduction of the model, the fishermen have practically been buying each other out, and there are now fewer people involved in the sector who are actually able to make a living out of fishing. The people involved have also become more dependent on bank loans. On the other hand, despite the fact that the banks are now getting a fair share of the fishermens profits, the personal economy of those fishers with sufficient quotas has generally improved. And for the Danish state it means a lot that one now has a profitable fishing sector and a system that regulates itself by market forces.”

Who then is losing out?

“The losers are all those who did not receive any fishing quotas to start with, when the model was introduced. Young people who want to enter the fisheries sector are also at a disadvantage. Not only do you have to buy fishing rights, but on top of this you also have to purchase days at sea, kilowatt and tonnage. Another problem is the fact that quotas were only handed to the ves-



Jeppe Høst is a PhD student at Copenhagen University. His PhD project examines change in Danish coastal communities in the last 5 years - how marine management influences social organisation and fishing as an occupation.

sel owners. These are now in a much more advantageous and powerful position, and we generally see that the crew members' share of the remunerations is decreasing.”

Europe's shortcuts to Senegal's fish

After decades of overfishing, Senegal chose not to renew its fisheries agreement with the EU. But European vessels have found new shortcuts to access Senegal's fish stocks, and the over-exploitation of resources continues.

FLAG OF CONVENIENCE. "EU says they only catch 'surplus' fish under their agreements, but I don't believe that", Raoul Monsembula from Greenpeace Senegal tells NOTAT. EU's Fisheries Partnership Agreements with third countries rest on principles of sustainability, and as such only allow EU vessels to catch the 'surplus' fish, which third countries are not able to exploit. Yet, fish stocks in West Africa have been dwindling and many are facing collapse.

In 2006, Senegal chose not to renew its fisheries agreement with the EU in an attempt to reduce the pressure on its marine resources and make room for the country's own fishers, notably within the artisanal sector, which employs more than 600,000 people and constitutes an important food source.

Mixed enterprises

"But the European vessels are still fishing in Senegal", says Raoul Monsembula, "just under different types of agreements".

Typically European fishers now enter agreements with Senegalese investors and form joint ventures.

The benefits of Senegalisation

For the European fishers a 'Senegalisation' of their fleet under joint venture agreements spawns a range of benefits.

"The European stakeholders often team up with rich local businessmen with good

connections to local politicians in power. This way they get preferential treatment", explains Béatrice Gorez from Coalition for Fair Fisheries Arrangements - a network working for fair fisheries agreements between the EU and third countries. "But in many cases the Senegalese investor is just a mere frontman".

In order to attract foreign investment, Senegal offers advantageous tax conditions for foreigner investors; this constitutes one benefit for European fishermen. And whereas vessels fishing under EU flags are required to land a certain percentage of their catch (typically 60 percent) on Senegalese land, no such requirements exist for joint venture vessels. In addition, the short distance to ports in Southern Europe makes it easy for vessels to directly land their catch in the EU and directly sell the fish on the EU inner market, without having to involve too many middlemen.

Resource conflicts

Through joint venture agreements European fishers have also gained access to the waters close to the Senegalese coastline, which has traditionally been reserved for artisanal fishers. Accidents between large joint venture vessels and the small pirogues of Senegalese artisanal fishers are a common occurrence. The high competition is also making it increasingly difficult for artisanal fishers to make a living. "Many fishers move



Raoul Monsembula,
Greenpeace, Senegal

to neighbouring countries to fish, but there are also problems in those places. Or they try to migrate to Europe, because they cannot fish in their own countries anymore", Raoul Monsembula tells NOTAT.

Flag hopping

Senegal, however, is not the only country faced with issues related to fisheries management and resource use in connection to these joint venture agreements. Many foreign fleets and joint venture vessels resort to the method of 're-flagging', shifting between different country flags in order to gain access to different waters. These 'international' vessels are able to access fish in a number of waters, and at the same time circumvent the regulations articulated in the Fisheries Partnership Agreements made with third countries and in the Common Fisheries Policy. As it stands, these ventures are simply non-existent in the prevailing policies. ♦

How has the introduction of the quota system affected the Danish fisheries sector and what tendencies do we see?

