Managing land and sea outside the EU – land use and fisheries in Norway

Duncan Halley
Norwegian Institute for Nature Research
“We have probably now reached down to the bedrock of yes-supporters, so that it is almost impossible that that side will weaken more”

-Professor Øyvind Østerud, Oslo University,
Dagbladet, 27th August 2016
The European Economic Area – History and Politics

- Intended by then Norwegian govt. as transitional to full membership
- 28/11/1994: Norwegians reject EU membership 52:48% in referendum
- EU Membership remains live issue to 2005, EEA provisions a main plank for ‘Yes’ campaign
- Plans for 3rd referendum in 2006 dropped in 2005, following ‘No’ votes in the French and Dutch EU Constitution referendums. From then on polls in Norway have indicated no realistic prospect of a ‘Yes’ vote
- c.2010 and later – renegotiation of EEA deal live political issue in Norway
- 2016: EEA politics ‘on hold’ until we see the deal the UK and EU conclude
The European Economic Area - Provisions

- The EEA Agreement provides for the inclusion of EU legislation on free movement of goods, services, persons and capital throughout the 31 EEA States.

- Requires equal rights and obligations within the Internal Market for citizens and economic operators in the EEA.

70% of EU directives and 17% of EU regulations in force in the EU in 2008 were in force in Norway in 2010. Norway had consultation but no voting say in these (Norway would (2016) have 1.9% of the votes in the European Council, if it were a member of the EU).

- **BUT** there is a ‘right of reservation’ by any country, which suspends indefinitely a Directive (etc) from applying in the EEA-only countries (Norway, Iceland, Liechtenstein). So far used only once, by Norwegian centre-left coalition in 2011 on Postal Directive; reversed by current minority right coalition in 2013.

The EEA Agreement does **not** include the following EU policies:
- Common Fisheries Policy (CFP);
- Common Agricultural Policy (CAP);
- Habitats Directive and other conservation directives;
- Customs Union;
- Common Trade Policy;
- Common Foreign and Security Policy;
- Justice and Home Affairs;
- Monetary Union.
Fisheries: Life in and out of the Common Fisheries Policy
Post-Brexit, Scotland will have sole control over fisheries within the Scottish EEZ (Scotland Act 1998)
“What we know now is how to fish sustainably; it’s just a question of whether we have the political will to do so” - International Council for the Exploration of the Seas, Annual Report 2008

“Most fish stocks have been fished down. 88% of Community stocks are being fished beyond Maximum Sustainable Yield, 30% of these stocks are outside safe biological limits...93% of cod in the North Sea are fished before they can breed...heavy public financial support... European citizens almost pay for their fish twice: once at the shop and once again through their taxes” Source: EU CFP Reform Green Paper 2009

“If no reform takes place, only 8 (CFP) stocks out of 136 will be at sustainable levels in 2022” EU Fisheries Commissioner, 2011

“In the North Sea, out of 18 (CFP) stocks, 9 are not fishable at all. Of the remaining species, all nine were heavily reduced between 1997 and 2009” Ørebech 2015

Latest CFP reform phasing in from 2015

“Fixing the level of fish quotas that can be caught by EU member states is a complex process and EU fisheries ministers have the final say on the quotas to be allocated for the next 12-month period. Sometimes scientific advice on how much of a certain species should be caught is followed to the letter, but it is not unusual for ministers to agree on levels which are very different from the European Commission's initial proposals.” -Marine Scotland website, accessed 26/09/2016
• 74% of total CFP catch comes from North East Atlantic & adjacent waters (EU, CFP Facts & Figures 2016)

• “In 2015, the proportion (calculated as a three-year moving average) of Scotland's key commercial fish stocks where the quota (Total Allowable Catch (TAC)) was set in line with scientific guidance was 57 per cent” Source: Scottish Govt Statistics

• Target was 70 per cent

• “(CFP Reform) objective is to remedy the Common Fisheries Policy’s “five structural failings.” Unfortunately, the new regulations have failed to improve the situation... no radical changes have taken place.” Ørebech 2015

Source: EU fish stocks report 2016

www.nina.no
Direct subsidies through the European Fisheries Fund (UK), 2007-14, Scotland: £101.8 million (not including ‘other government contributions’, or indirect subsidies)

Source: EFF UK review

European Maritime and Fisheries Fund budget, whole EU, 2015-2020: €6.4 billion, of which 27% for ‘Sustainable Fisheries’.

