Selling the Silver:
The Enclosure of the UK's Fisheries

Fishing quotas result in concentration rather than conservation, writes Emma Cardwell

The UK's fisheries quota system, introduced in 1999 and comprising the creation of a private market for the right to catch fish, has been called "the biggest property grab since the Norman invasion".[1] The UK government use the quota system to control how many fish can be taken from the sea. It does this by dividing up the right to catch fish between a limited number of companies, and then allowing this right to be bought and sold. This privatisation of the produce of the sea has many parallels with the parliamentary enclosure of land in the 18th and 19th centuries.

A pelagic super-trawler in the Shetlands.

In the press, the quota system is often unquestioningly presented as a conservation measure: a means by which governments can limit the catches of fishermen and protect fish stocks. Policy documents and academic literature tell a different story. Here, the argument for fisheries quotas closely echoes the economic improvement justifications of enclosure, and is based on those classical Ricardian principles formulated in England during the era of the Enclosure Acts: it is a way to increase the efficiency of the industry, and a means to capture untapped resource rent.

The quota system, which was implemented gradually between 1980 and 2000, has led to widespread dispossession. This is in part because of what is widely considered a calculative error on the part of the Department of Environment, Food and Rural Affairs (DEFRA – previously MAFF) that led to the small boat fleet (made up of vessels under ten metres long, and the vast majority of British fishermen) being allocated less than five per cent of the right to fish.[2]

It is also because of the 'grandfathering' nature of rights allocation to larger boats, which implicitly favoured high-catching vessels. Larger vessel owners were given property rights over fish based on their historic catches. The proportion they took of the total recorded catch then remained stable as the overall amount fluctuated, meaning the same amount of quota would allow the right to (as an example) 3% of 100 tonnes of cod in 2003, and 3% of 25 tonnes of cod in 2005. Applying Hardin's tragedy of the commons analogy, this system is akin to tackling overgrazing by allocating property rights based on the number of cattle someone owns: it rewards overexploitation, and penalises restraint.

Super Trawlers and Millionaires

This allocation method led to many low-catching fishermen being forced out of the industry as quota levels fell and they found themselves unable to survive during lean periods. Larger companies could then use their holdings as leverage for loans to buy up this quota, and ownership of the right to fish was consolidated. A stark example of this is the fishery for herring and mackerel. At one time made up of thousands of boats around the coast, over 99 per cent of this valuable fishery – which accounts for almost half of total landings by UK registered vessels — is now caught by only 33 trawlers.[3] The value of these boats, and more importantly their share of UK fishing rights, runs to hundreds of millions of pounds.

This increase in costs – the manifestation of the 'resource rent' promised by economic theorists – is turning fishing into a millionaires' club[4] and means that the traditionally widespread small business structure of the fishing industry, in which a boat owner/skipper employs a crew on a share (or 'lay') system, is gradually shifting to a model of large company ownership with significant involvement from financial institutions. Of the 33 mackerel and herring boats mentioned above, 14 are owned by just five large companies, a share that increases with every boat sale. Two of these companies (and their associated rights to fish) are owned by non-UK multinationals.[5]

Communities and Multinationals

It is hard to know the extent of quota consolidation and foreign ownership in the fleet as a whole, as the government keeps no public register of fishing rights, although one has been promised since 2011. (See Stop Press below.) It is known that foreign ownership of fishing rights is widespread – at a conservative estimate, around 20 per cent of English and Welsh fishing rights are owned by a handful of Spanish, Dutch and Icelandic companies, although this number could be higher.[6] Within the UK, much quota ownership is now consolidated in a small number of industrial ports (such as Peterhead, Lerwick and Brixham) from which large, high-powered vessels travel many miles to fish.

This shift towards the concentrated, private ownership of fishing rights, which has taken place only over the last two decades, has decimated fishing communities around the country. As one small-scale fisherman based in Scarborough put it to me:

Fishmarket on the beach at Hastings 1808. Modern fishmarkets trade in quotas in the boardroom.

> "We can't catch a mackerel now because all the mackerel that swim past our front door are owned by 12 Scotchmen. It's killed the community. There's no community left".

