

Devolution of responsibilities in natural resource management in Denmark

- Lessons from management of cormorant and the herring fishery -

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This paper presents the Danish approach for devolution of responsibilities (centralized consultation) in natural resource management in general and in relation to management of cormorant and the herring fishery in particular. Focusing on these case studies will provide a basis for understanding the implications of decentralisation and delegation of responsibilities in management of natural resources and highlight some of the dynamics and constraints of stakeholder participation. The comparisons shed light on different aspects of devolution such as the consultative process, the realities of decentralisation, stakeholder participation, and the clash of environmental and user (fishers) interests. The aim of such comparison is to illustrate the lessons learned in order to create positive incentives for devolved management of natural resources in general and fisheries management in particular by addressing the strengths and weaknesses in the present approach to devolved management in Denmark.

Introduction

It is well known, that most fish stocks in EU waters are under pressure and the fishing industry is struggling to become economically viable. The Common Fisheries Policy, which is a classic example of top-down approach to management, has not worked. There are many reasons for that¹, among others, that the policy and the fishers do not accept the imposed regulations as legitimate and this will neither lead to sustainable nor efficient utilization of fish stocks. Many fishers therefore feel no obligation to comply with rules².

One way to improve the fisheries management performance is to include fishers and other stakeholders in the policy formulation process. Research shows that if fishers were part of the process of making the rules, perhaps they would feel more obliged to follow the rules³. This point has been chosen by the EU, as Consultative Advisory Forums (CAFs) are becoming an instrument

in the revised CFP (EU 2002). A set of questions emerge when moving towards devolved management: Who should participate? What should be the scale and mandate of the arrangement? How to create an institutional set-up that will lead to genuine devolution? There is already far too many examples where this is not the case in reality.

In this paper we will examine some of the Danish experiences, not only within fisheries, but also within wild and game management to analyse if fisheries is different than other sectors and also to get an idea of what issues will emerge, as fisheries management in the future is moving more towards eco-system management.

After a short introduction to decision-making processes and fisheries management in Denmark, two case studies are presented. These case studies are concerning management of cormorants and of herring fishery in Denmark. Both cases are showing aspects of decentralization and delegation of responsibilities; stakeholders are given opportunities to provide input to the boards which decide the management plans. The case studies give a platform for comparison and hopefully inspiration for an outline of what to consider before devolution of responsibilities in fisheries management can take place.

Decision-making processes in Denmark

Denmark has, like the other Scandinavian countries, developed a tradition of “negotiation economy” (The Scandinavian model)⁴. In short this means that the political system in Denmark is characterized by a centralized integration of stakeholders in policy making, where stakeholders participate in consultative boards providing advice to the minister. However, these boards have no decisive decision-making power. This is in contrast to the interest groups of many other EU member states, who are sidelined during the formal policy making process and they only have a lobbying role.

The three different areas of natural resource management (cormorants, herring fisheries and fisheries in general) introduced in this paper can all be understood within this consultative tradition.

The Fisheries Management System in Denmark

Fisheries management in Denmark needs to be seen in the context of the CFP. The backbone of the

CFP is total allowable catches (TACs) for most species and technical conservation measures. TACs are divided into national quotas and member states are being allocated the same percentages of the TACs every year - a principle called *the relative stability*. The politics of fish resources appear to be dominated by the conservation paradigm, as regulations primarily serve to establish a sustainable use of the fish resources.

Within the framework and limits laid out by the CFP, the Danish government may determine its own national fisheries policy. One can argue that Danish fisheries management becomes a matter of balancing economic and social objectives, as the CFP should⁵ ensure sustainable resource utilization.

The Fishery Law states that MFAF has the right to define access to and exclusion from fisheries through the distribution of licenses. MFAF may also set up operational rules and management tasks in accordance with EU rules and transfer/sell fishery rights (e.g. quota substitution with other countries). Further; the MFAF have the authority to decide the regulation for the commercial exploitation of the Danish quotas as follows: 1) Divide the Danish quota over time and on fishing waters, 2) completely or partly introduce a ban on fishing for specific species or specify the condition under which the fishing might be carried out, when the catches in a particular fishery has reached a certain level of the available quota in this fishery, 3) divide the available quotas to specific fleet segments, individual vessels or according to applied gear, 4) divide the available quotas in accordance with the utilisation purposes including human consumption or fish meal, 5) determine the maximum fishing time, the number of landings allowed and the maximum volume per landing, and 6) set aside a particular proportion of the quota to cover by-catches.

