

A summary of the senior doctoral thesis:

**A FISHERIES MANAGEMENT SYSTEM IN
CRISIS
- the EU Common Fisheries Policy**

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Abstract

The crisis in EU fisheries management has prevailed almost since the Common Fisheries Policy (CFP) was first implemented in 1983. Despite tremendous effort and resources having been invested in improving the performance of the CFP the crisis worsens year by year. The Commission has clearly expressed the short-comings of the CFP both in connection with its revision in 1992 (CEC 1991) and its reform in 2002 (CEC 2001) and will repeat them again in the up-coming issue paper reviewing the CFP (CEC 2009).

This paper will synthesis the complex social, economic and political system influenced by – or perhaps defined by - the CFP, the interaction of many explanatory factors. Different theoretical and analytical perspectives will be applied to highlight the various factors and processes that influence the CFP. The aim is to uncover the main factors influencing the CFP and to provide some direction on how to improve the CFP for the future.

The paper concludes by proposing that the CFP is revised to enhance regionalisation and devolution of management responsibilities to the fishing industry in conjunction with a results-based management approach. Particular the institutional structure of the CFP should be transform into a suite of *de facto* eco-region fisheries policies to overcome the present problems of having a common policy that attempts to manage almost all aspects of a very fragmented sector across very different eco-systems that in reality have very few commonalities.

Keywords: Common Fisheries Policy, regionalisation, devolution of management responsibilities, policy reform and eco-system management

INTRODUCTION¹

Fisheries management systems worldwide have been in crisis for several decades now and as a consequence fish stocks are declining and some species are close to extinction (FAO 2006). Some stocks have already collapsed, of which the best known example is the cod stock off Atlantic Canada (Finlayson 1994). The outlook for the cod stock in the North Sea is also bleak and the EU² is presently implementing a recovery plan for North Sea cod. The fishing industry is generally characterised by overcapacity and this is both a contributor to the present crisis and a consequence hereof. The result is low profitability for most fleets and a declining number of processing plants, with severe negative impacts on employment and livelihood in fishing-dependent communities as a consequence.

The crisis in EU fisheries management has prevailed almost since the Common Fisheries Policy (CFP) was first implemented in 1983. Despite tremendous effort and resources having been invested in improving the performance of the CFP the crisis worsens year by year. The Commission of the European Communities (Commission) clearly expressed the short-comings of the CFP both in connection with its revision in 1992 (CEC³ 1991) and its reform in 2002 (CEC 2001) and the present Green Paper for the up-coming reform (CEC 2009). There is no doubt that EU fisheries management is a complex and complicated task involving a multitude of challenges operating at multiple scales in relation to resources and fisheries and within a multi-level decision-making process.

The *senior doctoral thesis* seeks through a synthesis report based on the accompanying 20 publications to explain the dynamics of the CFP and its failure to reach its aims, which among others are to secure effective conservation, management and development of living aquatic resources with due respect for the eco-system and bio-diversity; to increase productivity and ensure the rational development of production; to ensure a fair standard of living for the (fishing) community; to ensure that supplies reach consumers at reasonable prices; and to ensure the principle of non-discrimination (CEC 2001:5). Most of the problems of the CFP are associated to the conflict of interest between the EU level and the national level.

TEORETICAL AND ANALYTICAL PERSPEKTIVES

The analytical framework for the analysis of the CFP and the EU/Danish fisheries management systems in this synthesis report, based on four perspectives: Political, Ideational, Institutional/Organisational and Socio-economic. The analysis that follows aims to explain how and why the fisheries management system in Europe – even with the best intentions - has ended up being comparable to Hardin's (1968) "Tragedy of the Commons", although in a more complex and nuanced version than originally used by Hardin.⁴

¹ Due to copy right constraints I can only provide a summary of my senior doctorate thesis (Raakjær 2008).

² The term European Union has been chosen and applied generally, although in a historical and legal context the term European Community would technically be more correct in some cases.

³ Commission of the European Communities.

⁴ Using the analogue does not imply that I believe that collective resource use inevitably leads to tragedy. I am fully aware that traditional communities actually have feed-back loops and levels of solidarity that (a) allow individuals to be aware of the impacts of their individual actions and (b) make them inclined to curb for the greater good. At the EU policy making level, however, I believe the analogue is appropriate. See Raakjær (2008) for documentation.

The analyses of the political decision-making processes have provided an understanding of the complicated and complex political processes (from the individual/community level to the supra-national level). It considers clashes of interest within the political arena, between different interest groupings and political/administrative systems at both national and EU level, in order to place EU fisheries management system within its political context.