"Fishing quotas tend to congregate on larger vessels. They are in a position to bid higher whenever quotas are on sale. As a result, slowly but surely, the quotas are assembled in fewer hands and fewer vessels. Approximately 25 percent of Danish fishing boats have disappeared since the introduction of the ITQ model. This means we have lost a considerable amount of jobs. Fishing increasingly occurs around a small number of harbours, and in many coastal communi-

ties, which traditionally have depended on fishing, fishing activities have come to a halt. In general it is the smaller actors in the sector which are losing out - especially the artisanal fishers. The label artisanal fishermen has in fact become a bit of an anachronism.

We also see that Swedish fishermen have become very active on the Danish quota market, as they have better borrowing opportunities. For those who do not want to tie themselves to a bank loan, there is the possibility to rent fishing quotas. A large amount of quotas are daily on offer, ready to be rented; but you have to be a pretty skilled

fisherman if you want to make a profit from 'rented' fish."

What's the conclusion?

"Dedication and hard work are no longer sufficient if you want to make a living off fishing. If we take a wider societal perspective, we are currently witnessing the disappearance of yet another trade and way of life in rural Denmark. Considering the big role that banks are playing in the system and the many loans involved, this is a model that cannot be changed just like that." ♦

*Ulrike Rodust,
German member of
the Social Democrats Group
in the European Parliament
and rapporteur on the EU's
internal fisheries policy.*



Challenges and solutions in the CFP reform

CRISIS. The fisheries sector in the EU has been in regression for many years and despite several reforms to reverse the situation the current Common Fisheries Policy (CFP) has failed to a large extent.

The long-standing problems like overfishing, the existence of overcapacities, the poor economic situation of many undertakings as well as the social problems caused by the decline of many coastal regions have yet to be resolved. Our aim has to be a fundamental reform of the CFP which establishes a truly sustainable and stable fisheries sector.

The new policy must include both rewards for behaviour which is in the interests of the common good and clearly defined penalties for misbehaviour. Where transition problems linked to reform arise, we must make sure, that neither Member States nor fishermen should be left to fend for themselves by the EU. The Commission must provide both practical and financial support for managing the transition to a sustainable fisheries management system.

By-catch discards a sign of failure

The failure of the European Union's current fisheries management system can be seen

most starkly when we consider its most unacceptable feature – the figure of up to 1.7 million tonnes of by-catch discards. The blame for this lies in the first place with the current legislation which does not only allow for, but often even enforces fish discards.

Therefore the discard ban now proposed by the Commission should be retained. It should apply to all usable commercial species; exemptions must be only made for fisheries for which it is established that a discard ban is counterproductive due to the high survival rate of by-catches.

No more horse-trading

To stop the severe problem of overfishing the new CFP must put an end to the routine of political horse-trading, where member states regularly press for fish quotas above the scientific recommendations.

To stop overfishing, we will also need to tackle the big discrepancy that still exists in many fisheries between the size of the available fish stock and the size of the fishing fleets. These Overcapacities need to be reduced, as they intensify the political pressure on governments to campaign for unduly high TACs and because they can incentivise illegal fishing activities.

Free choice of tools

To counter the problem of overcapacity the European Commission proposes the mandatory introduction of transferable fishing concessions (TFCs) by Member States.

The controversial nature of TFCs however means that a nuanced approach is required. Member States concerned, must be obliged to reduce overcapacities but should be given the opportunity to use other means than TFCs. Where TFCs are introduced they must be formulated in such a way as to avoid or moderate the negative consequences, in particular those relating to excessive concentration: That might be achieved for example by restricting tradability geographically or to internal tradability within specific size classes.

