

Neo liberal capitalism and place based economies

The quota system:

In the early 2000s, the then-Danish government decided to introduce a new market-based management system for the country's fisheries. Based on the concept of Individual Transferable Quota, it was a severe and far-reaching break with Danish fishing management traditions based on regulated equal and open access. In the new system the market replaced the state as the distributor of Danish fishing rights and the fishing quotas were tied to the existing fishing vessels, enabling boat owners to sell their allocated quotas for high market prices. As a result, investors, who had the eager backing of capital, started monopolizing fishing rights.

The new system undermined the share-organized principles on which this type of fishing had been based and posed a serious challenge to the small-scale fishing communities in Denmark. New generations of fishers now had to buy into an expensive quota market or become borrowers of fishing rights from fishers who owned quotas. In another blow to the livelihood of the local people, fishers without boat ownership were not recognized when fishing quotas were allocated (Autzen 2019: <https://www.radicalecologicaldemocracy.org/market-fundamentalism-vs-community-rights-on-the-danish-coastline/>)

Under the new management system, only about 1/3 of the Thorupstrand fishers, the boat owners, were allocated the valuable fishing quotas which created a vulnerable and uneven situation for the share-organised fishers, many of whom were the young generation who had not yet taken over from their fathers. Realizing that buying quota individually would be too big a financial burden, the fishers fervently looked for an alternative and decided to try and find a model that could secure present and future common fishing rights for their local community. The result was the formation of the "Thorupstrand Guild of Coastal Fishers", conceived and designed as a "cooperative". Their first act was to persuade local banks to lend them money to buy up fishing quotas for their guild. These common quotas are shared by the fishers and distributed yearly through a flexible distribution system. Anyone who is a registered fisher can become a member of the guild, as long as s/he signs the guild's code of conduct for responsible and low-impact fishing, and promises to be based in Thorupstrand.

To become a member of the guild, one has to pay a deposit of about \$15220 US (100000 DKK) that is refunded when one leaves the guild, but the values of the guild, the fishing quotas, stay in the guild for future fishers and can never be made object of speculation. In the guild, everyone has an equal right to their shared quotas – meaning that share-organized fishers without boat ownership are equal and valuable partners for boat owners. In order to repay their bank loans, the fishers in the guild pay a rent for the common quotas they use, and as such their loans are lowered until that day in the future where the guild is debt-free.

Most of the founders of the guild are now retired, and their memberships have been taken over by younger fishers. The guild has thus been able to achieve one of its primary aims, to provide access to fishing rights for the young generation. (Autzen 2019)

Today it is a worldwide well known fact that a legal forced privatization of fishing rights paves the way for a smooth concentration and monopolization of quotas in the hands of a few investors whereas most coastal communities and fishing people are stripped of access to their resources. The Thorupstrand example shows that on the basis of the share-organised system and its culture, it is possible to build a common pool of quota rights ensuring the community a

share in the resource and providing fishers with an interest in conserving this resource for future generations – legally and biologically. But this experiment also revealed that the necessity of securing loans in order to pay large sums for quota weighed down the community company with a vast debt, making it vulnerable to external factors such as banking changes under the financial crisis, gambling investors, and falling prices of fish in Europe

Industrial and place based economies

Another driving force for the destruction of local fishing economies are long distance industrial trawlers. Shipping companies in European ports have financed fleets of large vessels to fish at well-known fishing grounds, concentrating their effort in areas with a high prevalence of fish in certain seasons and benefiting from industrial advantages of scale. In this type of fishery, the size of the catch is the determining factor of competitiveness, and large vessels can compete by storing and transporting fish over great distances.

In six centuries this fishery has supplied Europe with dried, salted, canned and now frozen fish from distant oceans and fishing banks. The other mode of production is a multi-species near-shore fishery, practiced by self-employed fishers in many small coastal communities all around Europe. This simple commodity mode of production has a long history, and still occupies around 80 % of the fishing people in Europe. They fish together in tight and flexible crews, sharing the earnings in such a way that the boat and gear owners and each crew member get a share.

This share system means everyone on board any given boat is motivated in operating the fishery efficiently and sustainably. This mode of fishing delivers fresh fish, caught on the same day, to market, and has for centuries supplied the coastal regions of Europe with fish. Share fishing in European coastal communities can be described by the distribution principle of joint income for a Danish sea boat with three crew members as given in the example below: Variable costs such as the winch or harbour, diesel oil, cleaning, packing, and the auctioneer's fee are paid in advance. The remaining joint income is paid out as follows:

- 20 % vessel (for maintenance and repair)
- 20 % nets, lines, snares, etc. (for maintenance and repair)
- 20 % skipper (share fisher, and most likely owner of a share of the vessel)
- 20 % second crew member (share fisher, and eventually owner of a share of the vessel)
- 20 % third crew member (share fisher, most likely a young man)

As a partnership, in the event that the value of the catch does not exceed the variable costs, the partners are financially obligated to take the loss and earn, in effect, a negative income.

Leave your thoughts for further discussion: What is sustainable in this community, what is not? What is your idea for the future?

What needs to be done? Can you contribute anything yourself? Do you know similar situations?