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FISHERIES COMMITTEE**

Expert Meeting on the Human Side of Fisheries Adjustment

MATCHING SOCIAL POLICY WITH FISHERIES POLICY IN THE FRENCH FISHERIES SECTOR

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MATCHING FISHERIES POLICY AND SOCIAL POLICY IN THE FRENCH FISHING SECTOR

Introduction

1. Like many OECD countries, the French fishing industry is relatively marginal from a national perspective, accounting for only 0.14% of GDP in 2003 (FAO, 2003). However, this masks the economic and social importance of the sector along the coastline. Many areas along the French coastline are dependent on the fishing sector to maintain economic activity and provide an economic base for the population. For example, the fishing sector in the Quimper region, southern part of Brittany, accounts for 5.25% of the regional GDP and 8.51% of the regional employment of which 3.8% is onboard employment (Cofrepêche, 1998).

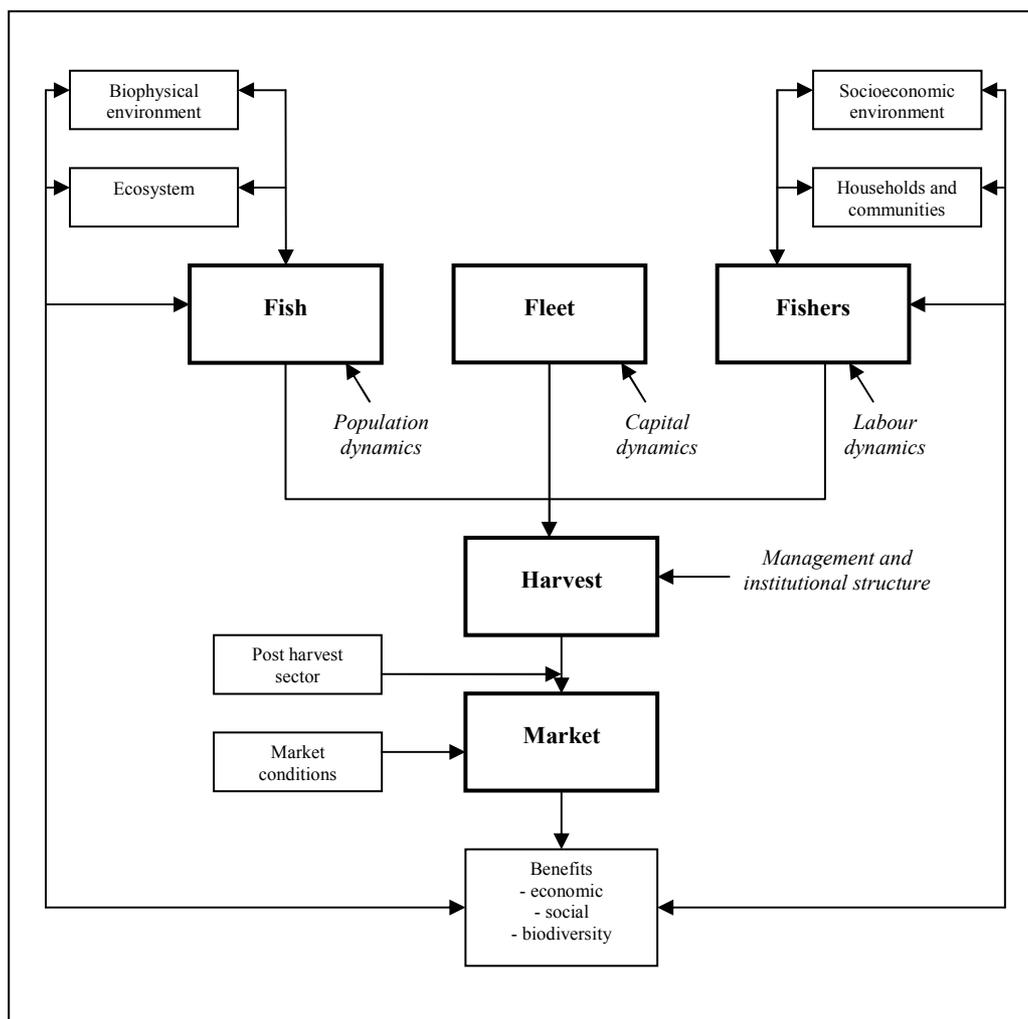
2. Also in common with many other OECD countries, the French fishing sector has been under economic pressure over the past few decades. Resource depletion has played a major role in reducing the economic performance and viability of many parts of the French fishing fleet. In addition, falling product prices coupled with increasing operating costs, especially oil prices, have adversely affected the profitability of many fishing companies and have placed significant pressure on the industry to undergo structural adjustment. Between 1990 and 2004, the French fleet declined from 8 745 to 5 412 vessels, with much of the decline occurring in the early 1990s. Around 40% of the fleet is located in Brittany and 19% in the Mediterranean Sea. In 2004, catches reached 693 000 tons of which 51% was produced by Brittany, 30% by the north region and Normandy, 11% by the south-west region and 8% by the Mediterranean Sea coast-line. The total sales turnover is more than EUR 1 100 million, of which EUR 715 million was through the fish auctions (corresponding to 277 000 tons sold). The total catches have not shown any particular trends since the early 1990s, but fluctuate in a range between 616 000 tons in 1998 and 712 000 tons in 2002 (FAO, 2002).

3. The structural changes that have been underway in the French sector since 1990 have been accompanied by significant pressures on the fisheries labour market and the communities that depend on the sector. This paper examines the process of adjustment in the French fisheries sector and the way in which the fisheries management policies used to govern the sector work together with the social and labour market policies that are also applied to the sector (as well as to other sectors). Coherence between these two policy spheres is critical so that they are mutually supportive in ensuring that a viable fisheries sector coexists with resilient communities. The case of southern Brittany, the most fishing-dependant area in France, is used to illustrate some of the issues and challenges raised in the paper.

Fisheries labour market in France

4. Previously to any study on matching social policy and fisheries policy, it is crucial to set the background of such an analysis. Here this background is essentially made up of the labour market dynamics, the socioeconomic environment and issues concerning households and communities. This plays a key role by influencing the fishers' behaviour. Figure 1 shows the key position of those issues in the general system of fisheries. Consequently this paper gives a large part to the labour behaviour and its description.

Figure 1. The organisation of the fisheries sector



Source: Adapted from Charles (2001, p.13)

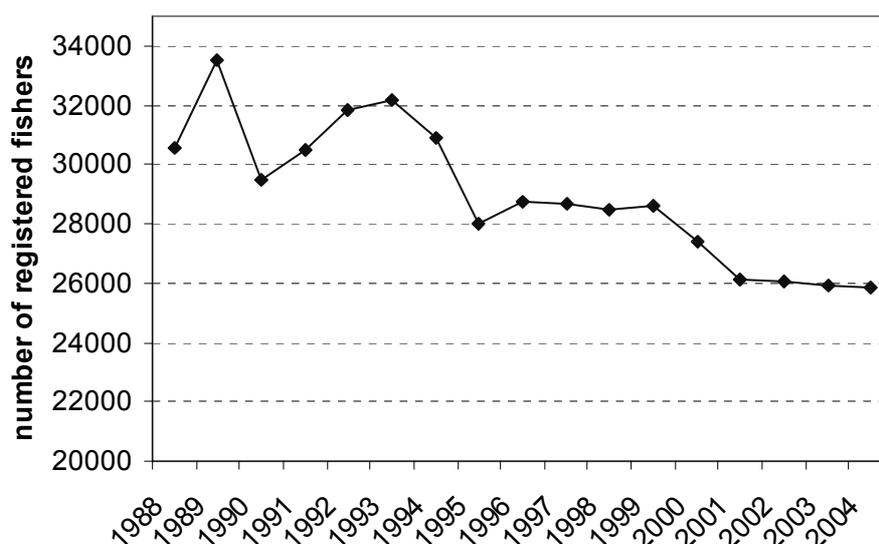
5. Since the early 1990s, the fishing industry in France has experienced major structural change that has radically reshaped its characteristics. The harvesting and processing sectors have evolved with many consequences on the socioeconomic environment in the coastal areas, and on the labour market in those areas. The declining labour engaged in fish harvesting is the result from a complex interplay of economic, technological, biological and policy-related forces. The evolution of technology in fishing has been aimed both at substituting capital for labour and at offsetting the consequences of chasing ever scarcer fish resources. Within a context of rising labour costs, declining fish stocks - and, in many cases, grants and other forms of assistance for fleet modernization - such technological innovations have fed a gradual process of capital accumulation in fish harvesting.

Employment trends

6. The number of fishers¹ in France decreased significantly between 1992 and 1997 with a sharp drop between 1993 and 1995, and then more slowly to reach around 25 500 fishers in 2004 (Figure 2). This data refer to the total number of fishers registered at the ENIM (Etablissements National des Invalides de la Marine) and provide a very broad indicator of employment in the sector.

Figure 2. Evolution of number of registered fishers in France

(1993-2004)



Source: DGMT/DAM (n.d.)

7. It appears to be difficult to enumerate the exact number of fishers working during a year, as instant counting is not representative due to the on-going changes in number over the seasons. However, a relevant way to study the labour could be a tri-dimensional approach to it (CEREQ, 2003), which divides the labour into:

- The number of onboard posts, set by the authorities, which is the minimum crew to get for an owner before going at sea.
- The number of full-time equivalent jobs, which is the real number of fishers needed (including vacations replacement, working hour reduction, etc.).
- The number of registered fishers, which is the effective number of fishers that went fishing at least one day during the year.

