

Fishing in the United Kingdom After Brexit



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Executive Summary

This report examines the issues that have arisen in the United Kingdom's fishing industry since its separation from the European Union (EU). A closer look is taken at the Scottish sector in particular, due to its status as the largest seafood producer in the UK and unique political dynamics. Issues associated with Brexit have left many fishermen across the United Kingdom (UK) in deep economic trouble with exports to the EU, their primary market, slowing to only a fraction of its typical volume. Increased bureaucratic restrictions and widespread frustration with the government in London have only added to these woes as the UK tries to adapt to its new economic and political landscape outside the EU.

This report concludes with recommendations, summarized below, on a responsible path forward for the UK to proceed to create sustainable and fair fishing practices moving into the future.

Recommendations:

- Include Fishing Industry Representatives in the Next Round of Negotiations.
These talks should be transparent to fishing industry representatives to ensure that fishermen aren't being left in the dark.
- Strengthen Governmental Support for Small UK Fisheries.
The fishing industry, especially small businesses, are in desperate need of easy-to-access relief money or credit from the central government to survive the difficult transition out of the EU.
- Harvest Within Established Sustainable Fishing Quotas.
Fish quotas have traditionally been set far too high, often directly contradicting the EU's scientists on what safe catch limits would be. This practice of overfishing needs to be reigned in to ensure that fishing will remain a viable industry.



Introduction

In a referendum that took place in June of 2016, the UK made the highly controversial decision to leave the European Union, one that kicked off nearly 4 years of negotiations as the two parties scrambled to gain the upper hand in a new European political landscape. After numerous extensions and delays, on January 1st, 2021, the country finally officially left the bloc, leaving it with full regulatory powers, but in an awkward position diplomatically with its EU neighbors and trading partners. Despite the extensive preparations for the separation, the departure was largely characterized by confusion and frustration, as many industries saw their goods suddenly face devastating customs hold ups over EU regulations that they'd previously been exempted from. The fishing industry in the UK has been especially vulnerable to these effects, as they have traditionally relied on open access to the EU markets to sell their products. With no easy answers in sight, it seems likely that many of these problems will persist long past 2021 and continue to plague UK-EU relations.

How Leaving the European Union Affected UK Fishing

In leaving the EU, the UK also left the Common Fisheries Policy shared economic zone, the set of policies that let EU boats traverse freely through EU waters. Their withdrawal this January sent shocks throughout the entire seafood industry and has left many fishermen and distributors looking for answers. Unable to fish in waters that were once shared, fishermen from the UK, France, Belgium, the Netherlands, and other coastal nations are trying to adapt their livelihoods to this new political environment, but are faced with many bureaucratic challenges. Tensions are especially high off France's west coast, where nearby European nations must now increasingly compete with one another for access to shrinking fishing waters.

The current deal struck between the UK and EU, formally called the Trade and Cooperation Agreement (TCA), allows for an adjustment period between 2021-2026, in which each year the UK will gain 2.5% of the quota for fish in their waters as the EU's decreases. This, combined with an agreed-upon immediate 15% quota change in the UK's favor, will leave the country with an overall 25% increase by the end of the adjustment period. However, after 2026 negotiations will once again take place over fishing access and quotas on a yearly basis- something many critics claim is simply pushing the issue to a later date.

When taken into context, the quotas that the UK received an increase on are fairly insignificant compared to their overall yearly catches— their top five landed species all saw negligible increases. While this move is projected to generate profit in the long run, it has come at a high price now. With 66% of their total seafood exports caught up in EU red tape, monetary losses to fishermen and producers in the UK have been staggering, with some reports putting the damage at about 1 million pounds a day— prompting Prime Minister Boris Johnson to issue a £23 million bailout to the sector. Worse, some exports, such as those of live bivalve mollusks, have been blocked completely by EU regulators for failing to comply with EU seafood standards— something the UK hadn't expected to contend with. With new problems and regulatory kinks in the system continuing to pile up, the seafood industry has made it clear that they won't accept the current state of affairs.

