T.C.
MARMARA ÜNİVERSİTESİ
AVRUPA TOPLULUĞU ENSTİTÜSÜ
AVRUPA BİRLİĞİ İKTİSADI ANABİLİM DALI

COMMON FISHERIES POLICY OF THE EUROPEAN UNION AND TURKEY'S ADOPTATION PROCESS

Yüksek Lisans Tezi

ANIL ÇAKABEY

Tez Danışmanı:Yard.Doç.Dr.Sevgi İneci

İstanbul, 2005

ACKNOWLEDGMENTS

I would like to express my indebtedness to Prof. Muzaffer DARTAN , the Director of the European Community Institute at Marmara University, for his warm encouragement, and to my advisor Yrd. Doç. Dr. Sevgi İneci for her guidance and comments in the maturation of this project.

TABLE OF CONTENTS

PAGE NO.

TABLE

GRAPH

ABBREVIATIONS

ACFM	:ADVISORY COMMITTEE ON FISHERY MANAGEMENT
CAMLR	:CONSERVATION OF ANTARCTIC MARINE LIVING RESOURCES
CAP	:COMMON AGRICULTURAL POLICY
CFP	:COMMON FISHERIES POLICY
COM	:COMMON ORGANIZATION OF THE MARKET
EC	:EUROPEAN COMMUNITY
EEC	:EUROPEAN ECONOMIC COMMUNITY
ERDF	:EUROPEAN REGIONAL DEVELOPMENT FUND
ESF	:EUROPEAN SOCIAL FUND
EU	:EUROPEAN UNION
FAO	:FOOD AND AGRICULTURE ORGANISATION
FIFG	:FINANACIAL INSTRUMENT FOR FISHERIES GUIDANCE
GAAR	:GENERAL ADMINISTRATION FOR AGRICULTURAL RESEARCH
GAAPD	:GENERAL ADMINISTRATION FOR AGRICULTURAL PRODUCTION AND DEVELOPMENT
GAPI	:GENERAL ADMINISTRATION OF PROTECTION AND INSPECTION
HP	:HORSE POWER
IBSF	:INTERNATIONAL BALTIC SEA FISHERIES
ICCAT	:INTERNATIONAL CONVENTION OF THE CONSERVATION OF ATLANTIC TUNA
ICES	:INTERNATIONAL COUNCIL FOR THE EXPLORATION OF THE SEA
ICJ	: INTERNATIONAL COURT OF JUSTICE
IOTC	:INDIAN OCEAN TUNA COMMISION
IUU	:ILLEGAL UNREPORTED AND UNREGULATED FISHERIES
LDWF	:LONG DISTANT WATERS FLEET POLICY
MAGP	:MULTI ANNUAL GUIDANCE PROGRAMMES
MARA	:MINISTRY OF AGRICULTURE AND RURAL AFFAIRS
NAFO	:NORTHWEST ATLANTIC FISHIRIES ORGANISATION
NASCO	:NORTH ATLANTIC SALMON CONSERVATION ORGANISATION
NATO	:NORTH ATLANTIC TREAT ORGANIZATION
NEAFC	:NORTH ATLANTIC FISHERIES CONVENTION
NGO	:NON GOVERNMENTAL ORGANISATION
POS	:PRODUCER ORGANISATIONS
RACS	:REGIONAL ADVISORY COUNCILS
RFO	:REGIONAL FISHERIES ORGANISATION
STECF	:SCIENTIFIC,TECHNICAL AND ECONOMIC COMMITTEE
TAC	:TOTAL ALLOWABLE CATCHES
UK	:UNITED KINGDOM
UN	:UNITED NATIONS
UNCLOS	:UNITED NATIONS ON THE LAW OF THE SEA
VMS	:VESSEL MONITORING SYSTEM BY SATELLITE
WTO	: WORLD TRADE ORGANISATION
WW II	:SECOND WORLD WAR

ABSTRACT

This thesis is structured to explore the formation of Common Fisheries Policy (CFP) and to analyze the policy wise strengths and weaknesses of the system within the European Union if policy makers attempt to implement exactly the same system to Turkish fisheries.

Throughout the history the fisheries industry played a crucial role for household the fisheries industry played a crucial role for households as it provides food and income. When viewed from an historical perspective there has been significant political as well as social conflicts and even wars between states and communities due to the discriminative and unfair exploration of these common resources. The fisheries market has distinct characteristics when compared to regular agricultural markets structure. While the boundaries and limits of agricultural resources are designated by individuals, there is a lack of monitoring and uncontrolled nature for fisheries as aquatic products have the ability to relocate. Contrary to the nature of agriculture, fisheries resemble varying resource characteristics depending on exogenous and uncontrollable factors. This is the major justification for the arrangement of a specific and a custom tailored policy for fisheries market. As a secondary factor for the immediate formulation for the fisheries market comes from the rapid increase in production between the years 1956-1965. During these years, the production of world's fishery increased by fifty percent (50%) which levied significant policy concerns on the issue of sustainability of exploitation. Technological advancements in the industry, which supported hunting productivity, vessel and equipment modernization led to massive exploitation of aquatic resources, creating the unwillingly expected danger of extinction of aquatic species. As the level of diversity of resources declined, there came the serious threat of extinction of aquatic products.

Becoming more and more threatening for countries that generate foreign revenues from fisheries, further regulation and monitoring of industry activities were set as the primary agenda of related states.

For these issues, the thesis also explores the potential policy adaptation timeline as well as the compatibility solutions for Turkey's fisheries.

However, Turkey's fishery industry lacks some critical talents and depresses its market-wise activities, which primarily leads to unsustainable exploitation of its resources. Mainly, administrative shortages coming from political instability, nepotisms and rent-seeking activities doubled the unhealthy nature of the market. These issues have been set as the primary agenda for the EU and for the Turkish government as Turkey re-organizes its liberal market structure within the framework of the EU's accession guidelines.

ÖZET

Bu tezin yazılmasındaki amaç Avrupa Birliği'nin Ortak Balıkçılık Politikası'nın oluşumu, bu oluşumun gerekliliğinin nasıl ortaya çıktığı, yaşanılan başarı ve başarısızlıkların incelenmesidir. Bu yapılırken Türkiye'nin durumu, üyelik için ne kadar hazır olduğu, konuyla ilgili iç problemleri irdelenmektedir.

Avrupa Birliği bilindiği gibi diğer uluslararası organizasyonlardan farklı olarak uluslarüstü bir özellik göstermektedir. Bu özelliği ile bir çok alanda düzenlemeler ve yaptırımlar getirmiştir, bunlardan biri de Ortak Balıkçılık Politikasıdır. Balıkçılık tarihler boyu hem gelir, hem de bir besin kaynağı olarak görülmüştür. Balıkçılık tarihi, siyasal, sosyal, ekonomik değerleri içersinde barındıran bir alandır ve balıklar ortak bir mal ve miras olarak görüldüğünden konu zaman zaman karmaşık bir hal almıştır. Bu durum ülkeler arasında savaşlara bile neden olmuştur.

Bu çalışmada, balıkçılığın ve Avrupa Birliği Balıkçılık Politikası'nın tarihsel gelişimine, uygulamalarına, karşılaştırmalı olarak yer yerde olaylardan örnekler vererek değinilmiştir. Üç tarafı denizlerle çevrili ülkemizin bu doğal zenginliğini nasıl daha verimli ve gelir getiren bir alan haline dönüştürülebileceği, bu alandaki eksikleri incelenmiştir.

INTRODUCTION

Fishing was an activity that first began as providing food for humankind. However, it evolved as an activity, which not only acted as a source of food but also a culture and communal way of living. Soon, fishing progressed towards a commercial phase and turned out to be an economic activity and brought communities together, organized them around rules and regulations within specific regions. As a result, the fishery sector gained its legal identity as a section to be outlined separately during policy analysis (www.wikipedia.com).

Today, developed nations distinguish themselves from those, which are still developing ones through the degree to which they intensify their focus on targeted fisheries sector policies. Quite often, this focus manifests itself as the creation of channels for private initiatives. The major difference in the social and economic settings in developed and developing countries, it can therefore be argued, is found in their institutional environments; namely the effective enforcement of property rights, the judiciary as well as the governments' role in perpetuating sector specific developments. In this respect economic and social welfare are maintained through the effective functioning of institutions in the economy as well as through the maintenance of a stable political structure. In cases where the fisheries sector is considered to be of crucial importance for domestic policymakers who wish to foster sustainable development in the developing countries, the customized formulation of policies and the assurance of institutional quality can be expected to dominate their agendas.

In this respect the history of Turkey's fishery sector when viewed from the European perspective, presents something of a social, political as well as an economic puzzle. For the past 30 years, sector specific development programs have remained ineffective, and the fisheries sector has become incapable of meeting international standards.

Because of this, Turkey has not yet been promoted to the league of mass fish exporting countries. This circumstance has primarily been attributable to insufficient policy support, inefficient implementation of the commercial code, undeveloped specialized courts, an absolute administrative infrastructure, and lack of a sound competitive structure. To make matters worse, underdevelopment in the fishery sector has resulted in the destruction of the fishermen's social and economic climate, thus erecting yet another obstacle to the potential of success in entrepreneurial activities. A lack of financial support to be offered to commercial and rural enterprises and micro-credit to producer cooperatives has multiplied the negative experiences of the fishery sector there. Since political parties have favoured industrial policies over those, which encourage small- to medium-sized business, significant portions of the government budget have been diverted, in an unplanned and unsustainable fashion, to large business sectors. This pattern has characterized the economy's dual structure, in which agriculture (including fisheries) and industrial production have been surviving at subsistence levels. On the contrary the EU has formulated a policy for the fisheries to be managed and developed. As a result, the Common Fisheries Policy (CFP) of the EU emerged in 1970. It aimed to "ensure the sustainability of the sector and to boost the incomes of those employed in it; this will only become possible if measures are taken to secure the long-term future of the fishing activities" (COM(2002e) Final,186, p.28).

In addition, it is possible if there is a balance maintained between resources and fishing effort, considerable transparency in devising and implementing policies, some flexibility in applying measures, effective involvement of interested parties and finding solutions to social problems associated with restructuring the sector and reducing the capacity. In this respect the thesis will try to explore whether the above-mentioned measures are applied effectively in Turkey or not.

The paper is organized in four chapters. The first chapter covers the brief history of fisheries as well as the application of policies, so that a perspective can be created through taking into consideration, the evolution of Common Fisheries Policy in European countries. The second chapter focuses on the management and conduct of CFPs. CFPs are managed and conducted under the legal framework which is drawn within the EU outlook. The objectives of the CFP are outlined and then the policies implemented to conserve and manage the fisheries are provided. The methods such as the Total Allowable Catches, Multi-Annual Guidance Plans and Financial Incentives to be given is described briefly. The second chapter is concluded with the control and enforcement of the CFP regime. The third chapter describes the European Union's external relations in terms of the fisheries activities. Regional and international dimensions of the fishery sector is provided to give an insight on how fisheries are managed globally. The last chapter explores the administrative capability for Turkish Fisheries, compared to that of the European Union. Information on fishing activities in Turkey, resource definitions, and key mechanisms are also provided. Following the comparison between Turkey and the EU, the policy environment and applications in member states are covered to understand the nature of the topic with scrutiny. To conclude the thesis, recommendations on sector specific issues and policy solutions are provided.

1. HISTORICAL OUTLOOK: The Fisheries Policy in the World

1.1 Early Developments

A fishery has been an important part of human life, and played a crucial role in food production in history. It may be considered as a significant economic activity for families and households, a work field for professionals as well as an activity, which incorporates cultural and traditional values. Hence, a fishery may not only be considered as a source of food and work but also represent the characteristics of a community and cultural identity. A fishery also has a global dimension through which the owners gain or lose from externalities and economic transactions. For example one of the world's most significant transactions is the trade of dry cod from North-Atlantic Sea to the countries in the Southern parts of Europe, including Spain, Italy and Portugal. Reviewing the history of international trade; it is obvious that cod trading started during the Viking period and has been going on since then. The cod populations of the North-West Atlantic opened up enormous source of food for the European community. A fishery of the time, which was operated by fishermen in Western Europe, provided the basis for the settlement of numerous coastal communities in the world. The fisheries for cod in the earlier centuries were important for trade, industrial development and the economic expansion, between Europe and Newfoundland coastal communities (Lear, 1998 pg: 41).

The abundance of aquatic species in the New World became the common knowledge especially for Europeans.

Fishing had been as glittering as those of gold had. Therefore, during this time while kings fought religious dynastic wars, fishermen went to North American waters.

For example; the Portuguese began fishing in Newfoundland waters in 1501 and French fishermen had appeared in 1504 and began to develop a bank fishery (Lear,1998 pg:41).

During the first half of the century, England utilized fishing grounds closer to Britain. The English cod fishery at Newfoundland began to expand significantly right after mid-century. Because of population growth in England the restructured and upsized Navy displayed a large demand for fish as a major source of food. During this era, fishing activities in Europe were carried out by migratory fishermen from Spain, Portugal, France and England who sailed to the Newfoundland (Lear, 1998).

By the late 1820s, the Labrador fishery[1] was established. It consisted of two types of fisheries; stationers and floaters. Stationers were the fishermen who caught and cured fish in one place while floaters were the fishermen who moved around various fishing grounds and generally salted their catch on board and brought it back to the island to be dried. During this period, traditional methods of inshore fishery operated by small boats that were seen in the 18th century extended its roots to the following century. The use of cod trap had become widespread at that time due to its applicability to shore fishery (Lear, 1998).

[1] Labrador fishery is similar to that of Newfoundland, in terms of the policies adapted and the problems of exploitation. The only difference may be that Newfoundland's settlement pattern preceded that of Labrador by about a century. Although Labrador was home there were no permanent settlers before 1815, Europeans had been visiting the region for quite some time (Butt, 1998).

As a critical fact in history the steam power was introduced during the 1860s; however, it did not change the level of efficiency for hunting at inshore fisheries thus it enabled larger amount of goods to be transported to the market.

The year 1882 was the turning point in the history for fisheries. The first convention regarding the fishery activities in the North Sea was signed.

This convention, on May 6, 1882. It was the consequence of a series of conferences, which were held for regulating the policies of fisheries in the region. Its signatories were Great Britain, Germany, Denmark, Holland, Belgium and France.

The major result of this convention was to initiate a border limit between fisheries, which was operative only 3 miles off the land. This limit is defined as:

> The fishermen of each country shall enjoy the right of fishery within the distance of 3 miles from low water mark along the coasts of their respective countries, including islands and banks (http://www.oceanlaw.com).