The analyses on ideational perspectives have focussed on “New modes of Governance” arising from general reforms in EU governance and public administration, with their stronger emphasis on voluntary coordination and accountability, collective learning and broader stakeholder participation - have an impact on the institutional design of the fisheries management system.

The institutional/organisational analyses focussed on the fisheries management system as an institution in order to better understand and explain its dynamics, including its interaction with the political and governance frameworks in which it is nested, and the fact that the environment is dynamic both in a biological and social perspective. It explains the complex, multifaceted and often contradictory objectives that the fisheries management system operates within and interacts with. Particular focus was given to understanding the interplay between management decisions and their implementation, including compliance and enforcement, as well as the outcomes achieved in areas such as participation and the greater legitimacy of the fisheries management system.

The socio-economic analysis has linked the fisheries management system to fishing practices and the fishing communities by identifying the main factors that determine fishing behaviour, i.e. fishermen’s tactical responses to regulations (individual behaviour) and strategic responses (investment). The institutional dynamics within fishing communities and the production system are other factors that influence how fishing communities will evolve and thus management needs to take into account the role of social and economic institutions. The purpose is to examine how well the management schemes fit the practical reality within the social system and the individual fishermen that are managed.

The aim has been to uncover the main factors and to provide direction on how to improve the decision-making process and the effectiveness of the fisheries management systems. The research has contributed to an improved understanding of the complex interaction within different rule-regulating contexts. In order to approach an understanding and explanation of such complex political, economic and social processes one needs to integrate a range of analytical dimensions: different types of actors, their ideas, and strategies, and their reactions to changes in the systems – changes in rules as well as practices. In order to do this the researcher has to construct a theoretical model or framework of how the system develops and the combination of factors influencing its dynamics. Such a “model of understanding” (and I use the term without denoting any kind of formal characteristics of it) is created, and over time developed, in an ongoing interaction between theory and practice: the researcher returns repeatedly to the field to see if the emerging model is in accordance with the empirical evidence and develops the model to cover new empirical details not earlier included. At the same time it is clear that the researcher’s personal interests and theoretical leanings play a role in creating the model of understanding, along with his or her own new insights and insights emerging from other scholars in the field of investigation.

The specific focus has been to understand the relationship between the various processes in the fisheries management chain and through this to identify the explanatory factors that are causing the crisis in EU and Danish fisheries management system.

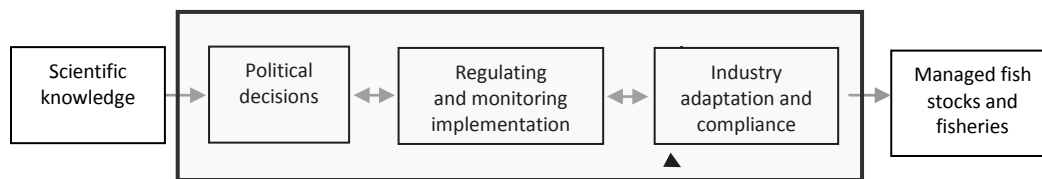


Figure 1 The analytical focus of the thesis (Gezelius *et al.* 2008, adapted)

As a way of summarising the arguments in this synthesis report, this section highlights the prominent characteristics (resource, economic structure, political, management regime and regime change) of the EU and Danish fisheries policy system as they have been presented, emphasising important explanatory factors for the problems that they are facing:

EXPLANATORY FACTORS FOR THE CRISIS OF THE CFP

Prominent characteristics of the EU and Danish fisheries policy system can be highlighted based on the conducted analysis and is presented below, emphasising important explanatory factors for the problems that they are facing:

Resource characteristic

- Overfishing has been evident for many years resulting in a critical resource situation.

Economic structure characteristic

- A fragmented fishing industry, leading to a fragmented interest structure in the EU fishing industry.

Political characteristic

- Lack of commitment within the Council to ensuring sustainable fishing.
- Persistent lack of political will in the Council and the member states to reform the CFP.
- Member states emphasise domestic interests.

Management regime characteristics

- A strong tendency to apply off-the-peg approaches (one size fits all).
- Inconsistency between structural policy elements and conservation elements within the CFP.
- The TAC management regime is not effective in multi-species demersal fisheries.
- Problems of “implementation drift” and lack of enforcement exist in the member states.
- A clash between the ways administrators and fishermen view the goals and means of the management regime.

