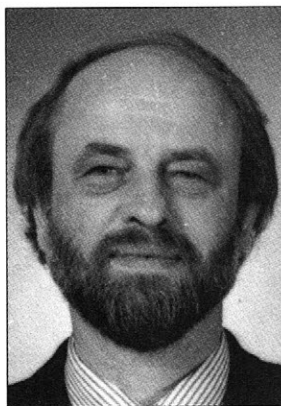

Community Control of the Fisheries

Hugh Allen, Scotland



Hugh Allen is the Secretary of the Mallaig & North West Fishermen's Association, a Trade Association founded in 1947 with around 125 member vessels which embrace all sizes and all sectors, from all parts of Scotland. In that role he is an active campaigner for the rights of local fishermen and boats of the peripheral communities of the west coast. He is a regular commentator on fishing issues, on TV and in the press.

As a retired sea fisherman himself, Allen has a pragmatic approach to fisheries policy and reform. He is an enthusiastic proponent of proposals for the return of fishery rights to the local communities that are economically reliant on them.

In the first part of this brief talk, I shall attempt to make the case for Community Control of Fisheries, by highlighting some of the inadequacies of the present system, and then I shall endeavour to suggest how the Community element might be achieved, and illustrate by example, a couple of instances where the concept has been put into practice, albeit at a relatively local level.

But first, a few autobiographical notes to assist you in making allowances for an unashamedly partisan approach to a Presentation on Community Control of the Fisheries, although I shall try to be as objective as possible.

My name is Hugh Allen and I am Secretary of Mallaig and North West Fishermen's Association, a Trade Association founded in 1947 with around 125 member vessels which embrace all sizes and all sectors, and which, despite the parochial inference in the name of the Organisation, in fact emanate from all parts of the Scottish Mainland as well as Orkney and the Western Isles. This job also entails a number of other Honorary posts all related to fisheries management, environmental and training issues.

We are responsible for advancing the political, commercial and pastoral interests of our members, negotiating at Local, National and International levels.

I assumed the post in 1993, having previously worked for six years for the Fishing Industry Trade Journal, Fishing News, and prior to that, I was at sea, skipper/owning fifteen different fishing vessels of various shapes and sizes and pursuing a range of fisheries.

Latterly, we became involved in marketing our own catches and those of other boats, and we very quickly learned the crucial importance of maintaining high standards of quality control at sea, once the responsibility for one's product had ceased to terminate at the pier head.

So, on to the business in hand ...

We should approach the arguments from the premise that Community Control of the Fisheries is interpreted as meaning Management and Policy Development by the immediate stakeholders –(in other words) giving the Fishing Industry full control of its own destiny.

When, a few years ago, our organisation engaged the services of a Fisheries Scientist to assist in the preparation of a Fisheries Management Plan devised by fishermen, someone commented that such an idea was akin to delivering the control of Licensing Laws into the hands of publicans, to which our Scientist replied that “that might not be such a bad idea.” But then again, it is no secret that he likes his pint.

I have always maintained that when I first went to sea, fishing was one of the last bastions of free enterprise. There were very few regulations of immediate consequence, apart from minimum landing sizes and the three-mile limit, all one really worried about was how much one caught and what price it would realise.

If you happened to be on the wrong side of the line, it was actually quite entertaining to try to evade the attention of the "cruiser" or the "gunboat" or the "mannie" or whatever euphemism you chose to employ to describe the vessels of the Scottish Fishery Protection Service.

Today, the job is virtually unrecognisable, and particularly since the establishment of the Common Fisheries Policy in 1973 although not entirely in consequence of it. Fishing has become totally beleaguered by legislation, regulation, control mechanisms, targets and all the other jargon and baggage of bureaucracy, which stifles endeavour, so that the actual business of going to sea and catching fish has become completely eclipsed by the welter of paperwork, and obligations of compliance.

Before a boat even throws off its ropes, it must meet a host of different safety regulations, defined in lengthy volumes full of sub paragraphs, cross-references and annexes.

Once fishing commences, there are rules which change sometimes on a weekly, monthly or annual basis that govern the permissible type of gear, the size of mesh, the number of dredges, the area to be fished, the composition of the catch, the size of quota, the stowage of fish, the completion of documents and the recording of position, with which failure to comply attracts a potential fine of £50,000, confiscation of catch and gear and impounding of Licence.

Mention of Licence directs this dissertation towards the black sub-economy into which the Fishing Industry has been remorselessly and progressively deposited by the Regulatory Leviathan.

It is not often appreciated outside the Industry, the extent to which over capitalisation, now affects what were once the proudest of all primary producers.

Licences were introduced in 1993 by a Government that ignored the advice of the Industry to take measures to prevent these mandatory passports to go fishing, from ever acquiring fiscal status.