Decision-making in Danish fisheries management is centralized. As seen above, the MFAF has the right to define specific details of when, where and how to fish. Changes can be made to this with little notice, although the Minister generally consults fishers and other stakeholders in the consultative boards before regulations are changed.

In the national fisheries management, the Board for Commercial Fishing is particularly important for stakeholder/user participation in the policy-formulating process. MFAF generally follows advice from these two boards.

The Board for Commercial Fishing advises the Minister in relation to national policy-making, in other words, about how the national quota should be administered. This board is composed of representatives of the fishers, the processors, the trade union and MFAF. The Board for Commercial Fishing contains subcommittees and ad hoc working groups, dealing with particular fisheries, structural measures and experiments on alternative regulation methods. Also the Capacity Board, which makes recommendations on licenses and permits, is a subcommittee under this board. In addition there have been several working groups referring to the Board for Commercial Fishing.

The consultative process in Danish fisheries management is not enough to increase the legitimacy of the management amongst the fishers. Further steps have to be taken in order to get the fishers to accept and comply with the fisheries management. In the following two cases the overall starting point is the same; the system of advisory board in the decision-making process. Both cases have aspects of further decentralization and delegation of responsibilities. It seems rather interesting to draw the lessons learned from these cases, before considering a further the devolution in fisheries management.

The case studies

The management of cormorants and herring fisheries in Denmark provides useful case studies for how the consultative process works in devolution of responsibilities in the management of natural resources. There are clear aspects of decentralization and delegation already in place. These studies further demonstrate the difficulties faced by stakeholders when trying to influence decision-making processes.

The cormorant case study

The protection of the cormorant in Denmark is an issue, which has been discussed intensely for twenty years. From a conservationist point of view, the cormorant story is an unequivocal success. After a total protection of the cormorants in 1980, the population increased from fewer than 3,000 breeding pairs to 40,000 pairs in 2002.

This increase in the population and the consequences has resulted in conflicts with the pound net fishers: The cormorants eat and savage the fish in the pound nets. During the last twenty years, the

pound net fisher population has declined drastically at the same time as the number of cormorants has increased dramatically. The pound net fishers partly blame the cormorants this situation. In short, these are the reasons for the intense public debates that have taken place during the years.

Management of the cormorants

Cormorants are managed under legislation for game and wildlife under the Ministry of the Environment. Danish actions, however, are tempered by international relations: Just as in fisheries, the European Commission (EC) in the Directive on Conservation of Wild Birds protects the cormorant⁶. Actual planning responsibilities and the management and protection of nature are transferred to regional levels while game and hunting legislation is a responsibility kept within the Ministry of Environment under the Forest and Nature Agency. In general, the legislation and the management of specific areas are often decided upon on basis of advice from advisory boards.

Denmark has had two management plans for cormorants (CMP): The first was introduced in 1992. The overall principle was to provide maximum protection of cormorant and the population was allowed to grow without limits. In 1994 some amendments were made to this plan by allowing some regulatory instruments, e.g. stop for establishment of new colonies and reduction of selected colonies.

The second CMP was introduced in 2002. In this plan, management principles shifted considerably towards increased regulation. The overall objective of this plan was to ensure that the size and distribution of the population of cormorants does not cause unacceptable inconveniences for the fisheries, while taking the protection and survival of the cormorant as a Danish breeding species into consideration. A specific objective was to reduce conflicts between cormorants and fisheries interests (coastal and freshwater).

Devolution of responsibilities

The 2002 CMP was drafted and administered in the Reserve Office of the Danish Forest and Nature Agency under the Ministry of the Environment. Actual implementation of regulations and management of the CMP is done at the regional level by regional State Forest Districts under the Danish Forest and Nature Agency.