There is a wide consensus among EU institutions regarding the problems of the current policy and the goals to be achieved in the future. However, there is less agreement on the correct approaches to finding a solution. These approaches differ due to sometimes quite narrow-minded national interests. I hope, that the first full participation of the European Parliament in a CFP-reform offers an opportunity to overcome these rifts. ♦

Beyond the partnership agreements

GLOBAL RESPONSIBILITY. EU fleets should under no conditions contribute to overfishing in the waters of third countries. EU nationals should under no conditions compete with local fishermen for fish that is needed by local populations. To make sure this is the case, the EU needs to take its responsibility in negotiating fisheries agreements that fulfil at least two very important criteria.

Firstly, that there are reliable scientific data to show that there is a surplus of fish that is not needed by the country itself. Secondly, that the counterpart is reliably providing data on the total amount of fishing pressure in the country, also from other fishing nations. In addition to this, several other issues have to be addressed, especially regarding transparency and effectively controlling that EU vessels operating outside EU waters behave both legally and sustainably.

A responsible Europe

European vessels have been fishing around the globe for hundreds of years. Today about half of them operate under EU administered and subsidised Fisheries Partnership Agreements (FPAs). The current reform of the

Common Fisheries Policy (CFP) will be an opportunity to set up new conditions for future FPAs in order for the EU to take the lead as a globally responsible actor.

Today, the EU is publishing the amounts of money paid and amount of fishing allowed under the FPAs. This is highly appreciated by civil society and a first step to fight corruption in many coastal states. But further steps must be taken. By also publishing evaluation reports and catch data, the EU could continue to set an example so that civil society and third country parliaments can push for the same provisions in agreements with other major fishing nations such as Russia, China, Taiwan or Korea – all of which are increasingly present in developing countries' waters.

Higher standards: Social and environmental

Some argue that if future fisheries agreements have too strict conditions on sustainability, European vessel owners will operate under private agreements instead. Therefore, the CFP reform should also address the activities of EU nationals fishing under private agreements in third countries. The EU must

use all available tools to put conditions on all activities – within or outside FPAs – and effectuate controls in order to make sure that all EU boats comply with the same basic standards of sustainability, such as only fishing out of a scientifically proven surplus and not contributing to corruption.

Another extremely important topic in the CFP reform is the Commission's idea that the EU should promote transferable fishing concessions (TFCs) worldwide in order to combat fleet overcapacity. Such a policy of privatising access to fish stocks would have very dangerous consequences. On straddling stock such as tuna, developing countries would be left out almost completely as they have not yet built up fishing capacity of their own. Introducing TFCs in coastal fisheries in developing countries would also lead to the privatisation of a common resource, almost certainly leaving the poorest out, with catastrophic consequences for people's livelihoods and right to food. Therefore, promoting TFCs worldwide is simply not an acceptable strategy for the EU, which likes to think of itself as a global leader on sustainability. ♦



Isabella Lövin, Swedish member of the European Parliament in the Green Group and rapporteur on EU's external fisheries policy.

Béatrice Gorez, CFFA Coordinator, Founder and member of the Ocean2012. Béatrice Gorez has been coordinator of the Coalition for Fair Fisheries Arrangements (CFFA) platform since 1994. CFFA promotes sustainable small scale fisheries in developing countries, in particular through the EU-ACP fisheries relations email: cffa.cape@scarlet.be – website: www.cape-cffa.org

Fair and sustainable?

The European Union needs to put stronger mechanisms in place to ensure that all EU commercial fishing is environmentally, socially and economically sustainable.

PARTNERSHIPS. European vessels have been active in African waters for more than 30 years. But dwindling fish stocks, environmental damage and high levels of poverty and food insecurity in coastal communities have sparked growing criticism about the impacts of EU vessels and the nature of EU fisheries agreements.

