

# Corporatist Origin of the Dutch Co-Management System<sup>1</sup>

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## Abstract.

Until recently the execution of the fisheries management schemes in the Netherlands was to a large extent centralized. In 1993, however, part of the executionary responsibilities was delegated to the fishing industry. In this new system, responsibilities in the management of individual transferable quota (ITQs) has been devolved to groups of fishermen. This Dutch co-management system proved to be successful in quota management; landings did not exceed quota in the period 1993-2001. A 1996 evaluation of the system concluded that the combination of positive inducements and some coercion made individual fishermen decide to become and to remain co-operative; that the fleet succeeded in a more economic use of the quota; and, that the distribution of net benefits had improved to some extent. Both fishermen and government are enthusiastic about the management system. Since January 2002 a Steering group has started to investigate the possibilities to extend the management responsibilities of the fishermen's groups. In this paper Dutch co-management experiences from 1993-2002 will be discussed from an organisational and institutional perspective, next to ideas about the future role of the fishermen's groups.

**Keywords:** co-management, ITQs, organisation, institution, process of institutionalisation.

## 1. INTRODUCTION

Starting 1975, the implementation of a quota system for certain commercial fish species changed everything in Dutch fisheries. It produced a major social, economic, cultural and institutional transition process. This process, although never ending, seems to have found calmer waters by the end of the millennium. Earlier, these waters were rough and wild, to the extent that not everybody could survive. A minister drowned, and several fisheries enterprises were ship wrecked or had to sheer away to foreign harbours and many honest fishermen became –against their will- pirates and traders in a black market.

This situation could not last and finally the parties accepted restrictions within a new management framework. For this purpose a new organisation has been created: groups of fishermen. The new management system is often referred to as co-management.

Here co-management is considered an *institution*. In the broadest sociological sense an institution is a cultural pattern or a system of roles that regulates behaviour concerning certain functions of group life. An institution need to become institutionalised, this process of stabilising interaction and communication patterns between people will result in more or less enduring social relationships and social balances (v. Doorn et al. 1962:123). However, institutions cannot come out of the blue and institutions cannot be designed and implemented by external authorities only.

In the Dutch situation the co-management institution did not drop out of a clear blue sky, because there was history (the rough waters), but also there is an institution named neo-corporatism, which has some similarities with the concept of co-management. Next to this, a part of the fishermen had in the 1990s formed groups and pooled their ITQs, however their aim at that moment was not to co-operate with government and regulations (they were pirates and traders in the black market). Also external authority did not design the system; a steering committee, composed of fishermen of the national fisheries organisations, the chairman of the Fish Commodity Board, policymakers and a representative of the fish traders, agreed together upon a division of responsibilities in fisheries management (Stuurgroep Biesheuvel, 1992).

By 1993 the responsibilities for quota management had been delegated to *groups* of fishermen. The fishermen, fishing for sole, plaice, shrimp, herring, cod and whiting possess an access right to the resource in the form of

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Individual Transferable Quota (ITQs). In their groups they pool their ITQs and manage the total group share of quota. In this they were successful.

After nearly 10 years of co-management fishermen, their representatives and government have created a new steering committee to discuss the future of the fisheries (co-)management system.

In this paper the next questions will be addressed:

1. How can the process of institutionalisation be understood?
2. How could the co-management system become so successful?
3. What will be the future of the Dutch fisheries management system?

## 2. THE PROCESS OF INSTITUTIONALISATION

For the purpose of dividing responsibilities of fisheries management tasks a new organisation has been created: fishermen's groups. This new management system is referred to as co-management. The concept of co-management is not precise (OECD 1996), but is a broad term referring to joint management, most often used in relation to resource management with considerable input from the users/stakeholder or local communities (Karlsen et al 2002). Here co-management is considered an *institution*. Organisations and institutions differ in the sense for instance that an organisation can be established over day, while institutions have to grow in time. One could say that an institution gets under your skin. Institutions do have the following characteristics (Bunte 2002):

