Brexit. How would our industries be affected?
Agriculture and fisheries
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To cite this version:

HAL Id: hal-02604979
https://hal.inrae.fr/hal-02604979
Submitted on 16 May 2020

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Chapter 14. How would our industries be affected? Agriculture and fisheries

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Farming and fishing are frequently associated with timeless images of Britain, its rural idyll, and its reputed individualism. Indeed, many of these images of ‘Britishness’ are frequently invoked by those wanting to leave the EU. As we recount below, however, agriculture and fisheries in Scotland and the UK are also modern industries that have been structured by public policies, notably those of the EU. Indeed, comparison of these industries is stimulating because although nearly all the key actors within British agriculture favour remaining in the EU, this position is much less evident for fisheries.

Agriculture: A CAP that fits

In the UK, the Common Agricultural Policy (CAP) is regularly derided by opponents of the EU as being ineffective, expensive, bureaucratic and bad for the environment. Although many spokespersons from the world of farming also criticise certain aspects of this policy, the vast majority underline that it has played a vital role in the development of British agriculture.

Throughout its history, the CAP’s aim has been to generate sufficient farm produce within the EU, but also to ensure that farmers stay on the land for reasons which extend beyond production concerns. This policy initially clashed with that of the UK because, except for during the two World Wars, British agriculture had always been governed by a liberalism that encouraged imports of cheaper foodstuffs and left British farmers exposed to the whims of world markets. Fuelled by the Empire and subsequently by the Commonwealth, this foreign provision of food prompted a decline in domestic production. By contrast, the CAP and its initial emphasis upon price support mechanisms played a major role in intensifying British agriculture to such an extent that the country is now 62% self-sufficient. Specifically, the UK now imports £40 billion of foodstuffs (of which 70% from other EU states) and exports £20 billion, 62% of which are destined for the rest of the EU. Indeed, this interdependence is even greater in some sectors e.g. 38% of British lamb is sold on the Continent.

Nevertheless, today’s CAP intervenes less directly in agricultural markets than it once did. Since the early 1990s, price support has been largely replaced by annual ‘single farm payments’ made to farmers on the basis of farm size, land quality or livestock numbers. Amounting to more than £2.5 billion per annum, these payments continue to structure the British agricultural industry and, according to most experts, provide it with the stability that a return to a free market approach would not provide.

What is less often flagged is that the CAP is also, and always has been, a social policy. From this angle it has consistently aided farmers in hill areas and ‘marginal lands’, and thereby the beef and sheep industries. Moreover, it has subsidised the set-up costs of young farmers, training, research and diversification into farm tourism or food processing. In addition, since the late 1980s such farming-specific measures have been supplemented by rural development initiatives throughout the UK which, for the period 2014-20, will be financed by the EU to the tune of £4.1 billion. In a nutshell, contemporary British agriculture is deeply
dependent upon the CAP and, more profoundly still, public intervention. Indeed, it is highly unlikely that an independent UK government could financially support its farming any less than the CAP currently does.

Of course, this does not mean that the CAP is not criticised, and this from two angles in particular. The first concerns its ‘efficiency’. Critics argue that EU support to farming comes at the cost of bureaucracy and negative outcomes. Form-filling and delays are often ascribed to the EU, and this despite UK/Scottish government being responsible for much of the CAP’s implementation. But, proponents of remaining in the EU argue that trading from outside the EU would inevitably mean more bureaucracy, controls and, above all, the reintroduction of tariffs. Moreover, they add, to continue to export to ‘Europe’, a whole series of EU food quality and safety norms would still have to be respected, and this without British stakeholders having an opportunity to influence them ‘upstream’.

An even deeper criticism of the CAP is that it has chiefly financed large and wealthy farmers who have ‘got fatter’ on this public money. The latter charge is often also linked to the negative environmental consequences of intensive agriculture. These were plain for all to see as of the 1980s: ripping out of hedgerows, deterioration of soil quality, threats to food safety (e.g. ‘mad cow’ disease). Supporters of EU agricultural policy counter that since the late 1980s, it has increasingly contained a strong environmental protection element.

Notwithstanding these two areas of controversy which extend beyond agriculture per se, the CAP as a whole has clearly become an institutionalised part of Scottish and UK industry. Not only do key representatives of the UK’s farming organisations (the National Farmers’ Union of England and Wales (NFU), the NFU of Scotland, the Farmers’ Union of Wales and the Ulster Farmers’ Union) unanimously support the ‘Remain’ camp to avoid uncertainty and protect their short-term interests, they clearly believe in the legitimacy of EU scale policies whose content they have shaped considerably. As with so many British stakeholders, this support for the EU has often been undercut by sniping criticisms of their ‘Continental’ counterparts. Nevertheless, most British farmers would be reluctant to suddenly have to live without them and fend for themselves in a purely British polity they fear would be even more hostile to farming.

Fisheries: Jumping ship?