At present, the EU has 15 Fisheries Partnership Agreements (FPAs) with third countries. However, only half of the 650 European fishing vessels active in developing countries are fishing under these agreements. The other half fish under private license arrangements and on the high seas, and an additional 400 vessels of EU origin operate under joint ventures with European partners and European capital.

Converting FPAs to SFAs

If the EU is to realise its vision of a sustainable fisheries sector, the EU needs to go further than proposing the replacement of FPAs by SFAs - Sustainable Fisheries Agreements. Clear mechanisms have to be developed which will ensure that all EU operations - regardless of whether they fish under fisheries agreements or not - are environmentally, socially and economically sustainable.

Lack of transparency and accountability

To this end, it is imperative that the fisheries agreements signed between the EU and third countries become more transparent. At present the EU publishes the contents of its agreements, and increasingly, the content of ex-ante ex-post evaluations with ACP countries, but there is little involvement of parliamentarians in host countries or civil society in the negotiation, monitoring or evaluation process.

There is also a lack of transparency in the

commercial fisheries sector in developing countries. Information on the fishing licenses issued by third countries to companies and revenues derived from commercial fishing are not available to the public, contributing to overfishing, corruption and the marginalization of small-scale fishers in decision-making processes. While these problems are now recognized by the EU and the international community, commitment to improve transparency remains ad-hoc and poorly implemented.

Dual responsibilities

Conditions for access to third-country waters should be stricter. Access costs should be fully paid by EU boat owners, and access restricted to operators who can demonstrate that their operations are sustainable and not in competition with the local sector, particularly the small scale fishers. Good governance agreements should be signed between the EU and the third country, ensuring that both parties undertake their responsibilities as flag state, coastal state, market state and state of beneficial ownership.

When a surplus of resources is clearly identified and made available to the EU, access agreements should clearly stipulate the conditions under which EU operators can undertake fishing activities and ensure that EU activities are in line with third countries sustainable fisheries development objectives.

Sound investments and fair trade

The EU constitutes an important market for African fish products - app. 70 percent of African fish exports end up on a European plate. The EU has an important role to play



to ensure fish trade with the EU improves environmental and social production conditions in developing countries: the EU should not import fish products coming from unsustainable sources which damage developing countries coastal communities' livelihoods, like coastal industrial shrimp or salmon farming.

Regarding investments, past EU investments in the fisheries sector have often failed to generate the anticipated social benefits and economic spin-offs: in particular, investments linked to the transfer of EU fishing capacity (for example, transfer of vessels) have rather aggravated the over-exploitation of resources and increased competition with fisheries dependent coastal communities. As a rule, therefore, support for EU investments in developing countries' fisheries should exclude the transfer of fishing capacity.

More effort needed

The Economic Partnership Agreements (EPA) should include provision to secure that EU investments are in line with sustainable fisheries exploitation, and benefit coastal communities by, for example, improving local infrastructures to develop value added activities. More efforts are needed in the context of the reform to ensure that all the components of EU fisheries relations with developing countries - fisheries, trade, development policies - contribute to a sustainable future for fisheries in developing countries. ♦

A reform for the political elite

Reform of the European Common Fisheries Policy is much more than a European matter.

DEMOCRATIC DEFICIT. With over 700 EU flagged fishing vessels fishing outside European waters, and many more owned by European companies under joint ventures or operating under third-country flags, Europe has positioned itself as the largest fishing region in the world. The need for fish resources in the southern hemisphere has sidelined international conservation obligations, and many of the EU Commissions confidential reports clearly indicate that the European vessels continue to fish from stocks that are already over fished.

It is therefore self-evident that the World Forum of Fisher Peoples has a duty to take part in the reform of the European fishing policy.

Fisher peoples' rights undermined

In many countries in the southern hemisphere, economics determines the politics of the day and the democratic opportunities for fisher people are almost non-existent. In sovereign states with great national resource wealth, we have witnessed political elites selling these resources to third nations without listening to the voices of the people. This is, for example, the case when fish resources are traded via bilateral agreements, or when African states liberalise their economies.