- (1) *Institutions restrict the set of possible actions in one way or the other by laying down some 'do's' and 'don'ts'. The regularities require or forbid certain actions in certain situations.*
- (2) *Institutions create regularities in the behaviour of individuals. Everyone conforms to the regularity and expects everyone else to conform as well. If someone deviates, sanctions are imposed on the deviator. Moral values are attached to both conformance and non-conformance. These values are used to reinforce institutions: conformance is approved and non-conformance disapproved.*
- (3) *A social institution offers a solution to a co-ordination problem; a perennial, basic problem. Individuals face a co-ordination problem, if they all decide by themselves which action to take and all these individual decisions jointly determine the outcome (payoffs). Institutions restrict the set of possible actions and outcomes, and hereby they enable individuals to co-ordinate their behaviour. This allows stable expectations, for instance.*

These characteristics consider behaviour but also mention expectations, moral values and (dis) approval. These concepts point at an invisible world, a world inside heads of individuals sharing meanings, values, and norms with each other. It is not difficult to learn rules and regulations. However, to learn common sense, meaning of behaviour or non-behaviour, preferences, shared emotions, biases and blind spots is something else.

That is why institutions cannot come out of the blue and why institutions cannot be designed and implemented by external authorities alone. An organisation is a deliberately created and structured aggregate of individuals that recognise and agree upon the rules, aims, boundaries, and incentives of that organisation. There is deliberate design (co-ordination or structure) and general recognition of the organisation's rules. There are organisations that are not institutions. Organisations do not necessarily constitute a social group with behavioural codes and emotional solidarity. These elements grow overtime. When one considers all organisations to be institutions, one neglects the fact that institutions evolve over time, i.e. the process of institutionalisation. An institution need to become institutionalised, this process of stabilising interaction and communication patterns between people will result in more or less enduring social relationships and social balances (v.Doorn et al. 1962:123).

In the Dutch situation the co-management institution did not develop overnight, because there was history (the rough waters), but also there existed institutions like neo-corporatism and compartmentalisation, which had some similarities with the concept of co-management.

### 2.1. Neo-corporatism and compartmentalisation

In the Netherlands corporatism is a social doctrine that has the organisation of civilians in occupational groups (corpora) as an ideal situation. Corporatism has an organic worldview: not conflict is central in the corporatist

way of thinking, but the harmony between different societal groups. In Western Europe after 1945 welfare states came into being that had corporatist features. Firstly, the creation of welfare states was only possible by a compromise between employers and unions. A compromise that in the Netherlands persisted by organisations as the Council of Labour (Raad van de Arbeid) and the Social Economical Council (Sociaal-Economische Raad). Next to this the Netherlands had other corporatist features, because the "verzuiling" or the compartmentalisation along political-religious lines, formed a 'consociational democracy'. In this compartmentalised society, political decision-making lay in the hands of the elite of the different compartments. In this democratic model the same layered social structure can be found as in corporatism. In the fifties the "verzuiling" was at its peak. The decompartmentalisation, "ontzuiling", started in the sixties, leading to a new form of social structure, which is called neo-corporatism. The social organisations that before belonged to a "zuil" or political-religious compartment and their elite operate then as interest groups. Those interest groups take far-reaching decisions in consultative bodies without consulting the parliament<sup>2</sup>.

Frouws (1997) who studied the manure policy in the Netherlands says about the Agricultural Policy Community (ACP) and its reactions on restrictions:

*"Interest intermediation and policy formation in the APC can be analysed as a neo-corporatist exchange, characterized by a close partnership between the organized agricultural interest and government.... The participating organizations were granted the privilege of influencing public policymaking in exchange for their cooperation, the legitimization of negotiated policies and the disciplining of their constituency. This neo-corporatist exchange was 'ruled' by a permanent search for consensus, elitist decision-making, membership passivity and isolation vis a vis non-agricultural 'outsiders'. The APC was like a state within the state and the Landbouwschap functioned as the 'farmers parliament'. It had a near monopoly of political power and expertise and thus provided the farmers' lobby with a great advantage over environmental and other interest groups" (Frouws 1997:211).*

One could read in a way for Agricultural Policy Community: The Fisheries Policy Community. The Fisheries Policy community consisted of:

- Experts from the Ministry of Agriculture and Fisheries (The Fisheries Directorate);
- The Fish Commodity Board;
- Leading fishermen's representatives;
- Members of the Parliamentary Committee on Fisheries;
- Economists from the Agricultural Research Institute (LEI).

