

Title: **The 2012 Revision of the Common Fisheries Policy (Cfp):
Consequences of Ecosystem Based Management and increased Ngo
Influence**

Authors: Margrethe Aanesen, University of Tromso (Norway)
Claire Armstrong (Norway)

Abstract: Focal in the 2012 revision of the Common Fisheries Policy (CFP) is ecosystem based management. Implying a more holistic approach one aspect of ecosystem based management is to include new stakeholders. When the new stakeholders get a say in the fisheries management this will affect the regulations of the original regulator, the authorities. Applying a common agency model we show that the introduction of a new stakeholder (principal) will make the authorities use of regulations weaker, as they react to the new stakeholders regulation by moderating its own regulations, but the net incentive scheme (aggregate of regulations) will be stronger. The new stakeholder also moderates its regulations when it knows that they come in addition to those of the authorities. This is the case when the two principals share the same interests towards the agent. When the new stakeholder holds only environmental interests towards the fishery, it sets the regulations unilaterally, and in this case the net incentive scheme is stronger compared to when both principals hold environmental, economic and social interests. We use a common agency model which has previously been used to analyse how a government and an independent interest group can influence the central banks choice of inflation rate (Chortares and Miller 2004, Campoy and Negrete 2008). These common agency models in turn rest on the work of Walsh (1995), showing that the optimal contract for a (single) government to offer a central bank when the government is concerned about inflation, is linear in the central banks decision variable, money growth. The private information in the previously mentioned models are introduced in the form of a stochastic term, and it can be shown that the optimal contract is independent of this term. Thus information revelation is not an issue. So far we have solved the model under symmetric information. Introducing asymmetric information by the use of a privately known stochastic term (probably) will not alter the results. However, more realistically, the private information, as held by fishers, will concern catchability or harvesting costs, which are exogenously given parameters. Single principal-agent models to analyse optimal regulations (incentive schemes) of a fishery has previously been applied by Jensen and Vestergaard (2002a, 2002b, 2007), but as far as we know fisheries regulations have not been analysed in a common agency context.