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MICHAEL PARK

# THE STATE OF THE FISHING INDUSTRIES AND RELATIONS WITH LEGISLATORS A COMPARISON BETWEEN SCOTLAND AND CROATIA

ENERGY AND ENVIRONMENT





**NEW DIRECTION**  
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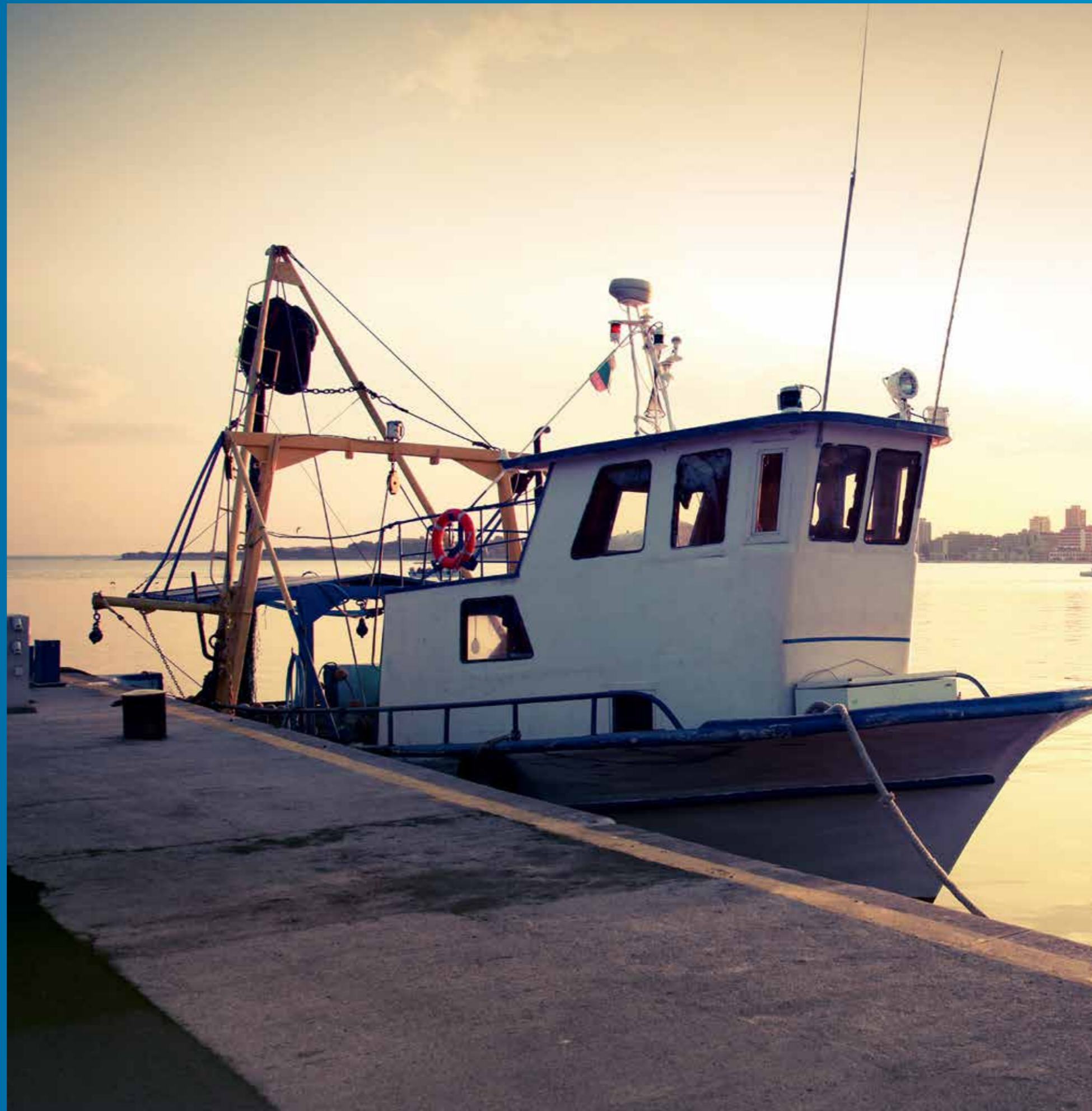
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# THE STATE OF THE FISHING INDUSTRIES AND RELATIONS WITH LEGISLATORS

## A COMPARISON BETWEEN SCOTLAND AND CROATIA

- MICHAEL PARK, CEO  
*SCOTTISH WHITE FISH PRODUCERS ASSOCIATION*



### Michael Park

The author of this report, Michael Park entered the fisheries sector at the age of 18, and after a career spanning 30 years, of which 25 were as skipper and company owner, he has recently concentrated his energies towards shore based activities.

Mike is currently Chief Executive of the Scottish White Fish Producers Association, representing 180 individual vessels and 1400 fishermen with a collective turnover approaching 200 million Euro. His other industry commitments include: Member of the Board of the Sea Fish Industry Authority, a ministerial appointment; Chairman of Box Pool Solutions Ltd and Vice Chairman of the North Sea Region Advisory Council. Mike also chairs the Scottish Fisheries Sustainability Accreditation Group, the driving force behind certification of the main Scottish Demersal stocks.

He is a member of various other industry/government initiatives including Fisheries Management and Conservation, the group instrumental in changing the face of fisheries in Scotland.

Mike is a recent winner of the coveted, 'Scottish Green List', a WWF International Sustainability award in 2011 and more recently in 2015 the Ocean Project Award from the Blue Marine Foundation in recognition of his Association's role in rebuilding cod stocks in the North Sea.

**The Scottish White Fish Producers Association Ltd**  
Fraserburgh Business Centre  
South Harbour Road  
Fraserburgh  
AB43 9TN  
T: 01346 585367/585368  
F: 01346 510707

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DR IAN DUNCAN MEP



RUŽA TOMAŠIĆ MEP

## FOREWORD

There are two broad models of law-making: top down and bottom up. In the first, law is made by a remote authority, distant from those affected, and often indifferent to the challenges and difficulties experienced by those who must operate within the law. For a variety of reasons, compliance is often poor. In the second model, those most affected are part of the law making process through consultation and an on-going dialogue with the legislating authority. The laws therefore reflect the reality experienced by the industry, and the compliance is healthy.

Until comparatively recently, law-making in the EU fisheries sector followed the first approach, with a one-size-fits-all approach to legislation rolled out across all Europe's seas. Progress is being made inside the EU to change this approach, but it is slow going.

At the heart of the change need to be the fishermen themselves.

Scotland has a long tradition of organised engagement with law-making authorities. Several of Scotland fishermen's associations were founded in the 1930s, and they came together to form a Federation when the UK

joined the Common Market in 1973. The clout of these bodies is important; they have been instrumental in changing the law at home and abroad.

Croatia has no such tradition of organised engagement within its fishing industry. Emerging from Communist rule only in 1990 and gaining its independence in 1991, the roots of collective representation within the fishing industry have yet to take hold.