However, the article could not prejudice the freedom of navigation, which had been considered a major inadequacy.

Following the primary attempts of mutual agreements between countries, a supplementary convention had been signed at Hague on November 16, 1887, which aimed to address the problem of liquor traffic in the North Sea. This was mainly driven with the fact that the Nordic countries were not willing to share the resources with other countries. In the end, each contracting government undertook to prohibit the sale landing or to offer the sale in each territory of any sea fish of the descriptions set out in the annex of the convention (http://www.oceanlaw.com).

Fisheries Regulation Act of 1895 also provided restrictions on certain methods of sea fishing outside the limits of territorial waters. It also admitted that no power could be given to apply non-British fishermen hunting beyond British territorial waters (http:www.oceanlaw.com).

In 1889, there was also another important act. It forbaded the methods of trawling named as *The Herring Fishery Act.* This act gave rise to attempts of litigation on whether or not the prohibition had actually applied to non-British ships beyond 3 miles limit.

Although the British Court said there was not any distinction between foreigners and British they are all binded to the 3 miles limit, the British law was not applied outside the limits of territorial waters (http://www.oceanlaw.com).

At the beginning of the 20th century, important changes began to take place in the Atlantic fisheries. The use of draggers, which were a highly efficient instrument in production; had been introduced in the Atlantic coast. However, this technological innovation met powerful opposition from the line fishermen, who saw it as a threat to their livelihood.

1.2 Recent Developments

The stylized facts and the characteristics of fishing industry, which have been reviewed in the previous section from an historical perspective, have also been under scrutiny by today's communities. International organizations regulated the international fisheries before a common policy to regulate the fishing activities, was set out by EC members who provided funds to help the activities to take place. Among these, the *International Council for the Exploration of the Sea* managed the international fisheries during the first half of the 20th century (Kılıç, 1992, p.11)

In 1946, the *International Conference on over fishing* was held in London. The conference focused on the formulation of micro-level policy issues such as the sizes of the net meshes, allowance for dimensions for fish hunting etc.

Such rules were set up and signed by Belgium, Denmark, France, Iceland, Ireland, the Netherlands, Norway, Poland, Portugal, Spain, Sweden and the UK ; all of which are current EU member states (Kılıç, 1992, p.11 and 21). However, the conference was not a solution to the problem for the effective enforcement of intended regulations. The convention applies to all waters situated in the Atlantic and Arctic Oceans.

All the articles in the convention apply on the rights of vessels owned in the territory of governments to fish in the waters and have the exclusive jurisdiction over fisheries.

Following the initiation of this convention the commission known as the International Commission on North Atlantic Fisheries has been established.

The representatives of the governments came together to share an interest in the conservation of fishery resources of Northwest Atlantic Ocean. They have concluded a convention for the protection and conservation of the fisheries of Northwest Ocean. In order to carry out the objectives of the convention, governments maintained a panel, and they tried to enact a maximum sustained catch levels from the fisheries. Following these progresses in the industry, Belgium, Denmark, France, West Germany, Ireland, Iceland, the Netherlands, Norway, Poland, Portugal, Spain, Sweden, the UK and the Soviet Union signed the North East Atlantic Convention in 1959. The theme of this convention aimed on the crucial analysis of fish stocks and rational exploitation of fisheries in the North East Atlantic Ocean; a deliberately structured attempt to solve century's fishing chaos. The signatory states desired to ensure the conservation of fish stocks with in the parts of Atlantic and Arctic Oceans and in their dependent seas.

The purpose of the Convention was to regulate the activities of vessels and boats engaged in fishing on the territory in relation to any contradicting state, which has exclusive jurisdiction over fisheries on the waters within the convention area. The convention also incorporated regulations to address the problems on fisheries related to physical aspects of hunting and catching such as the size of mesh of fishing nets, size and limits of aquatic products, establishment of closed seasons, and closed areas as well as descriptive characteristics on fishing gear and appliances. The articles relate all the species of sea except the sea mammals (http://www.oceanlaw.net).

The fishery industry has a vital importance in terms of food and job for coastal states and this has been the driving force behind many great disputes between some states. For example, the case of Norway and the United Kingdom was the most important one.

It was known as the *Anglo-Norwegian Fisheries Case* in which UK could not succeed in imposing a ten-mile base line for closing the bays in Norwegian coast. It was solved under the provisions of the *UN Convention of the Law of the Sea*.

The commission engaged in the *Anglo-Norwegian Fisheries Case* in 1951 utilized the method of *tracés paralleles*[2] for the delimitation of maritime zone boundaries from straight baselines.

Six years later, another important dispute took place between Iceland and the United Kingdom. The industry referred to this as the Anglo-Icelandic Cod Wars between the years 1950 - 1970.

[2] *Tracés paralleles* is a method of envelopes of arcs that is applied to points on the normal baseline. Many sets of national maritime legislation now reflect the application of this method of deliminating zone boundaries from straight baselines through inclusion of following or similar phraseology; by a line every point of which is at a distance of mutually agreed miles from the respective baseline. (Murhy et al, 1993 pg: 13)

The waters of Iceland continental shelf are among the richest fishing grounds in the world and generate more than 70 % of Iceland's government revenue in the form of foreign exchange. Iceland had 3 miles territorial limits before 1952 but expanded its fishing jurisdictions from 3 to 4 nautical miles. Because of this rapid expansion, Britain and Iceland got into conflict from 1951 to 1977 (Johannesson, 2004 pg: 543).

Major shift in the agreements between the two countries started as Iceland extended their fishing limits from 4 to 12 nautical miles. Iceland banned all trawlers within 12 miles from its coast to protect increasingly endangered fish stocks. Britain was unable to prevent Iceland from extending its fishing limits and as a response to an uncontrolled prohibition of its rival, it refused to recognize the action (Johannesson, 2004 pg: 544). Britain and other European countries argued for their traditional fishing rights. British trawler owners boycotted Icelandic trawlers and fish landings in British ports.

Finally, a Royal Navy sailed to north to protect trawlers from arrest by Icelandic gunboats and the dispute was named with its popular nick of the "Cod War". It was a very serious conflict of the period because Iceland was a relatively poor nation and had just declared its independence right after the World War II.

The stress between the two nations created new political dynamics between European states, as Iceland acted strictly on the fishery policy of one of its member state.

Despite the fact that Britain had strong political roots and a well-structured naval force, Iceland won the Cod War in 1961 (Johannesson, 2004).

In 1971, Iceland announced its intention of extending the fishing jurisdiction to 50 miles. The British and the West Germans protested. The British Royal Navy ships were sent to escort British trawlers on the fishing grounds again it caused another dispute and started the second Anglo-Icelandic Cod War. Iceland used NATO affiliation and its airbase to bargain for outside pressure, to be placed on Britain.

This conflict was concluded with an agreement between the two countries. It limited British fishing to certain areas allowing inside the 50-mile limit. Britain agreed that British vessels could not catch more than 130.000 tons of fish annually. This agreement was valid for two years because the third Cod War started when Iceland extended its fishery jurisdiction to 200 miles (Johannesson, 2004).

Iceland not only threatened to withdraw from NATO alliance but also threatened to close NATO base at Keflovik. The base was important because it could defend the Atlantic from Soviet incursions. The conflict lasted for seven months. Britain did not recognize Iceland's demands to extend its nautical miles to a 200-mile limit and Britain continued fishing in the disputed zone. The decline in the fish stocks quickened Iceland's action because fishing was the main industry in Iceland.

1.3 Fisheries Policy in the European Union

European Union, a part from the other international organisations such as the General Agreement on Tariffs and Trade (GATT) the North Atlantic Treaty Organisation (NATO) which are act on the principle of interdependence, is based on the idea of supranational authority. The member states transfer some policies to a body which is formed by all the member states (Dedman, 1996).

The aim of the cooperation is usually keeping security and the peace between the member states but EU tries to build a cooperation on mutual benefit between the members gradually in many policy areas (Moussis, 2004).

In this respect, fishing has a vital importance in economic, social and cultural aspects of the European Community. The examples given in the previous chapters display the fact that exploitation of common resources may cause massive political conflicts between different interest groups. When reviewed from an economic perspective; the EU fishing industry provides approximately 450.000 jobs for community members. It can even generate a large proportion of government's revenues through inland taxation and exporting. In this respect, what has been required for decades, was to maintain a sustainable policy base, as well as the enforcement of appropriate and multi-dimensional property rights, to guide common property resources. Through this objective, the Common Fisheries Policy regulates fisheries and aquaculture activities in EU waters. The need to protect the fishing area is strictly enshrined in the *Treaty of Rome*, which then established the European Community in 1957.

A significant sectoral movement came with the *The European Fisheries Convention which* was held on 9 March 1964 in London and was enacted on 15 of May 1966.

Participating countries[3] gathered to define a regime, of fisheries of permanent character. They desired to establish a fishery regime for maintaining the right of the coastal state to fish exclusively within the belt of six miles from baseline of its territorial sea. The right to fish between 6 and 12 miles measured from the baseline of its territorial sea was given to the coastal state. The coastal state also had the power to regulate the fisheries and enforce the regulations. It is important to notice that as a fact of this agreement, a coastal state also may exclude the particular area in order to give preference to the local population, if it overwhelmingly depends on coastal fisheries. It offers a new 2-zone system of "0-6 mile belt" and "6-12 mile belt". In the 0–6 mile zone, the zone was under the jurisdiction of the coastal state. The 6-12 mile zone led the fishermen who traditionally fished there to continue to do so. However, not all the states in Europe welcomed this Convention and countries such as Norway, Iceland and Switzerland did not sign the Convention. Denmark signed it with a reservation, which pointed the exclusion of its dependencies of Faroese and Greenland (Kılıç, 1992, p.13).

It was during these times that the European Community began to consider the fisheries policies. In 1965, the foundations of the first Common Fisheries Policy (CFP) were laid. EC set out a comprehensive analysis of the fisheries in the Community and came up with the major guidelines to govern the CFP along with the lines of the Common Agricultural Policy (CAP). During those times, the Committee had to cope with the establishment of the CAP but still examined the EC's guidelines on the CFP (EC 2002g, p 5). The basis and the guidelines of the CFP were created along the lines of the CAP since the founding treaties of EC necessitated this to be so.

The *Treaty of Rome* did not touch upon a common fisheries policy but it contained the same definition of agricultural products, to include fisheries.

3 Signatories were Austria, Belgium, Denmark, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweeden, Great Britain and Northern Ireland.

In essence, CFP aims to protect, manage and control the source from which all Member States may be benefited. CFP was set down in Council Regulation 3760/92[4] and this regulation is referred as the umbrella policy covering all aspects related to fishing and aquaculture. Although CFP has the same legal basis with CAP, the two sectors have some differences; in contrast to agriculture surplus. There is a scarcity in fishing industry and that is why it should be more appropriate to distinguish the management and policy aspects of the issue.

The legal basis of CFP is based on Articles 32 to 38 of Title II of the EC Treaty, which covers the following statements:

> Under Article 32, the internal market extends to fishery products and must be accompanied by the establishment of common fisheries policy.
>
> Article 33, lays down the objectives of that policy, namely increase productivity, ensure a fair standard of living for the fishing community, stabilize markets, assure the availability of supplies and ensure that supplies reach consumers at reasonable prices.
>
> Article 34, provide coordination of efforts in the spheres of research and vocational training
>
> Article 35, provide the competition rules
>
> Article 37 and 38 concern the following items;
>
> 1. The common market shall extend to agriculture and trade in agricultural products. Agricultural products' means the products of the soil, of stock farming and of fisheries and products of first stage processing directly related to these products.
>
> 2. Save as otherwise provided in Articles 39 to 46, the rules laid down for the establishment of the common market shall apply to agricultural products.
>
> 3. The products subject to the provisions of Articles 39 to 46 are listed in Annex II to this Treaty. Within two years of the entry into force of this Treaty, however, the Council shall, acting by a qualified majority on a proposal from the Commission, decide what products are to be added to this list.

[4] Council regulation EEC No 3760/92 of december 1992 establishing a community system for fisheries and aquaculture contributes towards achieving a balance between conservation and the management of resources on the one hand, and fishing effort and stable and rational explotation of those resources on the other. (Official Journal of The European Communities 26.6.1999)

> 4. The operation and development of the common market for agricultural products must be accompanied by the establishment of a common agricultural policy among the Member States (http://europa.eu.int).

The key factor for the EC to consider CFP on the agenda of EC during these times is related to the successive enlargements of the EC. Towards the end of 1960s, the applications of member states such as UK, Ireland, Denmark and Norway paved the way to the thought that the fish production would quadruple. The "Six" member states had different interests and considered the strategic contribution of newly coming members. France needed community funds so that it could develop its fisheries organizations, protect its highly subsidized fishing industry and renew its fleet. However, Germany and the Netherlands did not support the idea of transferring funds through common financial agencies to their fishing industry. This was due to the fact that they already had their own producer organizations. Similarly, Italy also looked for some kind of funding that France has been seeking.

Of the applicant states, Norway was not content with the rule of the Community that asked the applicant state to accept and comply with all the decisions taken before its membership. Norway wanted to take its place in the discussions for the CFP as it was ranked amongst the largest fish producers in Europe. The EEC has a Framework Agreement[5] with Norway based on the negogiation of an annual fisheries agreement on TACs by reciprocity.

> EEC and Norway have agreed :
>
> that certain stocks and, based upon a detailed examination of scientific data on the distribution of the stocks between the waters of each EEC and Norway have decided on the proportion of the stock which inhabits the waters of each owner
> that certain species, although occuring in the waters of both owners, should be treated as autonpmous stocks for the purposes of management
> to differ on certain stocks which the EEC claims as an autonomous stock and Norway claims as a joint stock (Holden, 1984 pp:114).

[5] Framework Agreement sets the stage for future substansive liberalization by defining the scope and terms of reference for some new area of discussions. GATS is a good example which was signed as part of Uruguay Round (http: // info wiu.ca).

Ireland limited its fishing industry to coastal fishing and thus had no interest in distant fishing. Denmark had quite important industrial fishing activities as well as the UK. (Lequesne, 2000, pg. 347, Kılıç, 1992, pg.14).