Regime change Characteristics

- Attempts to introduce elements of “New modes of governance” have not been successful in the fisheries domain.
- The type of co-management introduced has not led to responsible behaviour.

Looking at the EU fisheries policy and management system, there are some overall features that are striking to the critical observer.

The system is a failure and has been so over the long term. This seems clear from both a conservation and a socio-economic perspective, and has resulted in overfishing, low profitability for most fleets and a declining number of processing plants, with severe negative impacts on employment and livelihood in fishing-dependent communities.

The system is resistant to reform. The system has a general tendency to resist change which, as has repeatedly been emphasised in this synthesis report, is due to its “path dependency”. During the last 25 years, there have been two major reform attempts, with very limited results and the institutional framework of the CFP has remained virtually unchanged since the CFP was adopted in 1983.

There are elements of systemic irrationality in the system. The different levels of policy-making and policy implementation seem to work against each other instead of collaborating towards common goals, with each actor group pursuing individual goals and shirking responsibility for joint goals.

Politics and policy at the Council of Ministers level are short-term and focussed on national domestic interests. This could be interpreted in somewhat different ways: a) Governments pursue a short-term strategy of economic gain; b) Governments are domestically weak in relation to national economic interest groups; c) The symbolic importance of fishing for the general public makes it politically very costly for governments not to defend the interests of the existing fisheries sector; and/or d) Governments chose to understate the seriousness of the conservation situation and tend to suppress information which does not suit their political agenda.

The firm conclusion here is that the CFP needs to be reformed, or else fisheries management in the EU will remain in a deep crisis. In particular the institutional structures need to be developed in a direction that contributes to the achievement of the general objectives of the CFP by minimizing the (socio-economically biased) political influence on policy-setting and policy-shaping and by creating specific incentives for conservation and rebuilding of fish stocks, along with mechanisms for reducing fishing capacity.

ASSESSING THE PROSPECTS FOR POLICY CHANGE

If the past experiences of the CFP are extrapolated into future expectations, it is difficult not to be pessimistic about the likelihood of reforming the CFP and getting fisheries management in the EU and Denmark out of their present crisis. However, there are internal as well as external pressures that might lead to the adoption of institutional reforms that would promote sustainable utilisation of the fish stocks and economically viable development of the EU fisheries sector, and thereby provide some hope for the future.

The EU administration is generally under pressure **to deliver results in accordance with the good governance principles** including adopting result-based management. **The expansion of the EU has created large demands on the Commission** (through DG MARE) for managing EU fisheries.

There is political pressure to **reduce the running cost of the CFP** (Degnbol 2008) both in the Commission (DG MARE) and among the member states, which are calling for change in institutional structures. The **EU fishing sector has undergone quite remarkable structural changes** during the last 25 years and more recently **market-oriented initiatives are demanding more sustainable fishing** (e.g. the MSC initiative). These political and economic changes have, in combination, influenced the policy environment quite dramatically and might push the Council out of its current 'blocking' attitude.

The synthesis report, and in many of the accompanying publications, it has been demonstrated that the institutional reform of the CFP does not lack precedents to build on, as many possible solutions already exist in the EU or in an international context. According to the argument presented in the thesis, the most promising solutions for institutional changes of the CFP are: 1) removal of structural aid; 2) a paradigm shift in the management of demersal fisheries; 3) regionalisation of the CFP; 4) devolution of management responsibilities; and 5) market-based approaches. Paradoxically, the existing policy framework can actually accommodate such institutional changes to a considerable degree, if they can only be accepted by the actors in the political arena. The pressures mentioned above may not be enough to soften the entrenched resistance in the Council to introducing institutional reforms of the CFP.

Institutional reforms, including the five solutions suggested above, must decouple the Council from operational management in order to improve the performance of the CFP and avoid reforms being blocked politically. It is important to separate high-level political decision-making from the fisheries management institutions. This raises at least two important and closely related issues for consideration: scale and institutional design. The major challenge for introducing institutional reforms to the CFP is to ensure that the incentive structures promote accountability and responsibility for long-term sustainability - biological, economic and social. It is particularly important to promote responsibility among users (the fishing industry).

From a management effectiveness and outcome achievement perspective, the most fundamental problem in EU fisheries is that of overcapacity, a direct consequence of the tremendous build-up in the fishing fleet driven by EU subsidies. Paradoxically, conservation policy has simultaneously introduced a variety of regulatory measures to reduce fishing mortality and permit fish stocks to recover. It is irrational that the EU continues to subsidise a sector plagued by overcapacity, as subsidies will only lead to further capacity build-up. A radical but effective institutional change would be to remove all structural aid to the EU fisheries sector.