This report, written by a working fishermen, who is himself leader of the largest fishing association in Scotland, explores how Croatia can develop the structures and bodies necessary to engage directly with the government and the European Union. Drawing upon the experiences of Scotland, the author puts forward a series of recommendations, which if adopted, would empower the fishermen of Croatia and re-balance the relationship between those who make the law and those for whom the law is made.

We hope that you find the report of value. We also hope that one of the outcomes of the research will be closer ties between the two proud fishing nations of Croatia and Scotland.



## EXECUTIVE SUMMARY

Wild capture fishing remains one of the last commercial activities that requires the guile and cunning of hunting for financial success. Fishing is a hard profession where competition is tough and conditions even tougher; it is recognised as being the most dangerous profession in the UK.

For a number of EU Member States, fishing is very important activity, with a rich cultural heritage and tradition that ensures it has a larger political impact than might be expected from its size. The political lobby in Scotland has developed over time to become influential on a regional, national and international level. Those involved are acutely aware of the link between sensible fishing policy, the culture of compliance, and a profitable fishing sector. History has shown that anarchic behaviour and disillusionment follows if that link is broken.

Croatian fishermen have difficulty being heard beyond the regional level and whilst they enjoy the same cultural and historic links as their compatriots in Scotland, it would seem they have difficulty in translating ideas and initiatives into deliverable outcomes. What we do know is that grass roots fishermen have difficulty communicating upward because of structural issues and political interference that are a legacy of the communist era. In addition, it would seem that the pelagic sector retains the most powerful lobby and tends to be more politically active.

The situation in Scotland is quite well defined, with clear and formalised structures of governance. Long standing

streams of funding in the form of a financial levy from each vessel (from 0.3% to 0.75% of gross depending on the association) allows the leadership to become engaged in most, if not all areas of policy. Vessels in Scotland pay two levies; one to associations to maintain a political lobby, and another to the Producer Organisations (POs) who manage all issues related to fishing opportunities (Quotas).

Fishermen in Croatia are compelled by law to pay for representation through the various chambers although the amount of revenue created is significantly less than from their Scottish counterparts. But as you will read, Government's continued control over these groups has led fishers to create separate groups with a further cost to industry. So whereas at the time of writing Croatia does not have a single officially recognised PO, the dual cost burden remains the same.

Croatia's industry faces a wide range of challenges. Firstly, as in Scotland, the country has implemented a discard ban in



LARGE AND SMALL CROATIAN FISHING VESSELS

the pelagic and demersal sectors, which brings with it both opportunities and threats to the sector. Secondly, Croatia has a severe shortage of ports and landing points. Thirdly, there is a lack of refrigeration facilities onboard vessels and at ports. As a consequence, fishermen are struggling to facilitate landings. For the demersal sector, it is still early days, but catch selectivity and the obligation to land and store everything that is caught will likely cause problems in the coming months. In addition, there are very few wholesale fish markets, and no Fisheries Local Action Groups (FLAGs).<sup>1</sup>

Like Scotland, Croatia struggles to attract young recruits into the industry. In Scotland they are attracted to the oil industry and in Croatia they are drawn to the tourist sector, which offers better career prospects and remuneration. Encouraging young fishermen and ensuring continuity from one generation to the next is a real challenge for the fishing industry.

Similar to Scotland, the Croatian Government finds difficulty in striking a fair balance for small and large vessel fishermen. There is continued conflict between the small vessels (under 10 metres) and the large vessels (over 24 metres). The challenge for the authorities is to make policy which is acceptable to both groups that doesn't endanger one group's livelihood.

The biggest difficulty for Croatia's fishing industry is in the implementation and enforcement of the Mediterranean Regulation. This EU Regulation directly affects Croatia, Cyprus, France, Greece, Italy, Malta, Slovenia and Spain. Those who work closely with the industry in Croatia have concerns that the provisions of the Mediterranean Regulation are eroding traditional fishing life.