Along with these policy conflicts, in 1966, the report on the *"Situation in the Fisheries Sector of EEC Member States and the Basic Principles for a Common Policy"* was prepared and transformed into a proposal in two years period. In 1970, the French government forced the adoption of two important measures. The first measure established the principle of free and equal access for member state vessels to all Community waters. However, France initially rejected the principle saying that establishment was necessary to have access to the resources of a coastal state, to gain in the other grounds. The French deep-sea fishermen who caught almost 65% of their fish in what would become British Exclusive Economic Zones and 20% in Norwegian and Faroese EEZ perceived the extension of EEZ to 200 miles from coasts of applicant countries in North Seas, as a threat. The Commission did not accept the French argument on the grounds of national discrimination contrary to the *Treaty of Rome,* considering the mobility of common property fish resources. Some derogation was then made to the principles of equal access. The second measure created a common market organization for fisheries products and this market was administered by price stabilization mechanisms. The Regulation 2142/70, which established the common market for fisheries has been modeled on the rules of CAP. Its objective was to provide a reasonable income level to the producers and to maintain stable supply to consumers (Lequesne,2000, p 347).

The ideology of sovereignty in fishing activities empowered new member states to show a response, that would limit the access of third countries to Community waters. The member states met in Hague in November 1976 to create an exclusive economic zone of 200 miles for all member states, which focused specifically on economically disadvantaged regions.

In this respect, the *Hague Resolution* of 1976 clearly underlines the need for continued and progressive development of areas particularly depent on fisheries.

In the end; in January, 1977 the member states shall extend the limits of their fishing zones to 200 miles off their North Sea and North Atlantic coasts, without prejudice to similar action being taken for other fishing zones, within their jurisdiction, such as the Mediterranean (Kılıç, 1992, p 17).

In 1976, the structural regulation of 2141/70 and the marketing regulation of 2142/70 of the CFP were changed. 2141/70 states that:

> Rules applied by each Member State in respect of fishing in the maritime waters coming under its sovereignty or within its jurisdiction shall lead to differences in treatment of other Member States…Member States shall ensure in particular equal conditions of access to and use of the fishing grounds situated in the waters referred to… for all fishing vessels flying the flag of a Member State and registered in Community Territory (Gray, p:434).

Along with these structural attempts, the marketing regulation established the Common Organization of Market (COM) as the element of CFP, which also regulates supply in relation to demand on the Community market for fisheries products. In 1977, the functions of the COM were further extended to regulate trade relations with the third countries, which particularly give reference to fish products to be exported to EU member states. When viewed from an economic and socio-political perspective COMs were expected to balance the needs of EU fisheries market and the interests of fishermen within the Community. These functions necessitated that the Community should modernize the vessels, construct new ones, develop fish farming, adjust catching capacity, improve processing and marketing through co-operative agreements. Since 1992, there has been considerable progress on both the European and the global level. Since the international environment has changed dramatically resulting in environmental degradation and worsening, many developing states wanted to develop their fishing industry, to secure market conditions at lower costs.

The requirements for sustainable development, also imposed new challenges to the CFP. With the increasing demand for aquatic products, spinning prices led policy makers to review the aspects of Common Fishery Policies.

In accordance with this requirement, the Commission held a public hearing in Brussels, in June 2001. Many comments from industry representatives, policymakers, environmental agencies and NGOs on the Green Paper were submitted.

In January 2002, the European Parliament adapted a resolution called for “a fisheries policy” which based on rational management of resources, mainly focusing on the preservation of fish stocks and the maintenance of the way of life for those who depend on the sea traditionally. In summary, it was a policy of relative stability which facilitates a fair and equitable regime, for distributing fisheries dependent regions. It was impartial, stable, and enforceable under Community control (COM 2002, pg.4).

At the end of the debates, on 16-20 December 2002 in Brussels, the Agriculture and Fisheries Council held a meeting. The ministers agreed to reform the CFP. The imminent danger of exhaustion, and setting up of TACs and quotas for 2003. According to the CFP reform in 2002, the new council regulations were on the issues of conservation and sustainable exploitation of fisheries resources, emergency, Community measure for scrapping fishing vessels and the Community structural aid in the fisheries sector. With this reform, the so-called “Scrapping Fund” for decommissioning of vessels was also adapted. With this reform, there were changes such as focusing on the sustainable exploitation of living aquatic resources, based on sound scientific advice and on the precautionary approach to the fisheries management. With the multi-annual recovery plans for stocks outside the safe biological limits and multi-annual management plans for other stocks, a more long-term approach was adapted in the CFP 2002 Reform.

The reform has also responded to the challenge imposed by the overcapacity of the EU fleet through two channels. The first was a simpler fleet policy that put responsibility for matching fishing capacity and fishing possibilities with the Member States.

The second set of choices was to divert public aid to the private investors to renew their fishing vessels. These reform policies replaced the previous system of Multi-Annual Guidance Programs (MAGPs).

With this new system, the Member states would be more responsible to achieve a better balance between the fishing capacity of their fleets and available resources.

According to the second set of measures, aid for the renewal of fishing vessels would be phased out and would only be available for two more years. Through this method, the two-year plan would allow Member States to continue the modernizing of fleets. In this respect no such aid would then become necessary after 2004 (COM(2002e) Final,186).

Another key recent development is the principle of relative stability, which has effectively been maintained. The regulations of the “so-called” “Hague preferences”, allowed the allocation of additional fishing opportunities to be safeguarded the particular needs of regions are also maintained (COM, 2002d). Hague agreement was dealt with the problems of fishing activity particularly to the economically disadvantaged regions. It also provided the progressive development of the Irish fishing industry. With this agreement, the European Community had extensive fishing grounds. It gave the member states an extension of fisher zones out to 200 nautical miles. Hague preferences also gave a guaranteed amount of quota for the certain species in these areas.

Following these restructuring attempts, Regional Advisory Councils (RACs) were established by the Council to improve the participation of fishermen and other stakeholders of the CFP. The anticipated members were councils, fishermen, scientists, environmental and consumer groups, including several Non-governmental organizations. In addition, national and regional authorities from any member state were welcomed to participate in.

The objective of RACs creation enabled intermediary regulatory boards to work together, to identify the ways of achieving sustainable fisheries in the areas engaged in aquatic resource exploitation.

Since 1990s, the CFP has been evolving towards a more global approach, which was more consistent in its different elements.

According to the Committee, the main aim of the CFP is to "ensure the sustainability of the sector and to boost the incomes of those employed in it; this will only become possible, if measures are taken to secure the long-term future of fishing activities" (COM(2002e) Final,186, p. 28). The success of the "CFP would depend on the balance struck between resources and fishing effort of its stakeholders; considerable transparency in devising and implementing policies; some flexibility in applying measures; and also effective involvement of interested parties and finding solutions to the social problems associated with the restruction of the sector and reduced capacity would be needed" (COM(2002e) Final, 186, p 29).

Finally, The new Common Fisheries Policy entered into force on 1 January 2003 and had four main elements

Long term sustainable management approach
A new policy for the fleets, balancing fishing capacity and available resources
Better application and enforcement
Improving stakeholders involvement (Nerheim,2004 pp:1).

The objective of the new CFP was to sustain fisheries management which provided sustainable environmental, economic and social conditions.

2. MANAGEMENT & CONDUCT OF CFP:

An Interdisciplinary Approach to Policy

Along with the complex nature of fisheries industry CFP is intended to cover the conservation, management and exploitation of living aquatic resources and aquaculture. Besides, the processing and marketing of fishery resources and aquaculture products are crucial for the reason that these activities are practiced on the territory of the Member States or in the Union waters or by Union fishing vessels or nationals of Member States regarding the provision of Article 117 of UNCLOS (COM, 2002c, p. L358/59). To cover these administrative and managerial capabilities this chapter is divided into three sections, to explore the scope of CFP in more detail. In the first section, the objectives of CFP was examined so that the management and conservation policies could be analyzed bearing in mind the focus of CFP. In the second section, the conservation of resources and management of fisheries would be discussed. The structural policies, the resource policies and the Common Organization of the Market wiould be analyzed in different divisions. In the final section of this chapter, the control and enforcement of the CFP will be detailed out by pointing the issues of inspectional structure, implementation of measures and the reform of the control regime.

2.1 The Objectives of the CFP

In 2003, new reform act started for The Common Fisheries Policy with the reason of making the fisheries zones biologically, environmentally, and economically continuous and to provide sustainable development (Redmon, 2005). Therefore, the objective of the common policy was focused on the provision of sustainable exploitation of the living aquatic resources and the aquaculture, in the context of sustainable development.

When viewed from this perspective, policy variables were clearly consisted of multi-dimensional and balanced environmental, economic and social aspects. The CFP has its roots from qualitative and quantitative research, since its nature requires multi-discipliniarity. Bolster the technical development and to raise the productivity. Also the market should achieve sustainability. Food security should be provided and the consumers should be given the opportunity to buy products at rational prices (Tiryakioğlu, 2003, p 7). As these are the economic and rational for the utilization of policies; these steps should be achieved through measures that will require responsible and sustainable fisheries and aquatic activities which contribute to the healthy marine ecosystems, providing an economically viable and vying fisheries and aquaculture industry that will benefit the consumer, and a fair standard of living for people who earn their household income through fishing activities.

For the measures that will provide sustainable development in social, economic and environmental aspects, the CFP should function effectively.

Thus, the effective functioning of the CFP lies in conditions that will ensure:

1) Openness and Transparency: The quality and the transparency of the scientific advice and data where the decisions are taken accordingly, should be improved.

Thus the decision making process will be shorten and end up in timely results. In addition to them, the information gained from the market should be used efficiently.

2) Participation: The extensive involvement of stakeholders at all stages of the policy from conception to implementation is crucial. This all-level participation should also be effective at local and regional levels. This can probably best be maintained through the decentralization of the whole decision making process as local governments and authorities are empowered and endowed with more decisive resources.
3) Accountability: A clear definition of responsibilities at European, national and local level will help the CFP to achieve its aims more easily since management and conduct of CFP will be in a more disciplined and organized way.
4) Effectiveness: The results of the decision-making process will be properly evaluated, controlled and complied with.
5) Coherence With Other Union Policies: especially with environmental, social, regional, development, health and consumer protection policies through a cross-sectoral approach (COM, 2002c, p. 358/61 and COM, 2002, p 5).

Within the context of CFPs multiple track strategies were utilized, in order to achieve the intended objectives. A longer-term approach to fisheries management; especially on the stocks management was taken.

The longer-term plans were divided into two types; recovery plans and management plans. The recovery plans aimed to assist the rebuilding of stocks that are in danger of collapse. The management plans helped to maintain the other stocks at safe biological levels. With these plans, the Commission would be able to consult with the parties concerned on the aims of the plan concerned and the way to meet the (EC, 2003d, p 1).

Under the multi-annual plans, number of measures would be taken according to the state of stocks, the objectives, targets, the time frame, biological characteristics of stock, and characteristics of the fisheries and the potential economic impact of the measures on these fisheries. In addition, the objective of the CFP would be shaped according to the other measures which were:[6]

a) Limiting the level of fishing effort has a crucial role in recovery strategies especially when they concern species caught in mixed fisheries.

b) The application of technical measures such as prohibition on access to certain zones, restrictions on the use, number or structure of fishing gears on board and minimum sizes of fish retained on board or landed.

c) Provision of incentives to encourage the use of fishing techniques that have a low impact on marine ecosystems (EC, 2003d, p 2).

Also, it should contribute effective and efficient fishing activities under economically viable and competitive fisheries circumstances.

[6] The strategic development report on agricultural production in Turkey prepared by the National Planning institute incorporates somewhat similar policy approaches to current CFP of the European Union.

In summary, the CFP should ensure the conservation of increasingly fragile fishstocks, promote the continuation of fishing activities, and modernize the means of production while limiting fishing effort. It also aims to ensure the proper implementation of conservation measures.

Although it maintains employment, it still reduces fleet capacity. The Union's own supply of fish products decreases and the EU market depends more and more on imports each year to ensure a fair income to the fishermen, acquire fishing rights in the waters of the third countries without threatening the sustainable exploitation of fisheries.

Policy makers concerned with sectoral re-structuring in EU states perceive CFP as a single-track strategy towards sustaining production and social welfare in their own states. However, CFP displays some ambiguities as it serves the needs of a multi-stage and diverse industry. In this respect its applicability to every economy may incorporate some policy weaknesses. Not all states possess the same characteristics as they cover differing coastal zones, aquatic products, and market characteristics. Consumer theory even holds a stake in the argument that country specific consumer characteristics represent somewhat an economic and social puzzle. Hence CFP, although rigidly structured, represent an overall idea on European fisheries but does not cover country specific solutions.

2.2 Conservation of Resources and Management of Fisheries

The International Council for the Exploration of the Seas (ICES)[7] has expressed its concern for the decline in the quantities of fish for the last twenty-five years. For example, the quantities of mature demersal fish were about 90 % greater in the 1970s than the figures in the late 1990s (COM, 2001, p7). For cod, decline has been even more serious. The levels of exploitation of fish stocks are very high that if this exploitation continues, sustaining a high level of stocks will be jeopardized. For example, in 2002 the EU produced nearly 5% of the world total fishery products. Between 1995 to 2002 EU production fell by 17% while world production rose by 17% Denmark, Spain, France and the United Kingdom accounted for 60% of the total EU production. Nearly all member states reported declines mainly coming from Denmark, Spain, Poland and Italy. Only Lithuania recorded increase in production (EU Statistics, 2005).[8]

Besides this problem of low level of fish stocks, the degradation of the habitats is another major concern. The over-capacity of the fleets in the EU has led to the over-exploitation of stocks, which seriously affected the habitats. In addition, pollution also has a negative effect on the quality of fish.

The industrial and tourism activities trigger the environmental problems and this in return may cause the degradation of habitats. Another concern is related with the fishing capacity, the tonnage and the essential engine power. The new vessels exert more fishing effort than the old ones and for sure, the current fleets are much larger.

All these concerns require a sustainable conservation and management policies of the fisheries that will decrease the negative impacts of fishing and fishing activities.

[7] ICES is the organisation that coordinates and promotes marine research in the North Atlantic (http://www.ices.dk/indexfla.asp).
[8] For more information see annex 2

First of all, the CFP is expected to consider the balance between environmental and fisheries interests. There should be restrictions so that the mortality of species will be within tolerable limits. Not only the environmental aspect but also the biological, economic and social aspects should be integrated into the policies, established to conserve and manage the fisheries.