¹. Data presented are exclusively from the French Directorate of Maritime Affairs (DGMT/DAM), whose role is to enumerate the fishers registered at the ENIM (Etablissements National des Invalides de la Marine) in order to manage the access to the social regime. Those data have to be interpreted with caution as registered fishers do not necessarily mean active fishers; this sometimes leads to estimations in the paper.

8. There were an estimated 16 000 onboard positions in 2004, calculated from the number of fishers at sea for more than 9 months a year (CEREQ 2003). In addition, it has been estimated that there were 19 500 full-time equivalent jobs for fishers, which is calculated from the number of fishers at sea more than 6 months a year, and is an indicator of the amount of full-time work that is available for fishers in the sector (CEREQ 2003). These estimates are presented in Table 1, together with two ratios that help to describe the evolution of key characteristics of the labour market.

9. The employment ratio is the number of full-time job equivalents to the number of onboard positions and indicates the number of full time equivalent jobs that are needed to undertake a given amount of work (which is proxied by the number of posts required onboard vessels to take the allowable catch). This ratio declined from 1.27 to 1.22 over the 1997-2004 period. The number of full-time equivalent posts has declined at a faster rate than the number of onboard posts, which is largely a result of capacity adjustment, technological development, and a concentration of positions on board vessels. The rotational ratio is the total number of fishers to the number of onboard posts and gives an indication of the trend in the mix of fulltime and seasonal or part time fishers. This ratio has declined from 1.66 to 1.61 over the 1997-2004 period, highlighting the increasingly seasonal and part-time nature of the work in the sector.

Table 1. Evolution of employment indicators from 1997 to 2004 in France

| Year | Estimated number of posts (A) | Estimated number of full-time equivalent jobs (B) | Total number of registered fishers (C) | Employment ratio (=B/A) | Rotational ratio (=C/A) |
|-------------------------------|----------------------------------|--|---|----------------------------|----------------------------|
| 1997 | 16 251 | 20 579 | 26 951 | 1.27 | 1.66 |
| 1998 | 16 536 | 20 552 | 26 878 | 1.24 | 1.63 |
| 1999 | 16 313 | 20 258 | 26 603 | 1.24 | 1.63 |
| 2000 | 16 479 | 20 060 | 26 136 | 1.22 | 1.59 |
| 2001 | 16 336 | 19 972 | 26 130 | 1.22 | 1.60 |
| 2002 | 16 071 | 19 772 | 26 033 | 1.23 | 1.62 |
| 2003 | 16 080 | 19 551 | 25 897 | 1.22 | 1.61 |
| 2004 | 16 051 | 19 571 | 25 856 | 1.22 | 1.61 |
| Average change from 1997-2004 | -1.23% | -4.90% | -4.06% | -3.71% | -2.87% |

Source: DGMT/DAM.

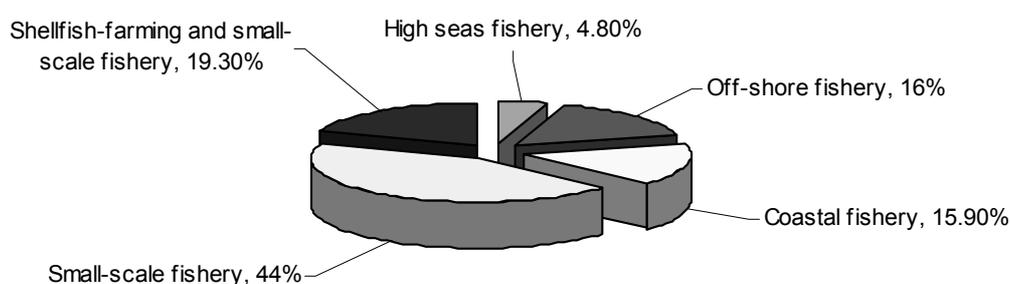
10. An administrative breakdown of employment by fishing category helps studying some particular aspects of the French fishing sector, depending on the vessels and the duration of activity at sea. The French fishing sector can be divided into 5 categories:

- High seas fishery: vessels of more than 1 000 GRT, whatever the period at sea, and vessels below 1 000 GRT that are at sea for more than 20 days;

- Off-shore fishery: vessels at sea for more than 96 hours and less than 20 days;
- Coastal fishery: vessels at sea for 24 to 96 hours;
- Small scale fishery: applies to vessels on a daily trip or less; and
- Shellfish farming and small-scale fishery: applies to vessels used for both shellfish farming and small-scale fishing (multipurpose fleet).

11. The small-scale fishery has historically been the main source of employment in the French fishing sector (Figure 2). Small-scale vessels dominate the French fleet and the crews on these vessels are few in number, usually between 1 and 3 people onboard, and usually the owners-operators of the vessel. The off-shore fishery, coastal fishery and shellfish-farming have almost the same importance, between 16-19% of total employment. Employment in the high seas fishery is relatively marginal, accounting for around 5% of total employment.

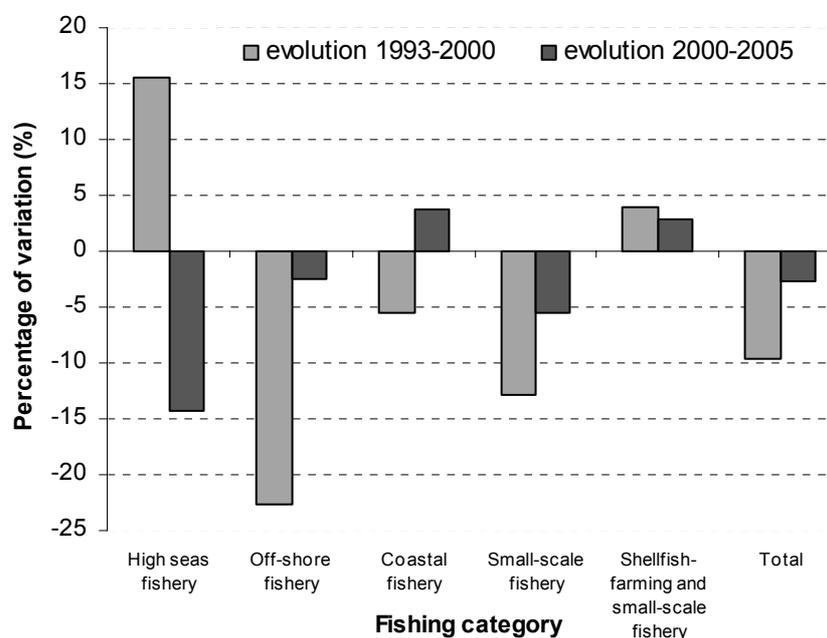
Figure 3. Breakdown of employment by fishing category in 2004



Source: DGMT/DAM (2005)

12. The evolution in employment in the 1993 to 2005 period by category of fishery illustrates the behaviour of French labour market over the recent past (Figure 3). It is interesting to look at two different periods: 1993-2000 and 2000-2005. The high seas fisheries saw an increase in employment between 1993 and 2000 (around 15% over the period). But over the 2000-2005 period, the employment in those fisheries has declined by almost the same. Both off-shore and small-scale have declined in employment over the whole 1993-2005 period but the decrease was much more significant until 2000. For the last 5 years, the coastal fishery has shown a rise in employment, together with the shellfish-farming and small-scale fishery.

Figure 4. Evolution of employment from 1993 to 2005 by fishing category



Source: DGMT/DAM (2005)

Education requirements

13. The fisheries labour market in France may be described as a “closed” market that requires entrants to possess specific qualifications. The whole system from education to retirement is very specific compared with other resource extraction sectors. To become a fisher, some specific diplomas are required. Concerning the initial training for young people, *Certificat d’Aptitude Professionnelle (CAP)*² and *Brevet d’Etudes Professionnelles (BEP)*, special and applied certificates prepared in two years, give the right to embark as a deck hand first but with special options as mechanic or operator for the BEP. The training consists of alternate attendance at theory courses in a specific school, a *Lycée Maritime*, and practicing on an operating vessel during fishing campaigns. Another diploma, the *Certificat d’Initiation Nautique (CIN)*, was introduced in 1992 for people more than 20 years in age who hold a non-maritime CAP or BEP level. It consists of an 8 week course that is an equivalent of the CAP and gives the right to embark as a deck hand. Recently, the introduction of the *Validation des Acquis par l’Experience (VAE)* seems to be a good way to get diplomas from a working experience. This allows getting certificates from only working experience at the equivalent position of the diploma provided.

14. In spite of the implementation of the CIN, the education system is still very hierarchical and regulates access to the labour market and progression through the various levels of responsibility within the sector. Once in the industry, the positions of deck hands, mechanic, operator, etc. are well defined and need specific certificates progress in levels. Thus, access to the labour market in fish harvesting sector is very

²Abbreviation meanings:

CAP: certificate for professional aptitude

BEP: diploma for professional studies

CIN: certificate of nautical initiation

VAE: validation of skills by professional experience

regulated by compulsory certificates and training. While this system guarantees a high level of safety and experience onboard, it can also lead to problems in access to the sector and career progression. In practice, operators can apply for derogations from the regulations in some circumstances if there is a problem in finding the right qualified person for the appropriate position. This allows them to hold the position even if the fisher does not have the relevant diploma or qualification. This is especially the case for people who never embarked but are waiting to get the CIN courses. Such practices highlight that the labour market is being partially forced open due to a lack of suitable labour and financial pressure from companies to obtain staff to undertake fishing activity.