This destruction of communities is particularly marked in remote areas. The Hebrides was once home to a vibrant fishing industry, but has now lost the vast majority of the right to fish and is entirely dependent on shellfish. Alarmed by these developments and afraid of losing their traditional livelihood and a lynchpin of local culture, in the late 1990s the Shetland Islands Council invested £17 million to form a community-based whitefish quota scheme and retain fishing rights in the islands. In 2003, the European Commission declared this action illegal under European competition law.[7]

Sealords and Tenants

The promised 'rent' of quota has manifested itself in the practice of investors leasing the right to fish to working fishers, creating a situation akin to landlords and tenants. This is particularly the case for those in the small-scale, under ten metre fleet. These boats fish against a small government allocated pool and, due to the vagaries of the law, are not allowed to supplement this allocation by purchasing extra fishing rights, but can only take these on loan from larger vessels or quota investors. Again, the lack of public data on ownership means that the exact extent of this practice is unclear, but it is recognised as endemic throughout the industry. As a fisherman I interviewed on what was once the fish docks at Whitby, and is now a coach and car park, remarked:

> "It's all investors now. I'm fifth generation. My eldest son, who takes the boat out, is sixth generation, and we're having to go to these people cap in hand. It makes a mockery of the entire system."

Currently, the law is muddy as to whether the right to fish has been truly privatised, or if quota holdings simply represent a temporary allocation of a public resource. An extensive political battle between small-scale fishers and quota owners (centred around the diminutive government allocations of fishing rights to smaller boats) culminated in the High Court of Justice of England in summer 2013, but the verdict remained inconclusive as to whether the legal standing of the right to fish was as a private possession or a common good.[8] Regardless of intention, attempts to bring quotas, which have been the subject of multi-million pound investments and used as collateral for bank loans, back into public ownership would prove highly problematic.

Best-Case Scenario?

A bleak illustration of these potential problems can be found in Iceland, often held up as the exemplar of successful quota management. Iceland is highly fisheries dependent, with fish providing 40 percent of national export earnings, and over 12 percent of GDP. The price bubble created by the privatisation of Icelandic fisheries — a model that has been enthusiastically followed around the world — can be directly implicated in the nation's economic boom, and its consequent financial collapse in 2008.[9]

After the economic collapse, Icelanders became alarmed by the extent of consolidation in their huge fishing industry. By 2011, around 20 companies controlled the majority of Icelandic fishing, and therefore a significant proportion of the country's economy. These fishing companies were linked to politicians and ownership of the national media. The extensive dispossession this represented even meant the Icelandic government being accused of human rights violations by the United Nations Court of Human Rights. The Court dropped its case against Iceland in 2012, when the government proposed that 15 percent of fishing rights should be returned to public ownership and the remainder subject to higher taxes. However, such a large proportion of fishing rights were being used as collateral for loans that even this small reclamation threatened to create a crisis for the Icelandic national bank, which since the crash had been funded by the taxpayer. A renationalisation proposal, presented in February 2013, suggested companies retain quota rights for only 20 years, but this has not yet been agreed by Parliament, and has been the source of extensive protest and public clashes between vessel owners and other Icelandic citizens.

Mackerel Wars

The upshot of these developments can be seen in the ongoing 'mackerel wars' between the UK, Norway and other EU states on one hand, and Iceland and the Faroe Islands on the other. Echoing the cod wars of the 1970s, it is perhaps difficult to understand the political vehemence with which the UK fishing industry is battling to retain their customary share of the right to fish mackerel, which (probably due to climate change) has begun to shoal further north in Icelandic and Faroese waters – representing a potential windfall for the troubled Icelandic economy. The economic fragility of the heavily consolidated UK industry, and particularly that of vulnerable, remote, fisheries-dependent areas such as far North-East Scotland and Shetland, which now rely economically on just a handful of large boats, can go a long way to explain the high political pitch of these negotiations. If cuts in quota led to just one mackerel boat becoming unprofitable and being put up for sale, and if this boat were then to be purchased (as is likely) by a foreign (such as a newly-rich Icelandic) company, a significant proportion of the national right to fish would disappear, and whole regions could permanently lose the right to make a living from the sea.