Bearing in mind the context of this policy, a conservation movement should aim at the maintenance of sustainable use of resources of fisheries and aquaculture products as well as equitable sharing of these resources among the Member States. Accordingly, conservation of resources should be the essential condition for guaranteeing the sustainable development of fishing operations. The conservation and management measures should be presented to every relevant party with fisheries and agreed with the fishermen's representatives before being adapted. Decentralization in decision-making and the incorporation of local knowledge is extremely crucial in this sense. Testing these policies and simulating its potential outcomes also play a crucial role in determining the effectiveness of implementation.

At this point the stress coming from the principal-agent relationship should be optimized as the members of the fishing industry and the parties that vote for the sustainability of the industry have conflicting interests on the exploitation of resources. Above all, the transparency of the policies should be maintained so that the objectives of the CFP would be achieved easily (COM, 2002e, p16).

In this context, the conservation of resources and management of fisheries are examined under three segments; the structural policies, resources policies and the common organization of the market.

All these policies and organizations contribute toward the restructuring of the sector by creating favorable conditions for the fishing activities, to be performed under effective control mechanisms and management structure.

2.3 Structural Policies

When the focus is diverted to structural policies in the EU the progress can be defined as to adapt the fishing fleet capacity and the fishing industry as a whole to the characteristics of today's fishing world. The role of the structural policy is mainly to manage the development of the structure of the fishing industry and to assist the adaptation process. Thus, the Structural Policy prioritizes three significant issues relevant with the fishing industry:

1. to adapt the fleet capacity with the fisheries resources
2. to assist the industry to be "restructured"
3. to deal with the social and economic results due to the restructuring of the fleet (Tiryakioğlu,2003, pg: 15).

The structural measures are taken to help the modernization of the fishing sector. Also, the policy deals with the other segments of the industry such as aquaculture. However, as mentioned above most importantly, the policy considers the development of the industry by focusing on the organization of the production period and the necessary system and equipment for the production.

The Structural Policy needs to settle on a balance among the Member States' fleets so that there will be fair and sustainable fishing opportunities for every Member State.

Regarding the structural measures, the EU Committee supports the renewal and modernization of the Union's fleets as well as the preservation of the balance between the resources and capacity. Thus, it supports the Multi-annual Guidance Plans (MAGPs) to establish means of limiting over-fishing. The Union states that "the need to renew and modernize the Community's fleet.

There should be a firm commitment to achieving high-quality conditions for processing the raw material, improving the quality of life on board, and enhancing safety for crews" (COM, 2002e, pg: 36).

Overcapacity of the fleets has emerged as the technology and the modern systems allow the fleets to be equipped with greater power in terms of tonnage and engine power. This overcapacity of the fleets lead to increase damages to the fisheries resources and the marine environment as well as to the depletion of the fisheries resources. Another negative impact of overcapacity is on the economic aspect of fishing activity. Fishing has become economically unsustainable and also the sector witnessed considerable amounts of job losses in recent years. As a precautionary move, the EU Fisheries Council adapted the MAGPs on the basis of Directorate General XIV (Lequesne,2000 ,pg: 360).

The MAGPs are the necessary measures which are taken to realize the objectives for managing the fishing activity under a stable and sustainable framework. Every Member State has its own MAGPs.

These plans for fleet reduction have been embodied since 1983. Since then, there have been four MAGPs adapted to overcome the problem of excess capacity. MAGP I was valid for the period of 1983 to 1986; MAGP II for 1987-1991, MAGP III for 1992-1996 and the last one, MAGP IV for 1997-2001 (Tiryakioğlu, 2003, pg: 19).

The utmost capability of MAGPs lies in its approach to fix the rate of multi-annual reduction in fleet capacity, in terms of country and sector, to achieve sufficient levels for managing the fishing resources. These plans sought to decrease the fleet capacity by decommissioning the vessels or exporting to the third countries in return for compensatory payments.

With the introduction of MAGPS, the Commission issued reports on these programs. The report on MAGP III reported that the MAGP III was relatively efficient. The EU fleet was reduced by 15% in tonnage and 9.5 % in power (Anonymous 2001a, pg: 22). Yet, it should not be ignored that even though there was a decrease, the efficiency of the fishing vessels was rising every year because of the technological progress. The improvements and innovations in vessel gear and design, the fish finding equipment and telecommunications were the reasons of the efficiency. Thus the Commission proposed a restrictive regulation in the next program. However, the Council of Ministers adapted a less restrictive and much weaker program in June 1997. The MAGP IV called for “global” decrease of 3% in fleet capacity and 2% in activity over a total application period of five years. Since the planned reduction rates were perceived as quite low, the Community fleet as a whole had already reached the final objectives required by the program in 2001 (COM, 2001, pg: 11).

The two features of the MAGP IV characterized this program as if it was undermining the effectiveness in reducing the fishing capacity. First, the reduction rates were weighted according to the proportion in total catches of depletion risk and over-fished stock. Secondly, instead of the provisions for reducing fishing capacity, provisions for reducing the fishing activity were much more emphasized. In addition to these, the technological progress led to increases in fishing effort and the reductions by the MAGP IV were not sufficient for achieving sustainable fishing reduction.

The Commission suggested the extension of MAGP IV until the end of 2002. With the reform of CFP in 2002, a simpler system for limiting the fishing capacity of EU fleet was established. With this new system, the Member States were equipped with more responsibility to achieve a better balance between the fishing capacity of their fleets and the available resources. This system targeted to bring an end to the subsidies for fleet renewal. These subsidies were obstacles to eliminate overcapacity by helping the new vessels to be introduced into the fleets.

Under the new system, the capacity will be gradually reduced. If a new capacity is introduced into the fleet without public aid, this addition will be compensated by the withdrawal of at least an equivalent capacity without public aid. Capacity withdrawn permanently with public aid cannot be replaced. If a vessel is decommissioned with public aid, then the license will be returned to the national authorities so that the fishing activity cannot be done in another vessel that is active. What is aimed with this new system is that the fishing capacity mustn't be allowed to "achieve levels beyond those that stocks can withstand as the survival of fish stocks, the natural balance of the marine ecosystem and fishermen's jobs and income are at stake" . (EC, 2003b, p:1,2)

In 1993, the budgets of different segments of the fishing sector were collected within the FIFG. FIFG funds, PESCA funds (EU's initiative) and funds collected for the fishermen who lost their jobs were all brought together to fill the financial gaps and to provide resources for the re-structuring process.

Additionally, the European Regional Development Fund (ERDF) and the European Social Fund (ESF) assisted the economic areas dependent on fishing for their restructuring and diversification processes (EC, 2003b).

The FIFG aims at assisting the industry to compete under existing economic conditions and to ensure that the fisheries resources are sustainable and economically applicable in terms of environmental sustainability. It also ensures that fishing is protected in areas where there is not much economic alternative other than fishing and offer qualified aqua products in large basis to European consumers (Tiryakioğlu,2003, pg:16).

The FIFG operates for the areas such as support for small-scale inshore fishing, fishing ports facilities, fleet restructuring, the development of aquaculture, the processing and marketing of fishery and aquaculture products, promotion and search for new outlets for fishery products, training, aid for diversification in areas dependent on fishing, aid for temporary stop of fishing activities and other social measures to help the sector during restructuring. (EC, 2003c, pg: 1).

For all these efforts, the total FIFG budget for the 2000 - 2006 periods is set as 3.7 billion euros (EC, 2003c, pg: 1). From the total amount, 2.6 billion euros is allocated for the primary objective while 1.1 billion euros is allocated for other areas.

The programs under the primary objective cover the major parts of coastal areas and islands of Portugal, Spain, Italy and Greece. These areas are considered EU's less prosperous coastal areas and islands (COM, 2001, pg: 14).

However, during the period 1990 - 1997, the fisheries sector continued to shrink. The employment rate declined around 19 % and processing rates around 10%. In aquaculture, both rates increased by 22 %. The total employment in these three areas decreased 13% (COM, 2001, pg: 15). During the policy analysis attempts to conserve the jobs in fishery dependent areas by granting aid to the fisheries sector was not very fruitful.

Moreover, the overcapitalized and oversized fleet would also be another hazard for the problem of employment. Thus, the EU Parliament expressed its concerns and in 1999, a reform in the FIFG regulation occurred. The reform was made in the major areas stated below:

1) The fleet restructuring process should be made in a reliable economic environment without the financial aid of the public and without any increase in the fishing activities. Financial aid for fleet modernization can only be given if it provides the improvement of the quality of fishing products by work, hygiene and security conditions and develops the fishing methods without causing an increase in fishing operations.

2) Public aid for vessel exporting to third countries and joint investments will not be allowed because these will lead to transfer of overcapacity to third countries. Thus, it will not lead to a profitable use of the money of European taxpayers.

3) Measures regarding the support of small-scale coastal fisheries will not lead to an increase in fishing activities and will not raise the chain-pulling operations that deteriorate the marine plantation (EC, 2003, pg:27).

As a result, the FIFG program was adapted and has been in operation between 2000 and 2006. The areas that the FIFG provides assistance under this reformed program are as follows:

1. The Support of Fishing Effort

The Union supports the fishing firms to possess long-term profitability without jeopardizing the resources. For this, some vessels can be removed from the fleet in three ways:

i. Scrapping of vessels
ii. Permanent transfer of vessels to a non-member country until 31.12.2004. In the permanent transfer, vessels must be less than 30 years old and exceed 20 GRT/22 GT

iii. Reassignment of vessels to non-profitable purposes other than fishing. Permanent reassignment can only be done with countries with which the EU has concluded a fisheries agreement. This reassignment process to a non-member country may not involve a country, which has membership application to EU. Also, this country may not infringe international rules upon the conservation and management of fish stocks (EC, 2003, pg:9).

Vessels whose fishing effort will be decreased by 25 % or more can have a scrapping premium that is 20 % higher than for the one for decommissioning under the FIFG.

2. Fleet Renewal and Modernization of Fishing Vessels

In order to have sustainable and responsible exploitation of resources, the health and safety on board fishing vessels and the fish processing or handling conditions need to be improved. For improving these conditions and modernize the vessels, there is a need to make an investment in the issues of rationalization of fishing operations, installation of vessel monitoring system, improvement of fish handling and processing, and finally for the improvement of working conditions and safety (EC, 2003, p 13). Public aid for the renewal of vessels may be granted to vessels under 400 GT and until 31.12.04. The tonnage of the vessel may rise due to modernization over the main deck to improve safety, working conditions, and hygiene and product quality.

3. Small-Scale Coastal Fishing

The vessels under 12 meters play a crucial role in the fishing sector and also in the economic and social situation of the coastal regions in the EU. Thus, the aid is given to vessels under 12 meters that do not use towed gear. With FIFG implemented in 2000, it was aimed to improve hygiene, working conditions on board, techniques to make fishing more qualified and exclusive, creation and increase of value addition in products, and professional training (EC, 2003, pg: 17).

4. Fishing in Inland Waters

Freshwater fishing is also significant in EU. Thus, FIFG also considers improvement in inland waters as one of the key areas to support. If a vessel used in inland waters is granted aid from the FIFG, then this vessel cannot be used outside of the inland waters. The aid should be given to support rationalization of fishing operations, improving fish handling or processing, safety and working conditions (EC, 2003, pg:18).

However, it should be noted that if the balance between the fleet size and the fisheries resources cannot be maintained, then FIFG might not provide any aid.

5. *Protection and Development of Aquatic Resources*

The FIFG aid has been available since 1993 to protect the aquatic environment and develop aquatic resources. The FIFG provides aid for the protection and development of aquatic resources by the collective interest, by recognized trade organizations or public bodies and by not affecting the aquatic environment negatively.

6. Fishing Port Facilities

Since 1983, there has been a substantial support by the EU given to the refrigeration, landing, handling and storage facilities for fishery products. The FIFG provides support for

improving the conditions of landing, processing and storage of fishery products at port. It also gives aid to vessel activities such as repair, maintenance and finally aimed to improve safety conditions (EC, 2003, pg: 23).

7. Development of Aquaculture

Aquaculture, which employs approximately 80,000 people plays an increasingly crucial role in the fishing industry. The FIFG supports aquaculture investments in product, management, health conditions, product quality and water flow within aquaculture installations on service vessels.

8. Processing and Marketing of Fishery and Aquaculture Products

The FIFG supports the processing and marketing of fishery and aquaculture products that account for 96,000 jobs. Support is given for investment in the product, management and improvement in hygiene, health conditions.

9. Measures to Identify and Develop New Market Outlets

The FIFG can support investment in cost of using advertising agencies, for promoting the new market outlets, purchasing and hiring of the advertisement area, printing and equipment costs, personnel and vehicles for promotion. With this investment, the new market outlets can be identified and promoted by quality seal, certification, promotional campaigns, fairs to attend, market research, consumer surveys, and advisory, marketing and sales services (EC. 2003, pg:28).

10. Social Measures Accompanying Restructuring

The restructuring process can cause social and economic impacts that may affect those who depend on fishing industry. In order to assist those who are affected by the social and economic conditions, the FIFG can support these people under the conditions of:

a. *Early retirement*: Fishermen who are 55 years old and over who prove to be fishermen at least 10 years and volunteered for early retirement less than 10 years can be granted aid.

b. *Loss of jobs*: Fishermen with at least one-year work experience who lose their jobs when their vessels are permanently withdrawn will be granted with premiums of up to 10,000 euros.

c. *Compensation:* Fishermen with at least 5-year experience will receive premiums up to 50.000 euros by the time they quit marine fisheries. Premiums up to 20.000 euros will be given to diversifying fishermen outside the marine basis on a part-time scale.

d. *Aid for fishermen who buy their first vessels*: Fishermen under 35 years of age can be aided if they are buying their first vessels. The vessel though must be 10 to 20 years old, registered as Community's fishing vessel and be 7-24 m. long. The aid can be up to 10% of the purchasing price or 50,000 euros.

11. Measures by Groups within the Trade

The FIFG support those who are in the fishing industry so that their approach can be justified. The aid can be given to set up producer organizations, adopt quality-improved plans in producer organizations and measures taken for management of fishing effort, promotion of technical measures, improvement of working conditions, improvement of quality, technological innovation.

12. Temporary Stop of Activities

Temporary aid can be given to fishermen who are forced to cease their activities under the conditions of unpredictable events, suspension of a fishing agreement, adoption of technical measures that confine the use of certain types of fishing methods, recovery plans or emergency measures (EC, 2003, pg:28).

The FIFG support needs to be approved by the commission to be executed by the Member State. Yet, it is up to the Member State to determine how much compensation will be given in individual cases. The Member States decide on the amount taking into account the real losses, scale of conversion effort, recovery plans and technical adjustment efforts (EC, 2003, p 36).