The problem of recruitment

15. Paradoxically, in spite of strong reductions of labour employed in fish harvesting, the sector is confronted with problems of recruitment. Many ship owners have difficulties in obtaining complete crews to go fishing. In a recent analysis, around 30% of fishing firms declared some problems of recruitment and 10% did not manage to embark the sufficient crew. The lack of complete crew may prevent vessels from going fishing for statutory reasons. Indeed, a minimum size of crew is fixed for each vessel by the maritime affairs (i.e. the number of posts described earlier). If the sufficient number of seamen is not gathered, a vessel may have to stay inactive. This minimum size is considered as important by the administration because it is a way to keep safety, comfort and good working conditions onboard. However, those statutory crew sizes are a source of conflict between operators and authorities.

16. The number of new fishers that are currently entering the sector (around 1 200 every year) easily compensate for the number of fishers leaving the fleet for natural reasons (retirement or death) which was around 950 per year on average between 1988 and 2000. However, it is not sufficient to replace the number of fishers leaving for other reasons (such as resignation, inactivity, annual leaves, etc.), which is around 1 150 on average between 1988 and 2000. To counterbalance this phenomenon, the owners have recourse to derogations for fishers without the proper qualification. The CIN described above has been developed to improve labour access to the sector. Although the use of such derogations has become increasingly common, it does not seem to be enough to stop or even decrease this tendency. There is still a real need for opening the sector to entrance as well as to departure. For instance, there is no bridge for young adults specialized in mechanics in a non-maritime sector to easily enter the maritime activity.

17. Problems of recruitment seem to be linked to the poor image of fishing as an occupation. This lack of attractiveness is mostly due to a rigidity of the access to posts, but also to the inertia of the internal mobility rules. The fishing job is known to be a hard-working job with extreme conditions, very high number of working hours and high risks compared to other sectors. In the past, these conditions were compensated by the high level of wages in the fisheries. However, due to the rise of operating costs (mostly oil prices levels) and the fact that they are deducted from the total amount to share for wages, the fishing activity is not as lucrative as it used to be. This element is to be considered as it can be an important part of which led to a lack of interest from the young people.

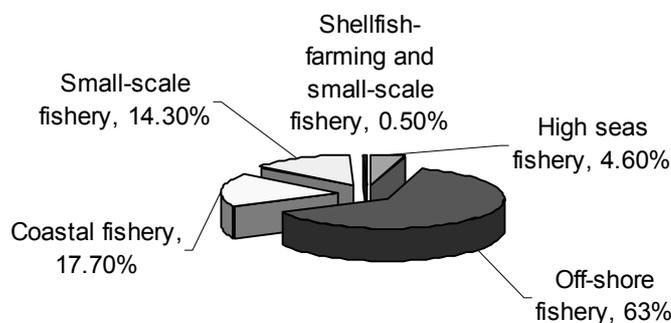
Foreign fishers

18. One other noticeable aspect of the fisheries labour market is the increasing number of foreign workers in the industry. Even if foreigners are not recorded by the establishment governing the social security regime for the sector, ENIM, Maritime affairs information system has recorded data since 2000. In the French fleet, there are 24 774 French fishers, 1 082 from the EU and 781 from other countries. Consequently, foreigners constitute 7% of the total number of fishers.

19. Foreign fishers are mostly employed in the off-shore fishery: 26% of off-shore fishers are foreigners, representing 2/3 of the total foreign workers (Figure 5). This could be explained by the fact that

off-shore fishing provides harder conditions of work longer periods of fishing and lower wages. French fishers prefer to work in coastal or small-scale fisheries, which means daily trips or 2 to 4 days trip in better working conditions. Remuneration is also higher in these sectors.

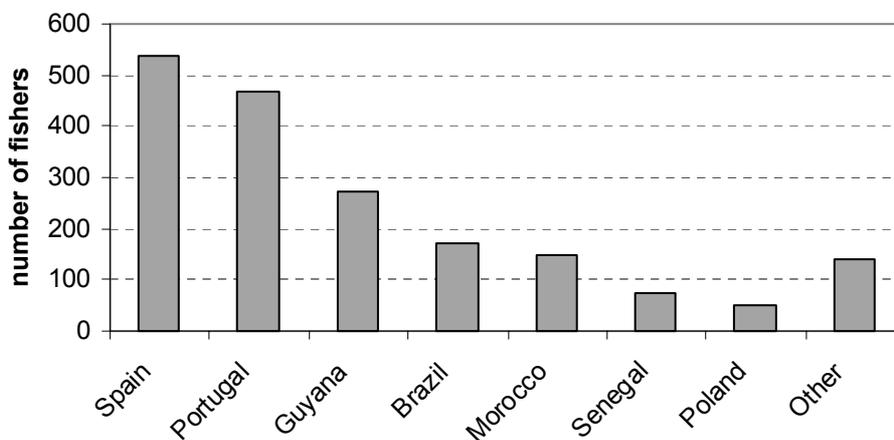
Figure 5. Number of foreign fishers by fishing category in 2004



Source: DGMT/DAM (2005)

20. Sixty eight percent of the foreign workers are nationals of Spain, Portugal and Guyana. It is important to note that foreigners from Guyana and Brazil work mainly in the overseas regions – *i.e.* in the DOM/TOM- and Moroccan nationals are mostly concentrated in the Mediterranean fisheries (Figure 6). Spain and Portugal are the main countries represented on the Atlantic coastline fisheries.

Figure 6. Origin of foreign fishers working in France in 2004



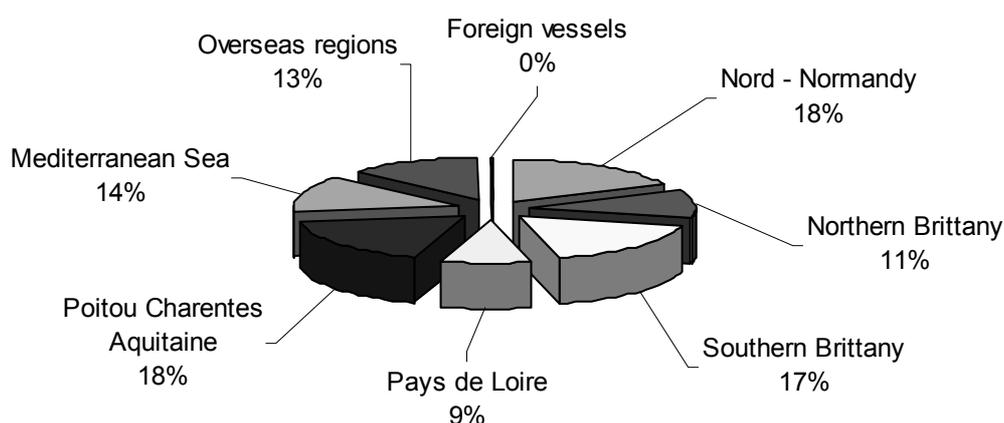
Source: DGMT/DAM (2005)

Fishing activity distribution and fishing-dependant areas

21. Fishing activity is relatively well-distributed along the French Atlantic and Mediterranean coastlines, although there are some regional concentrations. Brittany is one such regional concentration, accounting for a quarter of the volume of total French production and one third of the total value. Brittany also accounts for the largest share of total fisheries employment in France (Figure 7). Three main regions

appear in this graph: Brittany (both South and North), Nord, Normandy and Poitou, Charentes, Aquitaine, accounting for 28%, 18% and 18% of total employment, respectively. It is worth noting that Poitou, Charentes, Aquitaine is involved in shellfish-farming mostly, whereas Brittany and Nord, Normandy are mainly involved in small-scale or off-shore fisheries.

Figure 7. Employment breakdown by region in 2004



Source: DGMT/DAM (2005)

Regional characteristics: the example of Southern Brittany

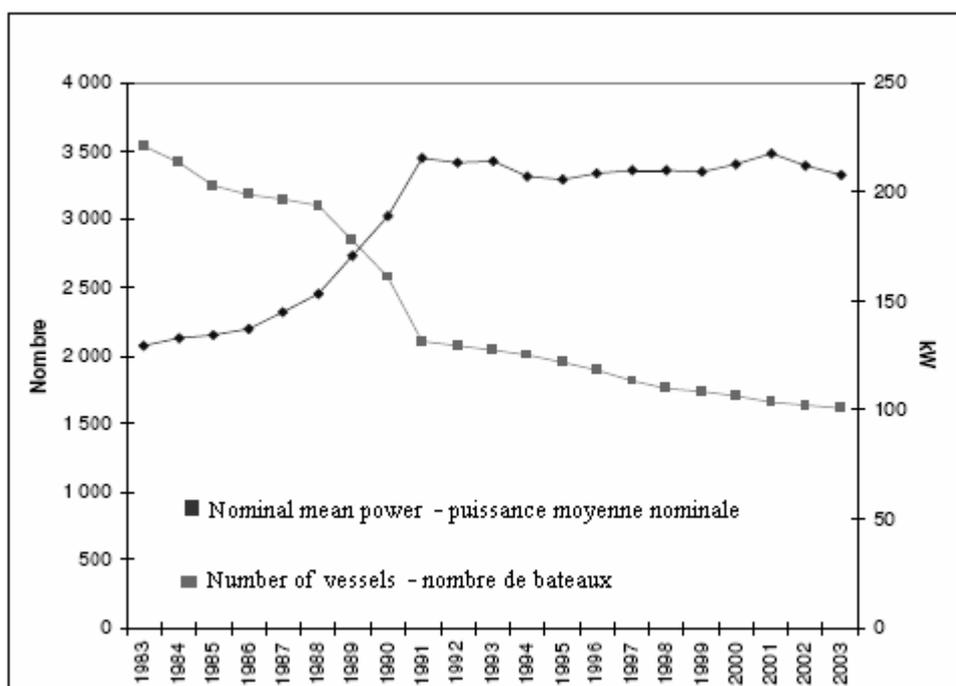
22. Southern Brittany is the region with the highest level of employment in the capture sector and has a strong fishing tradition, which implies a high level of dependency from the coastal communities towards the fishing economy. In the early 20th century, Southern Brittany was very dependant on fishing activity and fish processing. Brittany (north and south) is today the most productive region, accounting for more than 40% of the total volume of French production. Southern Brittany represents 43% of the Atlantic fleet (from Camaret in western Brittany to the Spanish border) and 48% of the jobs in the Atlantic fishing activity.

