

## Answers demanded on economic sustainability

How do we achieve sustainable fisheries management that is built on economical, biological and social sustainability?

Iceland is the host for the conference “Efficient Fisheries Management – fishing rights and flexibility.”

The Icelanders are keen to pin the focus on fundamental, crucial aspects of fisheries management. Brynhildur Benediktsdóttir,

advisor for the Icelandic fisheries ministry, says that in international contexts and not least the Nordic cooperation the focus has been increasingly on ensuring fisheries are carried out in a sustainable manner.

“In this instance we are talking about sustainability in the broad sense of the word, economically, biologically and socially. At the same time it is apparent that many nations have not achieved this objective. A good example is the admissions the EU offered in its green book on a reform of the joint fisheries policy. The same applies to the whole process around the revision of the joint

fisheries policy in the EU,” said Brynhildur Benediktsdóttir.

She went on to say it is clear that sustainable fishing must also be economically sustainable and profitable, if it is to make any sort of contribution to the wider community.

“For Iceland’s part it is of interest to determine at this conference where science stands in questions concerning the financial aspects of fisheries management. After the finance crisis devastated Iceland it could be safely said that this question is more important now for Icelanders than it has ever been before,” concluded Benediktsdóttir. ■

## Fishing vessel owners and fishermen need motivation to ensure their own survival



The EU is out after establishing a regionalized management system, where the intention is to motivate the fleet to take responsibility for fish stocks.

Poul Degnbøl, who is a scientific advisor to the European Commission (EC), says he does not feel he can publicly grade the various management systems. ▶

– “One problem is that the fisheries sector has not been put in charge of taking care of its own future, and they have not received the necessary motivation to ensure fleet capacity does not exceed the catch basis,” says Poul Degnbøl. The question is whether new super-trawlers such as the Faroese “Norðborg” live up to the desire for more responsibility. Photo: Jógvan H. Gardar.

► “But it is quite obvious there will always be something to learn by looking closer at how the different management systems have approached challenges,” said Degnbøl.

He also pointed out that in general it is impossible to compare management in a single country and management in a union.

“In the nature of the matter there is a totally different approach towards decision-making and implementation in a union where several countries cooperate, than is possible in an individual country.

### **The system must promote long-term responsibility**

Poul Degnbøl stressed there are several factors that must be in place before there can be talk about management being ecological, social and economically sustainable.

“There must be a decision and implementation system that bases itself on distinct objectives and that promote long-term responsibility. There must also be a system for how access to fishing is distributed, so that the sector has the best opportunities to build up economic profitability and to personally take responsibility for maintaining sustainability,” he said. In the green book on a reform of the joint fisheries policy, which the EC presented in April,

the Commission referred to the reasons they contend that fishing under the joint fisheries policy for a number of fish stocks has not been sustainable. Causes mentioned included excessively large fishing fleet, and that this made it difficult for vessel owners to realise a profit.

Poul Degnbøl said that these are challenges that have not been dealt with as yet in the EU.

### **Must get away from the short-term perspective**

According to Degnbøl, the joint fisheries policy, such as it is now, does not have sufficiently clear objectives that can provide guidance towards the correct decisions. “In the EU we instead have a clear dividing line between superior principles and implementation details,” he said.

“Altogether these factors are conducive towards a short-term perspective taking over. This results, among other things, in that allocation of quota rights systematically having greater significance than consideration for the long-term sustainability of many stocks.” Degnbøl also said the aim of the politicians has been to do something about the short-term economic and social consequences of official reserve.

“The end result has been the opposite. This is simply not social and economically sustainable,” said Degnbøl.

### **Must have responsibility for own future**

“Another problem,” said Degnbøl, “that pulls in the same direction, is that the fisheries sector has not been put in charge of taking care of its own future, and it has not received the necessary motivation to ensure fleet capacity does not exceed the basis for (sustainable) catches.”

“This motivation is the first prerequisite for achieving sustainability.”

“In the EU’s green book, possible solutions are mentioned that include a regionalisation of decisions and implementation within some shared superior principles. It also points out that the sector itself must take a certain degree of responsibility for implementation and have the motivation to adjust capacity. This can be achieved by among other things providing the sector with more forceful and longer-term rights to fishing.

Poul Degnbøl said the EU is now working towards the establishment of a regionalized management system. ■

– “The Greenland fleet claims that fishing for shrimps is biologically sustainable. But if we look at other problems in this context, then there are a number of challenges connected to both the financial and social aspects,” says Niels Vestergaard. Photo: Jógvan H. Gardar.



## **Iceland should not wind up its quota system**

“The Icelandic authorities appear to want to change course and wind up the quota system. That’s the most stupid thing they could do. No new values would be created from having more fishing boats and fishermen than there is a need for.”

Rognvaldur Hannesson has been an active participant for many years in the economic debate around Norwegian fisheries. A born-and-bred Icelander, he has also been a significant debater and researcher in connection with Nordic fisheries.

Management systems based on saleable rights – first and foremost saleable fishing quotas – have become more commonplace. Rognvaldur Hannesson says these are also gaining new ground.

“These systems promote economic efficiency, they exempt from the management authorities from controversial allocation of quotas or fishing days, and they provide a reward to players in the industry in the form of rights they receive free-of-charge. Rights that they can sell later,” said Hannesson.