During the 'rough waters' period, when the Fisheries Policy Community could not or did not want to legitimise Common and national Fishery Policy (Rapport 1986/7) and especially after the 'drowning' of a minister in 1990 Parliament wanted more influence so fishermen and their representatives had to change their attitude. In 1993 the Steering group, partly composed of people from the Fisheries Policy Community and fishermen, came up with the idea of co-management. Which in a way is comparable to neo-corporatism, it is democratic but less elitist. Fishermen now are less atomised individuals that do not leave policy to the elite. They have formed homogeneous occupational groups with group responsibilities that have to take in account the wider society.

### 3.2. Collective action and the internalisation of norms

Since the start of the co-management scheme, fishermen have to take the wider society into account, have to cooperate with government and they also have to cooperate with each other to a larger extent than ever before.

One of the ideas at the design stage was that next to being monitored on their fishing practice by their board and the GIS, fishermen should also monitor each other. This so-called social control however is too much asked for in the initial stage of a group process. Social control is only then possible when group norms are accepted and internalised. Social control is in fact a complex of factors that maintains or repairs certain balances in a social system. Social control is exerted in a rather subtle behaviour within groups with strong cohesion. The breach of a group norm often does not result in official prosecution, but the punishment varies from gossip to group

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<sup>2</sup> Encarta Encyclopædia

exclusion. However when it is not yet clear if every group member disapproves of certain behaviour, it's not clear how to react. Social control can be a rather scary phenomenon with no court of justice but law by '*das gesundes Volks Empfinden*' which tends to be based on historical norms and values hence little strive to change. Further in many a fishery the general, wider social norms can differ from the fishing community's norms and values. Anyway fishermen experienced social control as a form of treason, instead of social correct behaviour. So social control didn't function in the beginning.

By way of socialisation and enculturation processes norms will become internalised. This takes time. It helps to see the rationality behind norms, and the negative consequences of deviant behaviour for the group to establish strong social cohesion with a social control system. This awakening develops a social pressure for collective action or behaviour. Because Dutch fishermen have a real interest in good quota management, they invested millions of Euros in ITQs, this social pressure developed quick during the last decade. As a result fish landings did not exceed quota allocations. Because this was the main aim of the groups, it is time to think of further collective action. First the successfulness of the co management system will be examined in more detail.

### **3. THE DUTCH CO-MANAGEMENT SYSTEM**

There are several reasons why the system became a success. The 1975 quota regulations resulted in a struggle for access rights among fishermen. The fishermen that invested in ITQs (as opposed to those only investing in engine capacity) in the end became the winners. These winners became interested in a good quota management. The losers shipwrecked or sheered away to foreign harbours, with the aid of a flag of convenience. Also the system started at the right moment in the sense that everybody (fishermen, government, politicians, public) was tired of the struggle.

Next to these historical conditions in which a process to accept restrictions was in full development, there were of course contextual features like more attention of the public opinion for environmental issues, the rising power of the European Commission and the enlargement of the European Union. For instance the Dutch (and other western European) fishermen feared the mighty Spanish fishing fleet that entered the EU in 1986, although they were only entitled to fish the EU fishing grounds from 2003 onwards.

In this paragraph we will consider the organisational aspects of the groups as a condition for success.