The Commission has been checking the FIFG, supports in the areas mentioned above by asking the Member States to submit annual reports. The reports have to be submitted before April 30 both in electronic and paper formats. The reports should contain data collection since January 1, 2000. With these reports, the Commission checks whether the FIFG aid meets the requirements of the structural funds. If the Member State does not comply with the reporting obligations, then FIFG aid for that Member State can be suspended (EC, 2003c, pg:2).

2.4 Resources Policy

In many of the new industrialized countries, industrialization was proceded by the privatization of common property resources. For example, in the UK, industrialization was proceded by a major change in the major property rights: the privatization of the commons. When a pool from which a resource is extracted, such as a forest or a lake, is treated as open access, the only cost computed in the extraction of the resource, such as trees or fish, is the cost from extracting the tree or from fishing. The responsibility for the cost of managing the system, which is often substantial, is not computed. In such cases, non-cooperative systems of exploitation emerge: at each market price, more is extracted under open access regimes than under traditional managed systems or under private property regimes.

The resource is over extracted and can dwindle and even disappear.

It has been shown rigorously that if a traditional economy treats a pool from which a natural resource is extracted as open access, then at each market price it will offer more of the resource and apparent comparative advantages in resource intensive products emerge where there are none in reality. It also leads to apparent gains from trade, even in cases where they are losses.

For example, Honduras exports mahogany wood to the US even though it has no comparative advantage in wood products, and Mexico exports petroleum to the US even though it has small reserves, while the US has 50% of the recoverable oil resources known in the planet. It is crucial in this sense to realize that all the effects occur in perfectly competitive markets without any market distortions. None of these countries computes the costs of replacing the stock in the case of trees or the cost of the depleted resource in the case of oil.

Thus, countries with less well-defined property rights for environmental resources, such as developing countries today, will export resource intensive products even if they have no comparative advantage in such products. Doing so leads them to apparent gains from trade, which in reality could be losses. Resource intensive products are exported at prices, which are below social costs. They are over consumed by the countries with well-defined property rights and overproduced by those with ill-defined property rights. Furthermore, the world economy as a whole consumes an inefficient quantity of resources, because it takes no account of the costs to the world economy of the resource over used.

These effects derive from a defective system of property rights as the world economy moves away from traditional forms of resource management into industrial societies. The process of industrialization itself leads to the patterns of North - South trade that we observe, this argument goes.

From the fisheries policy point conserving and managing the resources are the essential points of the CFP. The resources policy is defined according to the conservation of resources. The fish stocks are needed to be refreshed because the fish depletes due to fishing activities as well as by nature. Thus, to refresh the stocks, the CFP determines the maximum fish amount that is allowed to be fished. Thus, the resources policy is based on the restriction of the fishing activities, and the technical measures identified to conserve the resources. The most crucial element of the resources policy is the Total Allowable Catches (TAC) regime. The focus of this section will be thus the TAC regime, and the other relevant technical measures.

The TAC regime makes the first measure of the CFP Conservation policies. The system incorporates restrictions and quantitative quotas to regulate the fishing of 120 stocks in the Atlantic Ocean, the North Sea and the Baltic Sea.

This regulation formed the basic measure of Conservation Policy in fisheries. The Community chose to share the fishing opportunity among the member states through a quota system.

The TAC identification is composed of determination of the maximum level of fishing amount of specific species in a specified region for a specific season or period. It is a methodological instrument and directly restrict the amount of fish caught by fleets (Tiryakioğlu,2003, pg:12).

The TAC system is based on the principle of relative stability that fixes the share of fishing opportunities of the commercial species by member states. The TAC is stabilized annually and the fishing quotas of the next year are determined at the end of December. The report of the Advisory Committee on Fishery Management (ACFM) of the International Council for the Exploration of the Sea (ICES) is presented in October or November to Directorate General XIV. This opinion is forwarded to Scientific, Technical and Economic Committee (STECF).

Once the Commission issues its proposal on November, the negotiations begin. Along with the negotiations, the governments join intensive bargaining processes. The last decision is then taken by the Ministers related to fisheries at the end of the fiscal year (EC, 2003a, p 13 and Lequesne,2000, pg:358).

For all species a separate TAC is determined. Regarding the situation for codfish during 2003 in the North Sea, the Commission proposed to decrease fishing mortality by 80 %, which meant a reduction in TAC of 66 %. The Council after the talks decided that the mortality rate would be reduced by 65%, which meant 45% reduction in TAC. These measures would apply to cod fisheries in the North Sea, West of Scotland, Skagerrak and Kattegat (COM, 2002d, pg: 99).

Globally TACs and quotas are efficient tools for managing mono-specific fisheries. However, there are still some difficulties, especially when the fisheries are multi specie fisheries. TACs can only play a limited role in the management of fisheries with multi species.

Other than TACs, technical measures were initiated in 1996 when there was a consolidation about the key technical measures legislation. In 1998, the Council adapted a regulation for the conservation of fishery resources through technical measures for the protection of juveniles of marine organisms. In 1999, two more regulations were added and the new legal framework was in force beginning as of first of January, 2000 (EC, 2001a, pg: 11).

Based on the nature of products, this new legal framework could partly solve the problems. The authorized mesh-sizes are still too small for an effective protection of juveniles. When more than one mesh size is used during the same fishing trip, the control of mesh sizes becomes more difficult. In addition, geographic disparities also create differences which lead to the technical measures, and make problematic them. Another problem with the TAC regime and technical measures, is the problem with scientific advice and information.

There are not many competent scientists and economists to remedy the effects of policy gaps in the industry. The fishery scientists do not have the time to come up with innovative thoughts and investigation of alternative possibilities. The problem with the economists is that, there is no clear mechanism for economists to co-ordinate and develop their work within this specific industry. Data collected from intermediary organizations are not completed for every region and domain. There are gaps in the analysis of economic aspects, multi-species fisheries and appropriate levels of TAC (COM, 2001, pg: 9).

In this respect, some of the policy applications through the utilization of TACs still remain vague.

The improvement of the technical measures is still needed to acquire appropriate data to introduce a fair, sustainable and reliable TAC and technical measures so as to achieve the main goal of CFP; to provide a sustainable exploitation of living aquatic resources and of aquaculture, in the context of sustainable development bearing in mind the environmental, economical and social aspects, in a balanced manner.

The Common Organization of the Market (COM) in fishery and aquaculture products has played a crucial role as part of the CFP. It was first initiated in 1970 and since then it aimed to provide market stability. The reason for setting up a COM was to create a common and unitary market model that would balance the demand and supply so that it would benefit both the producers and consumers. Originally, the COM covered the six countries of EEC and has extended its coverage from the Baltic to Andalusia and from Crete to Scotland (EC, 2002, p:3).

The COM functioned in two specific areas. It aimed to achieve general objectives of the CFP. Additionally it focused on maintaining sustainable fisheries and securing the future of the fisheries sector. The first area was the total removal of the customs and tariffs and other similar implementations that prevent the transfer of fisheries products from one country to another.

The other area was the establishment of common rules for the fisheries market. For the COM to work out, the instruments that are used to succeed are the establishment of common marketing standards, establishment of producer organizations, introduction of a price support system and the establishment of a trade regime with non-member countries (EC, 2003, p: 17).

As the effects of globalization on international markets arose, the dependence on imports, the decrease in fisheries and the changes in the consumption patterns have led the COM to be revised and to be amended.

A proposal from the European Commission regarding this revision was submitted to the Committee on 23 March 1999 (COM, 2002e, p: 23). Then, the new regulation was enacted on January 2001 with the exception of the provisions on information to consumers, which was then applied from 2002.

With this reform, it was aimed to lead the fishermen to participate more effectively within the management of the market. In other words, the role of the producer organizations has been strengthened. Intermediaries were empowered. The producer organizations (POs) are essential feature of the market organization. They are established by fishermen or fish farmers to apply measures that will guarantee the best market conditions for the products. There are more than 160 producer organizations in the EU. The benefit of the POs is that, POs provide the opportunity for the producers to regulate their productions in accordance with the market requirements. The aim here is to avoid fish hunting for species which there is scarce or no demand (COM, 2002, pg: 5).

The POs need to do the requirements for being recognized officially by their national authorities. As institutes of solidarity, they need to represent the economic activity at a minimum level in the region that they suggest to function.

Secondly, they should not do any discrimination to any geographical regions or nationalities of the potential members.

Thirdly, they need to satisfy the legal necessities in their countries. In sum, with the amended regulations, the POs have gradually been given more responsibility. They were also rewarded with authority and increased means of decision making to play a central role in economic transactions (COM, 2002).

Another important element of the COM is the Operational Programs. These are the strategies for maintaining the equilibrium between supply and demand. The POs plan the deliveries of special species from their members and also calculate the ways to improve the financial returns from the catch. These plans must be submitted to the national authorities within seven weeks from the beginning of the fishing year.

This operational program requires a marketing strategy that aims the delivery of maximum profit from the products that are sold. The strategy may be composed of raising the quality of the products, introducing labeling initiatives, redirecting products towards different market outlets and initiating promotional activities. The marketing strategy brings together the brief of the current market situation and the specific measures to maximize the value of the catch (COM, 2002).

Another component of the operational program is the special anticipatory measures for species. These measures should focus on the ways to manage catches of species that caused marketing problems in the past. The POs should overcome these problems by using these special measures. The catch plan and the production plan that are parts of the operational program, are composed of the way products that are caught or extracted. The catch plan should provide a map of landings by quantity and data for the species. A system of check and control is needed to follow whether the operational program complies with the main program or not. Thus, the internal penalties system is used to punish those who do not comply with the rules and regulations (COM, 2002, p: 8).

The COM offers measures to ensure a minimum revenue level for fishermen. Of these measures, the market intervention mechanisms are important because they act as insurance or even a safety net for fishermen. The POs may take fish off the market when the prices fall below a given level, the withdrawal price. Through this safety mechanism the fishermen acquire a minimum revenue level. This price is determined by the Commission on an annual basis.

When prices fall, members of the organization receive compensatory payments from their regional POs. The compensation may not go beyond 85 % of the withdrawal price, applied by the PO and it is only granted for withdrawals no more than 4 % of PO's production of given species. Withdrawals above 8 % are therefore not eligible for compensation (COM, 2002, pg: 8).

Another financial support mechanism is the private storage aid that is granted to POs that apply the EU selling price with a 10% band throughout the fishing year. Private storage aid may be granted for up to 15 % of the quantities of products offered for sale by PO. Additionally, the FIFG is available to recognize POs and ready to grant the organizations at a level of 180.000 Euros. The amount of support depends on the organization's overhead costs and the value of production that is sold.

Precisely, all of these elements compose the common organization of the market. When well formed and rigidly structured and organized, the common market for fisheries and aquaculture can contribute to transparency and sustainability of the industry.

The positive progresses may then be coupled by the participation of POs. All these policy solutions are necessary elements to strengthen the sustainable development of the CFP.

The legal arrangements regarding the fisheries are necessary for ensuring the future of the fisheries industry and conserving the fisheries stocks. Thus, it is very crucial to have a control and inspection mechanism for fisheries within the CFP to sustain the fisheries sector in the EU (COM. 2002, pg: 8).

The inspection system of the Community was established in 1983 and it currently consists of 25 inspectors. The EU inspectors do not directly involve in inspection activities outside the international waters within the framework of the regional fisheries institutions. These inspectors also act as a monitoring body for the national inspectors during their activities and report the findings to the Commission.

The responsibilities of the EU inspection unit were strengthened afterwards. With the regulation of 1993, the duty of the inspectors was expanded in such a way to cover the whole areas of CFP. The Commission looks forward to a joint inspection structure, which will manage the fisheries within a Community framework (COM, 2002, p: 8).

The joint inspection structure will be based on an agreement that displays the organization, set-up, scope and tasks to be performed. The structure will define the relationship among the national authorities, the Union and interested parties. Under this joint structure, the Member States will still be the primary source of control and enforce CFP rules by interacting with the Commission.

The community also assigns a control regime provided for overall monitoring for all areas of the CFP in the fishing sector. It necessitates the use of modern technology for implementing measures of the control and monitoring policies. The Vessel Monitoring System by Satellite (VMS) is an important instrument for the monitoring of the fisheries activities. The VMS has been extended to all fishing vessels that exceed 10 meters in length since 1 January 2004, and by 2004, VMS was to be complemented with a remote sensing vessel detection system.

This requirement applies to vessels exceeding 18 meters in length from 1 January 2004 and 15 meters from 1 January 2005 (COM, 2002c, pg:67). The Member States are required to be equipped with the VMS system to locate the fishing vessels flying their flags and to communicate those vessels regarding in which waters they are operating and their positions at least once every two hours (EC, 2001a, pg:17). This monitoring applies to all fishing vessels that exceed 24 meters in length overall or 20 meters between perpendiculars.

The VMS rules have become stricter to prevent the tampering through adopting uniform specifications for system and on board fishing vessels. The EC participates in pilot projects on VMS with Norway and the Faroe Islands in 1999 and after that in 2000, bilateral arrangements on the use of VMS were concluded.

The Commission looks forward for further pilot projects and on the basis of the results of these projects, the Commission will introduce electronic logbooks for vessels. These logbooks will be mandatory for vessels that exceed 24 meters in length and that are third country vessels operating in the Community waters (COM, 2002, pg:14).

With the reform of the Control Regime, it was aimed that the "monitoring after landing" would be improved. Through this reform, "traceability" of the fishing products from landing would be ensured. As a result, the sale notes for marketed products, transport documents are required and shown by the holders of the products during the controls.

The Commission should have access to all information and documents that are necessary to perform its responsibilities. Every three years, the Commission should report to the European Parliament and the Council on its actions and applications of CFP rules by the Member States. Each year, the Member States should be informed of the inspections carried, out by the Commission in every Member State (COM, 2002b, p: 70).

The Member States need to ensure that necessary measures are taken if the CFP rules are not respected by judicial or natural persons. These measures can be administrative action, and criminal proceedings in conformity, with the national law.

The penalties should result in taking away the economic benefits of the infringements from the responsible persons.

The penalties can include fines, seizure of prohibited fishing gear or catches, sequestration of the vessel, temporary immobilization of the vessel, suspension of the license and the withdrawal of the license. The Member States should take immediate measures in order to stop the vessels continuing the infringements (COM, 2002c, pg: 68).

