

# The common fisheries policy

## European File

'Blue Europe' came into being on 25 January 1983. To be more exact, the date saw the coming of age of the common fisheries policy. The European Community now has a comprehensive body of laws to regulate the economy of the fishing industry.

### Why a European policy?

To answer this question, it is necessary to go back to the years immediately following the 1939-45 war. These were the 'golden years' for the European fishing industry. Fish, hitherto considered a food for the poor, was suddenly much sought after because other types of food were in short supply. Fish stocks were abundant because they had been virtually unfished throughout the war years. From that time on, fisheries products have established themselves as an important food resource. The sector provides only 200 000 jobs in the Community, compared with 8.5 million in agriculture. But the industry is of crucial economic importance in many otherwise disadvantaged coastal areas.

In 1957 the Treaty of Rome envisaged the creation of a common Community fisheries policy as part of the common agricultural policy or 'Green Europe'. But the birth of 'Blue Europe' has been a long time in the making. The first decisions, covering three areas, were taken by the Council of Ministers in 1970. The principle of common access to all fishing grounds in the Community was established. A common market organization for fish was created, based on the establishment of producer organizations and the operation of price support mechanisms and protection for the Community market. Finally, it was decided to coordinate the structural policies of Member States with financial help from the

Community, which ran to more than 200 million ECU<sup>1</sup> between 1971 and 1982. The aim was to modernize the Community fishing fleets.

In 1983, Blue Europe was relaunched to take account of a radically changed state of affairs in the fishing industry:

- From 1975 a number of countries on the Atlantic coastline (Iceland, Norway and Canada, principally) extended their exclusive national fishing zones out to 200 miles.<sup>2</sup> This limit has recently been endorsed by a new international Convention on the Law of the Sea. But the Community had already decided in 1977 to take similar measures to protect the interests of its Member States. The decision was taken jointly, at Community level. It was thought that this would make negotiations with third countries easier and allow an impartial management of a vast tract of seas, whose fish stocks are highly mobile.
- The extension of fishing limits is closely linked to the exhaustion of fish stocks, which first became a problem in the early 1970s. Each country attempted to extend, protect and manage more strictly its own 'hunting grounds'. The problem was especially difficult for the European fleets, which often found themselves forced out of their traditional, rich fishing grounds in distant waters. This increased the competition for catches between Community fleets in Europe's own fishing zone, for which the larger trawlers were not best suited. Technical progress, insufficiently controlled, also increased the risk of overfishing. The result was the virtual suspension of herring fishing in Community waters between 1971 and 1981 and the gradual exhaustion of mackerel stocks.
- The fishing industry has always faced special problems which stem from the nature of the industry itself: the wide variety of fish, sharp fluctuations in catches, the perishable nature of the product and the inflexibility of demand. To guarantee stable and enduring employment for fishermen, the industry must now adapt itself to changed fishing grounds and biological protection of fish stocks. Only by strict conservation measures can large catches at reasonable cost be guaranteed in the future. The industry must also face up to rising input costs, especially for fuel, as well as increasing competition from imports from outside the Community. These often gain a competitive advantage over Community-caught fish through the development of processing techniques, for freezing fish or converting them into animal meal. Tariff concessions have been granted to Nordic, Mediterranean and African fish-exporting countries linked with the Community by various trade agreements.

The common fisheries policy must help the industry to measure up to these challenges. The policy has four main spheres of operation: access and conservation and management of stocks; organization of the market; structural changes; international agreements.

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<sup>1</sup> 1 ECU (European currency unit) = about £ 0.58, Ir.£ 0.72 or US \$ 0.91 (at exchange rates current on 24 May 1983).

<sup>2</sup> 1 mile = 1.852 kilometres. Most commercial fish species live on the shallow continental shelf within 200 miles of Europe's coastline. Almost the only commercially viable species beyond this limit are large migratory species, such as tuna.

## Access and the conservation and management of stocks

The principle of equal treatment for Member States and their citizens, enshrined in the Treaty of Rome, is taken to mean equal and free access for all Community fishermen to all Community waters. But:

- Denmark, Ireland and the United Kingdom joined the Community in 1973 and won derogations to protect their sizeable fishing interests. For 10 years, until 1 January 1983, Member States were empowered to reserve waters up to six miles, and in some cases 12 miles, from their shores to their own fishing fleets. 'Historic rights' of access were, however, preserved for fishermen from other Community countries who had traditionally fished inside these zones.
- With the general movement to 200-mile limits in the Atlantic in 1977, the Community found itself in charge of an enormous sweep of water in which competition between fishing fleets of member countries was intensifying. A heated debate began over the future of the protected, coastal zones and the interests of inshore fishermen. Britain demanded permanent and exclusive rights for its fleets up to 12 miles. Other Member States insisted on their 'historic rights'.