#### **3.1. The entrance into the groups**

The committee designing the co-management system agreed upon making the entry into groups attractive to fishermen. Still at the design phase of the co-management system many were sceptical, after all theory on co-operation between fishermen are rather negative and pessimistic. The experiences of the fishermen themselves were not very promising either. An important question in the literature about cooperation (collective action theory) is the following: 'Are rational individuals, who look after their own interest, willing to cooperate when there is a joint benefit in the long run?' A question related to this is whether the rational and egoistic group members with a group interest will act so that this group interest will be secured<sup>3</sup>. This is the theoretical perspective of the prisoner's dilemma and for example Hardin's theory of the tragedy of the commons predicts, that rational individuals will not cooperate and will not emulate and realize a group interest. Mancur Olson (1965) provides a moderately positive view on the possibility of individuals to cooperate with each other. Olson states that the possibility of a group profit by itself is not sufficient to realize collective action. Individuals can benefit if one of three side conditions are met: either 1) the number of group members has to be sufficiently small; or 2) there exists coercion to join a group; or 3) membership is made attractive with positive incentives.

The Biesheuvel Steering Committee seems<sup>4</sup> to follow the theses of Olson by acknowledging that the ambition to (and promise to) gain economic profit is not enough for a fisherman to become group member, the Committee adopted not one but all three of the mentioned conditions. Namely: 1) groups include at least 15 companies and 100 companies at most, so groups are relatively small; 2) if there are not enough participators or when groups fail to fulfil their management tasks, finally the so-called "Stok van Mok"(Mok's Stick<sup>5</sup>) will be put into action.;

<sup>3</sup> Although there is a lot of critic on the assumption that fishermen are egoistic implying not to be a social being, we will leave that aside here. The outcome will show different anyway.

<sup>4</sup> It is not clear whether the Committee was acquainted with the work of M. Olson.

<sup>5</sup> 'Stok van Mok' refers to a forced capacity reduction program, designed by Mr. Mok.

3) group members are more privileged than non-members since they were provided with an additional allocation of days at sea and larger possibilities to rent or hire out quotas.

Still everybody was quite surprised that many fishermen entered the groups (voluntary) directly: more than 90%. Most of the Dutch fishermen became group member as a result of the positive economic inducements (Hoefnagel et al, ). On the other hand fishermen felt motivated to join the groups because of a threat of a forced reduction in capacity in the case of unsuccessful results of the system. The 10% extra days at sea as well as the extension of the rent market, result in more flexibility for fishermen, which would hopefully lead to better economic results.

### **3.2. The design of the group system in fisheries**

In this new system, responsibilities in the management of individual quota have been devolved to groups of fishermen. These groups are formally independent legal entities. It is mandatory for the chairman of the group to be a person without interests in the fisheries sector. All group members have to be member of the same Producers Organization [PO]. In daily practice the functions of POs and groups are often carried out by the same staff. The secretariat of the groups is carried out by or on behalf of the Fish Commodity Board.

The aim of the groups<sup>6</sup> is to maximise economic results on the basis of joint management of the individual quota of group members. To guarantee a consistent fishery policy; as well as to improve durable exploitation of the available fish stocks in an economic responsible way. Other aims are to install manageable fishing systems, to confirm group members to private and public law regulations and to be responsible for management of quota for sole and plaice and eventually other fish species.

The group tries to reach its goals by designing fishing plans; by enforcing regulations; by arranging arbitration; by imposing sanctions; and by organizing smooth intra- and inter group ITQ transfers.

Every group member has to sign an agreement comprising of the following obligations: To design annually a fishing plan. To sell his catch in approved auctions. To make available his VIRIS logbook statistics and fish auction data to the group management board. To deposit his individual quota for group management. To assure for payments of penalties; to authorize the group management board, the Fish Commodity Board and the General Inspection Service (AID) to inspect his individual catch data. To pay penalties imposed by the group management board. And, in case of exceeding his individual quota (rented quota included), to pay to the group the gross proceeds.

The group management board is responsible for management of the pooled quota. The board is entitled to impose penalties/fines and sanctions, including the closing of fishing activities for the group or a group member. Fines have to be appropriated in such a way that in the end the transgressor is never favoured.