Today, there are many different types of licence, and their values range from the tens of thousands of pounds for the most humble, to the millions of pounds for a pelagic licence, and that would be if you were even able to obtain one.

When you purchase a boat, you must also be in possession of the

appropriate Licence, which in turn will relate to the size of vessel and the type of fishery that you intend to pursue.

Technically speaking, attached to that Licence should be your Fixed Quota Allocation, which was formerly known as Track Record, although there are fundamental differences between the two, which I shall not inflict upon you today. Suffice it to say that the conversion from Track Record to Fixed Quota Allocation, a bright idea hatched by Fisheries Departments, albeit subject to a consultation exercise with the Industry, which generated a mixed response, serves only to disadvantage the smaller and less financially secure artisanal fishermen, in favour of the big operator. I raise this point now since it is relevant to one potential route for Community Control, which I shall come to in due course.

Track Record and Fixed Quotas Allocations determine the amount of fish that you are legally entitled to land. Although Fixed Quota Allocations as their name implies, are fixed, they are fixed only as a percentage of the whole, and the whole will vary from year to year according to the size of the Total Allowable Catch for each species in each area, determined by the European Commission, which is subdivided into National quotas and further distributed among Fish Producers' Organisations, whose share will be calculated on the aggregated Fixed Quota Allocations of all those vessels in membership.

And how is a Fixed Quota Allocation itself derived? Well that in turn is based on a vessel's, or more correctly, a licence's performance earned over an historical rolling reference period, which terminated in 1996. Nowadays, except in certain and prohibitive circumstances, Track Record can no longer be earned, and Fixed Quota Allocations must be purchased.

Internal contractual arrangements between Producer Organisations, the use of 'dummy licences' and 'ghost vessels' has led to a trade in 'paper fish', which is sometimes separated from a licence. Then comes emergence of 'quota brokers' and 'slipper skippers', and a huge amount of money floating around the system which attaches to an intangible asset for which no individual enjoys legal right of ownership.

Nobody owns the fish in the sea. At best, fishermen can claim a legitimate expectation to catch a predetermined proportion of fish against his country's quota, and for that expectation he will have had to pay a substantial price.

Because the trade in fish and licences is subject to market forces, many fishermen who purchased extra entitlement in order to remain legal, as quotas were reduced, now find that their investment is in

negative equity so that worried fishermen are today in the company of worried bankers.

Nonetheless, as a rule of thumb, a fisherman's investment in his business is roughly comprised of one third for the vessel and two thirds for the licence and fishing entitlement.

Thus, the right to go fishing, rather than the boat, the tool of the trade, has become the family silver, and when times get hard, the family silver is what goes first.

Already a significant haemorrhage of fishing entitlement is flowing from the poorer regions of Scotland's coastline into the hands of organisations domiciled elsewhere, where it is often used as collateral to build powerful new vessels that put more pressure on the stocks.

People talk about the current crisis in fishing, I would suggest that this is a liberal use of the word "current".

The crisis has been developing for years, and all sorts of factors have contributed to it, of which over fishing is only one.

Not all stocks are in bad shape, but the sustainability of those which do not give cause for concern in their own right, is assuredly threatened by measures taken to protect the ailing health those species in decline, due to diversification of effort when controls become too onerous to make fishing for the weaker brethren viable.

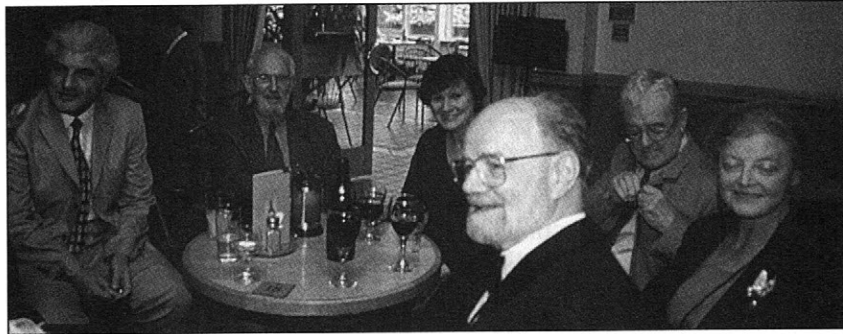
Climate change, pollution and some would argue, the burgeoning seal population all add to the depletion of certain gadoid species. Even the quota system contributes through discarding immature fish or the setting of low quotas for highly predatory species such as Saithe, which remain uncaught and therefore able to prey upon other young and endangered species.

But the crisis is not restricted to the state of the stocks.

