

SOCIO-ECONOMIC ASSESSMENT OF MANAGEMENT MEASURES OF THE NEW COMMON FISHERIES POLICY (CFP) – CHALLENGES AND METHODOLOGICAL BACKGROUND

Special Session Overview

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ABSTRACT

The EU FP 7 project ‘SOCIOEC’¹ started in March 2012 and a special session on the challenges and methodological background was organised during the IIFET Conference. In this overview we list the abstracts of the papers delivered and give a short overview on the discussion

Keywords: Socio economic impact assessment, SOCIOEC research project, EU fisheries policy

Introduction – special session description

In March 2012 the EU funded FP 7 project ‘SOCIOEC’ was launched. SOCIOEC has been designed as an interdisciplinary, European wide project, bridging the expertise of scientists from several fisheries sciences with the hands on knowledge of industry partners and other key stakeholders. The project is innovative as it works in an integrated manner on solutions for future fisheries management, that can be implemented at a regional level. The central concept remains to provide a mechanism for developing measures that are consistent with the overarching sustainability objectives of the EU, and that can provide robust consensus across stakeholders. The first step will be to develop a coherent and consistent set of management objectives, which will address ecological, economic and social sustainability targets. The objectives should be consistent with the aims of the CFP, Marine Strategy Framework Directive (MSFD) and other EU directives, but they should also be understandable by the wider stakeholder community and engage their support. This will then lead to the proposal of a number of potential management measures, based on existing or new approaches. The second step will be to analyze the incentives for compliance generated by these measures. In particular, we will examine fisher’s responses and perceptions of these measures, based on historical analysis as well as direct consultation and interviews. This project part will also examine how the governance can be changed to facilitate self- and co-management to promote fisher buy-in to promising management measures. In particular, the project will focus on the interpretation of overarching (i.e. EU) objectives in local and regional contexts. Finally, the project will examine the impacts of the management measures that emerge from this process, particularly in terms of their economic and social impacts. The impact assessment (IA) analysis will be integrated by evaluating the proposed measures against the criteria of effectiveness, efficiency and coherence. The project will pay special attention to the evaluation of the proposed management measures’ performance against not only the general (high level) but also the specific ecological objectives.

For this special session at the IIFET conference we presented papers that describe the overall approach of the project and planned research activities. In a separate call for papers we additionally invited presentations dealing especially with the methodological background of two of the main topics of the project: incentives in fisheries management measures and socio-economic impact assessment of management measures. The aim is to start a discussion on status quo and ways forward in the assessment of management measures, as socio-economic impact assessments for new measures are necessary not only under the CFP but also in the United States.

Additionally, the idea of the special session was to discuss with the participants the planned research activities and how far the presentations from outside the project participants give helpful suggestions and guidance to future research activities. However, this did not work out in practice as a different audience took part in each part of the special session. Therefore, the discussion went more in the direction of the overall problems of the Common Fisheries Policy and the reform process. A short summary of the discussion will follow after the overview on the abstracts of the presentations in the session.

The papers presented in the SOCIOEC special session

- 1) SOCIOEC – Socio-economic effects of management measures of the future CFP - Overview on a new European FP 7 Project (Authors: **Ralf Döring**, Leyre Goti)

The EU FP 7 project ‘SOCIOEC’ started in March 2012 and this paper gives an overview on the main research questions and first results.

SOCIOEC is an interdisciplinary project bringing together scientists from several fisheries sciences with industry partners and other key stakeholders to work on solutions for future fisheries management that can be implemented at a regional level. The first step will be to develop a coherent and consistent set of management objectives, which will address ecological; economic and social sustainability targets. The objectives should be consistent with the aims of the CFP, MSFD and other EU directives, but they should also be understandable by the wider stakeholder community and engage their support. This will then lead to the proposal of a number of potential management measures, based on existing or new approaches. The second step will be to analyze the incentives for compliance provided by these measures examining fisher's responses and perceptions based on historical analysis as well as direct consultation and interviews. This project part will also examine how the governance can be changed to facilitate self- and co-management to ensure fishers buy-in to promising management measures. Finally, the project will examine the impacts of the management measures that emerge from this process, particularly in terms of their economic and social impacts. The IA analysis will be integrated by evaluating the proposed measures against the criteria of effectiveness, efficiency and coherence. Special attention will be paid to the evaluation of the proposed management measures' performance in terms of their ability to achieve the general and specific ecological objectives.

