

Briefing Summary for the Swedish Parliament

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TOWARD RESPONSIBLE FISHERIES POLICY

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I. The Allotment-Share Fishery

1. Fish in a nation's EEZ are **public assets**. ITQs represent a **free and permanent endowment** of a public asset **to private industry**. There are **no economic reasons** for this gift.

*Once this wealth is given away, new policies are impossible unless the government **buys back that wealth** it recently gave away. The taxpayers of Sweden should not be exposed to this financial liability.¹*

2. A **royalty** should be paid as a share of the ex-vessel **value of landings** to recover the **resource rent** for the Government and its citizens. This is an *ad valorem* fee on **value**, not a **license fee**.

*Most governments require **payments for the value of** mineral resources, oil and gas resources, and timber resources. Why should fish be given away free?*

3. The phrase "**rights-based**" **management** may expose governments to demands for **financial compensation** for economic damages if it becomes necessary to reduce fishing effort or landings in order to conserve fish stocks—or to protect fragile ecosystems. If ITQs are given out on the basis of **historic catch** then all fisheries will be **oversubscribed**. Government effort to reduce fishing capacity (and catch) can then bring on **demands for financial compensation**.

*ITQs distributed under "rights-based management" schemes allow **quasi-monopoly control of fishing quotas**. This **closed class** of vessels may then **prevent entry** by refusing to sell privately held quota.*

4. Fishing firms should receive a **renewable fixed-term** permit called an **allotment-share permit**. The allotment-share permit is a **privilege—not a right**.

*The allotment-share permit allows for the reduction of catch without demands for compensation. The allotment-share permit is **not transferable** without **approval by the government**. The term of an allotment-share permit could be for five or ten years.*

¹ New Zealand learned this lesson the hard—and expensive—way.

5. The allotment-share permit entitles the holder to catch a **percentage share of the annual TAC**. Permit **renewal** should depend on **compliance** with fisheries regulations.

*Permits could be managed to **control fishing pressure** (vessel capacity) in each fishery. **Share caps** prevent undesirable **concentration** among fishing firms/vessels;*

II. Creating Collaborative Coastal Fisheries

Within the European Fisheries Fund (Axis 4) there is an opportunity to enhance **sustainable development of coastal fishing areas** and to manage fisheries through a new **collaborative partnership**. In these **collaborative coastal fisheries**:

1. The TACs and allotment-share permits could be defined in **geographic terms** with one or more coastal towns serving as the locus of vessels, landings, community enhancement, and fresh fish products;
2. Those participating in a collaborative coastal fishery could engage in a range of **management issues and processes**. However, there should be no negotiation with government over TACs.
3. Under the European Fisheries Fund there can be **Coastal Action Groups** whose purpose is to promote economic and cultural development in concert with the recovery of the local fishery;
4. The **royalty** arising from landings in a **Collaborative Coastal Fishery** could be allocated to these **Coastal Action Groups** to help accomplish their goals;
5. The royalty funds could be matched by government (or EU) funds to enhance **local employment, tourism, cultural values, and fresh product** identified with each local community and its fishery.

III. Further Reading

Bromley, Daniel W. Bromley. 2009. "Abdicating Responsibility: The Deceits of Fisheries Policy," Fisheries, Vol. 34, April.