The democratic deficit is deepened by the fact that fisheries as a sector is considered secondary to sectors of greater economic importance. The first ever African ministerial meeting on fisheries at African Union level was only held in 2010 – in Banjul, Gambia – whereas ministerial meetings on agriculture, for example, have been held long before the

inception of the African Union in 2002. This democratic deficit, or neglect of the needs and wishes of fisher people in the southern hemisphere, is reflected in the fishing policy that was proposed by the European Commission in July 2011.

The trawlers' paradise

When politicians in the southern hemisphere either do not or will not listen to the voices of the fisher people, then it also means that their demands are not reflected when governments of the South engage with the EU. It is, therefore, not a surprise to see what the EU proposes as an underlying principle of the new policy is a quota system, where it will be possible to trade the quotas in the near future – also outside Europe's own territorial waters. Quota trading sounds good to some, but it will certainly lead to dispossession by the concentration of quotas.

The South African government is one of several from all over the world that has experimented with similar models. In 2005, a quota system was introduced, which led to 90 percent of its 30,000 traditional fishers being stripped of their right to fish. To make ends meet, many fisher people were forced to break the law and go to sea illegally. In fear of the authorities, fishers launched their boats at night, but to fish in the Atlantic in small boats at moon light is a dangerous exercise, and the quota system has widowed many women. On top of this, food has become an unprecedented scarcity on the tables in coastal communities, and today more than half of the households are classified as 'food insecure'.



Naseegh Jaffer

Born in South Africa in 1958. Former activist who fought the Apartheid regime until its fall in 1993. After the introduction of democracy in 1994 he has played a leading role in the work for a just fishing policy in South Africa. Today, he serves as Co-Chairperson of the World Forum of Fisher Peoples (WFFP) – a world organisation representing millions of fishers and fish workers from approximately 40 different countries.

A global challenge

Since WFFP is a global body we have also given membership to small-scale fisher organisations from Spain and France. These two organisations have, over the last five years, addressed numerous presentations to the EU via their national governments, directly at hearings, and at conferences in Brussels. They have conveyed the importance of small-scale fisheries with respect to employment provision, income security, and sustainable food production at the European level. But they have also made appeals on our behalf for the European fishing industry to conduct their fishing activity in southern waters in a much more sensitive way.

Dispossession

The proposal of the EU Commission to introduce what is referred to as 'rights based fisheries' – but in fact is a quota system that ultimately allows for the concentration of quotas and dispossession of fisher people – is unfortunately an indication that little has happened. It is even sadder to note that the EU representative to the Committee of Fisheries – under the UN Food and Agricultural Organisation – took an unsupportive stance, at a committee meeting in 2011, when he argued that the proposed international guidelines on small-scale fishery should be focused only on the southern hemisphere.

It is apparent from the messages from Brussels that small-scale fisheries will continue to be subordinate to the large-scale fishing sector. However, we are up for the challenge, and will continue to push for the rights of millions of fisher people from all over the world, and make sure that our voices are part of the democratic reform. ♦





Political realities aside

Will the new EU fisheries policy pave the way for a prosperous future for fish, fishermen and fish-workers alike?

FISHERIES REFORM. The EU Commissioner for Maritime Affairs and Fisheries, Maria Damanaki, has promised a radical reform of the Common Fisheries Policy. A reform that was initiated three years ago. The challenges ahead should be seen in the light of an increasing pressure on marine resources from destructive fishing practices, climate change, and overfishing.

In addition, the European Union is facing alarming unemployment rates, and dwindling social and economic opportunities in the more impoverished areas of the member states.

Surely, policy makers and politicians have to place these threats to society and environment at the centre of the reform, and thus Damanaki's call for a radical reform seems highly appropriate.