It is a crisis of Economics. Some prices for the raw material have hardly moved for twenty years, yet operating costs have soared. Last year alone, typically, a vessel with a turnover of £600,000 faced an increase in overheads of £76,000 over the previous year, solely attributable to the rise of fuel prices. Unlike agriculture, fishing is entirely unsubsidised.

It is a crisis of crews. Twenty years ago men used to queue for a berth. Now boats are tied to the wall for lack of crew. Fishing is always an early victim of national full employment, especially when competing with a booming offshore oil industry.

And it is a crisis of Management. In the UK, fishing is virtually the only privatised industry, effectively run by the Government, who in turn take their direction from Europe, although the Commission is often less



Left to right: Fred Harrison, Svend Dinsen, Tanya Roskoshnaya, Ole Lefman, John Shaw, Hilary O'Donovan

dictatorial, and more amenable to constructive suggestion than our own Administration.

Between 1993 and 1999, the number of inshore vessels in the UK between ten and twenty-four metres has almost halved, so simplistically, why have the stocks gone the same way, instead of doubling?

It is because reducing capacity does not result in reducing effort, partly due to the technological creep – a modern 30-foot boat can now catch the same as an old 70 foot boat – and partly because fishermen are putting more and more time at sea to make ends meet as the pressures on them escalate. More risks are taken and more lives are lost, often as efforts are made to meet the cost of complying with the regulations.

Yet how often are we told that we must continue to cut, cut, cut? “Too many boats chasing too few fish,” the mantra of Ministers and Commission alike.

Effort is what needs to be reduced. Limit the days a boat can go to sea. A boat in the Harbour cannot catch fish. Licence boats in units of effort not units of capacity. Reducing capacity reduces jobs.

In 1970 there were 21,443 fishermen in the UK. In 1999 there were 15,961, but the number of Fisheries Ministers increased, so that we are now privileged to enjoy the services of no less than six of them. That is roughly one Fisheries Minister to every two and a half thousand fishermen.

What other industry can boast such an impressive ratio of governance? And what other industry is in such a God-awful mess?

I stated earlier that the UK fishing industry received no subsidies, and upon making the same observation to a senior civil servant in the Scottish Executive, he countered by replying that we received £38 million a year because that is what it cost to run the Scottish Fisheries Department.

And so the question arises, do we actually need a Fisheries Department? Except as facilitators. Do we need all these rules, regulations and controls whose balance of achievement over the past twenty years, few could protest, would not be weighed and found wanting?

I am sure that I was not invited here to extol the virtues of anarchy, although it has its attractions, but I would hazard that if we were to abandon all fishing related bureaucracy for a five-year period, not one single extra fish would be killed, nor one more fisherman's life saved, but a major contribution to the environment might be identified through the saving of millions of acres of forest, that would otherwise have been culled and converted into all that paper.

Give us, the fishermen, the Community, the £38 million, or even half of it, and let us see if we can do any better. While it would be highly desirable to start with a clean sheet of paper, we cannot make a bonfire out of snowballs, so we have to begin by working with what is already in place. Let us take the quota system, for example. We might not like it but we are stuck with it, for the time being.

I have endeavoured to demonstrate the high cost of entry into the Industry, which denies many ambitious young fishermen access to the bottom rung of the ladder, without outside help.

Quasi control of the sea and the riches it contains, has been secured through the ages, on a territorial basis, throughout the world, and charges levied for the right of exploitation.

For the most part, in the UK at least, that right remains within the hands of individuals as I have explained.

However, there is no reason why the principles of Community land ownership should not be extended to the right of exploitation of the Sea, and indeed in Shetland, and to a lesser extent Orkney, this is already happening.

Arrangements have been put in place to acquire quota for the benefit of the local community.

Shetland Islands Council has an investment arm known as Shetland Leasing and Property or SLAP, which was established with funds from the Oil Reserve. SLAP buys Fish Quota on the open market which it then leases to the Shetland Producers' Organisation at a 9% rate of return to be achieved over a multi-year time horizon, which is deemed to be commercial.

In order to gain entry into a Producers' Organisation, which in turn issues the monthly quota any vessel is allowed to fish, it is first necessary to bring entitlement into that organisation. Through the

Shetland system the Producers' Organisation is able to lease Quota on a pay as you earn basis, and on a sliding scale which gives priority to new entrants and charges them the lowest rate.

In this way, a young fisherman is able to enter the system without having to source enormous amounts of capital for his quota or service a huge loan. Since he pays a percentage of his gross earnings, he is not lumbered with continuing debt in the event of breakdowns or prolonged bad weather, but his payments are tailored to his ability to pay, and so in the fullness of time it is hoped that he will be able to purchase quota in his own right.

In addition to quota purchase by SLAP, the Shetland Producers Organisation was sufficiently far sighted to secure its own quota for the benefit of its membership, which in itself proved a good investment, since their original one million pounds worth of fish is now worth about five million pounds.