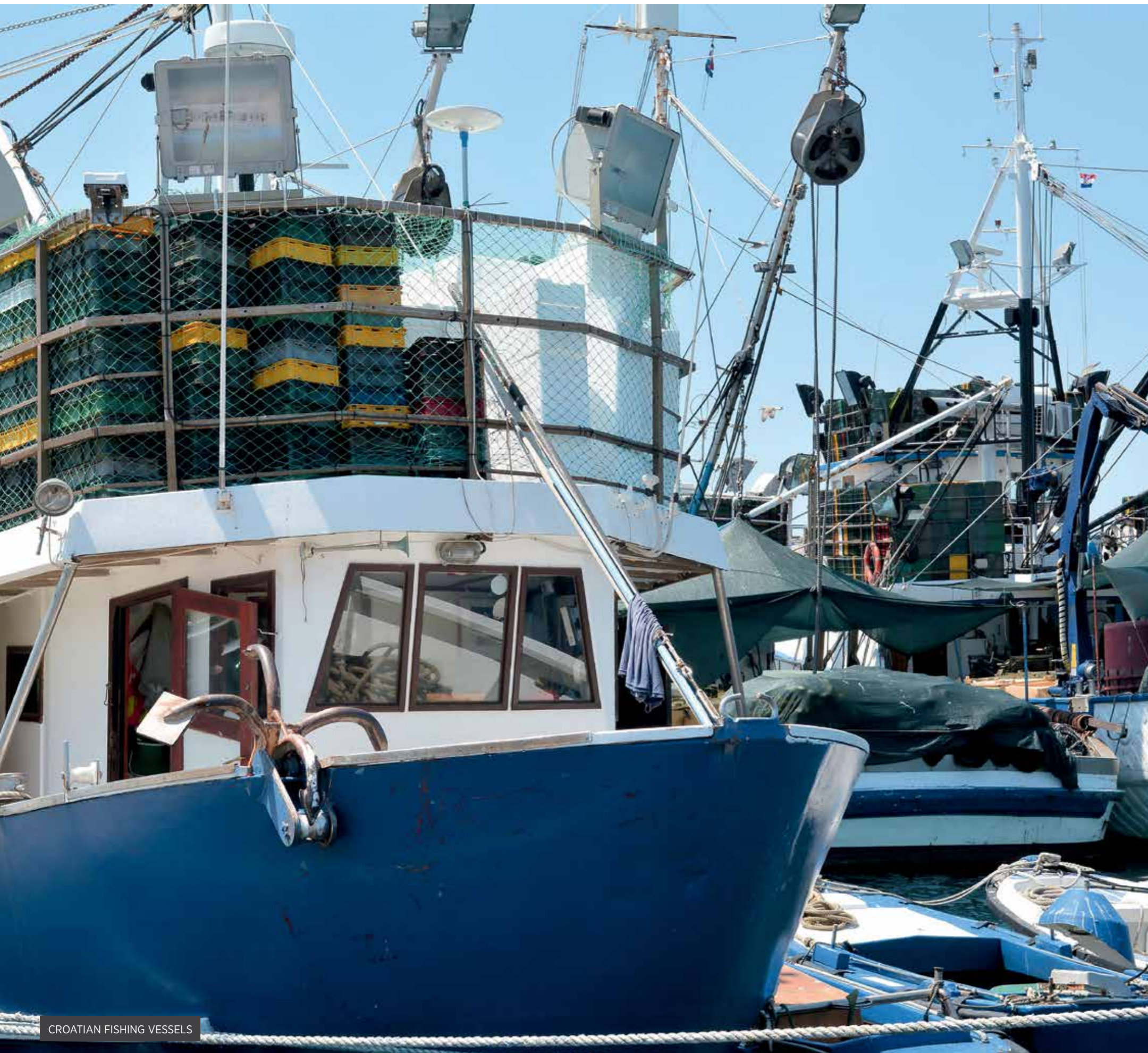


SCOTTISH CREEL VESSEL AND MODERN TRAWLER

There is a clear requirement for grass-roots fishermen in Croatia to be heard and to play a part in the influencing of policy decisions; only then will the threat to their livelihoods be removed. Membership of the EU has delivered huge political challenges for Croatia's fishing industry such as the Landing Obligation, which the country is not yet resourced to deal with. It is this resource issue, coupled with a low level political vision about what is possible within the various European institutions and political framework that prevents the Croatian fishing industry from performing as others do across Europe.

The recommendation from this report is to use the Scottish experience to deliver a fully funded, fully transparent and inclusive system of fisheries governance in Croatia that is capable of becoming involved in the top-tier of stakeholder representation.

<sup>1</sup> Partnerships between fisheries actors and other local private and public stakeholders. Together, they design and implement a bottom-up strategy that fits and addresses their area's needs to increase economic, social and environmental welfare



CROATIAN FISHING VESSELS

## INTRODUCTION

Scotland became a member of the European Union (EU) when the UK joined in 1973. Croatia is the newest member of the EU, acceding in July 2013. It was the Reform Act of 1832 that was the first real milestone for Britain as a representative democracy, when democratic principles and the rule of law were established. Croatia was part of Communist Yugoslavia until the late 1980s. The first free elections were held in Croatia in 1990, and in 1991 the independent country of the Republic of Croatia was created.

Upon the declaration of independence in 1991, Croatia was consumed by four years of war. Known in Croatia as the 'War of Independence'. The war ended in 1995 with the independence of Croatia ensured and its borders secure.

It may appear that this history lesson isn't related directly to the fisheries industry in Croatia, but it serves to provide the context for how state and society come together. Different peoples and sectors in Britain have been banging on the doors of their political representatives for years, demanding to be heard, whilst the people of Croatia have been forced to focus on keeping safe, fed and housed. The legacy of communist rule is still prominent in the mind-set of many older Croatian people and this can be seen in the way they reject membership organisations and associations.

Croatia has a population of 4.29 million people, Scotland of 5.29 million. 68% of the Croatian population are aged between 15-64 years, 17% are aged 65 and over. The age of the population is important with regard to attitudes to personal or association engagement with political and governmental figures. As with many EU countries, Croatia has seen its economy contract since the 2008 economic crisis and Gross Domestic Product (GDP) fall. Unemployment currently stands at 17% and youth unemployment (between 15-24 years of age) is very high at 40%.<sup>2</sup> The European Commission has identified "weak external competitiveness" as a cause of falling GDP and has said that Croatian exports fall below their potential.<sup>3</sup> The World Bank is more critical in its assessment and says that the Croatian economy is less competitive than its peers and suggests that action is needed to liberalise the labour market and jump-start enterprise and industry.<sup>4</sup> Focusing on the fishing industry is a key element of achieving this.

The main aim of this report is to assess the challenges currently facing Croatia's fishing industry and to identify where a Scottish model of engaging and working with policy-makers and legislators could help to strengthen it. Such strengthening would result in an improvement in the lives of fishermen and in the quality and reputation of Croatian fish as a brand, and also go some way to bolstering the economy of coastal communities. This report also aims to explore some of the ways in which fishermen could work collectively to influence all levels of decision-making and ultimately make sure that their views are heard from local council through to European level.

<sup>2</sup> World Bank figures 2015

<sup>3</sup> European Commission, European Economy- Macroeconomic Imbalances Country Report Croatia 2015, June 2015

<sup>4</sup> World Bank Country Profile, Croatia, 2015



## CROATIA AND SCOTLAND

Croatia is located on the eastern shore of the Adriatic Sea and is a country made up of just under 1,250 islands with a coastline of 3,625 miles. Croatia shares its border with Bosnia- Herzegovina, Hungary, Serbia, Montenegro and Slovenia and has a sea border with Italy, Slovenia, Bosnia and Herzegovina, Montenegro and with the international sea. Scotland is part of the UK and occupies the northern third of Great Britain. Scotland shares a mainland border with England. Like Croatia, Scotland has a number of islands, and taking these into account, the country has a total coastline length of 10,250 miles. To the east of Scotland is the North Sea, and north and west of Scotland's mainland is the Atlantic Ocean. Due to their geographical position, island structure and

long coastlines, both Croatia and Scotland have centuries' worth of fishing traditions and customs. It is the job of policy-makers to strike the right balance between advancing the industry, keeping it competitive whilst maintaining stock levels, and preserving traditional and artisanal fishing practices. The political arrangements of Croatia and Scotland are similarly complex and multi-layered. Whilst both have executives "close to the people", the layers of government can be confusing, and knowing who is responsible for what is sometimes unclear. Administratively, Croatia is divided into 20 counties and one city, Zagreb. Each county is represented locally by a council and aldermen. There are seven coastal counties which have an interest in the fishing industry; Istarska,

Primorsko-goranska, Zadarska, Šibensko-kninska, Splitsko-dalmatinska, Dubrovacko-neretvanska and Ličko-senjska. The fishing fleet is concentrated in the first six of these counties. Regional authorities are often responsible for the implementation of legislation, and consequently work closely with industry.

Industry speaks to their regional authorities; regional authorities raise issues at national level; national politicians and officials speak to the Croatian Permanent Representation to the EU (Perm Reps) and finally, the Perm Reps make contact with Croatian MEPs. The Ministry of Agriculture is responsible for the overall administration of fisheries, and manages the legislative and economic framework. Responsibility for passing and implementing fisheries policy and law and monitoring compliance lies with the Directorate of Fisheries, which sits within the Ministry of Agriculture. Post-elections in November 2015, new ministers were appointed to office. The current Minister for Agriculture is Professor Davor Romić. Romić



has appointed an Assistant Minister to work beneath him on fisheries policy, Mr. Ante Mišura. Davor Romić is a member of the Bridge party and Ante Mišura is an independent MP.