23. The fleet based in ports of Southern Brittany (administrative districts from Camaret to the North, to Vannes to the South) operates mainly in the Bay of Biscay (ICES area VIII) and in the Celtic Sea (ICES area VIIh-k). Key species targeted include anglerfish, nephrops, hake, megrim, cod, sole and sea bass. Total landings have been decreasing in volume over the period. The decrease of total landings in volume has entailed a decrease in the value of total landings, although to a somewhat lesser extent after 1998, due to an increase in the average prices of landings. Average landings per vessel have fluctuated significantly over the period, both in volume and in value. After a marked drop in the early nineties, average quantities landed have increased to a peak in 1997, and decreased again since then. After reaching a minimum in 1993, average values of landings have known a regular increase, due from 1998 to the increase in average prices fetched by the species landed by the fleet on the first sale market.

24. Historically, southern Brittany fisheries were constituted of sardine fisheries that were practiced seasonally and close to the coast. After the Second World War, there was a switch to trawling activity, with a permanent off-shore fishery. Over time, a tuna fishery, both seasonal and off-shore, was developed. Over the last 20 years, the fleet size in Brittany has halved from 3 500 fishing vessels in 1983 to 1 600 vessels in 2003, but the total fishing power of the fleet has only declined by 19% (that means an increase in nominal

mean power by 60%). This trend was particularly important for less than 12 meters vessels (2 629 in 1983 to 1 094 in 2003). However, this category of vessels is still the most representative accounting for 70% of the fleet in 2003. Figure 8 shows the decrease in number of total vessels from 1983 to 2003 in Brittany and the evolution of nominal mean power. The five years prior to 1991 saw a significant increase in mean vessel power, indicating a major increase in capitalisation in this region sector. Since the early 1990s, the mean nominal power of the vessels has stayed constant while the number of vessels has steadily declined.

Figure 8. Evolution of number of vessels and nominal mean horsepower (hp) from 1983 to 2003 in Brittany



Source: IFREMER – SIH/DPMA (n.d.)

25. The significant decline in the fleet in Brittany can be explained at the national scale, in the early 1990s, by the implementation of the “plan Mellick”. The European Community’s decision to reduce total EU fishing effort by 40% within 5 years was followed the plan Mellick at the national scale by the French Ministry of the Sea. This plan involved decommissioning a considerable proportion of vessels, and some socio-economic measures were added to help fishers to go through the sale or redeployment of their vessel.

26. The 1993-1994 policy changes had major consequences on the fleet structure in Brittany:

- Changing in the size and number of off-shore trawlers, some have disappeared and others have improved in power and competitiveness.
- The creation of large fishing firms comprising a large number of 22 to 25 meters vessels with small-scale characteristics.

27. Figure 9 shows the labour market ratio for the different maritime areas of Brittany (Cofrepêche, 1998). Southern Brittany is the most dependant region on fisheries in France with a maximum of 8.61%³ of labour insured by the fishing activity in Quimper which has a production of 56,000 tons at a value of EUR 116 millions for 2415 fishers and 524 vessels in 2005. The Quimper maritime quarter is centred around the landing of fresh fish at Concarneau and Le Guilvinec for initial sale at the fish market but also on the refrigerated cargoes of tuna caught by Concarneau vessels operating in distant waters (gathering 100% of the national tropical tuna production).

Figure 9. Labour market ratios in Brittany in 1998



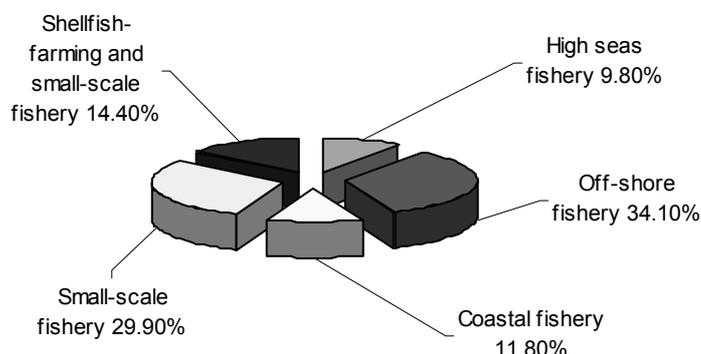
Note: Ratio refers to fisheries employment as a percentage of total employment in the sub-region.

Source: COFREPECHE (1998)

28. In the case of southern Brittany, most employment took place in the off-shore fishery in 2004 (34.1%) (Figure 10). The small-scale fishery accounted for 29.9% of the total fisheries employment, while the coastal and high seas fisheries accounted for 11.80% and 9.80%, respectively. This pattern differs somewhat from the national distribution of employment, as the off-shore fishery is main source of employment. With the exception of the shellfish farming practiced with small-scale fishery, employment in each fleet category has declined since 1997, with the main decrease observed for the off-shore fishery (Figure 10).

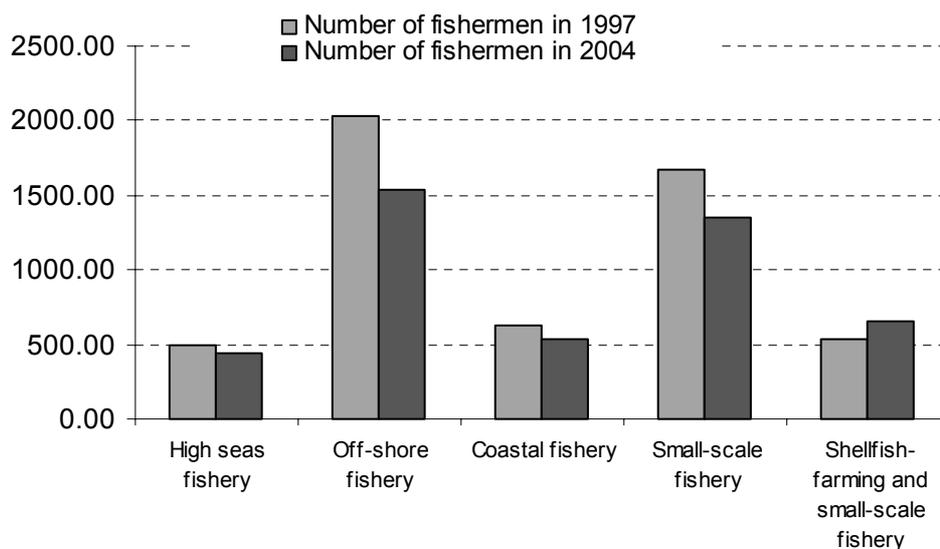
³ This ratio aggregates the whole employment related to the fisheries sector (upstream and downstream) and divides it by the total number of workers in a specific area close to the shoreline. It gives an idea of the economical weight of such an activity.

Figure 10. Employment in southern Brittany by fishing category in 2004



Source: DGMT/DAM

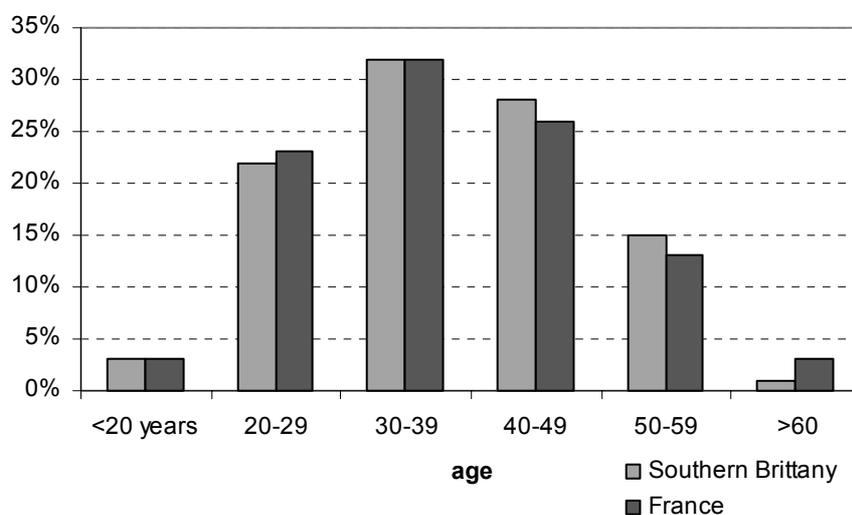
Figure 11. Evolution of employment in southern Brittany by category from 1997 to 2004



