

The Social Dimension of the CFP reform

1. WHAT IS THE SOCIAL DIMENSION OF THE EU'S FISHERIES SECTOR?

By 2007 (last available complete figures), the total number of full time jobs in the EU fisheries sector (including catching, aquaculture, processing and ancillary services to the other segments) was close to 355,000. The catching segment accounted for close to 145,000 (46%), processing for 137,000 (34%) and aquaculture for 55,000 jobs (16%). Ancillary services accounted for the remaining 4% (18,000). The small scale coastal fleets (vessels under 12 meters with passive gears) represent around 40% of the employment in the catching sector and ca 80% of the EU fishing vessels.

Compared with the whole of the EU economy, the EU fisheries sector represents less than 0.2% of total EU employment. However, in some Member States (e.g. Greece, 1.5%), or regions (e.g. Galicia, Spain, 3%), or coastal communities (e.g. Killybegs, Ireland, 68%) the sector is an important source of jobs. Employment trends are negative, in line with the evolution of most primary sectors in the EU - since 2002 the employment declined by 31% in the catching segment and by 16% in aquaculture. In processing employment decreased only by 6.5% since this industry increasingly relies on imports from various MS or from third countries.

2. WHAT ARE THE SOCIAL ISSUES IN THE EU FISHERIES SECTOR?

In addition to the above **decline in employment** (particularly in the catching sector), the CFP reform Impact Assessment identified as a key problem a **low attractiveness** of the catching sector, particularly for new generations of fishermen. A recent study of 24 coastal communities shows that fleets have increasing difficulties to complete crews with local, well qualified people and have to resort to foreigners or –in small scale fleets- to continue working even beyond the legal retirement age.

That lack of attractiveness is the result of relatively low wages (compared with jobs ashore) combined with hard working conditions and safety concerns. In addition, **the number of jobs depending on the fisheries sector is declining in the majority of coastal areas** which puts some of them at risk of not being viable in the future.

Furthermore the aquaculture activity in Europe has stagnated in recent years, thus failing to provide the much needed jobs in inland and coastal areas of Europe. Aquaculture has the potential to create more attractive jobs (average salaries being higher and working conditions better than in capture fisheries) but the potential of this activity has not been fully unlocked in Europe.

3. WHAT WOULD HAPPEN IF THE CFP IS NOT REFORMED?

The simulations conducted in the CFP Reform Impact Assessment show that in the absence of the CFP reform, the decline of employment in the catching segment will continue at a steady pace of 1 - 2% per year. Quality of employment, in terms of wages and safety, will remain low. Such an evolution will have severe negative impacts on the viability of most vulnerable coastal communities.

4. WHAT ARE THE SOCIAL OBJECTIVES OF THE REFORMED CFP?

Social sustainability is one of the core CFP objectives and the reformed CFP aims at achieving the following mid and long-term social objectives:

- reversing the decline in employment in the fisheries sector, particularly in catching;
- increasing the attractiveness of the fisheries sector and turning it into a source of high quality jobs;
- ensuring the viability of coastal communities by promoting economic growth and jobs;
- facilitating the transition to a sustainable fishing;
- unlock the potential of European aquaculture to expand and create new jobs in inland as well as in marine aquaculture.

All tools of the new CFP would need to contribute to achieving these objectives; however the main tool of the new CFP in this respect is the new European Maritime and Fisheries Fund (EMFF). Compared to the European Fisheries Fund (EFF), the EMFF brings about a fundamental change of approach to public funding to the fisheries sector through a focus on collective actions and on the viability of coastal areas rather than fleet subsidies benefitting mostly vessel owners. Therefore, the EMFF proposes to eliminate most of the current fleet measures and instead use this part of the funding for achieving economic viability of the fleets and aquaculture sector (innovation, value added and marketing) and for the promotion of the development and diversification of areas depending on fishing.

5. HOW TO REVERSE THE DECLINE OF EMPLOYMENT IN THE FISHERIES SECTOR?

Achieving environmental sustainability as quickly as possible is a precondition for social sustainability. The simulations in the CFP reform Impact Assessment show that once MSY levels are achieved, TACs will go up; the overall increase being at least 20% by 2020. **Such a significant increase has a potential to create new jobs in the catching sector**, as shown by the fact that, according to the simulations, employment per vessel increases already after 2017. This is also in line with experience of countries such as New Zealand, where the use of management instruments allowing for the transition to sustainable fishing, very similar to those proposed by CFP reform, ultimately resulted in increases in catches and, consequently, in employing more capital and manpower in the fleets.

It is also in line with the EU's own experience as 13 EU stocks are already at MSY level and some others will reach it in one or two years. That has allowed for TAC increases for 2012 (e.g. herring in Celtic Sea, cod in Irish Sea, anglerfish in the South West Atlantic and North Sea Herring to mention only a few). It is precisely these TAC increases that help to maintain employment in the sector and represent a significant source of additional income for fishermen. As examples, these increases may represent an additional income of €10 million for herring fishermen in the Celtic Sea, an additional €13 million for cod fishermen in the Irish Sea or €12 million more income for anglerfish fishermen in the West Atlantic. The biggest increase will be felt by the herring fishermen in the North Sea whose income may double to €212 million following the sustainable management of this stock towards MSY 2015.

However, the problem associated to MSY objectives is the hard transition period, where additional short-term job losses are to be expected in EU fleets dependent on overfished stocks and showing overcapacity, which characterises the majority of EU stocks. Support will be available under the new EMFF to help fishermen navigate the transition period to environmental sustainability. However, the above data are clear proof that the economic reward for the short-term difficulties is well worth the effort and what is more, the additional economic wealth will have a positive impact on all coastal areas in the EU.