Communication between the different political levels is linear and process orientated. Industry speaks to their local aldermen; local aldermen speak to local MPs; local MPs raise issues at national level; national politicians and officials speak to the Croatian Permanent Representation to the EU (Perm Reps) and finally, the Perm Reps make contact with Croatian MEPs. Ruža Tomašić received several letters and emails from a fisherman or a representative of the fishing industry in her two and a half years in office but this is still not enough.

In the two years he has been an MEP for Scotland, Ian Duncan has received numerous emails, letters, tweets, phone calls and Facebook messages from those directly involved in the fishing industry. Fishermen in Scotland see

influencing their MEP as a vital part of their role in ensuring industry needs are met.

As a result of devolution in the UK, responsibility for fisheries administration is shared with the three other administrations, Scotland, Wales and Northern Ireland. In Scotland, Marine Scotland is the Directorate within the Scottish Government responsible for fisheries. Richard Lochhead is the Minister for Rural Affairs, Food and Environment and Fisheries sits within his portfolio. Politically, he is a member of the Scottish National Party (SNP). Devolved powers give Scottish Ministers the power to regulate the sea fishing industry around Scotland and within 12 nautical miles (nm) of Scotland's coast. The UK is represented as an EU country by the Department for Environment, Food and Rural Affairs (DEFRA). Strictly speaking, DEFRA only operates directly within England, but works in close cooperation with the devolved administrations. The UK is represented at EU level by the UK's Secretary of State for Environment, Food and Rural



Affairs, Elizabeth Truss, or the UK's Minister of State for Farming, Food and Marine Environment, George Eustice. Politically, both are members of the Conservative Party.

When the Council of the EU meets to discuss specific issues relating to fisheries, the relevant ministers from Scotland, Wales and Northern Ireland may attend but are not allowed to speak. Over the years there have been a number of disagreements between London and Edinburgh on the issue of who can take the floor during council meetings. The Secretary of State or Minister of State legally speaks for all of the UK. The Scottish Minister may only legally speak on behalf of the Scottish Government. Having multiple layers of political representation can have its advantages but can also lead to confusion for those trying to influence the legislative process. When advocating on behalf of their fishermen, the Scottish associations have to be mindful of the different mandates and layers they can target; Members of the Scottish Parliament (MSPs), MPs and MEPS.

## FLEET AND CAPACITY



THE ALTAIRE, PART OF THE SHETLAND FISHING FLEET



FISHING BOATS IN THE OLD HARBOUR OF ROVINJ, CROATIA

Fishing is both a commercial industry and a traditional way of life for many Croatians. Marine culture is directly tied to the islands, whose villages and communities have historically depended on fishing. In 2015, Croatia's fishermen's association in the Chamber of Economy and the fisheries section of the Chamber of Trades and Crafts said this about their industry; "fishery is not only about the exploitation of resources, it is a way of life and the keeper of the cultural and traditional values of rural areas and coastal islands".<sup>5</sup> The country's coastline is the second largest in the Adriatic Sea and as a consequence, the Croatian fisheries sector is large and on the whole, considered to be economically successful. The fisheries sector is an important source of employment in the coastal counties and on the islands. There are around

4,872 professional fishermen<sup>6</sup> and 14,000 subsistence fishermen who fish for their own personal consumption. Fishing is considered a "good job" and provides a source of income all year round. The average wage for a professional fisherman in Croatia is €10,000.<sup>7</sup>

Through accession to the European Union on 1st July 2013, the total fishing capacity of the Croatian fishing fleet was limited to a maximum of 53,452 Gross Tonnes (GT) and 426,064 kW (Annex II of the European Parliament and of the Council (EU) No 1380/2013). Based on Article 22(7) of the Basic Regulation, the total national capacity of the fishing fleet must never be exceeded.

In 2011 there were 4,136 vessels on the Croatian Government's register.<sup>8</sup> Today the European Commission

has 7,733 Croatian vessels on its EU register.<sup>9</sup> Prior to being an EU member, Croatian legislation made a distinction between a fishing vessel and a boat. A fishing vessel was longer than 12 metres with a tonnage greater than 15 Gross Registered Tonnes (GRT). A boat did not meet that criteria, but could still be used for commercial purposes.<sup>10</sup> EU law does not categorise on a criteria based on dimensions but rather on the equipment it holds on board. A vessel/boat which is equipped for commercial fishing is considered a fishing vessel. The difference in classification explains the jump in the number of registered vessels in Croatia's fleet. The Croatian fishing fleet is predominately made up of small vessels; over 80% of the fleet are vessels less than 12 metres in length and the largest single category of the fleet is multi-purpose vessel (45%). The average age of vessels in 2014 was 33 years.<sup>11</sup>

The issue of gear type is politically sensitive in Croatia. Using traditional fishing gear is important to Croatia's fishermen, and a political priority. The EU defines which types of gear can be used and this control of gear presents difficulty. The main differences are in the identification of passive fishing and trawls, the size of the mesh, the minimum mesh size for certain traditional types of bottom-trawling and the maximum dimensions for gillnets and purse-seine nets. In 2001, pre-accession, over 90% of Croatia's landings were caught using purse seiners. Trawling accounted for just over 6% of the catch and gillnetting for 2%. In 2011, a quarter of Croatia's fleet was registered as gillnet vessels. Today, hook and line gears are used in 25% of the fleet, and most vessels use trammel and gillnets, although these types of nets only operate in inshore waters and are subject to strict restrictions.

5. Croatian fisheries sector contribution to the development of the Regulation establishing a multiannual plan for the management of Northern Adriatic Sea small pelagic fisheries, Zagreb, 10.09.2015

6. The 2015 Annual Economic Report on the EU Fishing Fleet, European Commission - Croatia

7. The 2015 Annual Economic Report on the EU Fishing Fleet, European Commission - Croatia

8. Ministry of Agriculture, Directorate of Fisheries, Fisheries January 2016  
9. EMFF Operational Programme 2014 2020- Croatia & Eurostat Agriculture, forestry and fishery statistics 1995-2013

10. European Parliament, Policy Department B, Fisheries in Croatia, 2009  
11. The 2015 Annual Economic Report on the EU Fishing Fleet, European Commission - Croatia

The contribution the fishing industry makes to Croatia's GDP is similar to that of the UK's fishing contribution. Fisheries supply Croatia with between 0.2% and 0.7% of the overall GDP. In 2014, 79,000 tonnes of fish were landed in Croatia's ports and harbours with a value of €72 million.<sup>12</sup> The 79,000 tonnes was made up of 109 different species; the most valuable of which were European pilchard, European anchovy, Norway lobster, European hake, red mullet and common sole. Exports of blue fin tuna, salted and fresh anchovies, canned sardines and fresh sea bass significantly contributed to national exports with an export value of around €160 million. Blue fin tuna exports to Japan were the largest contributor to this total.<sup>13</sup>