In this arrangement of regional level implementation of management plans, there are elements of devolution, especially when looking at the range of regulatory possibilities and responsibilities in the hands of the users: Some District State Forests have given local stakeholders the possibility to influence management decisions. The management plan is national but management decisions are made both at regional and local level. The system requires mandatory reporting of number of cormorants killed in order to keep track of the regulation. In practice the reporting is de facto optional as there is no enforcement. The absence of formalized decision-making process makes the entire process rather non-transparent. From a participatory perspective, the weakness of the process is that it is entirely up to the head of the State Forest District to decide whether stakeholders should have a say in the process and if the voice should be listened to.

The problems with the present process are obvious but minor, seen from a fisher's perspective, compared to the situation before. Pound net fishers have complained about the increased cormorant population during the 1980s. However, these complaints were not taken seriously by DFA (the organization representing their interest at national level), the government or the public in general. A possible explanation for DFA overlooking the pound net fishers was a question of scale. Fisheries throughout Denmark were experiencing difficulties in the 1980s and the pound net fisheries were considered of marginal importance. Furthermore, environmental issues were becoming increasingly important in the political debate in the late 1980s and 90s. The 1992 CMP can be seen as an example of having a strong emphasis on maintaining or increasing the size of population. This has an outset in an eco-system and process oriented approach. The cormorant is to be given the conditions possible for population adaptation to the areas in the country where there are natural and continuous possibilities for foraging and placing of colonies"⁷. The message sent from the management plan was that those complaining had to accept cormorants from now on; "Private land owners should accept cormorants as one of the original nature's phenomena"⁸.

Management of the herring fishery in the North Sea

In 1995 an IQ system was introduced allocating 90% of the Danish quota to approximately 35 larger vessels. Hereby a larger proportion of the Danish fleet was excluded from the herring fisheries. The small vessels saw this as the first step toward implementing an ITQ system. The herring fishery has all over the North Atlantic developed into a capital intensive fishery, which requires high quotas to be profitable. The Danish fleet was rather old in comparison to other fishing

nations in the North Atlantic region and the Danish herring fishers supported by the processing industry as a means to ensure fleet rationalisation and structural adjustment.

After several years of argumentation and lobbying from the herring processing industry and the Purse seiners' PO, the Danish Parliament in May 2002 decided to introduce an ITQ system in the Danish herring fisheries in the North Sea and Skagerrak from 2003. A working group with representation from major stakeholder groups and MFAF was established to develop a Danish model for an ITQ system that would fit in with other fisheries and practises. The system that has come into practice for a 5-year trial period, which may be extended for another 3 years, allocates most of the national herring quota to the vessels on the basis of an application and an assessment of the applicants' track record in the herring fishery⁹. A small part of the quota has been allocated to small vessels fishing on a day basis also and to new entrants.

The reason for introducing ITQs was a political wish to facilitate a restructuring of the pelagic fleet that would reduce the number of vessels and bring in some new vessels capable of supplying quality raw material to the processing industry.

Incentive to coordinate and cooperate

Within DFA the debate on ITQs has been going on for several years. Fishers representing the purse seine vessels and larger trawlers have been strong advocates for the introduction of a management system that would allow long-term planning as well as temporary or permanent merging of vessel quotas. ITQs have been strongly opposed by fishers representing smaller vessels mainly for general fear of possible ownership concentration and loss of local livelihoods. From an equity reason DFA finds it unfair for a small group to get exclusive rights making them millionaires, while other fishers are not given any privileges.

For those reasons, the Working Group on ITQ established by MFAF soon became a battlefield. It was recently realized that DFA could not accommodate both viewpoints. For that reason the Pelagic Fishermen's Association have decided to withdraw from DFA.

The processing industry was in favour of ITQs and through the representation of the Association of Danish Fish Processing Industries and Exporters in the consultative boards and the ITQ Working

Group of MFAF strongly supported the amendment of the Fisheries Law to allow for this quota allocation system. Other stakeholders, such as the Consumer's Council and the Danish Society for the Conservation of Nature, were not active in the debate.

Comparison/Lessons learned

The two cases indicate that within the Danish model for stakeholder participation the consultative process is conducted differently. In fisheries the consultative process is centralized at national level, whereas the process is decentralised within game and wildlife management. Whereas the process closely follows formal rules regarding participation and representation within the fisheries, the processes are less formal at least at the local level within game and wildlife, where the local head of the State Forest District decides participation and representation.

