The radical part of the EC proposal is the mainstreaming of a mandatory system of TFCs.

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market, although at the cost of control and influence over how and where fishing rights are distributed. While it is claimed that market-based systems are efficient in reducing the fleet by consolidating fishing concessions on fewer vessels, they do also bring rapid and irreversible changes to the structure of the fleet and to the social and economic relationships between people. One of the controversial issues is the allocation of concessions. So far, the practice has been to allocate fishing rights to vessel owners. While this might make sense if the aim is to reduce the fleet, it changes the relationship between skipper and crew. The crew becomes dependent on the concession holder for access to the resource.

However, considering that poor economic performance is the motive for the introduction of TFCs, one can only wonder how one fisher can afford to buy out another. The answer to this lies in the link between fishing concessions and financial systems. In most cases, a fisher will have to approach a private investor or a bank and use the fishing concession as collateral for a loan. Without this extra capital input—created through the privatization of access to fish resources—the transferability, and thus the redistribution of concessions into more profitable units, will become a much slower process. The EC has proposed concessions with a limited time frame of 15 years, and it will be interesting to see how this will influence the investments in concessions and their use as collateral. It is hard to imagine a radically different distribution in 15 years.

Member States of the EU are facing a critical dilemma of balancing social and economic objectives in the new CFP. The social objectives are mainly concerned with protecting jobs in the small-scale sector, safeguarding fishing communities along the coastlines and thus also indirectly preserving the traditional fishing culture in the EU. On the other hand, the economic objectives work to ensure efficiency for the operators. In a market-based system, the two objectives are in conflict since concentration on larger and more capital-intensive vessels will also mean fewer vessels in the remaining coastal communities and, consequently, fewer jobs. If a market-based TFC system is chosen as a mandatory allocation and distribution tool for fishing access in the new CFP, each member State will have to figure out how to balance the contradictory economic and social objectives. The contradiction can be solved politically by limiting and restricting the degree to which individuals and corporations can buy and sell fishing rights through the new market for fishing concessions. To curb the forces of the free market and restrict the centralization of fishing rights, a market-based system may be designed with a set of barriers meant to safeguard the fishing rights of the small-scale sector.

Differentiating small- and large-scale vessels by length is a familiar practice, though easily contestable. In a system of TFCs, such a segmentation will create two separate markets for fishing rights and thus provide the possibility for safeguarding the small-scale sector from the economic powers of the large-scale operators.

Buying concessions
In such a system, owners of vessels over a certain size, say, 12 m, will not be able to buy concessions from vessels under 12 m in length. Other criteria like engine power, tonnage size, crew number, trip lengths and gear types can be applied, but the vessel length is probably the most simple and practical criterion (from a bureaucratic point of view), which is why it is already being used in most technical definitions of small- and large-scale fleets by the EC and EU member States.
Segmentation can also be multiplied (for example, in vessel lengths of 0-6 m, 6-9 m, 9-12 m, 12-15 m, etc.) to allow for consolidation and capacity reduction. Further measures can be added, and certain segments rewarded through allocation of additional quota on a yearly basis according to other standards like gear type, length of fishing trips or even ecological criteria like low bycatch or use of low-impact fishing gear. To avoid concentration of concessions in too few hands a number of different instruments can be used. The Alaskan halibut fishery, for instance, uses 'blocks' to allocate quotas.

Even if a range of safeguard measures were to be applied to keep a desirable balance between fleet reduction and sustaining coastal communities, the introduction of a TFC system is still a radical shift from State control to a practically irrevocable privatization of access to fish resources. The EC is very eager now to implement a system designed to deal with the overcapacity problem, and to address structural failures of previous and current policies. But the million-dollar question is: What will happen in the aftermath of a sudden privatization of fishing concessions?