2) Will I Clear My Feet? Vessel Owners' Stay or Exit Dilemma in a Stock Recovery Situation (Author: **Hazel Curtis**)

This paper presents findings from an investigation into the stay or exit decision of vessel owners in Scottish fisheries subject to stock recovery measures. Semi-structured in-depth interviews were conducted with 39 vessel owners during and following a vessel buy-back scheme. Empirical results show key factors affecting the decision to stay or exit, which include the owner's age, other sources of income, the existence of a successor to the business, impact on other involved family members, and expected future business performance, which in some cases was expected to be business failure. Owners did not use any formal financial methods or techniques for their decision-making. Advice sought from accountants was mostly on minimising tax liability. Owners expecting profitable operation considered how to use government grants to enable fresh investment in the fishery. For vessels with poor expected performance, owners' principle concern was "will I clear my feet?" - would there be a positive net cash position on winding up the business? If they could not get clear of debt by winding up, skippers would continue in unprofitable or low profit boats, as long as they could get a wage for their labour and repay the bank loan, because they saw no other option. This could partly explain the time lag between decline in average profits and decline in fleet capacity in a fishery, identified by other authors. Negative or low accounting profit and zero or negative return on assets may not on their own cause owners to quit.

3) ecoOcean - games in Fisheries education, communication and science (Authors: **Jörn Schmidt**, Rudi Voss, Dennis Nissen, Michel Magens, Martin Quaas, Till Requate)

There is growing realization of the potential for games and experiments as powerful tools for education, outreach and research in many fields of science. Particularly in fisheries management we face a growing demand for stakeholder involvement, which requires new ways in reaching informed decision making. Games and experiments can be used for (i) teaching economic and ecological principles to pupils, students and the general public, (ii) outreach and communication with stakeholders in participatory assessment or management environments, and (iii) collecting scientific data in controlled research experiments. We developed a conceptual approach and realised the fisheries simulation game ecoOcean. This tool has so far primarily been used for dissemination purposes. The great success of the current version of the game is a strong motivation to proceed on these lines. The game shall be further developed to include a higher complexity and enable the simulation of management measures, i.e. the stakeholder can play through management measures. The paper shall rise awareness of the strengths of this new approach to stakeholder involvement. We will describe past and current approaches and draw a vision on future use of games in education, communication and science, using the conceptual approach we have taken with ecoOcean.

4) Reforming Europe's fleet policy: A "Sea change" solution to overcapacity? (Author: **Eric Lindebo**)

In July 2011 the European Commission acknowledged that "Our current system is not working in favour of sustainability. Too many fleet segments live on low profits, depend on subsidies for survival. 'Business as usual' is not an option". Indeed, the reform of the policy "must not be yet another piecemeal, incremental reform but a 'Sea change' cutting to the core reasons behind the vicious circle in which Europe's fisheries have been trapped in recent decades." (Green Paper on Reform of the CFP, April 2009.) The reform package for a new policy is comprehensive and touches upon all aspects of fisheries management, and ongoing negotiations should lead a new policy being implemented in 2013. This paper focuses on the reform of fleet (access) component of the policy. The Commission has proposed a system of transferable fishing concessions, or user rights, for all large scale vessels (>12m). The concessions will be distributed by each Member State, and will grant their owner a share of the national fishing opportunity for each year. Operators will be able to lease or trade their concessions nationally, not between Member States, and will have a minimum validity of 15 years. More lenient capacity

rules will apply to these vessels. In parallel, the new Maritime and Fisheries Fund 2014-2020 will discontinue the use of publicly financed vessel decommissioning, following decades of ineffectiveness. This paper examines whether a "sea change" reform can be achieved, in promoting market based solutions to solve the overcapacity.

- 5) Integrating social objectives and indicators for Australian fisheries management (Authors: **Sean Pascoe**, Kate Brooks, Jacki Schirmer, Lianos Triantafillos, Cathy Dichmont)

Sustainability and economic efficiency are well established and defined objectives in Australian fisheries management. Many Australian States and Territories include some reference to social considerations in their fisheries legislation, but this is poorly defined and has little direct influence on policy formulation. From the literature, many fisheries social objectives are difficult to quantify, and performance measures against these objectives have either not been clarified or are difficult to assess at broad level scales. In 2010, a project was initiated to determine a nationally applicable set of social objectives and associated indicators for Australian fisheries management. Quantitative indicators were developed, and an overall performance measure was developed using a Bayesian belief network approach. In this paper, the approach undertaken to develop, quantify and assess social objectives and the performance of management against these objectives is presented. This method allows clear social objectives to be utilised and an integrated assessment of them undertaken in line with economic and biological sustainability objectives.