Source: EU Facts & Figures on CFP 2016

The most important indirect subsidy is the overall exemption from fuel taxes.

Source: Scottish Government statistics
Fisheries Management in Norway

• “The state of the most important commercial fish stocks in Norwegian fisheries is good” – *OECD Fisheries report 2015*

• “The Norwegian management of living marine resources is based on the best available scientific advice. Norway places great importance on sustainable and environmentally friendly fisheries...based on a thorough knowledge and understanding of fishery resources dynamics. Norway has earned a reputation for being far advanced in fisheries research (and) fisheries administration” – *UN Food & Agriculture Organisation*

• “Norwegian fisheries management is simply world class” *Camiel Derichs, Marine Stewardship Council, 2010*
At $8.9 billion (£5.3 billion), seafood products (includes aquaculture) were Norway’s second most important export item in 2012. 90% of the catch is exported. 73.6% of fish caught (2011) are from Marine Stewardship Council (MSC) certified stocks, the highest proportion in the world.

**Society:** The seafood industry is the backbone of coastal Norway and is of vital importance to settlement and employment.

**Economy:** The seafood industry generates great value to the Norwegian economy and demonstrates economic independence. There are no subsidies in the Norwegian fishing industry.

**Environment:** Norway has through many decades been one of the leading nations when it comes to developing a good fisheries and aquaculture management, and are working continuously with this to improve the resource management system.
THE MARINE RESOURCES ACT

The Marine Resources Act regulates the harvest of living marine resources.

It is based on two forward-looking principles: ecosystem-based management and the precautionary principle.

The Marine Resources Act also promotes employment and settlement in coastal communities; hence it is both an environmental and an industrial law.

“The purpose of this law is to ensure a sustainable and socio-economically profitable management of marine resources in the wild and the associated genetic material and to contribute to ensuring employment and settlement in coastal communities” – Marine Resources Act, 2008
Fishing boats must be owned by registered fishermen active on the boat, or in the administration of it on land. If owned by a company, the company must be owned by active fishermen (dispensations may be granted so that fish processing firms may own up to a 49.9% interest in a boat).
Norway bans discards, as a waste of resources; and because discarded fish are not registered in the statistics, making it difficult for researchers to calculate the size of stocks.

THE DIRECTORATE OF FISHERIES

Monitors and controls the whole value chain through activities like quayside and sales inspection, post landing audit and inspections at sea.

The main focus is quota control and that fishing activities are in compliance with prevailing regulations.

In addition the Directorate is responsible for aquaculture management and is in charge of aquaculture control functions.

- Has a 24/7 service through the Fisheries Monitoring Centre (FMC).
- The FMC controls position reports and electronic catch, and receives activity reports from vessels on a regular basis.
- Cooperates with other institutions such as the Norwegian coast guard, the sales organizations, and customs and tax authorities.
- Present along the Norwegian coast with 7 regional and 22 local offices.
SALES ORGANIZATIONS

The sales organizations’ main objective is to provide for clear, fair and controlled conditions in regard to fishing and trading of catches between fishermen and buyers.

They have exclusive rights to first-hand sale of fish, and thereby the responsibility for registering all wild catch sold in Norway.

The sales organizations are owned by the fishermen through their unions.

<table>
<thead>
<tr>
<th>6</th>
<th>Certificate</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>Administer each vessel’s quota through controls at the landing site, weighing and documentation.</td>
</tr>
<tr>
<td>6</td>
<td>Issue catch certificates</td>
</tr>
<tr>
<td>6</td>
<td>The directorate receives the data of registered fish, and this forms the basis of quota control and fisheries statistics.</td>
</tr>
</tbody>
</table>

There are six different sales organizations in Norway.
Spawning stock biomass main pelagic fish species, Norway, 1985-2015 (Overall increase 51%)

Source: Fiskeridirektoratet 2015

Spawning stock biomass main demersal fish species, Norway, 1985-2015 (Overall increase 340%)
Levels of all Govt. Financial Transfers to the Norwegian Fishing Industry

Fishing vessels are exempt from CO\textsuperscript{2} levy and part of SO\textsuperscript{2} levy on fuel in Norway, but not from VAT

Isaksen et al 2015

Source: Fiskeridirektoratet 2015
“The most important fish stocks migrate between Norwegian and foreign waters and, consequently, **good governance requires close cooperation with neighbouring countries.**” - UN Food & Agriculture Organisation
Catches of cod, haddock, and saithe in Norwegian/Barents Sea, 2005-2015. Overall: 54% increase

Catches of cod, haddock, and saithe in North Sea/Skagerrak, 2005-2015. Overall: 40% decline

Source: Fiskeridirektoratet 2015
Multilateral cooperation

NEAFC is the management organization for the North-East Atlantic.