Within the EU, the UK is considered one of the four largest fishery producers in terms of volume and landings (Spain, France and Italy are the top three). Scottish vessels land 80% of total UK landings and represent 88% of the total value of the fisheries industry in the UK.<sup>14</sup> Fishing is as important to Scotland as it is to Croatia. In 2013, the former UK Government Scottish Secretary said: "Scotland has a proud tradition as a fishing nation. Generations of Scots have made their living from the sea and many of our remote and rural towns and villages depend on the fishing industry."<sup>15</sup> There are currently around 4,796 fishermen employed in Scotland with the highest concentration working in Fraserburgh and Ayr.<sup>16</sup> The average salary of a fisherman is €30,900.<sup>17</sup>

In 2014, Scottish vessels landed 481,000 tonnes of fish and shellfish with a value of €665 million.<sup>18</sup> While Croatia has 7,733 registered vessels, Scotland has far fewer at 2,030 vessels, yet lands considerably more fish and shellfish. Most vessels in Croatia are less than 10 metres long with a capacity of 46,100 GT.<sup>19</sup> The Scottish fleet has a significant number of vessels shorter than 10 metres, but also a large number between 15 and 24 metres in length. Scotland also has 28 registered vessels measuring over 40 metres. The average gross tonnage of a vessel in the Scottish fleet in 2014 was 172 GT.<sup>20</sup>

Scotland's fishing industry has three principle sectors; pelagic, shellfish and demersal. In 2014 mackerel was noted as the most valuable stock to the fleet, and accounted for 38% of the

total value of all landings at €252 million.<sup>21</sup> Fishermen work in the North Sea, the west coast and in Norwegian and Faroese waters. In 2014, haddock, cod, herring, nephrops and scallops were landed in the largest quantities. A small quantity of monkfish was landed but this species has a high first sale value.<sup>22</sup>

The fishing industry in the UK as a whole contributes to 0.2% of total GDP.<sup>23</sup> In Scotland the value of the fisheries industry is much greater. The Scottish Government does not assess the value of fisheries in terms of GDP but in Gross Value Added (GVA). In 2012, the fisheries industry generated GVA of €5.8 billion which means that the industry contributes 3.5% to the Scottish economy.<sup>24</sup>



LERWICK, SHETLAND



FRASERBURGH HARBOUR SCOTLAND

12. The 2015 Annual Economic Report on the EU Fishing Fleet, European Commission - Croatia

13. Baker, Ian; Marriott, Sean; (2013), "Preparing Croatia for the introduction of the community led local development in the fisheries sector" UNDP Croatia

14. Scottish Government January 2016

15. Scotland Office & DEFRA 24.10.2013

16. Scottish Sea Fisheries Statistics 2014, Marine Scotland

17. The 2015 Annual Economic Report on the EU Fishing Fleet, European Commission - UK

18. Euro currency exchange February 2016, value in Sterling £514 million

19. The 2015 Annual Economic Report on the EU Fishing Fleet, European Commission - Croatia

20. Scottish Government, 2014 Vessel and Employment tables

21. Scottish Sea Fisheries Statistics 2014, Marine Scotland, also note: Euro currency exchange February 2016, value in Sterling £195 million

22. Scottish Sea Fisheries Statistics 2014, Marine Scotland, Landing Tables

23. How important is fishing to the UK economy? New Economics Foundation, May 2014

24. Scottish Government, February 2016, also note Euro currency exchange February 2016, value in Sterling £4.5 billion



## LEGAL FRAMEWORK

A FRESH CATCH OF SARDINES, CROATIA

Since 1984, inshore fisheries in Scotland have been regulated primarily through the Inshore Fishing (Scotland) Act 1984. This Act gives Scottish ministers the power to ban certain types of inshore fishing activity. For example, a ban on fishing from a specified type of fishing vessel or a ban on using a specific type of fishing gear or the number of nets that can be towed at any one time.<sup>25</sup> At national level, Scotland has a number of laws in place which directly and indirectly govern activities relating to fisheries; the Aquaculture and Fisheries (Scotland) Act 2007 and the Fish Farming Businesses (Record Keeping) (Scotland) Order 2008.

In conjunction with the legal framework, the Scottish fishing industry is supported by a number of non-statutory organisations that provide specialised and practical help to the sector. There are six Inshore Fisheries Groups (IFGS), which cover the entire Scottish coast (with the exception of Shetland) and are there to improve the management of fishing that takes place between 0nm and 6nm.

Three national laws govern fisheries in Croatia, (1) the Marine Fisheries Act, (2) the Structural Support and Market Organisation in Fisheries Act and (3) the Freshwater Fisheries Act. The Marine Fisheries Act provides regulations for technical measures, measures for the protection of resources through minimum catch and landing sizes,

designation of protected areas, technical aspects of gears, collection management and use of data and the issuing of fishing licences. Pre-EU membership, the Marine Fisheries Act distinguished between commercial, subsistence, recreational and sport fishing. The Marine Fisheries Act is supplemented by a Regulation on Commercial Fishing (2006), which sets out the rules for commercial fishing activity including fishing gear and tools. Although the Marine Fisheries Act is national legislation, the majority of its provisions are now EU regulations, which have been transposed into national law. The most important of these regulations for the Croatian fisheries sector is the Mediterranean Regulation, which was adopted by the EU in 2006.<sup>26</sup> The Mediterranean Regulation established an “effective management framework” for the sea basin and for the first time, introduced the concept of management plans for Mediterranean fisheries. This regulation presents a particular challenge to Croatia’s fisheries.

The Structural Support Act regulates all areas of fisheries production and industry organisation. The Act establishes the law for the existence and activity of fisheries associations, cooperatives and POs. The Freshwater Act sets down the laws for the day-to-day practical elements for commercial fisheries to take place; catch quotas, criteria for issuing licences, and fishing areas.<sup>27</sup>

management measures for the sustainable exploitation of fisheries resources in the Mediterranean Sea, amending Regulation (EEC) No 2847/93 and repealing Regulation (EC) No 1626/94

On becoming an EU candidate country in June 2004, Croatia began the process of transposing EU law into their national laws. Prior to this, national law would have determined fisheries policy. For example, it has only been compulsory to keep a logbook with a record of catches since 2001. During accession negotiations on the Fisheries chapter, Croatia struck a deal giving the country two temporary derogations from the EU Mediterranean Regulation. The first applied until the 30th June 2014 and permitted fishermen to use trawl nets 1.5nm off the Istrian coast and at a depth below 50 metres. This temporary derogation also allowed smaller fishermen to carry on subsistence fishing, and vessels less than 15 metres in length, to use trawl nets 1nm off the entire Croatian coastline at a depth below 50 metres. The second applied until the 31st December 2014 and authorised small-scale fishing for personal use. This derogation allowed a limited number of vessels to be included in the specific category of non-commercial fisheries “small-scale artisanal fishing for personal needs” and permitted fishermen to continue fishing with single gillnets up to 200 metres in length.<sup>28</sup> It has been more than twelve months since this derogation ceased and small-scale fishing in the Adriatic has now been all but abolished.