The types of proceedings, given decisions and the nature of penalties should be communicated among the Member States, by that, the administrative penalties given by a Member State will be harmonized with the one adapted by another Member State in another particular infringement. If the control, inspection and enforcement measures can be applied under better co-ordination and optimal applications, then the CFP rules and regulations will be better applied. Differences in legal systems of each Member State may lead to disorders in the applications of the CFP.

Therefore, the new regulations implemented with the Reform of the Control Regimes have made an improvement in the applications of the measures under co-ordination and organization.

3. THE EUROPEAN UNION AND ITS EXTERNAL RELATIONS ON FISHERIES

The technical progress, emergence of new fishing powers, the increasing number of fleets and vessels and the developing parties in the fisheries sectors have changed the conditions of the world fisheries.

The EU has one of the largest fleets in the world and has been in relation with the rest of the world's fisheries sector. Thus, the EU believes in the significance of its external relations and therefore believes that an improved policy regarding the fisheries agreements must be incorporated into its CFP. At the *World Summit on Sustainable Development* in Johannesburg, the EU expressed its interest in the achievement of global sustainable fisheries and in the achievement of "maintaining or restoring stocks to levels that can produce the maximum sustainable yield, within the aim of achieving these goals for depleted stocks on an urgent basis where possible not later than 2015" (COM, 2002a, p.3).

With this goal, the Commission expresses its concern for displaying its objectives of fishing industry and for establishing new alliances and partnerships with coastal developing states. It was also anticipated that within the international framework, the EU should also advocate the international and regional co-operation for the sustainable exploitation of resources. With the neighboring coastal states, the EU should consolidate its relations with these states to establish accountable fisheries management through "continuity agreements" (COM, 2002a, p:3).

This approach of the EU is reflected in its bilateral and regional sectoral policy dialogues. It should be once more reiterated that the EU should contribute to the sustainable development of world fisheries through greater participation of stakeholders and increased transparency and flexibility.

Through this method, the main objective of the CFP will also be stressed in external policy fields.

3.1 Bilateral Fisheries Agreement

In bilateral relationships, the Community aims to strengthen co-operation with the third countries to achieve sustainable fisheries policy and a rational sharing of the resources with regard to the mutual interest of the Parties concerned.

In 1976, the Member States' governments entrusted the EU with the power to conclude bilateral agreements with third countries regarding the access to the resources. However, a significant development occurred in 1997 when the Council adapted the conclusions on the EU fisheries agreements with the third countries. The Council repeated that the bilateral agreements will be an essential part of CFP and that these agreements will be in accordance with the "cost benefit" oriented approach (EC, 2001a, pg:26 and Lequesne,2000, pg:366).

The fisheries agreements set out a clear approach for the long distant waters fleet policy (LDWF). LDWF is getting competitive since the newly emerging fishing countries' fleets are operating at very low costs. Also, the lack of transparency, illegal and unregulated fishing, the generalization of the flags of convenience, cause disruptions in the development of competition and practices for achieving a sustainable global fishing activity.

Thus, to overcome these problems, the EU with the bilateral agreements tries to increase its contribution to sustainable development and improve its good governance in political and financial levels. In this respect, the EU considers the LDWF activities as similar to that of CFP. Thus, the Community must continue its activities to support the implementation of the Code of Conduct for Responsible Fisheries (FAO-1995) and the Compliance Agreement with International Conservation and Management Measures by Fishing Vessels on the High Seas (FAO 1993) (COM, 2002a, pg: 6).

With the Partnership Fisheries Agreements, the EU also aims that:

a) the evaluation of the available surplus in the waters of developing countries must comply with the principle of ownership of fishing policy by the Coastal State
b) scientific and technical advice as defined in Article 62 of UNCLOS must be taken into account
c) the overexploitation of the stocks must be avoided and thus, fishing opportunities must agree with and be based on best available scientific data
d) the environmental impact of fishing must be evaluated (COM, 2002a, pg:7).

The Fisheries Partnership Agreements should also promote the creation of joint ventures, transfer of, know-how, and technology, investment and management capacity, so that the fishing industry will increase its effectiveness along with the objectives and guidelines of the agreements between EU and third countries.

Even though the Fisheries Partnership Agreements and other bilateral agreements are established to promote the sustainable fisheries, there are still some problems regarding these agreements. These agreements cannot always respond quickly to emergency situations. The fishing opportunities presented to European vessels are not always based on real evolution of the resources. The fishing mortality generated by the European fleet is not known and some agreements do not offer enough guarantees for the protection of small-scale coastal fisheries. These problems will be overcome with the contribution of the EU to the development of the fisheries industries of the third countries, especially the developing countries.

3.2 Regional Fisheries Organizations

The Community takes an active role in the international cooperation for fisheries sustainability through the establishment of the Regional Fisheries Organizations (RFOs). For an effective implementation of conservation and management of fisheries measures, the RFOs adapted the necessary arrangements. Parallel to this, the RFOs are established to regulate certain fisheries activities on the high seas.

The RFOs adopt the conservation and management measures for fishing activities such as the ban on the use of driftnets or for catches of some species like deep-water species. However, there is a risk of regulating the fishing activities on the high seas. The fishing activity may be done with techniques that are not environmentally friendly.

On the other hand species may be overexploited. Thus, the Community should overcome this risk by ensuring that its fishermen should operate their activities under the same application measures both in the Community waters and on the high seas.

Another important issue at the regional level is the illegal, unreported and unregulated fisheries (IUU). The IUU activities are centered around species that bring high commercial profit. To eradicate the negative effects of the IUU, non-discriminatory and transparent action plan is needed. The RFOs should therefore adopt transparent and uniform strategies that will cover the same target species.

The IUU Action Plan of the RFOs should include measures to:

a) eliminate the use of flags of convenience and practice of landing in parts without proper controls. The vessels should be controlled by the flag states, and the port states should also have the rights to ensure the effectiveness of conservation and management measures.

b) Reform the EU framework for control of fishing activities outside the Community waters and in Community ports.

c) In order to evaluate the impact of IUU activities, the RFOs should identify and quantify the illegal catches so that a preventive and a penalty action can be taken against flag states. Thus, the RFOs should be equipped to collect data on illegal catch quantities. The procedures to collect data may include acquiring information on trade statistics, on sampling organized at ports and information about catches and landings (COM, 2002a).

3.3 International Agreements on Fisheries

International Agreements have an important place in global markets for regulating the relations. In this respect, conventions and mutual agreements have been set to sustain market efficiency and community welfare. The most remarkable one was the *Law of the Sea Convention*, which was enacted in 1994. Then, in 1995, the *UN Agreement on Straddling Fish Stocks and Highly Migratory Fish Stocks* was adapted. During the same year, *the FAO Code of Conduct for Responsible Fisheries* was adapted. The EU signed the UN Agreement in 1995 and acted as an active party in several other agreements and joint institutions. Some of them are the *Northwest Atlantic Fisheries Organization* (NAFO)[9], the *Northeast Atlantic Fisheries Convention* (NEAFC)[10], the *Indian Ocean Tuna*, *Commission (IOTC)[11], North Atlantic Salmon Conservation Organization (NASCO)[12], International Baltic Sea Fisheries Commission (IBSFC)[13], Commission of the Conservation of Antarctic Marine Living Resources (CCAMLR)[14], International Convention of the Conservation of Atlantic Tuna (ICCAT)[15],* and the *General Fisheries Commission of the Mediterranean (GFCM)[16]* (Tiryakioğlu, 2003, pg:32).

---

[9] NAFO:Northwest Atlantic Fisheries Organisation, it is a regioanl organisation that incorporates scientific advice and management(http://www.nafo.com).
[10] NEAFC:It was formed to recommend measures to maintain the rational explotation of fisg stocks in the Atlantic and Arctic Oceans(http:www.europa.eu.org).
[11] IOTC: It is an intergovernmental organisation mandated to manage tuna and tuna like species in Indian Ocean and adjacent seas, aimed to promote cooperation among its members, conservation and optimum utilisation of stocks(http:www.iotc.org).
[12] NASCO: Entered in to 1 October 1983 for the purpose of contribution through consultation and co-operation to the conservation, restoration, enhancement, and rational management of wild salmon stocks(http://europa.eu.int).
[13] IBSFC: Signed on 13 september 1973 for the protection of the living marine resources of the Balric Sea and making for the rational use of such resources(http://europa.eu.int).
[14] CCAMLR:Came force in 1982. It was established in response to the increase in krill catches and controlling unsustainable practices(www.ccamlr.org).
[15] ICCAT:It is responsible for the conservation of tunas and tuna-like species in the Atlantic Ocean and its adjacent seas(http://europa.eu.int).
[16] GFCM: Established in 1949 for the purpose of promoting the development, conservation and management of living marine resources, formulating and recommending conservation measures finally encourage training cooperative projects(http://europa.eu.int).

4. TURKEY'S FISHERIES AND THE EUROPEAN UNION

Turkey's geo-strategic position provides a unique opportunity for the fishery industry. Three seas surrounding the country, with varying climatic conditions and multitude of rivers, lakes, are the major resource base for the fishing industry..

The coastal border of Turkey including the Marmara & Black Sea, the Mediterranean, and the Aegean is 8,333 kilometers long. The determined species are 247 kinds in the Black Sea, 200 kinds in the Marmara, 300 kinds in the Aegean Sea and 500 kinds in the Mediterranean Sea (Hoşsucu,2001,pg:594). While this data represents variety of species in the national seas, the pollution in water and over fishing activities are assumed to destroy some of these kinds.

Similar to salty water resources, Turkey's river water species also offer extreme variety due to differing river properties. While some riverbeds compose of quite cold water, some are lukewarm, some are in range and some are out of range (Çelikkale, et al 1999, p19). However, with the effects of environmental degradation mainly caused by residues from industrial activities, the number of species is significantly declining as a result of deteriorating water quality. The effects of pollution and its relevance to aquatic species in Turkey will be explored in more detail through the following sections.

Another resource for aqua products comes from the lakes. The 200,000-hectare surface area is composed of 200 natural lakes and 3,442 sq. km. of dam lakes. Within approximately 100 lakes, fishing activities effectively take place. Of these 100, sixty of them offer valuable resources. However, there is still a problem of extinction of species in the lakes of Turkey that endangers the future of the industry as well as the ecological nature of aquatic species.

The main reason for this is due to the lack of maintenance and control of water resources, insufficient scientific controls and research in the lakes and the faults in fishing and export activities (Çelikkale et al, 1999,p 20).

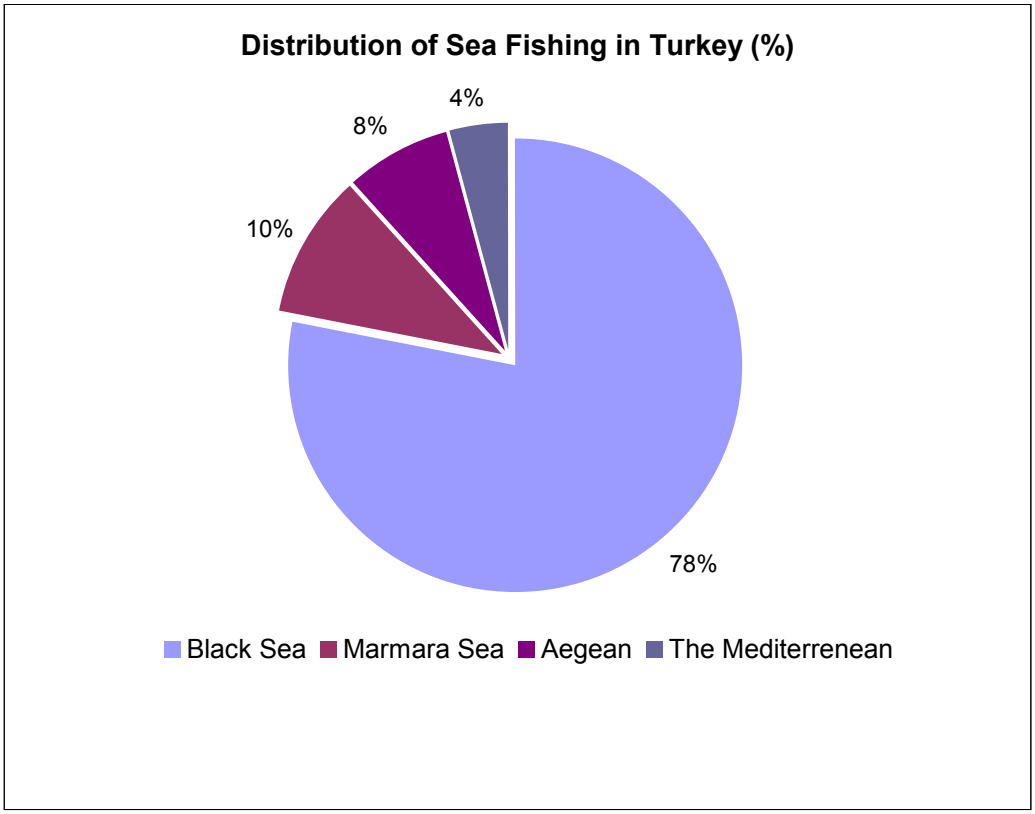
Table 1: Production Areas of Aqua products

Production Area	**Surface Dimensions (106 ha. = 10.000 sq. km.)**
Marmara Sea	1.10
Black Sea, Aegean, Mediterranean	23.50
Natural Lakes	1.00
Dam lakes	0.34
Lagoons	0.01
Rivers	0.20
Total	26.15

Source: Anonymous 2003, pg:53

The most productive source for fishing in Turkey is the sea. The primary area in terms of maximum potential for hunting is the Black Sea; especially the eastern parts of the region. Between 1974 - 2003, 57% of the national output was acquired from the Eastern Black Sea. The Black Sea in total possesses 77% of the total sea fishing in Turkey (Seçer,S et al, 1999, p 5).

Graph 1: Distribution of Sea Fishing in Turkey in 2003



Source: Seçer, S et al, p.6

Statistically, the fish population in Turkey differs from year to year. On average 60-80% is of the pelagic fish. In the Black Sea, anchovy, horse mackerel, lesser grey mullet, and sprat; in the Mediterranean Sea, lesser grey mullet and sardine, in the Marmara, anchovy and horse mackerel and lesser grey mullet and in the Aegean Sea, lesser grey mullet and sardine are the most common pelagic kinds.

The significant base-fish group as a source of hunting is turbot, whiting, red mullet in the Black Sea, whiting and salted cod in the Marmara, salted cod and red mullet in the Aegean and the Mediterranean Seas (Seçer,S et al, p 7 and EC, 2003,p 55).