### Right to the seas’ resources

The question of whether it is right that the State gives away quota rights to private interests, which can later sell them at a profit, is a recurring topic in most fishery nations. The professor maintains this is the right way to distribute quota rights. That the seas’ resources belong to everyone in the wider community is a controversial topic, despite several countries having this stipulated in their laws. The politicians expound: “The seas’ resources are the property of the people.”

Rognvaldur Hannesson says: “To give away rights that can later be sold has been an extremely controversial move, but is presumably necessary in order to get the industry onside for a reform that counteracts excessive investment in fishing vessels and over-population of the industry. The reason for saleable right was established with the 200-mile zone; it provided the necessary management and inspectorate authority to the coastal states. The simplest and most logical way to resolve the problems we face, of what is left of the open sea, will be to expand the economic zones even further and close what is left of open seas.”



### Wrong to wind up Iceland’s quota system

The Nordic countries have chosen various ways to resolve the issue of access to the seas’ resources. Those that have been furthest apart from each other have been Norway and Iceland. Since the nineties the Faroe Islands has had a fishing day arrangement that lies between the Icelandic and the Norwegian model.

Norway has a conservative management system that has not changed to any great extent compared with counterparts west across the sea. Iceland is probably facing a change in its management system, and the Faroe Islands at the end of July the Government warned it intended to make a number of changes in the acts that regulate Faroese fishing. Among other moves, the Faroe Islands will ensure those who have received quotas and rights make use of these through the mandate, and open up for more foreign capital in the industry.

“Iceland was quick off the mark in this development. Norway has followed hesitantly. The Icelandic authorities now appear to want to change course and wind up the quota system. That’s the most stupid thing they could do. No new values would be created from having more fishing boats and fishermen than there is a need for. The foreign debt Iceland has ended up with due to the bank crisis makes this even more urgent to exploit the resources the country has at its disposal to the hilt,” said Hannesson.

### Should avoid obvious blunders

He is nonetheless not as anxious about the proposed 20-year plan that has been mentioned in connection with the winding-up of the Icelandic quota system.

“This plan doesn’t need to be much of a worry for anyone. If the system is changed so that each year five percent of all quotas are auctioned off, this will have the effect of a resource interest tax. The Icelandic State needs that revenue to pay off its foreign debt. Populistic initiatives, as with permitting free coastal fishing, should be avoided. Those kinds of blunders have, through the years, ruined much of the yields the quota system is able to generate. Free coastal fishing creates a fleet of small boats, whose owners would prove difficult for the politicians to stand up against,” said Hannesson.

### Must be aware of Nature’s forces

Rognvaldur Hannesson said that in principle you can talk about biological and economically sustainable fishing, but you have to be aware of the huge fluctuations in fishing caused by natural forces.

“We shouldn’t kid ourselves that it’s always going to be possible to harvest a certain amount of fish from each stock. How much you can harvest is critically dependent on recruitment of new stock age classes. This is a process that is essentially driven by natural variations and has little to do with how much is fished.

## Letting the experts work in peace

With the Left-Green faction in the Icelandic Government, there are many anticipating a revision of the Icelandic management system. The party has been a fervent critic of the current Icelandic system, where the rights for fishing are ending up in increasingly fewer hands. Neither is it any secret that the Icelandic fisheries interests have a powerful lobby in the country.

Jón Bjarnason has sat as minister in just three months, and as at today’s date has declined to give any indication of what he is wanting from the Icelandic management system in the future.

The Icelandic Government has appointed a committee to take a closer look at the fisheries management. The conclusion of this report will be ready in early November. Until then Bjarnason is not prepared to participate in a public debate on either Iceland’s current or future management system. ■



Rognvaldur Hannesson

Hannesson maintains that sustainable fishing should be defined on the basis of fish mortalities or rate of exploitation.

“In the same way, fisheries’ profitability is subject to fluctuation in the markets, which in their turn have to do with conjunctures or supply from competing fisheries. Economic sustainability requires two things; firstly the industry must be capable of paying wages on an equal par with alternative industries, secondly adequate resources must be built up to enable the industry to survive hard times. I cannot see that the expression “social sustainability” contributes with anything of the slightest significance apart from biological and economic sustainability,” concluded Rognvaldur Hannesson. ■



# Working to achieve sustainability – but not quite there yet

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Both the Danish and Greenland fisheries industries are striving to achieve sustainable fisheries, but there are several hindrances before they will be able to call the fisheries sustainable.

In an interview, Professor Niels Vestergaard, of the Department of Environmental and Business Economics at Syddansk University said: “We achieve sustainable biological fisheries if the fishermen can earn money by complying with the regulations. This means, if the regulations can create the right encouragement for the fishermen.”

“If we look at the Greenland fleet, we can say that fishing for several stocks, for instance shrimps, is biologically sustainable. But if we look at other problems in this context, there are a number of challenges connected to both the economical and social aspects. Niels Vestergaard says the Danish fisheries industry is harder to ‘see through’ today, where the issue of sustainability is concerned.

“Denmark has introduced a system for considerable segments of the fleet that reminds one of ITQ (individually transferrable quotas). The outcome is that the fleet has been

reduced, but we don’t know the economic results in details just now. At the same time there are other factors that make it difficult to provide a clear diagnosis. The EU’s fisheries policy sets directives for the Danish fisheries policy, at the same time as Denmark shares

several fish stocks with other countries. Several of the most important cod stocks in the EU zone are over-fished, and the Union has initiated measures to save these stocks. But it’s too early to say if these actions have succeeded,” said Vestergaard. ■



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