<sup>27</sup> Ministry of Agriculture, Directorate of Fisheries, Fisheries January 2016  
<sup>28</sup> Art. 18 Annex V, Chapter 6 (a) (b) Act of Accession between the Member States of the European Union and the Republic of Croatia concerning the accession of the

Fisheries in both Scotland and Croatia are predominately regulated by EU law. This is the case for all 28 EU member states (EU-28). The overarching CFP establishes the legal foundations for a number of sector-specific regulations including regionalised multi-annual management plans, control measures and technical measures. It seems clear that although they operate in two different sea basins, Scottish and Croatian fishermen share the same frustrations with the CFP. The question is how both should navigate the political process that takes place in Brussels, at Council level, in the European Parliament and in the European Commission.

The Treaty on the Functioning of the European Union (TFEU) is the legal basis upon which the EU’s competence in the area of fisheries is founded. Article 3 of the TFEU establishes that the EU is exclusively responsible for the conservation of marine biological resources under the CFP.<sup>29</sup> Article 4 of the TFEU establishes that the EU has shared competence with member states for fisheries excluding marine conservation.<sup>30</sup> All EU countries have exclusive rights to fish within 6nm of their own coastline. Between 6 and 12nm, fishing by non-national (non- UK or non- Croatian) vessels is restricted to those with historic rights relating to specific fisheries and specific countries.

Republic of Croatia to the European Union  
<sup>29</sup> Art. 3 (1) (d) TFEU  
<sup>30</sup> Art. 4 (2) (d) TFEU

<sup>25</sup> 2006 No. 602 SEA FISHERIES CONSERVATION OF SEA FISH: The Prohibition of Fishing with Multiple Trawls (No. 2) (Scotland) Amendment Order 2006  
<sup>26</sup> Council Regulation (EC) No. 1976/2006 of 21 December 2006 concerning

## FISHERIES MANAGEMENT & STAKEHOLDERS

The Scottish fishing industry is a labyrinth of executive institutions, scientific and policy bodies and voluntary organisations. The EU sits at the top of the tree with the UK and Scottish Governments just beneath. Positioned under the Scottish Government is the non-executive Fisheries Management and Conservation Group (FMAC), which acts as a “middle-man” between the law making institutions and industry, Non-Governmental Organisations (NGOs) and scientific and policy advisers. These bodies are divided further by their purpose, e.g. POs, fishermen’s representatives, geography (Shetland, Orkney, Mainland) and catch species (pelagic, shellfish, demersal fish). These organisations are closest to fishermen. They work at grass-roots level directly with the industry and through upward communication convey the challenges and needs of fishermen directly to the Scottish Government, UK Government and European Institutions. The structure is large and complex, but the system works because communication happens in a multidirectional manner. The top echelons of power have learned from experience that the path to implementation is smoother if the implications and practicalities of new rules are first discussed with fishermen, scientists and NGOs.

During Croatia’s EU membership negotiations, the European Commission was critical of the country’s limited management structure for the fishing industry. In March 2006 the European Commission identified no POs, one membership association and ten cooperatives.<sup>31</sup> A decade later, the situation seems to have improved slightly and overall, the structure of fisheries management in Croatia is not wholly different from the Scottish model. However, its organisation appears to be disjointed with many associations, coordinating groups, cooperatives, guilds and supervisory boards. This makes it difficult to assess where each body fits into the picture and to identify their function.

Stakeholders in the industry are associated in overarching chambers and cooperatives with input from scientific institutions. The most influential “umbrella” chambers are the Croatian Chamber of Economy and the Croatian Chamber of Trades and Crafts; these are loosely comparable to the Scottish Fishermen’s Federation. Beneath the Croatian Chamber of Economy is a large department of Agriculture, Food, Industry and Forestry. Within this department sits a number of fisheries associations. The main body dealing with commercial fisheries is the Association of Fisheries which is headed up by Ivan Birkić as president. The Association of Fisheries covers a number of geographical and sector associations, for example the Catch Fishery Association and the

Association of Fish Processing. The Croatian Chamber of Trades and Crafts has a specific fisheries section, the Guild for Fisheries and Aquaculture. This guild is headed up by a Dubrovnik fisherman, Mato Oberan. The Guild within the Croatian Chamber of Trades and Crafts is a national body and its role is to protect fishermen and their interests at national and European level. Without fully understanding how these associations and guilds work, it appears that they are not dissimilar to Scotland’s Fisheries Management and Conservation Group which works as an intermediate body. Sitting beneath the national Guild for Fisheries and Aquaculture are a number of smaller county-level associations and guilds. There is, for example in Dubrovnik, the Craftsmen Association of Dubrovnik: Fisherman’s section, and the Fishermen’s Guild of Dubrovnik.

Without recourse directly to these associations, it is difficult to assess how well they work with each other. It would be reasonable however, to assert that communicating fishermen’s needs is linear and upward with respect to hierarchy. It is widely accepted that the fisheries sections of both the Croatian Chamber of Economy and Croatian Chamber of Trades and Crafts are the voice and knowledge of the industry to national government. Input from the scientists is seen as important, and in Croatia several institutions are registered and regulated for the purpose of scientific research. The Institute of Oceanography and Fisheries in Split and Dubrovnik, the Ruđer Bošković Institute in Zagreb and Rovinj, the Faculty of Science in Zagreb and Agronomy in Zagreb and the Faculty of Agriculture in Osijek are all registered institutions which provide scientific recommendations and advice on Fisheries.<sup>32</sup>

As of 2013, 18 fisheries cooperatives were officially recognised by the Ministry of Agriculture. They have a total membership of around 443 fishermen and cover specific geographical areas with some also being sector-specific.<sup>33</sup> Croatia does not currently have an officially recognised PO but it is thought that some of the 18 fisheries cooperatives could have the potential to become POs as defined by the CFP. One such fishermen’s cooperative is Lanterna. It considers itself to be the most successful cooperative in the industry and in 2007 was a pilot project for future POs in Croatia.<sup>34</sup> The cooperative represents around 100 fishermen and seven vessels fishing for sardines, anchovies, cephalopods, hake, red mullet, thornback ray, dog fish, sole and turbot. The raison d’être of Lanterna is to promote fish consumption in Croatia and to develop the needs of the fisheries sector in Istria. One of the newest cooperatives is

31. Croatia- Chapter 13 Fisheries, European Commission, March 2006

32. FAO Fisheries & Aquaculture- National Sector Overview- Croatia January 2016

33. Baker, Ian; Marriott, Sean; (2013), “Preparing Croatia for the introduction of the community led local development in the fisheries sector” UNDP Croatia

34. Riba-lantern.hr January 2016



DUBROVNIK HARBOUR

the Zadar Fishermen's Cooperative which was formed in May 2012. Founded by fishermen from the coastal county of Dalmatia, the Zadar Cooperative brings together 15 cooperatives and 22 vessels. The Zadar Cooperative makes sure that members get a fair purchase and sale price for pelagic and white fish on the domestic and foreign markets, it supplies tools and equipment, and provides information on policy and legislation which affects the fishing industry. At a higher level, Zadar Cooperative members participate in the formation of new market policy. The Cooperation gives its members "collective operation on the Croatian and European fish market which increases the competitiveness of the members". They are brought together by a common goal, which is to increase the total catch, to increase their selling capability, and to lobby for the construction of their own fish processing plant, all with the long term aim of increasing profits.<sup>35</sup> Structurally, the cooperatives are coordinated by the Supervisory Board of the Union of Fishing Cooperatives, which is possibly comparable with the Scottish Fishermen's Federation. Geographically defined cooperatives sit underneath the Supervisory Board with other interested bodies, for example, the Purse Seiners Cooperative and the Trawlers Cooperative.