Other important kinds are sea snail in the Eastern Black Sea, sand mussel in the Western Black Sea, jellyfish, shrimp and gills in the Marmara, mussel, shrimp and octopus in the Aegean and mussel, shrimp, jellyfish, cuttlefish and calamari in the Mediterranean Sea (EC, 2003, p55 and Seçer,S at al,p 7).

When we look at the period of the EU membership of Turkey, the top problem of the Turkish Fisheries Policy is the lack of collecting annual data this problem is partly caused by water pollution.

It should be appropriate to start with Black Sea, rapid industrialization and massive growth in mining industry in the region, discouraged people to live inlands and this lead to the concentration of population on the coastal areas. The pollution generated from main industrial facilities of the region levy a heavy burden on the aquatic environment and creates unrecoverable damages on seawater. Not only the industrial factories but also the rivers affect the pollution of the Black Sea. As suspended particles in water, only the rivers carry 575.000 tons of mineral azotes, 55.000 tons of mineral phosphate, 30.000 tons of organic phosphate, 90.000 tons of iron, 206.000 tons of oil and its derivatives, 40.000 tons of detergent, 12.000 tons of zinc, 6.700 tons of manganeese, 4.500 tons of lead, 2.800 tons of cupper, 2.200 tons of phenol, 1.700 tons of arsenic, 1.500 tons of chromium, 900 tons of cadmium and 80 tons of mercury (Çelikkale,S et al,1999,p 34). This massive chemical transfer is the solid residues that are poured into the sea either directly or through drainage. Frequent trespasses of commercial ships from the Georgian and Russian ports double the effects of pollution through chemical leakages and by weighing and counterweighing seawater for ballasting purposes.

Thus, the region faces serious environmental threats and can be considered as a polluted region among the seas of Turkey affects the decrease in the amount of fish in the Black Sea by distorting the habitats of the fish and by poisoning those fish.

Second one is the Marmara Sea which displays the feature of being an inland sea, and ties up the Aegean Sea and the Black Sea by Istanbul and Çanakkale straits. The surface area of the Marmara Sea is 11.350 sq. km. and the water volume is 3,378 cubic km.

Similar to that of the Black Sea, the water quality in the Marmara region is also quite low as it is a highly populated industrialized region. Through the Istanbul Strait chemical residuals including 10 tons of mercury, 19.000 tons of zinc, 600 to 4.200 tons of copper and 3.000 tons of cadmium are carried to the Marmara Sea (Çelikkale,S et al,1999,p 35). Besides, there is intensive sea traffic at the Bosporus There is a frequent trespass of fossil fuel tanks, water tanks and vessels which use the traits as a main and sole transport channel on a daily basis. Additionally; the ballast and the bilges water that are released, increase the level of pollution significantly.

Third one is the Aegean Sea which is length from North to South is 660 km. Its total surface area is 214,000 sq. km. and the average depth is 100 - 150 meters.

The pollution in the Aegean Sea is mainly caused by the flows from Çanakkale Strait and the rivers feeding the region. Moreover, the oil pollution coming from Aliağa Petrochemical Refinery is another important pollutant factor. In agricultural fields, repellents that are used to avoid insects release mercury. These repellents are carried to seawater through rivers and drainage channels. Also the petroleum hydrocarbons are found in high concentrations around Izmir inlet (Çelikkale,S et al 1999,p 38). Thus, pollution is also a major problem in the Aegean Sea.

Finally, the Mediterranean Sea it is the greatest inland sea of the world with a surface area of 2.512.300 sq. km. Similar to other water resources mentioned above, the Mediterranean Sea also hosts many suspended particles of which are 19.000 tons of phosphate, 51.000 tons of azotes, 27.000 tons of mineral oil, 2.700 tons of detergent, 220 tons of phenol, 7.1 tons of mercury, 180 tons of lead, 145 tons of chromium, 1.150 tons of cupper and 67 tons of chlorine organic compound are carried from the inland to the sea. Besides, this massive chemical transfer is perpetuated by frequent trespasses of commercial ships from Antalya, Mersin and Iskenderun ports (DİE/gov.tr/aspnet.tr/dagilimlar).

The fishing activities in Turkey are structured under three conditions; namely, amateurish coastline fishing, professional coastline fishing and long distance fishing. In the amateurish coastline fishing, there are about 4.300 vessels whose 90% are with engine-powered. The average engine power is around 15-horse power (HP). Five% of the sea fish products are acquired through amateurish coastline fishing. This amount equates to 30 - 35 thousand tons of fish. Some portion of the fish products are consumed by the fishermen families and some are sold in the fish market (Çelikkale,S et al,1999,p 43). The professional coastline fishing is done with vessels less than 20 meters in length. The engine power varies up to 300 HP. The aggregate fish products amount to 200.000 tons. In the long distance fishing, 60 - 70% of the vessels are 20 - 65 meters in length. The engine power is between 300 and 1.500 HP. The fishing area varies since fishermen go after the pelagic-immigrant fish types (Çelikkale,S et al,1999,p 44).

Between the years of 1974-2003, the fish production in Turkey varied between 101,596 and 580,701 tons. During 1970 and 1988, there was an increase in the amount of sea fish production and in the year of 1988, the sea fish production reached the peak of the period 1974 and 2003 with 580,701 tons (Seçer,S et al, 1999, p2). The total fish production in the same period was 671,904 tons (Seçer, S et al,1999, p 2).

The continuous increase during the period of 1970 and 1988 was caused by the subsidies, exemptions and subventions applied to the fishing sector that caused an increase in the fishing ability. However after this year, the sea fish production that had had a steady increase until 1988, began to decrease especially with the decrease in the demersal kinds. Realizing that sustainable increase in the fishing amount cannot be prevailed by increasing the fishing power and ability, license restrictions were begun to be implemented. Besides, in 2001, with the EU Adaptation Process, registration became mandatory for vessels longer than 12 meters in length so that fishing force would be under control and excessive fishing over stocks would be reduced (Seçer, S et al, 1999).

4.1 Turkey's Fisheries Policy

Sea characteristics in Turkey represent ecological suitability for the production of cold and warm water fish. However, the issues that should be addressed within the context of sustainability of exploitation of resources should also incorporate research and development practices, expansion of young fish production and stocking up of sea and internal waters for appropriate types. There are approximately 200 natural lakes, more than 750 ponds and 159 dam lakes in Turkey. Moreover, Turkey is extremely suitable for the production of water products in the internal waters because of the climatic advantages offered by its geography.

As practiced in developed countries, dam lakes used as artificial ponds provide the basis for fish growth. In Turkey, this practice is administrated by the states water body namely, the Directorate General of State Hydraulic Works. By the end of 1992, Directorate State of General Hydraulic Works positioned 26 millions of young fish in 119 dam lakes, 7 natural lakes and 93 ponds nationwide. Along with the activities of the Directorate State of General Hydraulic Works, the *Ministry for Agriculture and Rural Affairs* also supports regional and national development of aquatic species.

During the first year, carp and fish production have been initiated. However, at deteriorating prices, carp was replaced with salmon trout.

Between the years 1990 - 1993, 975 water resources were fed with more than 30.550.000 baby fish. The catching allowance and rights for these resources were then rented out by Directorate State of General Hydraulic Works through a protocol signed between Directorate State of General Hydraulic Works and the Ministry of Agriculture, which was planned to generate revenue for the Treasury.

Having been inspired from this progress, local authorities in the southeastern region of Turkey has become an entrepreneur for the creation of internal water resources through plantation and artificial feeders. Right after the completion of the GAP project, the dams of the region hosted 34 kinds of species in 226.846 ha of total water area.

4.2 Problems Surrounding the Turkish Fisheries

There are three main reasons for the fluctuations that can be observed in fish stocks; that are namely; natural reasons, excessive fishing by fisherman and ecological reasons.

4.2.1 Natural Reasons

The physical and chemical properties of water along with nutrition levels account for a significant portion of ecological productivity. All living organisms in seawater should be able to consume the necessary amount of nutrition to stay alive and to reproduce. For example, the salt in seawater constitutes an extremely important living base for organisms. Nutritious salt always exists in seawater and is always supplemented from rivers. When salt levels diminish, plants and other living things in the environment are adversely affected by this. Their growth is inhibited and seasonal fluctuations occur. (Artüz,1974) Main nutritious food in the sea is phyto-planktons.

The phyto-planktons are microscopic plants, mostly made up of algae, which live in the sea and in lakes. Plants that contain only chlorophyll can compose organic substance from inorganic substance such as water, CO_2 and nutritious salts by utilizing sunlight. These organic substances are used as food by the animals that need them (Artüz,1974).

There are four main elements in food chain in sea:

1) Phyto-planktons[17]

2) Zooplankton (animal organisms)

3) Carnivorous aquatic creatures[18]

4) Human (Artüz,1974)

In the food chain, there is a sequential order in which the hunt of the last element is the one that comes before itself in the chain. It is obvious that any distortion that occurs in the regular cycle of this feeding mechanism might result in tremendous harm to the chain itself. Placton eating animals with high commercial value have a wide fecundity. According to Hjart J., the fluctuations in the age groups of fish are as follows:

> From the egg to young fish, the fluctuation is high since these fish die as a result of not being able to find hunts. For the lavra**,** special planktons are needed to exist to be consumed as food. These lavra usually die within the first months after birth when they are carried to the deeper parts of the sea ortofurther distances because they are unable to find enough food. The fluctuations in the fish population are also due to the changing external environments. (Artüz, 1974)

[17] PHYTOPLANKTONS: They are vegetal organisms that are too small to be seen with the bare eye. They need sunlight for an active life. Therefore, they live in the upper layers of the sea which contain sunlight. They are the initial ring in the food chain in the sea. Small fish like sardina pilchordus and engralius encrosicholus eat phyto and zoo plactons (Artüz,1974).

[18] The third element in the food chain consist of carhivarous equati creatures like blue fish and bonito.

4.2.2 Excessive Fishing by Fishermen

A decline and an eventual depletion is a matter of concern when water product resources are not utilized carefully. Excessive fishing affects the food pyramid and it leads to reduction in fish resources. To understand whether there is excessive fishing in seawater, it is important to examine the symptoms of such an occurrence. The symptoms of excessive fishing are:

- Catching smaller-sized fish
- Shortening of the fishing period
- Reduction in the number of younger fish caught
- Decrease in the number of kinds of fish caught (Artüz,1974).

4.2.3 Ecological Reasons

Another important driving force behind the decline of fish stocks is related to ecological factors. Even though this factor has been under scrutiny by the National Planning Institute Strategy Report for 2006-2010 policy wise applications still seem to miss from the agenda.[19] For example, the Marmara Sea is the most ecologically damaged one in Turkey. The Asian coastline of the Marmara Sea is an area with high concentration of industrial investments and hence; a great deal of bulk residuals are dumped into this sea. The pollution is not the only threat for the living organisms but also for humans.

Another polluting factor is petroleum products. The harm that crude oil generates on water products is disastrous. According to the 20th article of law NO. 1380, it is prohibited to dump any polluting substance into the sea. However, the law is not enforced as much as it is in the USA or Britain and the penalty for doing so is incomparable.

In the near future, the Traits of Istanbul and its vicinity have been subject to many accidents. For example, "Independante", a Romanian crude oil tanker that carried 93.500 tones of oil crashed into a Greek dry cargo ship on 15 November 1979 at Haydarpasa. Another example, is the British tanker Nordic Faith that crashed with a Greek tanker Stawanda on November, 8 1980 at the Bosporus. Unirea is another Romanian crude oil tanker that exploded on October 14, 1982; 60 miles to the north of Bosporus and to the east of Varna in Bulgaria, setting 66.400 tones of crude oil in to the sea (Bilecik, 1985).

[19] Devlet Planlama Teşkilatı 2006-2010 Strateji Raporu; http://mevzuat.dpt.gov.tr/ypk/2004/92.pdf

These three accidents indicate the amount of damage that Marmara Sea has encountered. It is widely known that the pollution created by crude oil accidents affects the food chain in the sea very seriously. The deterioration of crude oil hydrocarbons is primarily affected by the dispersion of the hydrocarbons; and temperature of the water microbiological oxidation is observed to be between 0-60 C. However, its speed is determined to be very low under 10 C. During the process of decomposition and oxidation, bacteria need a lot of oxygen. For a liter of crude oil to become oxidized completely, 15-Celsius air along with all the oxygen in 400.000 liters of seawater is required. The distorted oxygen level affects the phyto-planktons which constitute the first and the most significant element in the food chain. This causes a rapid reduction in the food stocks in the sea. Crude oil hence causes phyto-planktons to die in large masses. Zooplanktons also die partially and cause fish hot to find enough food (Bilecik,1985).

Another harm that crude oil does, is to inhibit the functioning of their gills because of pollution, which leads to the death of species. In areas where crude oil is not highly concentrated, although massive death might not be observed, physiological functioning distortions still persist among small organisms and might undergo serious harm (Bilecik, 1985).

Crude oil and its derivatives create a layer on the surface of water, blocking the sunlight to reach the depths of the sea. This disables the photosynthesis process to take place appropriately, which in turn affects the pyto-plankton production negatively. Fish cannot find the necessary food and desert the environment (Bilecik, 1985).

Another factor leading to the pollution in the seas is detergents. The main problem created by detergents is called the “Red-tide”. Excessive plankton reproduction due to the organic-based waste, dumped into the seas. Red tide is observed during Autumn in Marmara Sea. This is primarily caused by the wastes of nitrogen and fertilizer industries that are disposed into the Marmara Sea. (Bilecik,1985) Apart from the above problems, there are also other problems in the Turkish fisheries that emerge from different aspects. The legal inefficiencies, the limited fishing areas, problems arising from state organizations and the state services lead Turkish fisheries to generate various negative consequences (Bilecik, 1985).

In Turkey, the state organization for establishing fisheries policy is one of the major reasons of the problems of Turkish fisheries. The fisheries management mechanism in Turkey is very dispersed and this institutional structure cannot respond to the problems of the sector. There is no “one” authority such as the “Aqua products General Administration” organization that will define the strategies for the future and implement the fisheries policy. The lack of coordination among the Ministries and the institutions cause bureaucratic obstacles. For example, the operation of acquiring a license takes too much time and money. There are about 12 to 17 procedures to follow in the application processes for licenses.

Thus, the bureaucratic obstacles as well as the uncoordinated, disorganized and dispersed mechanism of the state for the fisheries sector are one of the discouraging elements for the development of this sector in Turkey (Çelikkale, S et al, 1999, p181).