Stop Press: The Government has finally released the UK Quota Registry. This can be found at https://www.fqaregister.service.gov.uk

Emma Cardwell is researching for a PhD at the Oxford University Centre for the Environment.

REFERENCES

1. By lawyer Thomas Appleby, quoted in E Cardwell, "Who owns the right to catch fish? Manchester United? " *Guardian*, 5 Aug 2011 http://www.theguardian.com/commentisfree/2011/aug/05/fishing-quotas-privatised This covers the problems of the small-scale fleet in more detail

2. Ibid

3. See EJ Cardwell, and R Gear, 'Transferable quotas, efficiency and crew ownership in Whalsay, Shetland'. *Marine Policy*, vol 40., pp. 160-166, 2013,. which takes into account two more boats owned by Cornelis Vrolijk/Jaczon.

4. Author's interview with Hebridean fisherman, Stornoway, Aug 2012.

5. The five companies are Interfish Ltd. (Plymouth), Klondyke Fishing Company Ltd. (Fraserburgh), Lunar Fishing Company Ltd. (Peterhead), UK Fisheries Ltd. (Hull) and Cornelis Vrolijk/Jaczon. UK Fisheries Ltd is co-owned by the Icelandic company Samherji hf and the Dutch Parlevliet en van der Plas, and two companies, North Atlantic Fishing Co. and Valiant Trawlers (counted together in the text), are both owned by Netherlands based company Cornelis Vrolijk/Jaczon.

6. Estimate based on quota allocations to, and membership of, English and Welsh Fish Producer Organisations.

7. See John Anderson , 'Rights based management in the United Kingdom – the Shetland experience' in *Case Studies in Fisheries Self-governance*: FAO Fisheries Technical Paper 50

8. The full high court judgement of this case (No: CO/4796/2012) is available online at www.judiciary.gov.uk. I wrote an analysis of this decision in July 2013 at www.bloodandoats.blogspot.com.

9. For the role of fisheries privatisation in the Icelandic financial collapse see Sam Knight, "Caught Out", *Prospect*, 20 July 2011. www.prospectmagazine.co.uk/magazine/caught-out.

Transnational Fish and Chips

One of the places we're most likely to eat fish in Britain is at the seaside. Fish and chips feels right, surrounded by fishing boats, seagulls and salty air; the closeness of the boats is a guarantee that the fish you're eating is fresh.

But the idea of locally caught fish and chips is becoming a myth. This is because a huge amount of the fish we eat – both on the coast and inland – isn't caught by British boats at all, but shipped (or flown) in from places like Iceland and Norway. This is particularly the case with cod, the perennial favourite.

It's partly due to the method of preparation. Frozen cod works well for fish shops, but the majority of boats in the UK land their fish fresh. This brings us to the real issue: fresh fish would be less problematic if it had a short distance to travel – as should be the case in a dockside chippy. But the UK fishing industry has been so decimated in recent years by low quota and politically-imposed "free market" forces that often fish can't be sourced locally with any stability of supply, so it tends to be delivered by road from larger

Hugh Ribbans

ports, such as Newlyn or Peterhead, or more often from further afield: Iceland, Norway, Russia or the Faroe Islands.

It's not just fish and chip shops. Many excellent smokehouses dot the Scots and English coastline, that have been curing herring and mackerel using traditional methods for decades. But just because there are boats lining the quay near the shop, you can't assume the fish being cured is caught locally. In Whitby, my favourite smokehouse, Fortunes, often imports its herring from Denmark. Even if Fortunes wanted to buy fish from Whitby fishers, it's doubtful whether it could: under our quota system, Whitby fishing boats, like many others on the north east coast, only have the 'right' to catch a minuscule amount of the herring that seasonally shoal close to their shores.

If you would like to eat more local fish at the seaside, there are steps you can take. Always ask where the fish is from before you order your meal – let owners know there is a demand for local fish. Don't always plump for cod – haddock, for example, might not be local, but it's less likely to have been flown in from abroad. Sometimes the prawns or shellfish are local. Avoid fish like the increasingly common Pangasius (which is often imported from Vietnam). And finally, celebrate shops that do serve local fish, and spread the word to your friends and on the web.

Emma Cardwell