Source: DGMT/DAM

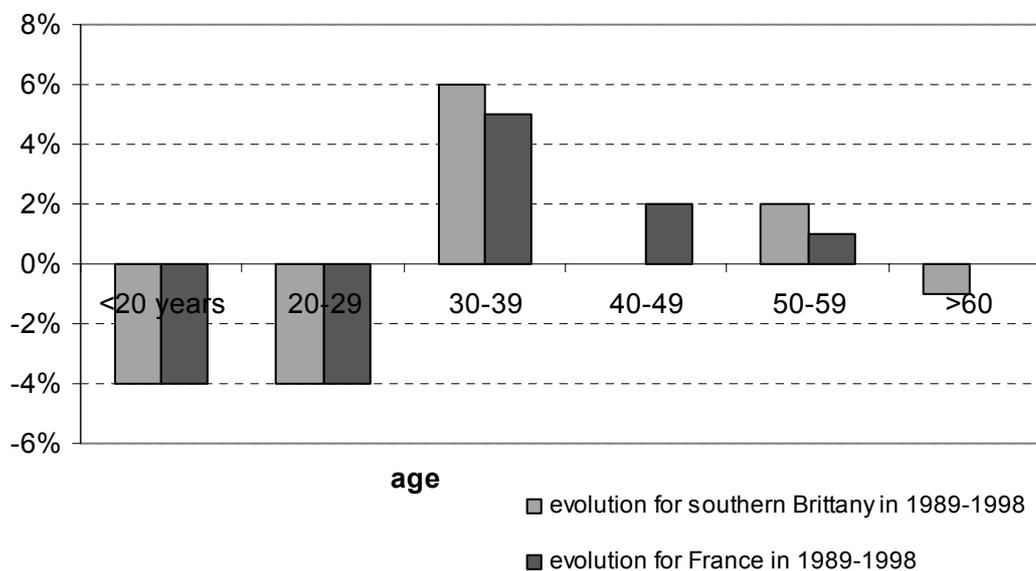
29. The age structure in southern Brittany also provides some interesting insights. The age distribution of fishers in southern Brittany closely mirrors that of fishers in France (Figure 11). The bulk of the working force is aged between 20 and 50, with a significant decline in the proportion of fishers aged over 50 and minimal over 60. This is in stark contrast to some other OECD countries where there is a much more skewed age distribution with the majority of fishers being over 50 years of age. The evolution of the demographic structure between 1989 and 1998 is depicted in Figure 12.

Figure 12. Age structure of fishers in Southern Brittany and France in 1998



Source: DGMT/DAM

Figure 13. Evolution of age structure for Southern Brittany and France from 1989 to 1998



Source: DGMT/DAM

Box 1. Differences between artisanal and industrial fisheries employment: the example of the Concarneau's offshore trawlers in southern Brittany

Concarneau, important fishing harbour located in southern Brittany, is renowned for its off-shore trawling fleet, as well as its tropical tuna seiners. Trawlers in Concarneau constitute the heart of the local fishing activity, with 41 vessels in activity. There is a distinction to be made between artisanal and semi-industrial or industrial fisheries that will be illustrated by this fleet. Artisanal vessels are from 17 to 24 meters for a 5 to 6 crew and semi-industrial vessels are 30 to 33 meters long for 9 fishers onboard. Those two segments are different from a technical side, as well as for administrative and institutional framework.

On the semi-industrial vessels, work is more automated, more organized. Positions offered are more varied and more specialized compared to artisanal trawling. Wages for both are crew shared but there is a special provision for industrial sector: the existence of a guaranteed minimum wage. However, strong profitability constraints in the industrial trawling fishery have led to financial difficulties and fishers onboard earn most of the time no more than this minimum wage.

There is a different trend in the way the employment is managed for those two segments. Indeed, the mobility of artisanal workers is within the artisanal trawling fleet. It is determined by proximity relationships that constitutes also the basis for the initial education. The mobility for older fishers is managed by a retired fisher who gathers job offers and demands at the local level. Concerning the semi-industrial segment, the fishers' mobility occurs among vessels within the same firm. It is managed by operators and skippers from this firm. The recruitment of young fishers is more institutional. With the help of agreements with continuous education centers, the new fisher's education is followed by the recruiting firm with an apprenticeship formation. Yet this recruitment is sometimes confronted to a lack of interest from the new recruited fishers who prefer to join the artisanal sector for profitability reasons.

Thus, there is a difference to be made between those two segments. Features are different when dealing with employment and labour market regulation. While the industrial segment provides more secured position and provides better career improvement and guaranteed incomes, the artisanal segment is preferred due to a better profitability and an open access to labour in the whole fleet.

Source: CEREQ, 2003

The social system

General organization

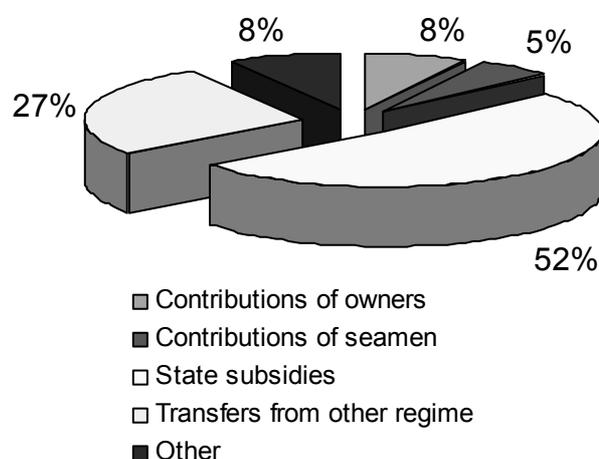
30. French seamen have benefited from a social security regime since 1670. The people of the sea were progressively provided with a particular social status, which was restructured in 1945 when social security was generalized. ENIM (Etablissement National des Invalides de la Marine), the organism in charge of the social regime, was created in 1930. The history of ENIM shows the crucial position of fishers over history from a military and a strategic point of view. From then, fishers have taken advantage from that past and their social regime is still very particular compared to other regimes. Thus, there is an historical coherence between fisheries policies and social policies, as a great concern for social protection of seamen appeared 340 years ago. The ENIM works both as a central administrative division of the ministry in charge of the merchant marine and as a public administrative establishment. In its capacity as central administrative division, ENIM develops the governing doctrine and proposes to the public authorities and the Parliament the legislative and regulatory evolutions necessary for the social security of seamen. In its capacity as public administrative body, with civil status and financial autonomy, it manages the social regime of seamen.

31. Several public divisions take part to the social and labour market policy. ENIM is the most specific one, as it was created only to provide fishers with a social security regime. But others are involved in those policies as follows:

- The division of maritime affairs and people of the sea –DGMT/DAM- (of the Ministry of Equipment), whose decentralized departments (regional or departmental divisions) always have a “sea people/ENIM” specialized department. On the coastline, these departments constitute necessary intermediaries that frame the seamen and ship owners. Those departments assume the administrative duty at the local scale.
- The maritime transport, harbour and coastal division -DTMPL- (of the Ministry of Equipment)
- The maritime fishing and fish farming division -DPMA- (of the Ministry of Agriculture) which manage, each in their respective area, various measures of economic aid and assistance to the maritime outfitters in association with ENIM.

32. The ENIM expenditures are paid by seamen and owners contributions (13%) but especially by the State subsidies (50%). Another source of funding is the transfers that come from other regimes and especially the general regime, namely the “Caisse Nationale de Sécurité Sociale”. They constitute one quarter of the ENIM budget. As it appears on the figure 8 showing the breakdown for ENIM budget, this regime is not balanced by contributions but greatly depends on the State participation and the contributions from other sectors. This figure highlights the highly subsidized aspect of the social regime’s funding and the need for exterior help to maintain the current regime.

Figure 14. Breakdown of contributions to the ENIM budget



Source: ENIM (2004)

33. France’s passive system of social protection is complex, and is based primarily on the ‘standard employment relationship’ – *i.e.* full-time, permanent work with lifelong insurance contributions (Eardley & *al.*, 1996). Within the general social security system are several occupationally-based schemes for different categories of workers and their families. The core scheme, the *Régime général*, provides insurance-based coverage for sickness and occupational injuries, maternity leave, old age pensions and death benefits for about 70% of the population. Unemployment benefits are not strictly part of the social security system; rather, they are administered at the local level by Associations for Employees in Industry and Commerce (*ASSEDIC*), which work within a national structure called UNEDIC. Both the *Régime général* and the

ASSEDIC apply to wage earners and salaried workers in the fish processing sector and those who work for firms that transport the fish. Self-employed people working in these industries are covered under special schemes that provide for old-age pensions but not unemployment insurance. Seasonal workers are also excluded from the unemployment insurance scheme. All people who work on fishing vessels and in aquaculture, and those working for companies that supply and service the fleet, are covered under a separate labour law (the *Code du Travail Maritime*) and system of social security. Nonetheless, many features of this special regime are similar to the general regime. A minimum wage applies, pegged to the general minimum wage (SMIC), according to the number of hours worked each week. In the fish harvesting sector, the *Régime général* do not apply for most of the social security regime. Indeed, the ENIM is organising the social security regime common to all professional sea-going personnel in commerce, fishing and yachting. This special regime covers all family branches, except those insured by the Family Allowance Maritime Fund attached to the general regime, and covers:

- Risks of health, maternity, incapacity, death and work-related injuries
- Pensions of the elderly, insured by the Retired Seamen's Pension Fund (code of pensions for retired seamen)

This does not include the unemployment insurance that is covered by the *Régime général*.