Compounding the issue has been the UK's catastrophic failure to secure a fishing deal with Norway, something that had only months ago seemed like a given. This breakdown will mark the first time in decades that UK and Norwegian fishermen will not have access to each other's waters, dramatically limiting the opportunities of their fleets. Also paused for the year are quota swaps between the two countries, a tool that had long been used to allow both nations greater access to relevant species. Adding to the disappointment is the UK's decision not to levy tariffs on seafood imports coming from Norway, something many UK fishermen see as an insult to injury, especially as imports include Atlantic Cod for the many fish and chip shops around the UK. As much a symbolic blow to the country's new status as an independent coastal state as an economic one, these recent developments with Norway have thoroughly shaken the fishing industry's confidence in the current UK government.

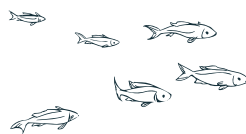


The White Cliffs of Dover overlook the English Channel

The UK fishing sector is losing up to a million pounds a day due to Brexit-related issues.

Despite all these issues, Conservative leaders in the UK government are trying to cast the deal in a positive light, arguing that the less than desirable terms the UK is currently working with will only last until the 2026 round of negotiations, at which point they plan to regain a much larger chunk of quota. Unfortunately, this plan comes with potential problems—mainly that the EU could retaliate with tariffs on UK exports, further damaging the nation’s fishing sector. But to some fishermen, this threat feels empty. While the EU could, and likely would impose tariffs on UK seafood exports, the two entities maintain a balance of trade in this area, meaning that the UK could impose its own round of punitive tariffs in return. While a trade dispute such as this would certainly hurt the UK’s seafood industry, both the current conservative government and many fishermen believe it’s a fair trade for what they see as the repatriation of their waters.

In the meantime, one of the most visible steps the UK has taken thus far to showcase their newfound autonomy has been to rejoin many of the Regional Fishery Management Organizations (RFMOs) they had taken part in previously under the representation of the EU. As of now, these include the International Commission for the Conservation of Atlantic Tunas, the Northwest Atlantic Fisheries Organisation, the North Atlantic Salmon Conservation Organisation, and the North-East Atlantic Fisheries Commission, with the UK primed to join “all relevant regional fisheries management organizations (RFMOs) as quickly as possible”. These organizations are typically made up of multiple member nations committed to jointly managing a specific area or species in international waters (beyond any one country’s zone of control). For example, the North East Atlantic Fisheries Committee is an RFMO with the goal of ensuring that fishing in the North-East Atlantic remains economically and biologically sustainable. Their membership includes Denmark, the European Union, Iceland, Norway, Russia, and the UK, all stakeholders with something to gain from the protection of this area. Now out of the European Union, the UK sits as an equal member to their former bloc— a dynamic that has given them much more influence and than in the previous system. A diplomatically awkward situation, the EU will have to learn to work productively with the UK as a partner rather than a constituent as the two share more committee positions going forward.



The Fallout for Scottish Fishing

While the entire United Kingdom has felt the repercussions of Brexit, perhaps nowhere has it been more pronounced than in Scotland. Responsible for about 62% of total landing tonnage UK-wide, Scotland's economy and jobs are disproportionately affected by changes in the fishing industry compared to the rest of the UK. Struggling under the weight of the new bureaucratic restrictions imposed on their exports, Scottish fishermen are finding it difficult to stay afloat— a far cry from the booming industry growth that the UK government had told them to expect from the Brexit deal.

This has left fishermen not only feeling pessimistic about their futures but betrayed by their government. Many reports and articles, released only months before negotiations concluded, had claimed that the UK was on track to greatly expand its fishing access and had stood strong on its promise of rejecting EU regulation over its waters during recent talks. Buoyed by similar claims from the government, the seafood sector had expected a sizable win from the deal. When the final agreement was announced that failed to live up to these expectations, many in the seafood industry felt blindsided by the terms laid out, arguing that their sector had been used as a political bargaining chip as a part of the larger deal.

These criticisms are certainly not without merit— if conditions stay the way they are, industry experts we spoke with expect contraction, rather than expansion, to be on the horizon for the Scottish fishing industry. Many small businesses are facing costs of operations that have not previously existed, such as charges for filling out paperwork that can range as high as \$815 a day, eating into already slim profit margins and threatening to put them out of business. Without substantial government intervention to offset these losses, the industry is almost certainly facing the prospect of losing jobs in the near future.