Scotland has 10 POs recognised by Marine Scotland.<sup>36</sup> The EU defines a PO as "a group of fishermen or fish farmers who voluntarily come together to form an organisation established for the purpose of ensuring

that fishing is carried out along rational lines and that conditions for the sale of their members' products are improved".<sup>37</sup> In short, the role of a good producer organisation is to make sure that the voices of fishermen are heard at national and European level in order to secure the livelihoods of their members. The EU sees POs as key to achieving the objectives of the CFP and of the common organisation of the markets in fisheries and aquaculture products.<sup>38</sup> Accordingly, the European Union wants member states to form producer organisations and national governments may use money allocated from the European Maritime and Fisheries Fund (EMFF) to financially support POs or associations of POs.<sup>39</sup> Croatia's Operation Programme funded by EMFF has earmarked over €54 million for the establishment of POs with the aim of setting up country-specific production and marketing plans to promote the fisheries sector.<sup>40</sup> It was observed at the beginning of this report that "strengthening the Croatian fishing industry should result in improving the lives of fishermen, improving the quality and reputation of Croatian fish as a brand and go some way to bolstering the economy of coastal communities". POs are a vital part of strengthening the industry. Because of the current cooperatives' approach and the chamber system of associations, it is entirely feasible that POs can be created and grouped together based on existing groups.<sup>41</sup> Whether or not a fisherman joins a PO depends on their fishing capacity in the industry. Fishermen who fish for non-quota

species or some shellfish species have no need to join a PO. Active fishermen, regardless of what they fish for, tend to be members of their local fishermen's association; this is the case in both Croatia and Scotland.

Operating alongside local and national membership associations, cooperatives and producer organisations is a European governance project, Community-Led Local Development (CLLD). The European Commission believes that through CLLD, Fisheries Local Action Groups (FLAGs) could be created, using money from the EMFF, with the role of improving horizontal communication between central policy and fishermen, to help fishing communities affected by a decline in fishing activities. The Croatian Government agreed to the scheme in November 2011; Scotland has been implementing the FLAG scheme since 2007. Within EMFF, Croatia has a budget of just over €22 million which has been allocated to CLLD,<sup>42</sup> Scotland has considerably less with an allocated budget of €11 million (or £7.6 million based on January 2012 Euro exchange rates).<sup>43</sup> The FLAGs are made up of representatives from coastal communities and private, public and voluntary sector organisations. There are 12 FLAGs in Scotland; Aberdeenshire, Angus, Dumfries & Galloway, East Lothian, Fife, Highland, Moray, Outer Hebrides, Shetland, Scottish Borders, Western Isles and a joint FLAG for Argyll & Bute and South Ayrshire. There are 2 FLAGs in Croatia: Lostura and Plodovi mora (Sea food) counties of Zadar. Local Action Groups (LAGs) are overarching bodies in which

a number of community-led projects would be financed and managed. LAGs are two years more established and advanced than FLAGs and could offer support to developing FLAGs. Croatia currently has 43 LAGs and so the potential to develop FLAGs is most certainly there.<sup>44</sup>

Operational FLAGs have developed, or should be in the process of developing, a Local Fisheries Development Strategy so that money goes to where there is a genuine need. FLAGs can give grants to small and medium-sized businesses and public and voluntary organisations for a number of fisheries-related activities, for example, adding value to fisheries products, promoting interregional and transnational cooperation among groups in fisheries areas, supporting small fisheries communities and tourism and protecting the environment in fisheries areas. The FLAG mechanism has been described as "a powerful mechanism for helping fishermen to express and achieve their aspirations".<sup>45</sup> In reality, it is difficult to see how the scheme has been a "powerful mechanism". Croatia needs a system that encourages fishermen to work together and think strategically about what they need for their industry to develop and grow. There needs to be improved horizontal and vertical communication from all parts of the industry as successful implementation of the CFP relies on central policy makers engaging with fishermen. If fishermen have been involved in the decision making process, they are more likely to adhere to the rules when fishing.

<sup>35</sup>. Zadruga-zadar.com January 2016

<sup>36</sup>. Scottish Government, January 2016

<sup>37</sup>. Art. 5 (1) (b) of the Council Regulations

<sup>38</sup>. Recital 7 Regulation (EU) No 1379/2013 11 December 2013 on the common

organisation of the markets in fishery and aquaculture products, amending Council Regulations (EC) No 1184/2006 and (EC) No 1224/2009 and repealing Council Regulation (EC) No 104/2000

<sup>39</sup>. Art. 15 Regulation (EU) No 1379/2013

<sup>40</sup>. EMFF Operational Programme 2014 2020- Croatia

<sup>41</sup>. National Strategic Plan for Aquaculture Development 2014- -2020, Croatia, Ministry of Agriculture, February 2015

<sup>42</sup>. EMFF Operational Programme 2014 2020- Croatia

<sup>43</sup>. The Role of Community- Led Local Development in the Delivery of European

Fisheries Grant Funds, Marine Scotland Analytical Unit, January 2014

<sup>44</sup>. European Commission, LEADER Gateway, Local Action Groups January 2016

<sup>45</sup>. Baker, Ian; Marriott, Sean; (2013), "Preparing Croatia for the introduction of the community led local development in the fisheries sector" UNDP Croatia

## CHALLENGES IN THE INDUSTRY

The fishing industries across Europe face many challenges. They face the challenge posed by the well-resourced, professional and supremely focussed environmental NGOs and they also face the challenge of coordinating fisheries opinions across borders and cultural differences. In many respects this became evident during the recent and current debate on deep-sea trawling off the west coast of Scotland and Ireland, where tensions between fishers from different member states became evident, and the sleek presence of the eNGOs threatened to take charge. The biggest challenge of all however is the “here and now challenge” of dealing with a reversal of fishing law.<sup>46</sup>

Until the latest review of the CFP, fishermen were legally restricted from landing fish for which they had no quota; the situation now is that they have to land all they catch, which is a complete reversal of the law without a complete rewrite of all the attached regulations. The landing obligation is seen by many as an ill-fitting political solution to a practical problem. The success of Scottish and Croatian fishing will depend on how fishermen and their organisations react or adapt to the required changes. In many respects the sea areas outside the Mediterranean have a significantly easier challenge, given the recovered status of many of the stocks, but Scotland’s fishermen face significant challenges with choke species and the potential premature closure of mixed fisheries. As an example the Scottish demersal fleet will be stopped from fishing in the North Sea at the end of March unless something can be done to solve the problem of Northern Shelf Hake, a species that has been missing from the North Sea since the 1940s but has now reappeared in abundance.