In both cases DFA is the organisation representing the fishers, who were arguing for changes. It is interesting to see that DFA in neither of the cases took a proactive role for various reasons to support the views raised by the fishers. The lack of support from DFA had resulted in the pound net fishers for a long period being excluded from the decision-making process. Not until a group of pound net fishers threatened to leave DFA their views were taken seriously. The herring fishers took the consequence early of the limited support from DFA and through lobbying activities bypassed the formal decision-making process by directing their argument towards the political system.

The Danish system of user participation is fundamentally based on the assumption that the individuals complaining are organized and represented. The outcome of the two cases is different: The herring fishers managed to get their arguments through, whereas the pound net fishers were marginalized. This is paradoxically because the pound net fishers had strong legitimate claims. The fact that those regional authorities and anglers' associations have managed with rather limited effort to draw attention to the problem of cormorants' predation, demonstrates that the pound net fishers had a good case. On the contrary, the herring fishers' claims were considered illegitimate by a majority of Danish fishers, and thus had a much weaker case.

This shows that democratic processes do not just happen. The advisory board structure with stakeholder representation is no guarantee that the voice of all stakeholders with legitimate claims

will be heard. This points to the fact that the dynamics of the political system are important, and need to be understood. These two cases provide useful information on important factors to be addressed when setting up devolved management system.

The herring fishers are a well-organized and small heterogeneous group. They act as professionals; they hire staff to act strategically on their behalf. In addition these fishers are economically well off and have the financial resources to be proactive in promoting their views. In contrast the pound net fishers consisted of relatively small numbers of enterprises with only few employees spread all over Denmark. This group of fishers did not have either the financial or the strategic capabilities to independently promote their views outside the formal decision-making process. Furthermore, the pound net fishers are on a daily basis active in the fishing activities and thus often unable to attend meetings.

The Danish consultative model put large requirements on the participating organisations like DFA, often caught in a dilemma as DFA need to represent the entire spectrum of Danish fishers - often having conflicting interests - and facing opposition from also external stakeholders like environmental groups.

One of the main objectives for devolutions of responsibilities is to increase the legitimacy of the actions and regulations by getting the fishers directly involved in the management decision-making process in order to increase the degree of self-compliance of management rules and regulations.

However, as demonstrated in the two case studies some fishers do not see them represented in the consultative process, and this is a weakness of indirect democracy. It is therefore important within the involved organisations to establish procedures to reach the grass-root level or alternatively to devolve the process further and hereby getting closer to the users. However, as explained in the cormorant case moving the decision-making to a lower level does not automatically solve the problems of alienation.

The question of representation also includes questions like: who are legitimate stakeholders? What interests need to be served? How should boards be composed? How much say shall each organization have? These questions seem to be the very essence, if devolution of responsibilities

was to take place in fisheries management. The outcome of a board is very much dependent on the make-up of the board. These questions have not been considered in this paper, but seem important to consider if devolution of responsibilities were to take place.

The cormorant case shows how important the system of management is for the stocks of natural resources. It does make a difference whether the system is regulative or conservative. It also shows the clash of interests between conservationists and users of natural resources. In fisheries management, conservationist or environmental groups do not play a direct role in Danish fisheries management, but organizations like Society for a Living Sea and World Wildlife Foundation are increasingly trying to gain influence, or at least have their voices heard, in the matter.

If fishers' views are not going to be overheard completely, in particular as fisheries management is taking an eco-system approach, there appears to be a need to reconsider the appropriate organizational structure for fishers' representation in fisheries management.

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¹ Space does not allow to go into detail with this subject, for more details see Green Paper from 2001

² Raakjær Nielsen, J. and C. Mathiesen, 2003.

³ Jentoft and McCay 1995, Sen and Raakjær Nielsen, 1996 and Symes.

⁴ Pedersen, 1989

⁵ This is presently not the case and EU is presently in the process of introducing restrictive recovery plans for several stocks.

⁶ Directive 79/409/EEC

⁷ Forvaltningsplanen for Skarven i Danmark, 1992

⁸ Forvaltningsplanen for Skarven i Danmark, 1992

⁹ Danish Fisheries Directorate, 2002