The government remains responsible for controlling the national quota and tasks pertaining to the CFP (Common Fisheries Policy). The central government institution dealing with fisheries management is the Directie Visserijen, Ministerie van Landbouw, Natuurbeheer en Visserij (Fisheries Directorate of the Ministry of Agriculture, Nature Management and Fisheries). Within this ministry there is the Algemene Inspectie Dienst (General Inspection Service), which monitors fishing activities and has legal powers to lead violators to court.

### **3.3. Characteristics of successful design**

Next exercise will be to look inside the group system, to discover why the groups seem to operate quite well by comparing the design and operation of the co-management system with 12 'successful' design principals Elinor Ostrom<sup>7</sup> discovered by examining and comparing various self management systems of natural resources or common pool resources (CPRs, like fisheries, forestry, irrigation).

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<sup>6</sup>Memorandum of association of the Fish Commodity Board PO Oost 5-1-1993.

<sup>7</sup>Elinor Ostrom. Governing the Commons -The Evolution of Institutions for Collective Action. Cambridge University Press 1990.

Despite all of the differences among CPRs, successful, enduring, self-governing CPRs meet eight design principles and four social-cultural characteristics according to Ostrom. The Dutch system was scored against these 12 characteristics.

#### **Four social/cultural characteristics:**

*1) Fishermen are used to deal with uncertainty and complexity of the natural environment they exploit.*

On the one hand uncertainty has decreased because of technical developments, the betterment of market information, infra structural improvements. On the other hand uncertainty and also complexity increased, because catch possibilities are not only given by nature and the market, but also by biological research results, political negotiations and policy changes; the market changed from national to an European into a global market.

*Conclusion:* This feature corresponds with the 'Ostrom' characteristic. Dutch fishermen are capable of dealing with uncertainty and complexity. They are technically innovative, are capable of consulting experts and advisors (e.g. accountants) etc. If the groups could contribute to decrease policy uncertainty it would become even better

*2) Investments for generations (low discount rate).*

Local knowledge and assets are passed on to next generations. It is expected that by investments the fisheries enterprise will continue for future generation. When an enterprise has no successors, ITQs and vessel can be sold.

*Conclusion:* Corresponding characteristic. Dutch fisheries firms are family based enterprises they invest for future generations. The groups are composed of family enterprises. So the firms expect that investments to cooperate in the groups will pay off in the short-/long term

*3) Homogeneity within the groups.*

In 1993 eight groups were established, together they represented 410 vessels. The groups are relatively small, varying from 27 to 87 cutters. The groups are arranged along catch technique and species and/or region and/or membership of one of the two national fisheries organisations. In 2002 still 8 groups are active, though there are less vessels member while the fleet decreased. It seems to be important for fishermen to join a group with other sole-and plaice fishermen, favourably from the same region and of the same organisation.

*Conclusion:* This feature corresponds with the 'Ostrom' characteristic.

*4) Groups have clear norms about whether a kind of behaviour is proper or not.*

Homogeneity is an important condition for group cohesion. It can be assumed that members of a homogeneous group share various social norms. Next to this, group members agreed on all kind of norms like distribution questions (rent/hire market), penalties on non-cooperative behaviour etc. Whether these norms were internalised was not clear in 1995. Now in 2002 we may assume that this is gradually growing. The figures of the General Inspection Service confirm this assumption concerning violations of quota management.

Apart from group co-operation, fishermen have to deal with government, after all the Dutch fishermen groups are co-management groups. Government has delegated management tasks to the groups by mutual agreement, though still have their own management responsibilities. In addition fishermen also have to deal with the common fisheries policy (CFP) of the EU.