The social regime

Unemployment insurance

34. Unemployment insurance is available to all fishers, but is compulsory for those working on vessels longer than 25 meters or over 50 GRT. Thus, the small-scale fishers and most of the coastal and off-shore fishers do not have to contribute and, considering the financial difficulties they have to cope with, they generally do not take part to this scheme. However, a special fund is provided in case of unemployment, the "specific allocation of solidarity" that provides them with a small financial support, compared to the unemployment insurance. The maximum allocation for the "specific allocation of solidarity" is EUR 13.56 per day, which is very low compared to the average wage of fishers. This difference in unemployment coverage between artisanal and industrial is important, as fishers will not benefit from the same protection by social passive policy in the context of adjustment. This may create some tensions in the artisanal sector's employment while the labour market in the industrial sector would evolve more fluidly. At the same time, most people in the industry would answer to that feature that there is no unemployment for competent fishers in the industry. In fact, unemployment is real hard to evaluate and no precise data are available to conclude on its size.

Retired seamen's pension

35. The retired fisher's pension benefits both fishers from merchant marine and fishing activity and the persons who inherits those rights (widow or orphan). The contribution of fishers to the fund is based on fixed-price incomes that depend on the position of the fishers onboard and the average annual income. The fishers are classified within a range of 20 categories.

36. The rate of contribution for fishers is:

- For fishers: 10.85% of the fixed-price income for the corresponding category
- For owners: it depends on the vessel category

37. The conditions for benefiting from the retired seamen's pensions are:

- seniority: partial from 50 years old if 25 annual fees have been paid or total from 52.5 years old if 37.5 annual contributions have been paid
- proportional: from 55 years old if 15 annual fees have been paid
- special: from 3 months to 15 years being a fishers, in addition to another regime pension anticipated: if declared inapt to navigation and have paid at least 15 annual fees

38. In 2004, the retired seamen's pension benefited a total of 122 772 people for 39 748 active seafarers (of whom 15 454 are commercial or yacht workers and 24 294 are fishers). Having a look on the ENIM budget, old-age pension represents EUR 1 billion, approximately two thirds of the total expenses. As the proportion of both active seamen in the fishing industry and in the merchant marine has decreased, it now only represents one third of the pensioned people. The fact that pension rates are based on fixed-price incomes is an advantage for the fishers in activity. Indeed, fixed-price incomes are generally not corresponding to the real income earned. Due to its historical importance, the social regime for fishers has always been very advantageous for the activity. Fishers can benefit from a retirement pension from 50 to 55 years old maximum and some of them still go on fishing while taking advantage of the pension. The age limit and number of annual contributions were not included in the general reform that occurred in 2003 for the major part of the retirement pensions and changed the number of annual fees needed from 37.5 to 40 (retirement pension for fishers is still mainly 37.5 annual fees). Thus, the successive reforms did not concern the fish harvesting sector that was protected by its special regime. This feature is also due to the fact that fishing is very laborious and that may have prevented it from a minimum limit of retirement at 60 years old or more.

Fisheries management policies

39. The fisheries sector is structured by both communitarian (EU) and national rules. From the communitarian framework, the fishing activity is ruled by the Common Fisheries Policy (CFP) that is generally built on 4 pillars: natural resources conservation with the help of TAC (Total Allowable Catches) and quotas to control the fishing effort, the respect of commercialization and sanitary norms, structural and modernization measures concerning the fleet and international agreements. From 1983, objectives for structural measures were defined over several Multi Annual Guidance Programs (MAGP) and readapted progressively. At a national level, the framework is more focused on the production means, with the use of fishing permits (PME). PME is the way to achieve the limitation of entry into the fleet. They are permits delivered by the French administration on the basis of a total available amount defined according to the different MAGP objectives.

40. In France, some 46% of all commercial catches in the North-East Atlantic Ocean and Mediterranean Sea (over 213 000 tonnes in 2002) consist of stocks subject to Community TACs. The TAC regime is the main pillar of the "conservation" part of the European Union's Common Fisheries Policy. "Conservation" also includes technical measures relating to gear or catches, together with measures to manage fishing effort (in particular under the stock rebuilding plans instituted in 2002). For the stocks not subject to TACs under the CFP, measures are taken at the national or regional level to ensure that stock productivity is maintained at sustainable levels; these include quotas, opening/closing dates and special technical measures (authorized mesh, types of vessel and gear, area controls).

41. With regard to the stocks subject to TACs under the CFP, each year the French authorities, after consulting the National Committee for Sea Fisheries and Aquaculture (CNPMM), allocate the EU fishing quotas awarded to France to Producer Organizations (POs); the sub-quotas are drawn up on the basis of

producers' catch histories, market trends and socio-economic equilibriums. In practice, therefore, the sub-quotas are allocated to the members of each PO largely according to their share of output, although to date none have been allocated to individual fishing firms. Nevertheless, Community and domestic regulations provide for the POs to draw up management plans specifying how their sub-quotas are to be managed and used. Here, some POs have opted for an approach whereby quotas are allocated to individual members.

42. A number of stocks not covered by TACs under the CFP are subject to relatively strict access controls aimed at preventing overfishing and the development of excess capacity. The main market-type instruments among them are Limited Non-Transferable Licenses (LNTL), individual non-transferable effort quotas (which limit hours of fishing, for instance, or the number of traps per vessel) and catch limits per vessel/person. These measures mainly target stocks of shellfish (e.g. scallops, clams and whelks) and large crustaceans (e.g. spider and other crabs). To grasp their full scope, it is important to note that access to the vast majority of "non-Community" fisheries is closed, in particular by means of limited licenses and special fishing permits (*Permis de Pêche Spéciaux*, or PPS).

43. Among the fisheries management tools, the structural measures concerning the fleet seem to be the one that have more impact on the labour market. While TAC and quotas have an influence on the vessel profitability and a temporary one on labour and fishing permits (PME and PPS) on the vessel market, the structural adjustment appears to be the one that requires special provisions for social impacts. Adjustment has a direct and permanent action on labour. Initially, depending on how much lower the quota is set below current harvest levels, introducing a TAC will cause a decline in harvesting employment. But ideally, as the stock recovers, effort will increase and so will employment, perhaps to above the previous level. Because no limits are placed on effort, however, a "race-to-fish" ensues, shortening the season and creating a higher degree of variability within that season. This may lead to an increase in seasonal employment rather than a full-time one. The general social passive policy implemented in France provides a general protection from the effects of such management tools. The TAC introduction in the CFP was not followed by any socioeconomic measures.

Dealing with adjustment

44. This section addresses the ongoing context of capacity adjustment in the French fisheries sector. Once the different adjustment programs have been described, this section will try to analyze their implementation and consequences on the fishers and their communities. It is important to note that the capacity adjustment here only deals with the fishing sector and not with the fish processing or trading sector.

Source of adjustment pressure

45. It has been widely recognised that the subsidisation of fishing fleets and open access to marine resources have been the major factors contributing to overcapitalization of fishing fleets, which has contributed to unsustainable harvests in many fisheries worldwide (OECD 2006; FAO 1993; WTO 1997). While overcapacity will occur in open access fisheries without the provision of subsidies, the use of subsidies in some cases has contributed to the speed and degree of overcapacity and overfishing (Porter 2001). Revenue enhancing or cost reducing subsidies would result in an increased fishing effort if management regimes do not effectively limit catch and effort.

46. In its early stages the common fisheries policy comprised measures for the establishment of a common market in fish products and for the restructuring of the catching sector. The role of structural measures was primarily to help modernize the catching sector. In 1983, a comprehensive structural policy was set up for the whole sector. One of its tasks was to ensure that a balance be kept among Member States' fleets in line with the principle of 'relative stability' which allows for the stable allocation of fishing

opportunities among Community members. New challenges came with the completion of the Community single market, combined with the growing globalization of the world market, the effects of overfishing and the growth of aquaculture. The review of the common fisheries policy in 1992 showed the need to restructure the whole sector. A financial support to the fishers' communities was made available through the Financial Instrument for Fisheries Guidance (FIFG), created in 1993 to bring together all the structural budgets available to the fishing and aquaculture sectors. This move allowed for greater coherence in multi-annual programming in what was now a comprehensive structural policy with its own financial instrument. Funds are available for scrapping or reconverting fishing vessels.

Implementation of adjustment in France

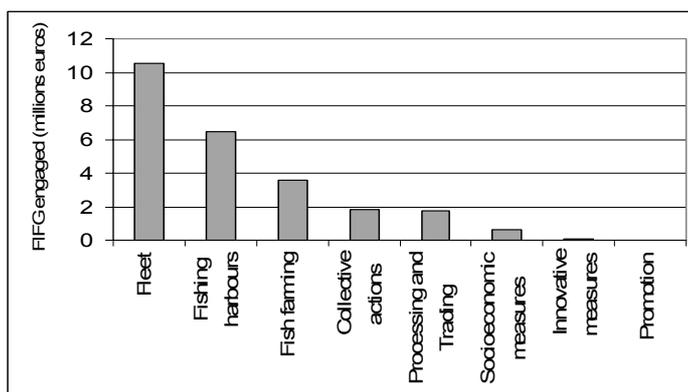
47. Since 1989, the decommissioning schemes have generally had duration of 2 years. Importantly, they have occurred successively and constituted a continuous process of adjustment in France for a number of years. The schemes have changed in some respects. For example, they were modified from 1991 to become more efficient and targeted. The objectives have been redefined and readapted to the evolving situation. As a result, buyback subsidies are now targeting vessels fishing threatened or overexploited species. In the 1990s, a great part of the vessels that took advantage of schemes were either in a bad shape or not competitive enough. Such vessels with low production capacity jumped at the opportunity to leave the fleet with important funding. During the recent schemes, the implementation of scales depending on production capacity and targeted species made them more efficient.