The response from the Commission is a package that by and large favours the large-scale fishing industry by introducing mechanisms that lead to a concentration of fishing quotas and transformation towards large-scale fishing vessels. Considering the political power and influence of the large-scale versus the small-scale fishing sector, this hardly comes as a surprise. But let's put political realities aside for a moment and look at the characteristics of the two different sectors.

Small scale fisheries

At the global level, approximately 140 million people are engaged in catching fish and of these, approximately 90 percent work in the small-scale fishing sector. By adding that half of the world's fish catches are landed by small-scale fishers, the small-scale sector in fact employs nine fishers for every one fisher in the industrial sector per volume of fish caught.

Furthermore, these small-scale fishers—within the EU as well as the 'South'—predominantly use selective and passive fishing methods—hence, minimal by-catch and discard, limited fuel consumption, and little habitat destruction.

Large scale fisheries

A leading Fisheries Biologist from the University of British Columbia, Daniel Pauly gave a keynote speech at a Seafood Summit in Paris in 2010, that was highly critical of industrial-fishing methods. "Sustainable trawlers, ladies and gentlemen, they don't exist", he pointed out, and elaborated by stating that the dragging of iron chains along the ocean floor is highly damaging. Pauly also mentioned that trawlers, in terms of volume, use as much fuel as fish they catch, and that the catch per volume of fuel is decreasing.

There are also other types of large-scale

fishing methods that do not drag iron chains along the ocean floor, including 'purse-seiners' capable of catching hundreds of tons in one go, 'long liners' with thousands of hooks on lines many miles in length. Common for the majority of these vessels, however, is that they operate with limited manpower, catch high levels of by-catch, and use large volumes of fuel.

The alternative

The logical and intuitive solution to the twinned environmental and employment crisis in the EU would be to support and prioritise the small-scale sector. This could be done by, for example, leasing catch-shares according to environmental and social criteria on a limited time basis, rather than giving them away on a more or less permanent basis.

Solutions along these lines have been tabled numerous times in the reform process by environmental, human rights, and fisheries organisations from the European Union and abroad. At a first sight, therefore, it's a surprise to hear Members of the European Parliament – almost three years into the reform process – talking about the Transferable Fishing Concessions as a solution without alternatives, and a system that should be introduced if no other methods or measures are available. ♦

EU-Iceland negotiations:

"Striptease in the dark"

When it comes to fisheries, Iceland's EU-accession negotiations are hard to fathom. Maybe they would be more exciting to follow if the lights were on.

TWO SCENARIOS. Iceland's negotiations to join the EU have been going on for eighteen months, but so far there is little to see, and the explanation lies in the fishery chapter.

The Icelandic government stands on guard for a profession, which counts for 42 per cent of the country's exports of goods, employs 15 per cent of the workforce and contributes 18 per cent of GDP (gross domestic product). On the other side of the table, Brussels lacks a proper analysis of how the Icelandic fisheries sector could be fitted into EU fisheries policy.

So in a way, the text should end here!

But, as long as sources are not disclosed or otherwise identified, it is possible to sketch some outlines.

So: Iceland has had a system of individual transferable fishing quotas (ITQs) since 1990. It is just such a system that the Commission will introduce in the EU. It is also found in Denmark and in Europe (where they call it the "Danish model"), but Icelanders were the first to implement it, and they are proud of their system.

The Icelandic position is that the quota system has led to a sustainable fisheries policy, which prevents overfishing, and that Icelandic fishermen are not supported with tax funds, but contribute positively to the economy.

This is noted – and even recognized – in Brussels.

Iceland will not give up a single cod

Iceland is opposed to throwing even a single fish back into the sea for being too small or of the wrong species. It will also stop, or at least limit, the discarding of fish. Up to this point, the big union and the tiny nation in the Atlantic are moving in the same direction.