#### **Eight design principles of successful self management:**

*5) Clear boundaries of the resource; how many units (kg fish) are allowed to be withdrawn and by whom, must be clearly defined.*

These boundaries are clearly defined, because of the yearly established TACs per specie and area (European Economic Zone) (relative stability) and because of ITQs. Although sometimes sudden measures are taken, like the cod ban in 2001. As a matter of fact how much you are allowed to catch can even be uncertain throughout the year; quota can be adjusted both downward and upward depending on such things as revision of the biological analysis, political pressure and/or quota transfers between POs and or member states.

*Conclusion:* Still I consider it a corresponding characteristic, because fluctuations are part of the system.

6) *A) Management systems need to be adapted to specific local/regional conditions. B) Congruency between co-operation costs and the possibilities to benefit from the resource.*

Each group member makes its own fishing plan, and the group manages the days at sea. Although government wants rules to be as equal as possible for each group, groups may design specific rules.

Group members have no direct financial costs. Only costs for PO membership, but that already existed. Group members at the beginning of the year have to deposit a sum of money from which during the year fines are being deducted, the balance to be returned at the end of the year. Clear benefits exist from extra days at sea and more rent/hire possibilities. Conclusion: corresponding characteristic.

7) *Fishermen affected by the management rules should participate in modifying those rules.*

A nice example of a modified rule is the auction sale. EU fishermen under CFP are not obliged to sell their fish at auctions. Of course, the caught fish needs to be registered because of the monitoring of the assigned quota. This can be done in different ways. Some Dutch fishermen have pled many times, though unsuccessfully, for 'veilplicht': the obligation to sell catches on an official auction, in order to make catches more 'visual'. What is impossible in public law now is feasible in private law. Fishermen in the group system voluntarily agreed on selling catches at specific auctions.

Group rules lay imbedded in wider rule structures. Many of them existed already before the group rules were established; TACs, ITQs, days at sea regulation are a result of more than 20 years of fishery policy on national and supra-national level. The question remains how much influence they have on especially the supra national level. Co-responsibility does not always mean participation at all levels. Fishermen did design their group rules, but did not design fishery policy, CFP and until recently could not influence TAC assessments. Conclusion: Not completely corresponding.

8) *Monitoring: Monitors of fishermen's behaviour and monitors of the condition of the resource are accountable to the fishermen or are the fishermen*

Next to the management board of the groups, and next to the General Inspection Service, the participating fishermen should monitor each other as well. At the design phase of the co-management system this seemed to be an important idea, which had to result in a decrease in monitoring costs for government. In 1995 fishermen experienced social control as a form of treason, instead of social correct behaviour. So social control didn't function in the beginning.

To become a member of a group was a private, voluntary decision. However, the decision was conditional in the sense that the individual fisherman expected/hoped other fishermen to comply as well with the rules. So information about behaviour in one's own group as well as from fishermen in other groups is essential. Fortunately information on quota uptake per group is available for fishermen (e.g. on the internet).

Yearly TACs are established on the basis of biological research and political negotiations. Influences of fishermen are very modest. Fishermen claim to have practical knowledge of the condition of the stocks and they criticize the methods and results of biological research, while biologists think the knowledge of fishermen is biased, because "fishermen always want more".

It is difficult to tune different knowledge systems, however this year an inquiry under all North sea fishermen (Dutch, British, German, Danish, Belgian and French) has been set up in July. The inquiry is a joint initiative of the 'North Sea Commission Fisheries Partnership Group'<sup>8</sup>, and Europêche (the European umbrella of fisheries organisations) in co-operation with fisheries biologists<sup>9</sup>. Conclusion: It is clear to fishermen whether exceeding of quota occurs, so freeriding is visible and punishable. Monitors are accountable. Biologists are not yet accountable, though are trying to involve fishermen's knowledge in their advises.

9) *Graduated sanctions for violators of the management rules, imposed by other fishermen or/and by official inspectors that are accountable.*

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<sup>8</sup> An international consultative body to strengthen the dialogue and co-operation between the fisheries and biologists.

<sup>9</sup> A joint press release of Productschap Vis, Vissersbond and Federatie van Visserijverenigingen, Visserijnieuws 19-7-2002.

