



Rebuilding Scotland's inshore fisheries

Policy Paper 3

Summary

- Political efforts to revive or strengthen Scotland's inshore fishing fleet have long focused on quota. There have been repeated calls for the allocation of additional quota to these vessels, either by redistributing it away from larger boats within the Fixed Quota Allocation (FQA) system or, more recently, by earmarking part of any additional quota secured after Brexit to vessels without these quota rights.
- While fishing opportunity is an obvious ingredient of any policy designed to improve the prospects of inshore fisheries, it is not nearly enough all on its own. Unless other equally important factors are taken into account, the provision of additional quota will not have the desired effect.
- The success of inshore fisheries in communities like Shetland suggests that at least four conditions need to be met if similar results are to be obtained elsewhere. Three of those conditions would involve significant investment; any public policy decision to rebuild inshore fisheries would have to acknowledge this requirement.



Q | What are inshore fisheries?

A | We refer in this paper to fisheries prosecuted by boats typically less than 10 metres long that work close to shore, mainly in pursuit of shellfish, and do not own Fixed Quota Allocation units. Larger vessels may also operate close to shore from time to time, but are not usually referred to as inshore vessels.

The inshore vs. offshore myth

The term 'inshore' is something of a misnomer. We use it here as shorthand for fishing boats which are typically under 10-metre that work close to shore, mainly in pursuit of shellfish, and do not own Fixed Quota Allocation units. Larger vessels catching quota species and designed to operate well offshore can and do fish in inshore waters from time to time.

One of the more persistent and unhelpful myths about the fishing industry is that success in inshore fisheries – however measured – can come only at the expense of an offshore fleet. The many variants of this theme pitch 'haves' against 'have-nots', 'big' against 'small' and large-scale' or 'industrial' against 'artisanal'. The main recommendation arising from this world-view is typically the reallocation of quota between different parts of the fishing fleet.

This argument fails to acknowledge the complexity of the relationship between different fleet segments in places where inshore fisheries are successful, particularly Shetland. It also ignores the inconvenient fact that take-up of quota withheld from FQA holders by the Scottish government and made available to inshore vessels can be poor. Once again, Shetland is a conspicuous exception to this rule.

Dividing the fishing industry into completely separate segments is not a helpful exercise. Our own experience suggests that different classes of fishing vessels catching fish in different ways effectively combine to create **a critical mass** in onshore services, from engineering to sale, transport and marketing. This is particularly true of the more remote coastal and island fishing communities, where an inshore fleet of small boats may not be enough to sustain the onshore businesses crucial to successful operations.



Q | Why do inshore fisheries matter?

A | Inshore fisheries sustain businesses – both directly and indirectly – that are vital to employment in Scotland's coastal and island communities. While this is also true of offshore fisheries involving larger boats, inshore fishing operations do not require the same scale of investment and are therefore more accessible for new entrants to the fishing industry. As the species they tend to target – particularly shellfish such as crab and lobster – are of high value, the rural economy benefits more than the volume of landings would suggest.

Not just quota: four pillars for success

Strengthening Scotland's inshore fishing industry will need intervention in at least four areas:

■ **Fishing opportunity.** The vast majority of Scotland's commercial fish stocks are harvested within a quota system, within which most opportunity is spread among FQA unit holders. Inshore vessels can access quotas for some species that the government has held back from the FQA system, notably mackerel and whitefish species such as cod.

The benefits to the inshore fleet from additional quota are well understood, from straightforward economic value to the virtues of diversification and the easing of pressure on non-quota stocks such as shellfish. Unfortunately, the 'top-slicing' of quota that other vessels would otherwise have accessed can create problems of its own. Brexit offers a way round this problem by creating an opportunity to secure additional quota for inshore vessels through international negotiation instead.

■ **Onshore infrastructure.** Without ports adapted to what fishing vessels require, and without onshore facilities such as cranes, shore power, water, ice plants and chilled storage facilities, for example, fishing opportunity is of little use to the inshore fishing industry. Inshore vessels in areas without such facilities do not have the choice of landing their catches in distant ports that do have them. There is no value in catches unless they can be handled, stored, sold and transported efficiently upon arrival; this is one of the reasons why take-up of quota allocated to the inshore fleet is very low in some parts of Scotland and high in others.