It is unclear what specific challenges Croatia will face, although it is widely accepted that the fishing sector is generally ill equipped to deal with the landing of fish they cannot sell for human consumption. This poses a problem in Croatia just as it does in Scotland, although it seems to be only the remotest parts of Scotland that are affected due to their distance from the plants that can receive such raw material.

The institutional challenge for Croatian fishermen is how to transform a very docile and untested governance structure into one that can propel them to the front of influence in Brussels and wider European politics. Personal interactions seem to make the difference in Brussels. European Institutions have a habit of creating forums where fishers can have their say, very much fulfilling a public facing requirement, but very few where fishers are treated as advisors. There is a clear distinction between someone who gives advice and one who advises, yet it is the latter who makes the difference. Having the confidence and ability to lobby and operate outside of these gatherings can make all the difference. It would seem that Croatian fishermen and their leaders are currently missing from this area of influence.

<sup>46</sup>. REGULATION (EU) No 1380/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 11 December 2013 on the Common Fisheries Policy, amending Council Regulations (EC) No 1954/2003 and (EC) No 1224/2009 and repealing Council Regulations (EC) No 2371/2002 and (EC) No 639/2004 and Council Decision 2004/585/EC



PETERHEAD MARKET, SCOTLAND

## INFLUENCE AND INFLUENCING

There are clear weaknesses in the governance structure of the Croatian system and a number of reasons exist for these weaknesses, infancy in EU membership being a significant cause. Poor coordination between the local and sector specific associations and a lack of interaction between them and regulators is also a problem.

If we look to Croatia's Adriatic neighbour Italy, Italian fishermen form strong membership associations and speak to their politicians regularly. Fishermen are viewed as a politically significant group who have the support of all political parties, and politicians are happy to engage with the fishermen.

In the run-up to the European elections in 2009 Dutch fishermen's associations came together and either visited or wrote to every Dutch MEP candidate. They asked all candidates to make a promise that on election they would sit on the European Parliament's Fisheries Committee. They saw this as an important step in getting their voices heard on the European platform. Dutch fishermen are delighted that Peter Van Dalen not only sits on the Fisheries Committee as a full time member but holds the powerful position of Coordinator for the ECR Group. Ruža Tomašić is the only full time Croatian member of the Fisheries committee (Andrej Plenković is a part-time Croatian member and sits with the EPP Group) Tomašić is the Deputy Coordinator for the ECR Group and within the committee, she is influential and wants to voice Croatian fishermen's concerns at EU level.

In Council, Croatia is seen to be an active member state. Their primary concerns are about fisheries in the Mediterranean, ICCAT regulations and anything that might add new burdens onto their small and stretched administration. It is acknowledged that Croatia has successfully embedded itself in the Mediterranean block of countries including Spain, France and Greece. This is their natural "home" where they can exercise their influence at Council level. When the Mediterranean countries speak as a block, Croatia is always there with them. The UK follows a similar approach and finds natural allies with the northern European counties of Germany, Sweden, Denmark, the Netherlands and sometimes, France and Ireland.

Given what is known about other countries and how the fishing sector interacts, it would seem that where the Croatian Government and members of the European

Parliament understand and operate to the fullest level, Croatian fishermen have yet to learn how to adapt and engage in the overseas lobbying process.

Far from it being a lack of ambition or will, there seems to be a clear element of institutional reluctance by the government in Croatia to permit fishers to operate in a 'bottom up' politics free environment, and this appears to be a legacy from their communist past.

Croatian fishermen, by law, must be members of the Chamber of Trades and Crafts or Chamber of Economy. Due to the structure of the fleet, most are members of Trades and Crafts. These Chambers are reasonably well funded and seem to have the ear of Government, although according to some Croatian fishermen, the weakness

lies in the fact that the Government largely appoints the members of the Chamber, and therefore Government is to a large extent speaking to itself when setting policy objectives.

Croatia's fishermen have lobbied for some time to have the law changed, and in desperation set up a number of independent associations in an attempt to have a fishing voice outside of what many see as a closed political loop. Their attempt to be heard has largely been ignored, with Government continuing to liaise with its preferred institutions, the Chambers.

The independent Associations are poorly funded compared to the Chambers and thus have little opportunity to represent themselves on an international level. In contrast, the Croatian Chamber of Economy represents itself on the Mediterranean Advisory Council, a level of representation way beyond the resources of fisher-led Associations.

There is no doubt that change takes time and in the case of Croatian fishermen and their leaders, they have had to overcome some very significant social and institutional hurdles in order to be as effective as possible. The approach when dealing with fishermen and fishing problems remains very paternalistic, with little room for fisher led initiatives.

Scottish fishermen view themselves as well represented and at the forefront of fishing politics, but even they continue to develop as issues, pressures and opportunities develop. It is only very recently that the largest fishermen's association in Scotland, Scottish White Fish Producers Association (SWFPA), joined the representative body for fishermen in the European Union, *Europêche*. They see this as a natural evolution; a useful add-on to the direct lobbying that takes place on a daily basis. Maintaining pressure on politicians and officials is continuous due to the ever-increasing presence in Brussels and elsewhere of eNGOs.



POVLJA, BRAC ISLAND CROATIA

## CONCLUSIONS

Croatia and Scotland have many similarities in terms of fisheries. In both countries fishing is important, particularly to the smaller coastal and island communities. Both countries are of the same size – small in EU terms – and the provisions of the CFP govern both. In Scotland and Croatia, the CFP offers opportunities as well as posing threats. Whether the opportunities will outweigh the threats remains to be seen.

One thing is clear, however. The more effectively a fisheries sector is organised, the greater the chance that a national Government will fight on its behalf. The Scottish fisheries sector is well organised and it punches well above its weight within Scotland, the UK and in Europe. In contrast, the fisheries sector in Croatia is poorly organised and represented. This need not be the case. Possibly the Scottish experience can act as a template for creating an effective organisational structure for the Croatian fishing industry.

## RECOMMENDATIONS

There would seem to be a real interest from Croatian fishermen in becoming involved in the decision making process both at home and abroad. Their struggles to date have delivered little with regard to creating that necessary voice.

Therefore, this report recommends the setting up of a cross border group of Croatian and Scottish fishermen and their representatives.

The aim would be to in time, deliver a fully funded, fully transparent and inclusive system of fisheries governance in Croatia. This would in time be capable of becoming involved in the top-tier of stakeholder representation.

This recommendation is ambitious and bold. But this should in no way stand in the way of progress towards its ends. With full stakeholder involvement and cross border support, there is no reason why, by 2018, we should not have the basis of an organisation in place.





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