Exacerbating the issue further has been the elimination of quota swaps, schemes in which fishermen in Scotland and the rest of the UK could transfer specific quotas to other EU nations in exchange for more relevant allowances. Scotland's demersal fleet, in particular relied heavily upon this system for access to quota and will be entering 2021 with a decrease in allowable catch despite the UK's 15% baseline quota increase.



Fishing vessels tied up in St. Abbs, Scotland

UK Domestic Markets

Despite these difficulties, the industry has continued to innovate in creative ways to move their product— especially in the realm of direct selling to domestic consumers. Direct selling within the UK has increased since the Brexit hardships began and offers fishermen a way to sell their products without having to enter the EU market. While far less lucrative than trade with the EU, direct selling can still serve to mitigate losses while moving products.

Unfortunately, to those in the industry, this new model looks relatively unscalable— in no small part since the UK exports roughly 75% of the fish it catches due to consumer tastes. Another strategy to avoid the EU market— exporting to countries outside of Europe— also runs into logistical issues. High costs of shipping on such time and temperature-sensitive products as seafood can quickly eat into profits, limiting the feasibility of long-distance exports as an easy alternative.

However, the 2026 negotiations offer what the industry sees as a chance for the government to make good on its promises of true control of its waters. Scottish fishing groups, such as the Scottish Fishermen’s Federation, have long pushed for the EU’s quota system to be replaced with a form of fisheries policy called “zonal attachment”, and see these negotiations as a second chance to make this a reality. Zonal attachment is a method in which fish stocks are divided up based on the amount of each species residing in a nation’s EEZ. Currently, Norway’s agreement with the EU is loosely based on this method, although Norway does pay some tariffs on seafood to keep this deal in place, an obstacle other quota-negotiating members don’t have to deal with. If the UK were to transition to zonal attachment, it would facilitate a massive boost in their total allowable catch (TAC)— something the fishing industry is interested in seeing. But even in the best-case scenario where the EU and UK both agree to this new scheme, the current status quo would hold for the next five years until renegotiation can occur in 2026.



A Special Case: Jersey and the Channel Islands

A place where the Brexit situation is even hazier is over the status of the waters surrounding the island of Jersey. A small island situated in the English Channel off the coast of France, Jersey is an autonomous state of about 100,000 people with strong historic links to the UK. Officially a Crown Dependency, Jersey is

not a part of the UK and generally has made its own policy and regulations— but this has been challenged as fishing negotiations have grown more heated. The UK has recently passed a law allowing for it to unilaterally take control of Jersey’s fishing powers, a move that’s served to sharply divide the Jersey fishermen who support the move, and the government who opposes it. This split comes from tension over the treaty that’s currently being replaced, the Granville Bay Treaty, that had previously allowed for French ships to fish within Jersey waters, and vice versa.



Location of the Channel Islands

While France had been a proponent of this deal for the access it gave them, and Jersey’s government had been in support for diplomatic reasons, Jersey’s fishermen long argued that France’s much larger fleet was able to take advantage of the agreement more effectively than Jersey’s. This new positioning by the UK has given fishermen in Jersey hope that the UK might intervene on their behalf, closing off their waters from French vessels with or without the island’s consent. The possibility of this has worried French officials, who have vowed to restore the old treaty and preserve the fishing waters that many of their fishermen rely on. While Jersey is currently allowing French vessels into their territory, this could be subject to sudden change, and gives the UK another tool in their greater negotiations with the EU.

While this issue has so far centered around Jersey due to their being party to the former Granville Bay Treaty, the other channel island and Crown Dependency, Guernsey, has also been quick to express its frustration with the UK’s new legislation. The island had said that any UK actions affecting Guernsey’s fishing waters would amount to a “constitutional crisis”, a situation sure to sour relations between the two governments. The UK has fought back on this notion, arguing that they have always had the ability to oversee the foreign policy of their Crown Dependencies, and that the issue of fishing rights clearly falls within their purview. While it seems unlikely that the UK would force the issue in the near future, both Jersey and Guernsey will have difficult decisions to make if the UK were to flex its regulatory muscles.