48. Such a continuous system of capacity adjustment has enabled the adaptation of the fleet to occur at a progressive rate. As a result, the labour market is adjusting more gradually to the capacity adjustment and unemployment peaks are avoided. However, the continuous provision of assistance creates perverse incentives for investment. Owners that did scrap their non-productive vessels may reinvest their aid in another more modern boat. This negates the intended effects of decommissioning schemes in terms of fishing effort reduction. The knowledge that the government provides ongoing assistance with adjustment provides a financial backup in case of bankruptcy. If owners would not be able to predict the renewal of a decommissioning scheme, they would be reluctant to invest in another fishing vessel whose value is fluctuating. Jorgensen and Jensen (1999) have shown some empirical evidences about the stimulus for expansion of fleet capacity by EU buyback subsidies, and also the influence on investors' bankers, who offer better credits than usual in that particular situation.

Box 2. Structural adjustment in Brittany

Brittany, as the first region for fishing activity, has seen the main impacts of the European capacity adjustment programs (see Figure below). To soften the effects of adjustment programs, the FIG is the financial support that covers the accompanying measures to this adjustment. It is interesting to have a look at the FIG expenses for the Brittany region and thus understand the position of the fleet management in the fisheries and aquaculture management policy from a financial perspective.

FIFG resources for the Brittany region in 2004



Source: Région Bretagne (2005)

The fleet expenses are taking a great part of the FIFG expenses. This includes both modernisation and capacity adjustment expenses. The socioeconomic measures' expenses engaged in the FIFG are in sixth position and are approximately 7% of the fleet expenses.

Capacity reduction from 1990 to 2003 for Brittany

| | France (Atlantic and Channel) | Brittany |
|-------------------------|-------------------------------|----------|
| number of vessels | -32% | -37% |
| Total engine power (kW) | -32% | -31% |
| Total tonnage (GT) | -32% | -33% |

Source: IFREMER SIH – DPMA (nd)

The capacity reduction that occurred in Brittany has had consequences mostly on the vessel number rather than on power or tonnage, occurring on small vessels with lower production capacity. This highlights the fact that this fleet decrease in Brittany happened in the small-scale fishery and far less in the large-scale fishery.

Dealing with impacts of adjustment on employment and communities

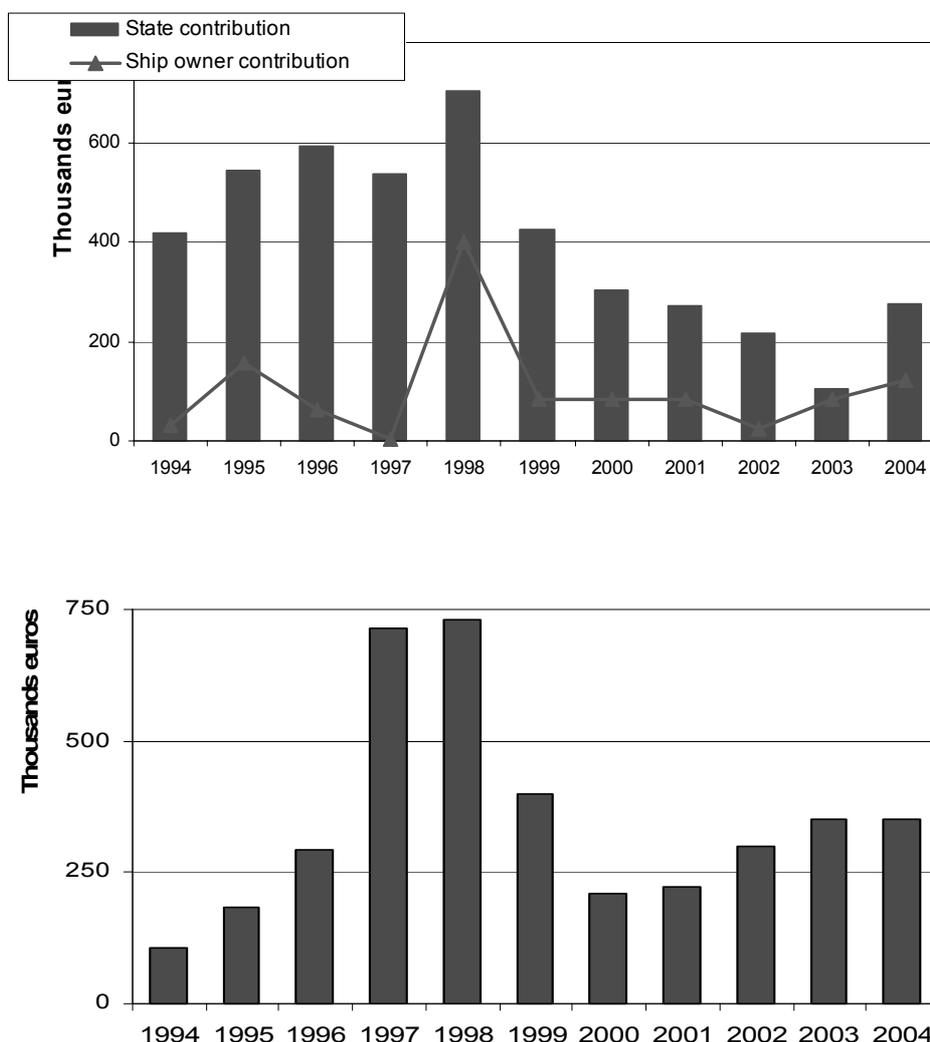
49. In order to address the adverse effects of capacity adjustment programs, some socio-economic measures were provided in the European adjustment policies. The implementation of those measures was under national responsibility. In France some measures were added to the permanent passive social policies for unemployment and retirement: the early retirement scheme and special premium for fishers leaving the sector. Those measures do not depend on the vessel (size and tonnage) but rather on the engagement of recipients in fishing activity.

50. In 1991, socioeconomic measures have been decided as a helping measure to the decommissioning schemes. Those measures have continued with the renewal of the 2-years duration buyback programs. In case of redundancy, the early retirement scheme is insuring the fisher to get a replacement income if he has not enough annual fees paid to apply for the retirement pension. Since 1991, 213 seamen have taken advantage of the early retirement plan. This support benefited both skippers and sailors and amounted to a total amount of EUR 7.014 million, of which 76% (EUR 5.35 million) was financed by the Ministry of Transports, Equipment, Tourism and the Sea and 24% (EUR 1.664 million) by employers-owners (through the National Committee of Fisheries). This support is guaranteed for the fishers until 55 years old. Incomes consist of 50% of their fixed-price salary based on their category of career if the seamen are between 50 and 51.5 years old. If more than 51.5 years old, in addition to this income, the seamen earns 65% of the 10th category income (on 20 categories). The conditions to meet are: being more than 50 years old and have paid contributions to ENIM for 30 years. As the general case for the total retirement pension is to be at least 52.5 years old and have paid 37.5 annual contributions, this particular scheme provides a helpful link to the normal retirement scheme and absorbs the most difficult part of fishers to reallocate.

51. The special premium for fishers leaving the sector is another socioeconomic measure to help fishers. Since 1994, 450 fishers have taken advantage from this scheme. This represents a total amount of more than EUR 4 million, totally funded by the Ministry of transports, equipment, tourism and the sea. This support can benefit to both skippers and sailors and is financed only by the state. The indemnities last 456 days if the fisher is less than 50 years old, 639 days if he is more than 50 years old. The income is comprised between 57.4% and 75% of the fixed-income by category.

52. Once defined, the conditions of those socioeconomic measures, it is relevant to observe their importance in the sector. Studying the graphs below reveals low expenses for those measures compared to the structural funds used for the fleet. Moreover, those expenses have remained approximately constant or have increased only slightly over the last 5 years after a peak in 1998 (Figure 15). This can be related to the evolution of fishers over this period that shows a strong fall between 1998 and 1999. This decrease was followed by an increase in demand for socio-economic measures. From then, expenses are lower and the stock remains the same. The ship owner's contributions are interesting as they reveal, for each year, the part of the financial support for fishers taken by professionals. These contributions are not proportional with the State expenses and depending on the year may be very low compared to the State expenses or take a considerable part of the total funding.

Figure 15. Evolution of both socioeconomic measures' costs in France



Source: DGMT/DAM

Temporary and permanent schemes interaction

53. The two different means for the State to deal with adjustment are from two different fields: the passive policy that constitutes the general social regime for fishers and the active schemes implemented to temporarily cope with adjustment programs. The aim of the following part is to study how they match together and to conclude on their potential incoherence or symbiosis.

54. Adding to the general framework of the social and labour market policy, the State has put in place some additional measures to help fishers cope with structural adjustment policy and soften the impacts of such a policy on fishers and communities. That's why a paragraph of the CFP's structural program has included socioeconomic measures that had to be organized at the national level. Those measures described earlier are following the decommissioning schemes implemented from the early 1990's. Whether those two schemes work together is a difficult question to answer and information about such an interaction are difficult to gather. It is recognized that French social insurance model aims at

maintaining income levels when absent or retired from the labour market. The fishing sector is particularly threatened by financial difficulties and socioeconomic measures are needed to maintain those income levels. Such measures help fishers that lose their job because of buyback programs until they get a new vessel to embark or the proper age to retire. In that sense, both active and passive schemes seem coherent since the system constituted by them creates a high-quality protection for fishers in financial difficulties. In that sense, the resilience of the labour market is increased by such policies.