For group membership, fishermen have to subscribe to the fine prescription for different potential transgressions. These sanctions vary according to the gravity and to the frequencies of repeated transgressions and aim at pruning away profits. In case of a disagreement, conflicts can be laid before the Arbitrage Foundation for Fisheries. The General Inspection Service has carried out the monitoring of the observance of group management rules as well. Yet, the inspection system changed from controlling individual landings into process control: to control from landed fish to the auction sale and subsequently to compare auction data and catch declaration data. When transgression of European and national regulation are detected, prosecution follows.

Conclusion: Corresponding principle.

*10) Rapid and low-cost conflict solvability*

The Arbitrage Foundation for Fisheries operates quickly however costs are high. Lately the Arbitrage Foundation has not been called upon.

Conclusion: Partly corresponding characteristic.

*11) Minimal recognition of rights to organize.*

The co-management system has been established both by government and fishermen.

Conclusion: Corresponding principle.

*12) Nested enterprises*

Dutch fishermen fish stocks in the North Sea. Group rules and structures may not contradict with other and higher layers, like POs, national policy and CFP, but need to be embedded in it.

Conclusion: Corresponding principle.

**3.4. Summary**

Dutch fishermen are well capable of dealing with uncertainties and complexities of the resource they exploit. They hope that their efforts will bear fruit for generations to come. And they have organised themselves in homogeneous groups, and try to share social norms.

Charecteristic	2002
1) uncertainty and complexity	+
2) investments for generations	+
3) homogeneity	+
4) clear internal group norms	+/-

**Table 1: Four social/cultural characteristics**

It is clear for them how much and what fish can be caught by whom and where. Formal group rules and sanctions are clear as well. By-laws are rather adapted to the regional conditions and participation is not costly. Government recognizes and is partner in the co-management system; the system is nested in different layers. All these characteristics contribute to the success of the co-management.

Characteristic	2002
5) clearly defined boundaries	+
6) specific rules	+
7) participation in modifying rules	+/-
8) accountability of monitors or self monitoring	++/-

9) graduated sanctions	+
10) rapid and low-cost conflict resolution	+/-
11) recognition	+
12) nested enterprises	+

**Table 2: Eight design principles of successful self management<sup>10</sup>**

More attention needs to be paid to the internalisation of group norms, the participation in decision-making, social control and the costs of conflict management. Since 1995 not much has changed in the group design.

#### 4. Future

Spring 2002 a new Steering committee has been installed to investigate how the co-management system can be evaluated, strengthened and extended. The committee will have 2 years to produce an advice.

Some important questions concerning the extension of the present system with participation of the fish traders and fish processors, and the connection of co-management with the North Sea Commission Fisheries Partnership. Fishermen subscribed to the policy of sustainable fisheries last years, this need to be actualised as well in the group system. One of two fishermen's organisations<sup>11</sup> formulated already five spearheads for the future:

- 1) Compliance with technical measures, especially with the aid of certified nets;
- 2) Compliance and control of engine power;
- 3) A better alliance with fish traders and fish processors and the groups;
- 4) A better nesting of the groups into the European regulations (harmonisation);
- 5) To create possibilities for POs to impose regulations upon non-members and foreigners that land their catches at Dutch harbours (extension de régime).

The first two issues have to do with the behaviour of individual fishermen in the groups. Although Dutch fishermen comply with the quota regulations now, they are not yet saints. There are some fishermen violating technical measures like mesh sizes or maximum engine power. When those fishermen underwrite sustainable fisheries collective action on these issues is feasible. The other three topics relate to cooperation with others outside the group, this will be a complete new stage and success or failure is hard to predict.

#### 5. CONCLUSION

The following questions were raised: How could the co-management system become so successful; how can the process of institutionalisation be understood; and what will be the future of the system?

Much has been said about the reason for successfulness. The system came at the right time, was very well organised, fishermen were seduced to enter the groups by positive incentives, fishermen had an interest in good quota management, social and societal pressures became stronger, in short many conditions for successful management were fulfilled.