- 6) Socio-economic analysis of the options for a reformed CFP (Authos: **Angel Andres Calvos Santos**)

On the basis of proposals made by the European Commission, a reformed Common Fisheries Policy (CFP) for the European Union is foreseen to enter into force during 2013. The European Commission proposal for the CFP reform was supported by an impact assessment analysing the economic, social, and environmental impacts of a series of policy options. All options aimed at achieving environmental sustainability as a precondition for overall sustainability. The paper will present the methodology for the analysis in this impact assessment, the content of the different options, as well as the impacts of the options identified for the CFP. The paper will also show how the impact assessment process has fed into the policy making process of the future of both the Common Fisheries Policy and the European Maritime and Fisheries Fund.

- 7) Confronting the implementation of marine ecosystem-based management within the European Common Fisheries Policy Reform² (Authors: **Raul Prellezo**, Richard Curtin)

In this work we confront, by reviewing the literature, the definition of ecosystem-based management provided in the proposal for reform of the European Common Fisheries Policy (CFP) with the specific measures foreseen in it. These are: the sustainability objectives, the maximum sustainable yield target, the discard ban, transferable fishing concessions and regionalization. By analyzing the proposal of reform of the CFP by means of the ecosystem-based management framework, we conclude that there is a lack of social instruments to deal with the social sustainability objective while economic and ecological sustainability can be simultaneously achieved with the specific measures considered in the proposal. We also conclude that individually analysed, the specific measures could further the ecosystem based management implementation, although not all the observed or analysed consequences of the implementation of these measures move in this direction. In that sense we conclude that the success of the ecosystem based management depends much more on the specific implementation as well as on the accompanying incentives (structural funds).

Overview on the discussion during the special session

In the first part of the special session Ralf Doering, the scientific coordinator of the SOCIOEC project, gave an overview on the project (see proceedings paper No. 423). This included also a short description of the first workshop results on targets/objectives for economic sustainability.

As Raul Prellezo was not able to participate at the conference, only Jörn Schmidt as a member of the SOCIOEC consortium gave a presentation regarding research activities of the project. In his presentation he discussed the ecoOcean game table as a tool to analyse fisheries management measures and their incentive structure (see proceedings paper No. 425). During the second day of the conference participants were also able to play the game during the poster presentation session.

The third paper in the first session, presented by Hazel Curtis (see proceedings paper No. 23), was on an investigation into the stay or exit decision of vessel owners in Scottish fisheries subject to stock recovery measures. A main research question of the SOCIOEC project is around incentives in fisheries management measures and, therefore, this fits very well in the overall research agenda of the project. The results of semi-structured interviews show especially that there are very diverse reasons why fishermen stay in or leave the business. It also shows how important several other factors besides income are in the decisions of fishermen.

After the break three more papers were presented. Eric Lindebo (see proceedings paper No. 99) and Angel Andres Calvo Santos (see proceedings paper No. 416), both working in the European Commission, presented some thoughts around the reform of the Common Fisheries Policy of the EU. The SOCIOEC project shall deal especially with the new instruments of the basic regulation adopted for the new CFP. In the first presentation Eric Lindebo, who before the conference had moved within the EC to a different position outside DG Mare, reflected on the situation of the economic instruments proposed by the EC in the reform process. The EC proposed ITQs to be implemented in the Member States to address the overcapacity problem. However, the Council of Ministers adopted a document for the discussion with the European Parliament where the ITQs will not be mandatory but voluntary. This may mean that the overcapacity issue will not be addressed adequately by this reform. Angel Andres Calvo Santos presented results of the ECs own socio-economic impact assessment of the reform proposal. The results are available on the EC website and show that especially the ITQs are a very good way to improve economic results in the European fleets (also by addressing overcapacity). Both presenters hope that in the process of the discussion between Parliament and Council a good reform will be adopted.

In the last presented paper by Sean Pascoe (see proceedings paper No. 191) he gave an overview on the process of the implementation of social objectives in Australian fisheries management. Over a longer period of time in discussion with stakeholders a system of objectives and targets were developed. The paper shows that this process was complicated and the set of objectives very diverse. The debate on social objectives will be part of the SOCIOEC project in the first 18 months.

Summary and Outlook

It was clear when formulating the session overview several months before the conference that there will be after four month no results to present from the SOCIOEC project. However, as the IIFET conference only takes place every two years the project partners decided to organize a session to make people aware of this ongoing socio-economic project in the FP 7 research program of the European Union (it is the only socio-economic project around fisheries research) and gather potential feedback from a specialised audience.

The SOCIOEC special session gave an overview on the project and draws some attention on the research questions by including papers that address important themes for the project. Overall it was a successful session although the discussion at the end was more on the problems of the Common Fisheries Policy and the reform process. This brings us back to the already detected challenge of taking first a wider focus on the process of management to then remain specific but also thorough and creative at proposing management solutions.

We hope that at the next IIFET conference we will be able to present a list of papers with results from the SOCIOEC project.