55. However, those financial supports do not directly provide fishers leaving the industry with an opportunity to find another activity. The effectiveness of such active policies in terms of relocation and development of new opportunities remains difficult to evaluate. In that sense, active policies have been implemented as a supplement to the passive policies, a financial support added to the existing schemes. Socioeconomic measures do not interact with unemployment insurance or retirement pension by developing relocation of workers or new openings to other sectors but rather by adding financial aid to the already existing schemes.

Policy insights, synthesis of the findings

Coherence between the institutional policies and the management policies

56. This section will depict the insights that can be drawn after studying the French fishing sector. This will deal with the relationship between social and management policies, as they have been described separately earlier.

Coherence of social policies in the fisheries management context

57. Generally speaking, both unemployment and retirement schemes seem to protect to the fishers in France. The retirement age limit (within a range of 50 to 55 years old but 52.5 years old for a total pension if enough annual contributions are gathered) is very early compared to other OECD countries, which possess an average age limit of retirement of 64 years old minimum. Back to the age structure of fishers in Brittany, very few fishers are over 60 years old, which can be interpreted as advantageous regime in the sense that retired workers get a sufficient retirement income and do not need to stay in the industry. Moreover, the French policy for unemployment provides workers who have lost their job with a significant financial support. However, unemployment contributions are not compulsory for small-scale fishers. This is the only support from the French authorities that need involvement from workers. Since very few of them contribute to such a scheme, they could find financial difficulties in case of redundancy.

58. There is no or little tradition of research in France about the adequacy of social assistance (Eardley *et al.* 1996) and especially the adequacy of benefit levels. From the existing documentation on the topic, it is then difficult to evaluate the level of coherence of the social and labour market policies with the fisheries situation in France. However, when comparing benefits with the general regime, the social system for fishers may be considered as advantageous. The social contributions are low compared to the real incomes of fishers. Consequently, the contributions paid are much less than the normal rate of contribution in the other sectors. The rate of contribution is also used as an important lever for lowering exploitation costs and increase fishing firms' profitability. The government often uses this tool to compensate oil price rises for example. This has had consequences on the ENIM budget. Only a quarter of the budget is funded by fishers' contributions, which happens to contribute to some incoherence in the social regime governance. This phenomenon of State-funded regime is commonly observed in agriculture or in the heavy industry, sectors that meet financial difficulties and crisis. However, this assistance from the State may normally consist in short term granting, accompanying the transition to a sustainable exploitation. This does not seem to be the case in the French fisheries sector. Indeed, after around 120 000 people who benefit from the retirement regime, if no change in the age limit of retirement happens, they will be

130 000 in 2017 and 89 000 in 2050 (*Le Marin* n° 3072, May 2006). Consequently, the State will have to deal with a greater number of retired fishers in the short and middle term unless the age of retirement is reviewed. It is crucial to recall that the lower the average effective age of retirement, the larger the benefit population and the smaller the tax base on which the funding of social protection schemes depends (Blöndal and Scarpetta 1999).

Dynamics of the labour market in fisheries: the outcomes of the social and management policies system

59. One of the key points in the French fisheries sector is that the dynamics of the labour market is enhanced by authorities. When studying the labour market, it appears to be well coordinated and adapted to people who leave the sector, in terms of conditions and benefits. But the labour market policy also has to be interested in the entrance to the sector. It needs to be integrated in the general context of fisheries and include constraints like the structural adjustment programs as well as problems of recruitment.

60. As for recruitment there is a need for the sector to open its labour market. There have been some improvements made in that way from 20 years with the CIN, which allowed non-maritime persons to enter this sector of activity. The VAE, by ratifying a working experience as a certificate, adds some flexibility in the industry. Moreover, the creation of professional maritime “baccalauréats” (with option in fishing firm management or marine electro-mechanic) is a good start for widening the exit to the sector. By leaving the fish harvesting sector, fishers have a sufficient level of education that allows them to apply for qualified jobs. In that sense, entering the fishing industry may not constitute a professional dead end any more and may encourage young people to choose this sector. This highlights the strong will of policy makers to open the sector instead of closing the exit doors, which was the case before. In 1999, the Standard of Training, Certification and Watchkeeping for seafarers (STCW), an international convention, allowed a complete reshaping of the maritime education. This was made possible through the creation of bridges between the merchant marine and the fishing activity. This convention was recognised by French authorities and French fishers could go from one sector to another at an equivalent professional level.

61. One important point to develop is the resilience of the labour market to fisheries adjustment. The resilience to adjustment in France is important due to the help of the State which limits the impacts of adjustment by providing financial support, so that the labour market adapts itself more smoothly to the new situation. The resilience is also dependant on the labour market behaviour. The easy access to relocation within or outside the fishing industry is an important characteristic that increases mobility of fishers and the general resilience of the human capital. However, there is no real relocation policy in the sector. First, the education system does not allow links with other professions by comparable diplomas.

Coordination between governing bodies

62. France has a system of assistance which appears complex and confusing to outsiders. Although an arguable strength of the system is its commitment to decentralised provision, there is some concern about co-ordination between the various schemes and the levels of the government which administer them. The department of maritime affairs, at a local scale, plays an important administrative role and covers both the social system and the fisheries management local implementation. It constitutes a central element of the local fishing activity. Both the French social and fisheries management systems, though organized and acting separately, have the same top-down implementation. The fisheries management system, as described earlier, is elaborated at the European level, and then the national bodies relay the decisions made through the regional bodies until the execution in the maritime quarters. The passive social system is also highly framed from the national to the local level. The active schemes are drawn up at the national level to be proposed along the coastline. It is difficult to conclude on the efficiency of coordination between central and decentralized governing bodies. The administrative framework appears to be somehow rigid and heavy by involving several divisions from different ministries that implement but the administration appears to be

fairly proficient as information is well spread from national to local level, and vice versa. Indeed, the French fisheries sector has a proficient system of data collecting from maritime quarters.

63. Co-ordination between fisheries managers and those responsible for the social welfare is an important feature. This is particularly true for the French case where those two authorities are well separated into different ministries. Such coordination and communication is vital if government's role in facilitating adjustment in the sector is to become more proactive and less reactive. If social service agencies and labour departments are to anticipate the needs of fishing communities they need to be given adequate warning of major changes in fisheries management regimes.

64. Nationally, social and fisheries management policies are run by several bodies, from the Ministry of equipment or the Ministry of Agriculture. This multi-head administration may first appear as non compatible with coherence in the overall fisheries sector management. But the relationships between those bodies are close and, in spite of some conflicts of interests, relatively efficient. Furthermore, the advantages of this multi-head governing for fisheries are the various roles dedicated to each body in terms of TAC negotiations at the European level, budget or social regime managing. However, though relatively complementary, this administration implies a heavy system with important human and financial resources. This raises the question of whether the fisheries sector, considering its limited economical weight from now on, still worth such a special system of management or rather be part of the general regime. Nevertheless, this is a question hard to treat because of the special nature of the system (crew-shared incomes, hard working conditions, financial difficulties, etc.).

Concluding remarks

65. As a new program for 2007-2013, the European Fisheries Fund (EFF) will replace the FIFG for its structural adjustment chapter. The background is quite similar to the former fund but readapted to the present situation. There is a will from the EU to develop their concern for environmental measures and include them in the new fund. Training, further education and early retirement of fishermen are a concern of the new European policy. They have also the desire to simplify fund management to establish a management plan adapted to each member country depending on its own features. For France, the main evolution is that the EFF will include the overseas departments (DOM) in the management plan. At a national scale, a recent study asked by the Minister of Agriculture and Fisheries on the operation of social system in the fisheries sector has revealed some incoherence in the way it is managed. Some reorganizations of the system need to be considered. The special social regime for seafarers that is costly and non relevant considering the weight of fisheries in France has been questioned. They have also raised the problem of fixed-income rates for social contributions that turn to be very low compared to the advantages provided. The reform of retirement programs has also been raised in the study. However, such reforms are very difficult to implement as explained earlier, due to the unique characteristics of the sector and its hard working conditions. That sets the fisheries sector apart from other sectors.

66. In the future, policy-makers will need to smooth the path of structural adjustment – not only to facilitate the transition to responsible fisheries, but also to reduce the need for costly adjustment programs. In the transition to a sustainable fishery, the French fishing sector needs to ensure that it is largely capable of adjusting its structure automatically and autonomously. This should become one of the primary tenets of fisheries policy. Moreover, minimizing the role of government in the structural adjustment process is important for two reasons: to control government spending and to avoid moral hazard. That means changing social protection and fisheries management policies (including transfers tied to non-labour inputs) so as to eliminate incentives that encourage labour to remain attached to fishing (that is, able to resume fishing) long after fishing has ceased to be profitable.

67. All governments may need to take a fresh look at how their resource management, social protection, and labour market policies interact in the fisheries sector. In particular, they should review the rules governing eligibility for benefits and the amount of entitlements for which fishery workers qualify under state financed social insurance schemes with a view to ensuring that the policies are no more generous than they are for other occupations. Likewise, when contemplating alternative approaches to fisheries management, they should seriously consider management regimes that contain built-in incentives for continuous adjustment of labour and capital inputs. Otherwise, they may find themselves having to deal with structural adjustment problems in the fisheries sector for a considerable long time.

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Useful websites:

Details about the French social security system:

http://www.cleiss.fr/docs/regimes/regime_france/an_5.html

Details about French public subsidies from the French direction of fisheries and aquaculture (*Direction des Pêches Maritimes et de l'Aquaculture*):

http://www.agriculture.gouv.fr/spip/ressources.themes.budgetsoutienspublics.soutienspublicspeche_r967.html