Increased catches and aquaculture production would also create **additional employment in processing**. In that respect, estimations show that at least 4,500 additional jobs will be created in processing, mostly in fisheries-dependent coastal areas.

The increased focus of the CFP on aquaculture should also bring about additional jobs in that segment, under the condition that Member States give the right priority to aquaculture in the context of their national management of potential inland aquaculture sites and coastal areas. It is also expected that jobs will be created under the current Axis 4 of the EFF, which starts to bear fruit now and will continue to do so until 2015.

Finally, estimations in the EMFF Impact Assessment, based on the experience of LEADER on which Axis 4 has been modelled, show that a **bigger focus on the territorial development pillar could allow creating some 12,500 jobs in coastal areas** by 2022, both within and beyond the maritime sector.

6. HOW TO INCREASE THE ATTRACTIVENESS OF THE FISHERIES SECTOR?

Improving the attractiveness, particularly of the catching sector, requires actions intended, on one hand, to increase income and wages, and, on the other, to improve working conditions, training and safety.

Fishing on sustainable stocks would also increase income and wages: simulations done for the Impact Assessment of the CFP reform show that the **average wages under the reformed CFP will nearly double** in comparison to what would happen in the absence of reform.

The following measures under the EMFF aim at **reducing fishing costs or increasing income**:

- Measures to facilitate the transition to environmentally sustainable CFP: the purchase of selective gears, investment in equipment allowing storing discards on board and investments on the necessary port facilities to land unwanted catches, etc;
- support to marketing and business development intended to improve income through more involvement in selling and marketing their products. Support to product quality, labelling and certification, and to the development of new markets;
- better market organisation through the reinforced support to Producers Organisations and through promotion of collective projects carried by fisheries organisations; and
- focus on innovation in order to promote new ideas and products across the value chain.
- support to new activities carried by fishermen which might complement their income (involvement in NATURA 2000 management, litter collection).

The EMFF will be also an important tool for **improving working conditions, training and safety**. In that respect, it will support:

- safety and health measures, including both on board modernisation and individual safety equipment and contributing to better working conditions;
- professional advice and training eligible to spouses of fishers and helping them to run family's fisheries business; and
- vocational training, re-qualification and life-long learning.

All these actions should significantly improve the attractiveness of jobs, particularly of the catching sector. They need however, to be given priority by Member States in the EMFF Operational Programmes. CFP reform tools give Member States a significant margin of manoeuvre to define and achieve social objectives with the only condition that national preferences do not jeopardise the potential of the CFP reform to achieve environmental sustainability in the short term.

A quick ratification by MS of two important Conventions concerning fishermen, i.e. the ILO Convention C 188 on work in fishing and the IMO Convention on Standards of Training, Certification and Watchkeeping for fishing vessel personnel will be important to further enhance the attractiveness of the sector.

The Commission will give an immediate boost to the aquaculture sector so as to overcome the stagnation that has characterised this economic activity over the last 15 years in the EU. In order to do so, the EMFF proposes to enlarge the scope of eligible actions to foster aquaculture activities. These actions will aim at improved competitiveness and viability of farms and will also focus on the improvement of image and consumer perception and on tailored planning of production and marketing. New forms of income in aquaculture would also be stimulated by promoting high-value products, niche market development, inland aquaculture, multi-trophic aquaculture, etc, and increased respect of norms on environment, health and animal welfare. Aquaculture operators would also receive support for advisory services on business development, and on conversion to eco-management and organic aquaculture and providing of environmental services.

Member States should also contribute to developing EU aquaculture by administrative simplification, securing allocation of waters and space and facilitating new entrants to the industry. They should also take an active role in the future open method of coordination, which can be a powerful tool for national strategy development.

7. HOW TO ENSURE THE LONG TERM VIABILITY OF COASTAL COMMUNITIES?

The EMFF focuses on people, particularly small scale fishermen and on coastal areas depending on fishing.

The focus on small scale fishermen is achieved by the inclusion of dedicated measures (such as business advisory services), by a higher aid intensity and by the creation of the link between the financial allocation and the share of these fleets. Beyond the EMFF, the new CFP would maintain the current access limitations in the 12 nautical miles waters and existing provisions in relation to control, such as the derogation to the vessel monitoring system equipment.

Regarding coastal communities, the EMFF builds on the success of the current Axis 4 of the EFF with increased funding options for sustainable development of fisheries areas, optional co-ordination of EMFF with local funding strands available under ERDF and EARDF, and with more funding available overall.

Integrated local development strategies should become a tool for coastal areas to promote new employment opportunities, within and beyond the fisheries sector. The potential for this economic diversification is broad and includes job creation in the dynamically expanding new maritime sectors, such as pesca-tourism and valorisation of fisheries cultural heritage. At the same time, they can support the increase of the contribution of fisheries and aquaculture activities to local economies through actions aiming at increasing their value.

The EMFF also includes, for the first time, an IMP pillar, managed centrally. Its implementation will help to explore new possibilities of growth and jobs the maritime economy and coastal regions.

Member States can also take additional measures under EFF, by directing more towards Axis 4 as a way to speed up the process of job creation which in many coastal areas has already started.

Finally, closer co-ordination of EU funding – through Common Strategic Framework, Partnerships Contracts and Community-led Local Development – opens up new possibilities for creation of jobs in fisheries dependent areas. For example, European Social Fund can be used for re-training and getting new skills for fishermen while projects aiming at urban re-generation funded under ERDF can directly benefit coastal communities.