As has been pointed out by one of Scotland’s main fishing organisations, the Scottish Fishermen’s Federation (SFF), the fishing industries in both Scotland and the UK are acutely affected by EU membership. This is because under the rules of the Common Fisheries Policy (CFP), the territorial waters of the Member States are shared and treated as ‘European’ for fishing purposes. The CFP has therefore had overall responsibility for managing all European fisheries, including addressing problems of collapsing fish stocks, over-fishing, fish discards and market organisation. For a long time, the CFP was heavily criticised for failing to meet its responsibilities. Indeed, it has probably been one of the most denounced EU policies, and this by a range of different public officials and stakeholders, including politicians, fishermen, environmental social movements and scientists alike.
However, this criticism has more recently decreased as the CFP has been reformed and moved away from a ‘command and control’ top-down management style by the European Commission, towards more participatory regional approaches. In 2004, new Regional Advisory Councils (RACs) were created for different sea regions, e.g. the North Sea RAC. These were soon being applauded by their members as successful arenas where fishers, scientists, environmental groups and other community-based organisations could tackle pressing fisheries’ problems together. In particular, RACs created new opportunities for exchange over how to balance ecological goals of protecting marine ecosystems and fish stocks with economic and social goals of protecting the fishing industry. Additionally, new long term conservation plans were put in place to help recover key stocks – like the Cod Recovery Plan. It is now generally agreed, even by opponents of the CFP, that these new approaches are beginning to work as stocks slowly recover, alongside the UK industry’s gross profits.

This being said, unlike their farming counterparts, the main UK and Scottish fishing organisations have been reticent to adopt formal positions on the referendum vote. Instead, it has been environmental social movements who have expressly spoken in favour of remaining in the EU to continue building momentum towards consolidating sustainable fisheries management in all European waters, including those of the UK. The arguments for remaining in the CFP are that marine issues transcend borders and that their successful management depends upon international cooperation and clear rules.

Even if this policy has many problems, it nevertheless provides a coherent framework for improving ecosystem management which can and must continue to be worked upon in a direction favourable also to UK fishing interests. Proponents of ‘Remain’ argue further that the reformed CFP European Maritime and Fisheries Fund has a budget of £190 million to which UK businesses and local communities can apply, e.g., to add value to products. Similarly, they point to the vital role of EU markets for the export of UK seafood, in particular high value products such as prawns, lobster or crab. Imposition of new trade barriers following a Brexit would, they argue, seriously disrupt markets at a critical point when stocks and sales are recovering after years of collective efforts by many in the industry and beyond.

By contrast, those in favour of ‘Leave’ blame the CFP for failing to address fundamental problems facing the industry. From this viewpoint, the CFP will always be a bureaucratic and centralist policy that has been poorly managed in the past and continues to be so. RACs have not been given the necessary powers to take key decisions for handling a mixed fishery. Far better, they say, to set up a genuinely regional system of co-management of UK fisheries, accompanied by UK R&D funding, facilitating the technological and social innovation necessary for creating a genuine sustainable industry. A core argument made by these CFP critics is that Brexit would allow the UK to regain its lost control over its territorial waters, including its northern fishing grounds. A reassertion of UK authority over these grounds through regional management structures would, it is argued, provide the best opportunity for the UK industry to grow and adapt.

Several uncertainties facing the fishing industry’s future in a Brexit scenario have been mentioned by both proponents and opponents alike. Even though the UK may assume its formal responsibility for managing the seas up to 200 nautical-miles from UK coasts, it is not
at all certain that this would result in a ban of non-UK vessels from these waters as suggested by some. Actually, it is far more likely that it would not, for the prosaic reason that the fish are unaware of British marine territorial borders: key stocks fished, such as cod, mackerel and herring are highly mobile species – and consequently so are fishers. A central feature of UK fishers’ practice is to fish both inside and outside British waters. Approximately 20% of landings by UK vessels are in ports outside the UK. Additionally numerous non-UK vessels have long-standing historic rights of access into British waters which would have to be respected, both from a legal point of view, but also from a practical one.

If the UK government restricts access, it risks a reciprocal response. Finding themselves limited to fishing in their own waters – and hence fishing reduced resources – UK fishers might be encouraged to over-fish immature stocks or make arguments in favour of higher quotas. The mismatch between the scales of fishing behaviour and the scales of management are therefore not resolved by a Brexit. On the contrary, as now, negotiation would be necessary to agree quotas for fishing vessels sharing resources. If outside the CFP, this would likely be bi-lateral or tri-lateral negotiation between the UK, the EU and other non-EU countries, such as Norway. This form of negotiation has already been criticised, even by CFP opponents. The risk is that quotas are initially agreed, but that states decide afterwards to set a higher quota, thus threatening a collapse of stocks for all.

In short, the very idea of sustainable fisheries and ecosystem management of shared marine resources relies on international cooperation between states – and this would not change were the UK to exit the EU or indeed the CFP.

Conclusion

Current problems and challenges facing both the farming and fishing industries in the UK will not automatically be resolved by a UK exit from the EU. Rather, the interdependent nature of these industries and their markets means that policy solutions would still require to be negotiated with other European countries and the EU. Whereas most farm leaders prefer to negotiate within the EU, their counterparts in fisheries are either ambivalent or undecided.