One of the factors complicating investment in ports is their ownership. While most Scottish ports are owned by local authorities, a significant number – including some of the largest – are trust ports. These are independent statutory bodies with their own boards of directors that receive no direct public funding and operate on a commercial basis, with profits reinvested in the port. There are also some privately-owned ports. It follows that grant mechanisms will often be more appropriate for the purposes of large-scale investment than direct injections of public sector resources.




Q | Why shouldn't all of the additional quota secured through Brexit be allocated to smaller vessels?

A | Quota is only one factor behind the success or otherwise of inshore fisheries, and quotas already allocated to inshore fleets are often poorly utilised as it is. Some species cannot be caught economically, safely or in an environmentally responsible way except by large, modern boats capable of operating both close to shore and far offshore.

- **Science.** Ideally, Scotland's inshore fisheries would offer a healthy and diverse mix of catching opportunity among quota and non-quota species, mixing finfish and shellfish. Achieving a sustainable balance between these species requires an informed judgement of the state of all these stocks, and that is currently impossible for most of the key shellfish species in most inshore areas. The Shetland Shellfish Management Organisation is an exception to the rule, having run its own data collection and assessment programmes for king and queen scallops, lobster, brown, velvet and green crab and buckies for many years. These programmes cost time and money.
- **Fisheries protection.** The inability to enforce agreed rules is as serious an obstacle to sustainability in inshore fisheries as it is offshore. It can also be more onerous for inshore fisheries, given the sheer number of vessels involved and the time needed to monitor the deployment of static gear in particular. We estimate that Marine Scotland's annual spend on inshore fisheries is around £200,000, with no specific provision for inshore fisheries protection. In contrast, the annual cost of running England's ten Inshore Fisheries and Conservation Authorities, including fisheries protection, is in excess of £9 million¹. While England has some 2,500 under-10 metre fishing boats, compared with around 1,500 in Scotland, Scotland has a significantly longer coastline to monitor.

¹ Defra, Inshore Fisheries and Conservation Authorities, Conduct and Operation 2014-2018



Q | Won't the success or failure of inshore fisheries come down to free and frictionless trade with the EU?

A | Free and frictionless trade between the UK and EU is in the interest of both partners, and not only for seafood. Inshore vessels that depend on continued access to EU markets will know that countries such as Norway and Iceland have far more developed inshore fisheries than Scotland does; both trade into the EU without ceding control of their waters to Brussels.

The need for investment

Of the four pillars for success in Scottish inshore fisheries, only one – the allocation of additional fishing opportunity – could be put in place without significant additional expenditure. Marine Scotland already has an administrative mechanism for allocating quota, a task effectively shared with Producer Organisations.

In contrast, additional onshore infrastructure, science specific to inshore fisheries and inshore fisheries protection demand public resources at either national or local level.

Lead, don't mislead

It would be irresponsible to proclaim the renewal of Scotland's inshore fisheries on the basis of additional quota secured after Brexit. Much has to be done, and serious money spent, before additional quota can transform inshore fisheries.

We suggest that local authorities – represented by COSLA – as well as Scottish Ports are brought into a consultative framework under the aegis of the Scottish government's Inshore Fisheries Management and Conservation Group (IFMAC) to identify what needs to be done on infrastructure, science and fisheries protection, and sooner rather than later.



Q | Is the revival of Scottish inshore fisheries a realistic outcome of Brexit?

A | Given By transferring control of some of the most biologically diverse and productive seas in Europe from the EU to the UK, Brexit will give the British and Scottish governments the opportunity to extract fairer shares of internationally agreed quotas for local fleets. Given that UK vessels currently catch less than 40% of the fish harvested from what will become UK waters, the potential gain is substantial. If quota shares are adjusted upwards in line with the ability of inshore vessels to make use of them, there is no reason why they should not benefit significantly.



Shetland Fishermen's Association

Stewart Building, Lerwick, Shetland, United Kingdom, ZE1 0LL

Telephone: +44 (0) 1595 693197 Fax: +44 (0) 1595 694429

Email: info@shetlandfishermen.com

www.shetlandfishermen.com