The objective of NEAFC is to ensure the long-term conservation and optimum utilization of the fishery resources in its area, providing sustainable economic, environmental and social benefits.

Out of five major NEAFC fisheries, only the Norwegian spring spawning herring stock is considered sustainable” - Bjørndal 2009

“de facto decisions about resource management are often made by member States unilaterally, outside of NEAFC. This happens partly because of the widespread use of the objection procedure” - UN FAO, 2015

“Data was still missing from both Greenland and the EU (on deep sea fisheries). Given the extent of their fisheries, the EU data was particularly important and it served little purpose to carry out the exercise without it”. NEAFC Management & Science minutes 2015

“One issue in particular should be considered as the main issue raised in the (2014) Performance Review report. This is the issue relating to the failure to agree on comprehensive management measures for several of the most important fish stocks managed by NEAFC”. NEAFC Annual Meeting Agenda Item 4, 2015
In 2008 the Joint Norwegian-Russian Fisheries Commission instituted a long-term management plan for North-East Atlantic cod, in an atmosphere of improved cooperation on maritime issues (leading to a Treaty on Maritime Delimitation and Cooperation in 2010). Since 2008 more stringent quotas allow for only 25-30% of the fishable population to be caught each year. Enforcement by both countries has been effective. The results have been almost immediate.
In 2013, measured biomass of fish in the Barents Sea area of the NE Atlantic exceeded that of any time in the previous 50 years. 

Source: Nortrade

“The North-East Arctic cod stock is the largest cod stock in the world, and is in very good condition. The North East Arctic cod is managed together with Russia…. The North Sea cod is managed together with the EU. The North Sea cod stock is in a very poor condition.”

Source: Fisheries Norway (2013)
Summary

• The CFP is subsidised.
• Values of Scottish catches have increased by 6%, 2000-2015.
• EU Ministerial meetings frequently overrule scientific advice on sustainable catches.
• In 2015 43% of Scottish stocks were not managed according to scientific advice.
• The Norwegian industry is not subsidised.
• Values of Norwegian catches have increased 40% 2000-2015. Seafood is Norway’s 2nd largest export.
• Ministers do not overrule scientific advice on catches.
• Revenues and profits flow through Norwegian coastal communities.
• Stocks are mostly in good condition, the main exceptions being where shared with CFP countries.
• Social consensus regarding the fisheries system is very high.
The future?

• Cooperation with Russia on fisheries is now good, and Barents Sea cod stocks have more than doubled in recent years as a result. Overall fish biomass in the region is the largest for 50 years.

• Cooperation with the EU is problematic because of overfishing under CFP management. Many of the 43% of Scottish stocks not sustainably managed are shared with Norway; several important stocks predominantly so.

• Scotland controlling its own fisheries from c.2019 is therefore a considerable opportunity, for Scotland and for Norway.

• **If** you manage stocks properly, and not ‘politically’.

• Over to you....
Rural Communities and Farming/Forestry

View from Oslibakken 1911

View from Oslibakken today

Photo: Erling Tøssebro
The Common Agricultural Policy in Scotland

- When devised (1962), the CAP was intended to support rural communities in which most people were small owner-occupier farmers and families.
- Few individuals in most Scottish rural communities are owner-farmers. Farms are mostly large to huge by EU standards and many farm owners live elsewhere.
- Projected ‘direct payments’ for 2019 were: £176/ha for arable and improved grazing; £28/ha for better quality rough grazing; £8/ha for poorer quality rough grazing
- Plus headage payments for sheep (€100 (£77)/ewe on rough grazing) and beef cattle calves (€100 (£73) mainland, €160 (£117) islands)

(Source: Scottish Govt).
Goals of Rural Community and Farming Policy: Norway

"Agriculture (landbruk, literally, land use) has historically always devoted itself to value creation from all available natural resources” Per Skorge, Secretary General Norwegian Farmer’s Association, 2017.