Scottish Fishing: More Important Than Ever

Despite only making up a small portion of Scotland's economy, fishing has become a lightning rod in Scottish politics in the leadup to the 2021 Scottish parliamentary elections. Having voted 62% in favor of remaining within the EU in the 2016 referendum, Brexit has always been a politically unpopular change with the Scottish people. While most Scottish sectors were against leaving the EU, the UK government was able to gain support of the fishing industry on the promise that an independent UK would be able to greatly expand its fishing waters and quota, improving the livelihoods of fishermen across the country. However, this support has given way to anger in the wake of an agreement that has left many in the fishing industry feeling manipulated and left behind.

This frustration with the UK will almost certainly provide a boost to the Scottish Nationalist Party, Scotland's largest pro-independence party, in the upcoming May elections, with many predicting that the SNP could gain an outright majority in Scottish Parliament. This has served to once again raise the question of Scottish independence, something that hasn't been widely discussed since the failed independence referendum in 2014. However, with the UK's departure from the EU this year, SNP leader Nicola Sturgeon has argued that previous results are no longer relevant to the current situation, and has called for a second referendum. While UK Prime Minister Boris Johnson has expressed that any independence referendum in Scotland would be illegitimate without his blessing, there is some question as to whether the SNP would attempt one independently if they gained power. How Scotland proceeds from here will be a topic of much interest in the coming year.



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A protest in Scotland against leaving the EU

Recommendations

Include All Parts of the Fishing Industry in the Next Round of Negotiations

While the fishing industry has had a seat at the table during negotiations, it's typically been the same set of major players each round. These larger industry groups are well-equipped to advocate for themselves and the commercial seafood industry, but often neglect the needs of small businesses. In the next round of fishing negotiations, the needs of all fishermen should be considered and represented. This would prevent deals from being pushed forward that may only benefit some at the expense of others. Greater inclusion of all parts of the fishing sector could also work to repair some rifts that have appeared within the industry itself, such as the tension that has appeared between the UK's creeling and trawling fleets.

Strengthen Governmental Support of Small UK Fisheries.

In the face of bureaucratic costs to export to the EU, small and family-owned fishing operations are being forced out of business. While the UK government has previously sent bailout money to the industry, the funds haven't been as easy to access as many hoped, with fishermen having to go through the complicated process of proving incurred losses. The UK needs to streamline the financial aid process to include a broader range of businesses to keep the sector alive through the difficult transition out of the EU. While increases in quotas could eventually benefit most fishermen to a degree, the vast majority are facing steep short-term losses that should be immediately addressed. Most of this aid would likely go through producer organizations in the form of marketing support and would be geared towards making sure that small businesses are able to sell any product that they're able to catch. This would provide a much-needed stimulus to not only each business individually, but the sector as a whole.

Harvest Within Established Sustainable Fishing Quotas.

Both the EU and the UK should pledge to end overfishing immediately and hold themselves accountable to the established scientific fishing limits already provided for them. Despite their allowed quotas being over these thresholds, both governments have the power to regulate themselves in such a way that quotas should not be an excuse to overexploit fisheries. As it stands today, the EU overfishes about a third of its stocks, a figure that directly contradicts its 2013 commitment to end overfishing by the year 2020. The UK fares even worse, with a post-Brexit survey finding that two-thirds of the nation's top 10 stocks are overexploited, a sobering figure that spells disaster for the ocean's health. Brexit can represent a turning point in the way Europe practices sustainable fishing. The new system of quota negotiations gives the UK and the EU an opportunity to reevaluate their historically lax stances towards sustainability. Not only would this benefit the environment, it would also ensure that fisheries around Europe stay populous enough to fish- keeping the industry economically viable for generations to come.

Conclusion

The UK's departure from the EU has been marked by uncertainty and disappointment in the fishing sector as the issues have continued to pile up. Originally characterized as "teething issues" by many in the UK government, it's becoming increasingly difficult to write off these problems as simply the result of an extended adjustment period. The failure to reach a deal with Norway, in particular, should serve as an alarm bell that these problems may be farther reaching than originally anticipated. Bargaining on their own for the first time in decades, the UK must find a way to stay on the right side of their neighbors, or risk more damaging agreements to their fishing sector in the future. But as tensions around fishing continue to heighten in Europe, both the EU and the UK are sliding closer to confrontation than diplomacy, a move that can only serve to damage both of their fishing industries in the long run. How or when these issues will be resolved is still largely unknown, but it seems likely the EU and UK are far from finished negotiating the terms of a post-Brexit European reality.



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