The argument created enormous difficulties for the establishment of a common fisheries policy. The Commission first tabled proposals in 1976. But final agreement had to wait until the beginning of 1983 when Denmark accepted a compromise plan for catch quotas.

- It was agreed that all waters within the Community 200-mile zone were, in principle, open to all Community fishermen. But Member States were allowed to retain limits up to 12 miles where fishing was reserved for their own fleets and those of Member States with traditional rights. A list of traditional fishing patterns was established to fix these 'historic rights' once and for all. In addition, in an area beyond 12 miles around the Orkney and Shetland Islands, fishing for potentially endangered species was controlled by Community licences, limiting activities by larger boats to a set number of British, French, German and Belgian vessels. These measures are to apply for 20 years but can be reviewed after 10 years.
- The conservation and management of Atlantic and North Sea fish stocks are to be controlled by the fixing of total allowable catches (TACs). These will be agreed annually by the Community's Council of Ministers for all species threatened by overfishing. The TACs will be divided into national quotas according to a key agreed as part of the final settlement on 25 January 1983. The aim is to ensure relatively stable fishing opportunities for all Community fleets, based on the following principles: traditional fishing patterns, the special needs of areas heavily dependent on fisheries, and compensation for losses caused by the extension of coastal limits in third-country waters.
- Finally, the Community is expected to introduce further conservation measures, in accordance with scientific advice, to limit the fishing effort in certain areas, lay down standards for fishing tackle and impose minimum sizes for the capture of threatened

species. National measures, which do not discriminate against other Member States, can also be submitted to the Commission, for approval, refusal or modification.

Enforcement of these rules is the responsibility of Member States, under the supervision of a team of European Commission inspectors. The regulations cover only the Community zones of the Atlantic, North Sea and Baltic. In the Mediterranean, the principle of 200-mile limits has yet to be applied.

## **The organization of the market**

The common organization of the Community market for fish, introduced in 1970, was radically revised at the end of 1981. The intention was to promote a rational development of fisheries, ensure a fair reward for fishermen, stabilize markets and guarantee supplies to the consumer at reasonable prices. The major provisions were:

- Marketing standards: fish and shellfish offered for sale must meet certain standards of quality, size, weight, presentation and packing. Inspection was stepped up.
- Producer organizations: their members were to agree to apply common rules on production and marketing. To get the organization off the ground, 'starter' aids were made available, partially financed by the Community. Such organizations were forbidden from creating monopolistic or dominant positions but were authorized to extend their discipline to non-members, to prevent them from disrupting the market.
- A price system:
  - At the start of each fishing season, the Council of Ministers is to fix guide prices for the principal species. These will be based on existing market prices, prospects for production and demand, fishermen's earnings and the interests of consumers. At the same time the ministers fix Community 'withdrawal prices', usually set at between 70 and 90% of the guide price.
  - To regulate markets, the producer organizations can fix autonomous withdrawal prices, below which they refuse to sell their members' catches. These prices can be set 10% either side of the Community withdrawal price, where one exists.
  - Under certain conditions, fishermen are compensated for catches withdrawn from the market. For a number of species, this compensation is partially financed, according to set rules, by the European Agricultural Guidance and Guarantee Fund (EAGGF). But the compensation is reduced on a sliding scale according to the proportion of the catch withdrawn from the market. The aim is to encourage fishermen to ensure that their catches are in line with demand. In addition, conversion and storage subsidies are available for certain kinds of fish, to prevent fish from being destroyed. There are also special arrangements for Mediterranean anchovy and sardine fishermen, salmon and lobster producers and certain tuna fishermen.

- An external trade policy: export of Community fish surpluses can be promoted by export rebates, which compensate fishermen for the difference between Community and world prices. On the other hand, reference prices are established for abnormally low-priced imports of certain species, based on Community guide, withdrawal or market prices. Taxes can be applied to the imports to bring them up to the reference price and avoid the need for quantitative limits. If European supplies are insufficient, customs duties can be suspended, as is the case with tuna and cod.

All these changes were designed to improve the efficiency of the Community fish market, without increasing the very small cost to the Community budget. Budgeted expenditure on the fish market for 1983 was only 34.1 million ECU, or 0.16% of the whole budget.

## **Structural changes**

For several years the Community has contributed to investments in the fishing industry:

- The European Regional Development Fund and the European Investment Bank offer grants and loans, respectively, for infrastructure investments, such as harbours, processing factories, ships and research centres. In 1981-82, the ERDF spent 9.6 million ECU on the fishing industry and the EIB loaned 8.6 million ECU.
- Under a 1977 regulation, the EAGGF spent 40.7 million ECU between 1978 and 1982 on 805 fish processing and marketing development projects. A 1978 regulation allowed the EAGGF to spend 65.6 million ECU between 1979 and 1982 on 607 projects, including the building of 474 inshore fishing vessels, the refitting of 522 vessels and the creation or extension of 73 fish farming schemes.