In the sixties and seventies, when the Netherlands became de-compartmentalised and influence of the European Union became stronger, especially noticed by fishermen through the TAC and quota regulations, the institutions of the political-religion compartment the Fisheries Policy Community and the freedom of the seas were shaken. A kind of institutional gap arose: there was no well functioning institution in this period of adjusting to restrictions.

<sup>10</sup> Elinor Ostrom 1990: "This list of design principles is still quite speculative.....Further theoretical and empirical work is needed.....that after further scholarly work is completed, it will be possible to identify a set of necessary design principles and that such a set will contain the core what have been identified here. (pag. 90/1)

<sup>11</sup> Board of members of the Nederlandse Vissersbond, 18 juni 2002

The new institution –co-management- could fill the gap. The process of institutionalisation can better be understood as a process of re-institutionalisation. This is seldom a process in which total new values, aims, norms and expectations will be born out of the interaction. Mostly it is about reforming old elements into new combinations (v.Doorn et.al 1962). Old neo-corporatist elements were reformed into a co-management system. Apart from that within Dutch society family enterprises are important. Through the value of having a healthy family enterprise that earns good money, values like hard work, respect, austerity, saving, sovereignty and capitalism are passed on to the next generations. When the process of de-institutionalisation developed, fishermen started to fight for the continuance of their family enterprise and their way of life, their position in (large) society, in their villages, among their colleagues. They still valued those core values hard work, sovereignty and capitalism. As a fisher put it: “*I have always worked hard and I had learned that it was good to work hard, I continued to work hard and landed amounts of fish I was used to. I caught what I could catch. Then suddenly I found myself in prison. What was good yesterday was criminal today.*”

Although it looked as if the value ‘hard work’ was attacked, this was not really the case. The case was that catches were restricted. The meaning of hard work was not synonymous any longer with large quantities of fish. The core value sovereignty had changed. This meant that those family enterprises had to take more and more in account the wider society and especially environment.

This of course counted for the whole of (Dutch) society; however, fisher families (and farmers) were the ones to notice this so intensely. Sole and plaice fishermen were the ones (or that part that was left, there were winners and losers) that could adapt to the new situation the best. They found a capitalistic solution to their restriction in sovereignty; they became gradually owners of the right to catch fish. Fishermen nowadays do not fight government any longer, because they understand they have to cope with restrictions or otherwise stop their enterprise. Their goal remained to continue their family enterprise and derive good living from it. Means are still hard work and capitalism became more important. Respect for government after a decrease is gradually growing, the level of sovereignty changed (lessened), austerity is less, more luxury is permitted, savings are important but investments are more important. The goals remained the same, values and means are gradually adapting to new situations- the importance of co-operation in groups-, however core values like hard work and capitalism remain the same. Co-operation in groups means a real new adaptation to fishermen. They changed from atomistic individuals (at sea, not in their communities) who left politics to an elite, into co-operative individuals taking actively into account colleagues, policy, the wider society and environment.

For the ministry situations changed as well. The ministry changed it's attitude gradually from co-operative towards the fishing sector (neo-corporatism) to a restrictive, authoritarian one and lately into a restrictive, but a less authoritarian attitude and co-manage now the National quota with fishermen. For the future of the co-management system it seems to be important that groups of fishermen do not only get delegated responsibilities, but also need to become more involved in the decision-making process. A start is made by the North Sea Commission Fisheries Partnership Group, which tries to tune the knowledge systems of biologists and fishermen. Legitimacy of policy and TACs adjustments is the cornerstone of co-management and participation in decision-making will enlarge legitimacy. In the near future new restrictions concerning food safety and environmental demands will make the life cycles of the family enterprises again uncertain and will be a test to their adaptive strategies.

Organisations, institutions and human behaviour are in the long run not completely stable structures. People do change their pattern of behaviour, institutions, organisations, ideas and group balances when their aims change or when they find other, better ways to reach their goals.

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