The present management paradigm - the TAC system – is not well-suited for multi-species, multi-gear, multi-fleet and multi-country fisheries, as is the case in most demersal fisheries in EU waters. A paradigm shift towards adaptive indicator-based management can take place in parallel with (and thereby facilitate) an increased sense of responsibility among fishermen. Then there would be hope of breaking the vicious circle and the strong "path dependency" of the CFP, and thus creating a better match between regulations and fishing practices.

While there are strong arguments from an institutional and administrative perspective for shifting the management paradigm for demersal fisheries, it does not appear realistic that the Council will, in the short term, agree to such institutional change.

Regionalisation of the CFP is not a new idea and is in line with the thinking that led to the creation of RACs as part of the 2002 reform. The move to ecosystem approaches in fisheries management is another factor that can support regionalisation of the CFP. An appropriate geographical scale appears to be the particular eco-system to be managed, which should be treated as a single eco-region. Such an institutional change would also be a step towards introducing tailor-made regulations based on an understanding of the dynamics of specific fisheries and eco-systems. Presently member states within a specific eco-region are often prevented from introducing more restrictive regulations because member states with interests in other eco-regions block such initiatives on the basis that restrictive regulations in one eco-region might create a precedent for others.

Creating an institutional framework wherein the CFP becomes a suite of *de facto* eco-region fisheries policies would accommodate many of the present political challenges mentioned above, including the application of the subsidiarity principle to fisheries management in the EU. The Green Paper (CEC 2009) has demonstrated openness towards regionalisation of the CFP.

From a devolution/decentralisation⁵ perspective the implementation of Council decisions supports regionalisation in line with the eco-region focus presented above. Most likely the Council will maintain responsibility for deciding the overall framework for fisheries management in the EU, including decisions on management objectives and principles as well as formulation of development strategies. In this respect the feasibility of “Reversing the Burden of Proof” would determine the willingness of the fishing industry to buy into this concept and assume greater responsibility, and of the EU and member states to devolve some of their existing powers. However, it is more difficult to assess if the political will for devolved management is present actually or the contrary according to the Green Paper (CEC 2009). Nevertheless, the large demands on the DG MARE explained above are likely to require that some form of devolution takes place.

Rights-based management (RBM) has been discussed as a potential solution to overcome some of the problems in fisheries management and at a national level, several member states around the North Sea have at least *de facto* adopted RBM into their national regulation regimes. The international and Danish experiences clearly show that this approach is an effective instrument for removing fishing capacity. As overcapacity is one (if not *the*) major reason for the fisheries management crisis in the EU, it is important to explore the potential of this approach in an EU context.

In order to take full advantage of RBM in an EU context, fishing rights would have to be made cross-nationally tradable within a specific eco-region. The establishment of a pan-EU quota market with few or no constraints on quota trade within an eco-region would secure free movement of capital and labour in EU fisheries. It is not obvious, that the Council will accept that fishing rights can be traded permanently between member states. Nevertheless, there appears to be agreement that RBM needs to be tailored to local circumstances, and objectives (e.g. national models) need to be developed - and there is not a one-size-fits-all model. Could one foresee a situation where RBM is

⁵ Devolution is here understood as transferring responsibility from the public domain to semi-public or private organisations/entities, whereas decentralisation is from one public level to another.

divided into ***property rights and use rights***? The respective member states will maintain their property rights and hereby the “relative stability” will be maintained, whereas use rights will be made cross-nationally tradable, perhaps within a pre-determined timeframe. If this could be the case, then RBM might gain political support in the Council.

Changing the CFP in terms of enhanced regionalisation and devolution of management responsibilities to the fishing industry, combined with a results-based management approach, provides some hope for the future of fisheries management in the EU. These institutional changes might not gain political support in the short term, because it will take member states some time to get beyond their blocking attitude. Nevertheless, the analysis presented in this senior doctoral thesis clearly demonstrates that the problems faced by fisheries in the EU can only be overcome if the member states join forces to ensure that effective measures are adopted by the Council. There is no alternative to having some form of CFP in the EU. As argued in this section, it might be more appropriate if the institutional structure of the CFP were transformed into a suite of *de facto* eco-region fisheries policies, within a common framework, rather than a common policy that attempts to manage almost all aspects of a very fragmented sector across very different eco-systems that in reality have very few commonalities.

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