In February of this year, 15% of the Shetland Fish Quota was "owned" outright by the Producers' Organisation plus 25% by SLAP, with the balance held by individual fishers. Thus 40% of Shetland Fish Quotas were available to be allocated to the greater benefit of the Community. It remains a priority for Shetland to purchase further quota in this way and so increase the quantity of fish in Community ownership.

Their successful and innovative programme has been possible because they have good cash reserves largely generated by oil, a finite resource, which has been reinvested into fish, which is, if properly managed, an infinite resource.

It would of course be highly desirable to export this concept to other areas that are equally fish dependant, but do not possess the necessary funding to create such a scheme.

However, Highlands and Islands Enterprise are very alive to the attractions of Community Ownership of Quota, and supportive of any attempts to drive this forward. They have also suggested other ways in which Ownership or the right to fish in a particular area could be retained in that area.

These include:

- ◆ a simple redistribution of quota from decommissioned vessels;
- ◆ geographical "ring-fencing" of quotas, as has been applied to milk quotas;
- ◆ top slicing and retaining say 10% of quota traded out of an area (similar to aggregation penalties on fishing vessels' capacity units each time a vessel is sold), to be redistributed among the area's remaining quota holders;

- ◆ establishment of community pre-emption rights based on prevailing market conditions.

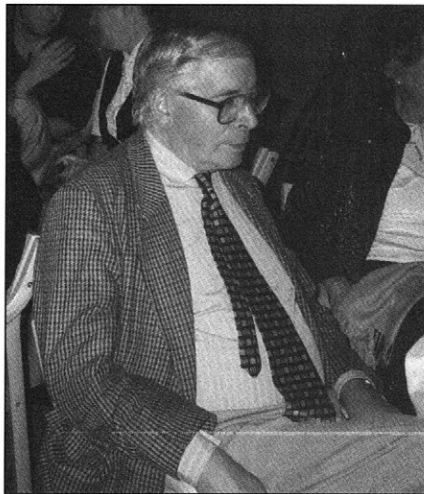
Many of these ideas would require primary legislation, but I am grateful to HIE for allowing me to quote them. HIE are actively pursuing routes for Community Ownership of quota in their area.

Turning to another form of Community Control of the Fisheries, which again was pioneered by Shetland, but which is now being developed in Orkney, the Highland Region, the Western Isles and part of the East Coast of Scotland, Legislation under the Sea Fisheries Act of 1965, allows for local management regimes for conservation purposes, known as Regulating Orders.

These apply to certain shellfish species named in the legislation, and allow fishermen in conjunction with other partners such as the local Council, Scottish National Heritage and Scientists, to introduce measures of effort limitation to preserve stocks.

Perhaps more importantly, they enable a certain amount of stock regeneration to take place through ranching and reseedling of species such as scallops and lobsters.

However, such schemes are not without their difficulties, since they can be perceived by some fishermen as being another level of bureaucracy involving permits, which in turn will have a price tag. They have to be handled extremely sensitively and with as much consultation as possible, which is not necessarily easy to achieve among fishermen due to the very nature of their job and unpredictable working practices influenced by weather, tides and markets.



Geoffrey Lee

Finally, I would point to certain instances where relatively local problems generated by conflict between fishing practices, have led to arrangements whereby different, and sometimes opposing groups of fishermen have come to an agreement on a management regime that has subsequently been enshrined in legislation under the Inshore Fishing (Scotland) Act 1984.

Sometimes this has occurred after a complete stand off

between the parties, presenting the Scottish Executive with a very difficult position as arbitrator, knowing that whatever they decided could lead to legal action by one side or the other.

Fishermen have sat down together and worked out a set of proposals appropriate for harmonious management of the area and the fisheries, which have then been approved by the Scottish Executive.

We feel that there is great potential for extending such local agreements to most coastal areas.

I appreciate that the working practices that I have cited are of an artisanal nature, but then so are many fisheries throughout the world.

Moving to Community Control of the Fisheries is a gradual process, and while the general principles can be extended offshore, it is a case of putting one's own backyard in order first.

The CFP Review Green Paper suggest greater participation in Fisheries Management by the stakeholders, and this is already beginning to take place with improved inclusion of fishing representatives by the European Commission, in devising policy.

But, perhaps the biggest hurdle still to be overcome, is the removal of politics from the conservation of fish.

Fish are not concerned with personal egos, and nor do they recognise local, national or international boundaries.

Thus fact was adroitly illustrated by a Commission advisor who recently reprimanded one of my colleagues, when debating the issue, "you are supposed to record your fish where you actually caught them, not where you think they might have come from originally."