- Safeguard the supply of sufficient, safe and varied high quality food at a reasonable price*, including in times of war or crisis
- Preserve the distinctive features of Norway's settlement pattern (and prevent ‘push’ migration to cities, with potential for the formation of a periurban underclass expensive in health, social security, and policing costs)
- Protect and enhance the viability of rural communities
- Utilise the human and natural resources throughout the country in order to create the greatest possible national prosperity
- Guarantee farmers and food producers optimal working conditions
- Conserve land quality
- Conserve and enhance the environment and natural heritage
- Ensure equal living conditions
- Offer people the freedom to settle wherever they choose

Norwegian Ministry of Agriculture and Food; Ministry of Local Government

- Headline food prices in Norway are among the highest in Europe, but Norwegians spend about the same share of net income on food (13%) as e.g. France and Belgium; and there is no primary poverty. Healthiness of food products is mostly higher than the UK (net income on food 9%), in part reflecting consumer demand.

www.nina.no
Agricultural area per Landbruk* (‘Land use’) unit, Norway

*‘Landbruk’ is usually translated as ‘farming’, but means making a living from diverse use of the land - farming in the usual British sense, forestry, exercising or selling hunting quotas, fuelwood, cabin rentals, etc.

Farms are usually family farms, but must be owned by an individual and may not be subdivided.

www.nina.no
Ownership of forestry in Norway

Most forestry is owned by and integrated with owner-occupied ‘land use’ (farming) units for fuelwood harvesting, hunting, grazing, etc.

Harvest and sales of timber are mainly organised through owner’s cooperatives.
Orkdal is a typical ‘glen kommune’, in Trøndelag; fields mainly in the strath, woodland on the hills.
Land use properties by type of use, Norway, 2010

- Farming only: 54389 (29%)
- Forestry only: 22482 (12%)
- Farming and Forestry: 112176 (59%)

Source: Statistisk sentralbyrå
To inherit a Landuse property you must undertake to live there as main residence, and work it, for 5 years; for 10 years, and show relevant qualification, if you buy it.

(Mainly pure forestry units, and forest dominated units in hills)

Source: Statistisk sentralbyrå
Mean gross income from ‘land use’, titular owner, 2013: 233167kr (£21117)
Mean total gross income, titular owner, 2013: 568700kr (£51700)
Mean gross income, Norway, 2013: 489200kr (£44473)

Population densities, Highland Region and SW Norwegian provinces

Including main cities (Inverness, Stavanger, Bergen, Kristiansand)

Excluding main cities (Inverness, Stavanger, Bergen, Kristiansand)

The two areas have very similar climates, geologies, and landforms; see http://tinyurl.com/zfvwbnh

www.nina.no
Summary - Landuse

• Norway’s land use system is very differently structured to Scotland’s
• It has a highly dispersed ownership pattern, mainly in small-medium owner-occupied units. They exploit the land in a diverse manner – farming, forestry, hunting, cabins are all major income streams.
• Agricultural payments cost £1.14 billion in 2015, 1.2% of government spending* (less than half of the £2.5 billion overseas aid budget).
• Scottish annualised CAP payments projections 2015-20: £1.1 billion/year.
• Norwegian external tariffs on agricultural products are much higher than the EU’s.
• Almost all the money flowed to and through landusers resident in rural communities. They are 3% of the total population; very much more in rural areas.
• This underpins the whole rural community – the shops, schools, social institutions.
• The system enjoys relatively broad social consensus.

*Source: Norwegian government
The future?

• The interest for Scotland is not in reproducing this system. It is in how Norway is able to tailor its system to *its* self-defined goals for what it wants from its land. This is much less practicable inside CAP.

• The CAP will soon cease to apply in Scotland and a new system for rural support/farming will have to be legislated by SG (exception: CAP external agricultural tariffs revert to UK). This does not have to be anything like CAP in structure, content, or scope.

• **What do you want from your rural community/landuse system in the 21st century?** How do you structure a system to achieve it? Where should the money flow, how much, and to whom? Starting in c.2019, Scotland will have sole control.

• **Time for a great debate!**