But talks with informed sources in Brussels reveal several problems:

- Negotiations take place on the basis of the EU's present rules – the "acquis" – not the rules which the EU might have in the future.
- Accession talks take place simultaneously with negotiations on EU fisheries policy from 2014. But the two are not coupled together.



Prime minister of Iceland, Jóhanna Sigurðardóttir, from the party The Alliance (the Icelandic social democrats).

- Iceland will not let go of a single fish tail inside its economic zone of 200 nautical miles in order to join the EU. But Icelanders want guarantees for the future, which the EU can not give.
- EU cooperation is about "pooling sovereignty". Thus it is the Union that represents external trade relations of member states. But Iceland's premise is that fishing is a national issue and that it is Iceland's sovereign right to negotiate with other countries on quotas for fish that move across zone boundaries – as in the current mackerel dispute between the EU, Norway, the Faroe Islands and Iceland.
- Iceland demands (or, perhaps, just wishes to keep) the right to prevent foreign investment in fishing quotas, fishing vessels and the fishing industry. In that way Iceland bumps head-on into one of the sacred pillars of the EU – the free movement of capital.

A bit of light

Just how incompatible are Icelandic fisheries

policies incompatible with EU law? Well, we may know later this spring when the Commission presents its "screening" of Iceland's fishing regulations.

There are two alternative scenarios in the offing:

Option 1: The Commission will note that Iceland's fisheries policy is so far from EU law, that real negotiations are not meaningful. Fishing area will then be put in cold storage, perhaps in the freezer.

Option 2: The Commission shall identify those areas where negotiations are required in order to adapt Iceland's fisheries to EU law. Thereafter Iceland will be invited to formulate its demands, and negotiations can begin.

Put another way: It can go slow or it can go very slowly.

At some point we will see a bit light on the boxing arena / striptease show. But one thing is certain: Fisheries in relation to EU law will be one of the crucial points when in the coming months the Danish presidency shall try to make a break-through in the Icelandic accession talks. ♦

CAN THE EU ENSURE SUSTAINABLE FISHERIES?

Who are we?

A brief introduction of the organisations arranging the conference in Copenhagen "Can the EU ensure sustainable fisheries?" on the 23rd of March 2012 – who are also behind this special edition of NOTAT.

Africa Contact is a Danish solidarity organization that envisions a world with social, economic and political justice for all. We work on a broad range of topics, but specifically on fisheries we support efforts to organize and mobilize coastal communities in the 'South' in order to increase their political influence in the fight to secure their rightful access to the sea. Together with our partners we also oppose all 'Northern' policies that harm our partners' access to the sea, most notably the EU's fisheries, trade and investment policy.

www.afrika.dk

The Danish Society for a Living Sea was founded in 1995 by a group of commercial fishermen and those interested in the marine environment, marine resources and ecological fisheries. The Society was born on the background of the "marine environmental initiative" around the fishing boat Anton, where the group fought against ocean pollution, extraction of raw materials and brutal fishing. The Society runs a fishery project in Eritrea. The Living Sea defends coastal fishing communities in the world and is a strong opponent of capitalization of fisheries resources.

www.levendehav.dk

People Uniting and Generating Aid for Development (PUGAD) works for a more fair and just world. We are aware that most of the world's problems are manmade and can be remedied. We believe that every individual has a great capacity and through our projects, we strive to ensure that these talents are developed and utilized. PUGAD works to create solid partnerships in developing countries, which we believe are the key to success and sustainability. PUGAD has projects in the Philippines for mainly small scale fishers, farmers, students and ex-political prisoners.

www.pugad.org

Democracy in Europe (DEO) is a Danish debate organisation working with European issues. Our overall aim is to further democracy in Europe. From a participatory democratic perspective we wish to engage the general public in a nuanced debate on the politics and workings of the European Union. DEO is independent of political parties and interests. DEO publishes the monthly EU-magazine NOTAT.

www.deo.dk

CONFERENCE
23rd MARCH
10.00 - 15.30