More ambitious measures are needed, however, to cope with the industry's restructuring needs. Fishing fleets must be adapted to new fishing grounds as they develop and the gradual depletion of fish stocks. New forms of fishing activity must also be developed. Restructuring on this scale requires a combined effort by the Community and its Member States. The Community is already studying national aid plans with a view to avoiding undesirable increases in catching capacity and distortions of competition. It also intends to step up its positive efforts to help fishermen of all kinds to compete on an equal basis with external rivals and to maintain the maximum number of fishing jobs under safe conditions. Over three years the Community intends to spend 250 million ECU on:

- Capacity reductions: the Community will subsidize outright capacity cuts, through grants for every tonne of fishing vessel scrapped. It will also underwrite the temporary 'tying up' of larger vessels. Purely national aids will be authorized for smaller ones.
- New horizons: the Community intends to sponsor developmental voyages, to help discover under-exploited resources and new fishing grounds. It may also offer grants to European trawler owners who enter into agreements with third countries to help develop their fishing industries.

- Restructuring, modernizing and developing fisheries and aquaculture: the Community will increase its support for national programmes for the building and modernization of fishing vessels, with the priority for replacement vessels and coastal regions especially dependent on fishing. The Community intends to boost its aid for aquaculture, with the priority given to experimental projects. It will also support the building of artificial reefs in the Mediterranean, intended to promote the re-stocking of inshore waters. Finally, grants are planned for scientific research.

In addition the Community has been active for several years in the social field. It has supported, from the European Social Fund, efforts by Member States to train fishermen or help them to qualify for alternative jobs.

### **International agreements**

In 1976 Member States recognized the exclusive competence of the Community to handle international fishing negotiations. Since then, fishing agreements have been signed with a number of third countries. The aim has been to safeguard the traditional fishing rights of Community vessels or seek new opportunities. The European Commission has also extended its involvement in international bodies dealing with conservation and management of fish stocks in international waters.

#### **□ Bilateral agreements:**

- The Community has concluded reciprocal agreements with third countries (Norway, Sweden, The Faeroes) in which fishing rights in Community waters are exchanged for rights for Community boats in third-country fishing grounds. A similar agreement with Spain, while apparently reciprocal, gives no rights to Community boats, since they have no desire to enter Spanish waters. The favourable treatment accorded to Spanish vessels results from Spain's status as an applicant for accession to the Community.
- The Community has signed two agreements with North American countries. In the first, surplus stocks not fished by United States boats are divided between third countries on the basis of traditional rights. In the second, Community boats are given rights to fish in Canadian waters in exchange for tariff reductions on a fixed quantity of Canadian fish exports to the Community.
- Finally, the Community has negotiated a third type of agreement, with developing countries. In exchange for fishing rights in their waters, the Community gives developing countries assistance in building up their own fishing industries. This aid takes the form of financial compensation, which is invested in the local fishing industry, participation in scientific research, and training grants or courses for fishermen. Agreements of this kind have been signed with Senegal, Guinea and Guinea-Bissau. Negotiations with Mauritania and Equatorial Guinea are still in progress. The Commission is also in contact with other countries on the Atlantic coast of Africa, as well as countries in the Indian Ocean to explore the possibility of further agreements.

- **Multilateral relations:** Beyond the 200-mile national economic zones, the sea is free. In the Convention on the Law of the Sea, it has been declared part of the heritage of all mankind. A series of international organizations have been set up to attempt to regulate the management and conservation of the natural resources of the high seas. The Community belongs to several of these organizations as a full member. In other words, the Commission represents all the Member States, which do not belong to the organizations separately. The bodies include the North Atlantic Fisheries Organization, the North East Atlantic Fisheries Organization, the North Atlantic Convention on Salmon Conservation and the Convention on the Conservation of Living Resources in the Antarctic.

The Commission is also negotiating full membership for the Community in a number of other bodies, in which, at present, a number of its Member States are represented and it has only observer status. These include the International Convention on Atlantic Tuna Fisheries, the Baltic Convention, and the International Convention on South East Atlantic Fisheries. In the framework of its dealings with the Food and Agriculture Organization (FAO), the Community is considering a change in its status on the fisheries committees of that body. These comprise the General Council of Mediterranean Fisheries, the Committee on East-Central Atlantic Fisheries and the Committee on West-Central Atlantic Fisheries. Finally, the Community has observer status at the International Whaling Commission.



After seven years of tough negotiations, the common fisheries policy has taken its place as a fully-fledged Community policy. It was not an easy achievement. A great deal of effort and good will was needed on all sides. The ultimate success of the negotiations proves that it is possible to reconcile differences of view and allow the common European interest to prevail. A new European policy has been born. This is an important sign that, slowly, step by step, the construction of Europe is proceeding ■



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