Another problem of the Turkish fisheries is the ambiguity about the sustainable fishing levels and the size of the stocks. For example, collecting the young fish that directly affects the fish stocks has not been based on scientific findings.

Moreover, there are fluctuations in the fishing levels because the notion of the organization and coordination among the fishermen has not yet been spread. Also, not introducing the quota system because of not applying the stock management in the fishing areas is another concern for the Turkish fisheries.

The Turkish fisheries face technical inefficiencies that lead the fishing industry to lag behind its rivals in the world. For example, in the control of the fishing interdictions, Turkish fisheries cannot benefit from geographical information system and distant perception technologies. There is not any standardization in the used fishing equipment, and the activities for standardization of the fishing equipment in aqua product fishing cannot be applied. Moreover, there are not any activities to adapt the technologically developed, worldwide used fishing equipment, fishing methods and vessels. Technical and scientific approach to determine migrating fish groups lacks and this deficiency leads to increase in cost of getting information. One more problem regarding the technology used in fishing is that there is no labeling to prove the proprietorship of the fishing equipment as well as defining the fishing equipment (Hoşsucu,H et al,2001, p 599).

Subsidies are crucial for the fisheries sector. As a major financial support mechanism, they can assist sector specific problems and empower small investors. The state, through *Turkey Agricultural Bank* and *Industrial Development Bank*, offers credit facilities and subsidies. However, the application and approval procedures are extremely challenging as this characterizes it as high red tape. Bureaucracy exists in all stages from credit application up to authorization.

Due to lack of investigation and also to political reasons, subsidies and credits are not awarded to actual applicants but to political friends and interest groups.

This leads to a fatal targeting problem of micro-credit as entrepreneurial skills of potential investors are dismissed at the cost of political benefits.

Also the control mechanism for the credit and subsidies spending is quite ineffective as the local government agencies lack administrative and monitoring capability. Through this, the financial incentives and rewarded benefits by the government are transferred to other channels, leaving the fisheries sector development prospects vague. Because of the insufficiency of capital, investments are discouraged and primitive technology is used. The financial credits attained for fisheries are not affectively targeted to managerial bodies instead; they are used to cover overhead costs of investors (Çelikkale,S et al,1999,p 208).

"Resource Utilization Support Fund"; established under the umbrella of the Agriculture Bank of Turkey, encourage bank loans and new investments, according to the targets set by the development plan and the annual program. The fund pays a supporting premium, a certain percentage of the investments done by those with their equity-capital dependent projects on water products. The ratio is 30% in primary development regions and 25% in the other regions. All water production investors, individuals or legal entities can benefit from this incentive. However, the Ministry of Agricultural and Rural Affairs must approve the projects and the funds for projects cannot be attained from the Agricultural Bank of Turkey. The investments should be done through equity capitalization and therefore requires first hand entrepreneurial investment to the business. This fund is nowadays supported with National Planning Institute's attempts of "Critical Product Safety Payments" to create an economic safety net for producers. Applicants, whose projects are approved, initiate their projects with their own equity capital.

When the project has reached a certain state, the investor applies to the city principality of the Ministry of Agriculture and Rural Affairs and reports arrangements. After analysis of the technical staff on the site, a demand form is prepared and sent to the Agricultural Bank of Turkey. The branches of this bank make the appropriate payments to the investor. All investments are completed with at least four inquiry forms (Acara,1995).

Article No.18 of the Water Products Law No:1380 states that to increase the production and export of water products, all fees and taxes applied to the production and the purchase of the necessary tools and equipment are subject to alts and cancellations. The council of Ministers possesses the right to practice this law. According to this law, all fishing co-ops are held exempt from the payment of taxes and fees during the imports of fishing equipments.

The investment discount is stated in the water products law no.1380 Article No: 17. According to this law, real and legal entities face a 100% investment discount in the production, storage, processing and the transportation of water products. This discount is a tax privilege offered to business enterprises within the income and institutional taxes. Incentive premium is paid to the investors according to the incentive certificate from the new investment and for-ex activities incentive fund. It consists of the portion of the new and domestically produced machines and equipments subject to value-added taxation. This incentive is 10 points above the VAT rate for water products (Acara,1995).

Social Security Authority premiums, housing opportunities, savings incentives, and provision of electricity at discounted rates are some of the provisions maintained for the industry; however procedures make it extremely difficult to initialize discouraging entrepreneurs to invest.

After the expiration of an incentive certificate, within the first 3 years, 30% of all electrical expenditures, 50% of the employer's portion of the Social Security Authority premium and the total of the employer's portion of the housing support and the savings incentive cuts are paid by the investment and for-ex earning activities Incentive Fund (Acara,1995).

Another problem is that the open sea activities have not begun yet and pre-research and on-site research cannot be conducted due to technological shortages. However its crucial importance and its potential contribution to maintain the sustainability of fisheries must be well understood. Open ocean is used to refer to distant water systems beyond the Marmara, the Aegean, the Black and the Mediterranean Seas. For example, although the Red Sea is relatively closer to Turkey, practically it is considered as an open ocean because of the provision of fishing rights. Regardless of whether the source is far or not, all fishing activities done outside its own economic region within the International Sea Law are considered as Open ocean or distant sea fishing. Although within the Mediterranean water system, there are regions that can be considered according to the above definition, open ocean fishing for Turkey can only be done outside The Mediterranean water system (Acara,1995).

The reasons for open ocean fishing might differ. First of all, this issue must be realized as a country policy and it should be arranged legally and organizationally. This way the sustainability of the water products can be maintained. The oldest example of open ocean fishing is in Spain with the decision of the Spanish Royal Government on 8 October 1976. Spain has started open ocean fishing as this activity entails a series of incentives and measures like quotas during inland sales and exports. Another successful example is Poland. Poland owes this success to the coherent work of its local administrations and an integrated use of its accumulated knowledge and experience.

The desired improvement in this sector is due to the existence of effective and sustainable policies like technical assistance, research and educational assistance. In order to practice in open ocean fishing, a fishing research fund should be established to provide financial and technical support to activities. Moreover, supportive of this fund, the establishment of a distant sea fishing institution is also necessary (Acara,1995). Necessary actions for the creation of open fishery are:

- The establishment of Sea Research Fund
- The establishment of the Sea Fishing Institution
- The determination of the organizational chart and the areas of activity.
- The collection and analysis of fishing data
- Tools and equipment
- General and Specific Legal States Analyses
- Improvement efforts in specified regions
- Incentives, new projects, pilot practices (Acara, 1995 p:19).

The research and development studies in the fishing sector have been one of the milestones with which the sector develops itself. However, there are not any impressive research and development services nor any agencies to support activities. The insufficiency of the research arises interdictions and restrictions of fishing to be shaped according to social and economic expectations instead of according to scientific data. In order to define the right objectives, the public and private sector need reliable data.

Finally but most importantly, the Aqua product Legislation No. 1380 does not cover any discouraging punitive laws. Thus, the protection and control is not effective. Turkey needs reframing of the fisheries law by focusing on the flourishing fish stocks, use of innovative technology, changing the organizational structure of the state in the fisheries sector.

A new management plan should define its goal as maximum economic benefit as well as use of sustainable fisheries resources. For sure, decentralization of the overall control mechanism is required. Within this perspective, the system should be open to all participants and also be transparent so that the fisheries sector will have the chance to improve itself sustainable.

Most of the water products come from the seawater. However, this ratio displays some disparities among different regions. Between the years 1967 - 1992 production percentages in the Black Sea, the Marmara Sea, the Aegean Sea and the Mediterranean Sea were consecutively recorded as the following: 79.12%, 12.10%, 5.19% and 3.55%. In the Black Sea; excluding anchovy, more than 50% of the total production comes from horse mackerel and whiting. In the Aegean Sea, fishing is extremely limited because of the small size of the continental shelf and the leveled depth of the sea. Within these characteristics, there are several types of fish. 50% of the total aquatic resources comes from sardine, goatfish and striped mullet. The Mediterranean is the least productive source when compared to other seas surrounding the country. The shores of the Mediterranean offer relatively more opportunities to fishermen; hence, long distance fishing is not preferred. Mersin and Iskenderun gulfs are among the most productive regions. The most common types of fish are iskarmoz, goatfish, striped mullet and rock grouper. After the spread of "gırgır" fishery (intermediate-size) in the 1980s, sardine has become the primary source for hunting (Acara, 1995)[20].

Considering the sensitive nature of all seas in Turkey in accordance with the above mentioned environmental degradation, extreme monitoring and control activities should be taken for pelagic fishing.

[20] For more statistical datas see annex1

The policy analysis is extremely crucial to maintain the sustainable exploitation of resources. For example, quantitative quotas for fish categories should be set and the number of fishing boats should be recorded while the remaining boats are stopped from functioning. As this allocation of common resources play an important role for social and economic justice among stakeholders, the local governments' duty in monitoring, reporting and penalizing is quite critical.

The growth in production of water products in Turkey has been parallel to that of the corresponding figures in the world. Data regarding the production of water products is analyzed by a technical committee within the *National Statistical Institute* and the *Ministry of Agriculture and Rural Affairs*. Both of these institutions effectively represent solidarity and collaboration with the Cooperation of the Fisherman since 1978.

In the economics of water products, unlike other economical activities, parameters like evolution, giving birth, growth and death are determining. Indeed, the effects of externalities as exogenous factors are extremely important as they influence the environment through uncalculated and unpredicted transactions. For example, the environmental degradation caused by chemical leakages in Turkey's water should be considered as a negative externality through which the efficiency and productivity of fisheries is seriously damaged. Under the extreme influence of these environmental externalities, the fisheries sector necessitates the collaboration of economists with experts. The production of water products is an extremely technical topic as the methods and equipments used require training and sector-wise know-how. In this respect, the characteristics of vessels, fishing boats, equipment and even the competency of participating fishermen have to be analyzed from a policy perspective.

If the policy is designed in a way to serve the needs of most competent and well-equipped fishermen, the remainders may be banned from fishing as their occupation in the waters create negative externality through unproductive and inefficient operations.

If vice-versa, than the assignment of property rights (in this respect; fishing licenses, quotas etc.) also play an important role in maintaining sustainability and social welfare.

The fish net industry has been active in Turkey since 1962. However, until 1982, due to insufficient demand related to inadequate quality, domestic demand was met by imports. In 1981, the domestic industry was started to be improved and as a result of these efforts this sector has developed so immensely that now all types of nets can be domestically produced.

There are five fishnets plants, two most important ones being in Afyon and in Istanbul. The technology for catching water products is still improving.

The importance of the use of machine like sonar and echo sounder that help in finding the areas where fisherman are concentrated have risen. These machines are useful both in locating big fish masses and in estimating the sizes. Hence they have a great economic impact on gaining information and locating resources. The utilization of these equipments improved after the 1980s in Turkey (National Programme, 2003).

The Turkish Fisheries Policy has been designated around an essential regulation regarding the fisheries activities within the industry. It has its own inefficiencies within and with the Accession to EU period, indeed the Turkish Fisheries Policy has been revised and reorganized to adapt itself to pioneering policies of the EU. The following section will explore the management and legal framework of the Turkish Fisheries Policy followed by the discussion on the problems that the Turkish Fisheries have long been facing. Then, the Turkey-EU relations within the fisheries framework will be evaluated.

To better understand the relations between a candidate state and the EU, a case study will be put forward. The situation in the European States will be explored from a policy perspective. The judgmental comparisons between Turkey and the EU will reflect the difficulties for whom faces which difficulties in their fisheries sector (National Programme,2003).

4.3 Fisheries Management and the Legal Framework

Turkey's management and legal framework regarding the fisheries sector was drawn initially in 1971 with the Aqua products Law No. 1380, which was amended later in 1986 and named under Law No. 3288. The legal base for fisheries in Turkey empowered *the Ministry of Agriculture and Rural Affairs (MARA)* with the authority for the management of the aqua products in Turkey to. MARA is the main body that the fisheries sector. It receives data based support and strategic action prospects from the National Institute of Statistics and the Planning Institute. However, there are other organizations and subsidiary institutions that possess a role in decision-making and management of Turkish fisheries. With the reorganization of the management in 1983, the *Aqua products General Administration* was repealed and other managerial bodies were established.

The protection and inspection activities are managed by the *General Administration of Protection and Inspection* (GAPI). GAPI is responsible for the arrangement of permission for importing along with the *General Administration of Agricultural Production and Development*. Organization of the protection and control of aqua products and agricultural facilities, prevention of pollution in aqua product facilities and acquisition of permits for exporting aqua products through city control labs are also the major duties of GAPI (Çelikkale, S et al,1999, p155).

The TAC application found in the EU Regulation has not yet been incorporated into the Turkish Regulation. For these TAC activities, administrative, financial and technical resources are needed. A system for inspection services, qualified and educated technical personnel, a separate regulation for the procedures of the working conditions of such personnel and a monitoring & tracing system for fishermen are needed.

An initiative to create such a system was taken but could not be realized due to lack of approval by the Ministry.

The inspection service is given by 15 control vessels under the Ministry and 60 control boats under the rule of the Coast Security Command. Along with these regulations, the Coast security Law No. 2692 regulates the coastline security (Çelikkale,S et al,1999, p60).

The regulations regarding the responsible bodies for controlling and inspection activities of the regulations of the aqua products are stated in the Article 33 of the Aqua products Law. According to this article, “The members of the *Ministry of Agriculture and Rural Affairs*”, ”*Security and Gendarmes Command*”, *“Members of Customs, Coast and Forestry Conservation Organization”*, “the principals and members of Municipality Police”, “Customs”, “Municipality”, “Guards”, “Watchmen and Rural Guards” who acquire “Judicial authority” are responsible to execute what is commanded by the Aqua products Law. Even though there is no special administrative structure for protection and inspection services, these services are carried by aqua product personnel employed in the city and town administrations and by units of Coast Guard Command in the seas. However their lack of knowledge in technical issues display obsolescence.

Another subsidiary is the General Administration of Organization and Support. The main duties of this administrative authority are to provide the development of the aqua product co-operations and to provide financial resources for supplying constant income for aquaculture projects through the Resource Use Support Fund. Out of 50.000 aqua product producers, 15.000 are organized around 300 co-operations. Of these co-operations, 60 are partners to four unions (National Programme, 2003, p52).

Even though there is no specific unit for co-operations in the Ministry, the General Administration for Organization and Support regulates the aqua product co-operations under the Co-operations Law No. 1163 (Çelikkale,S et al others,1999,p 52).

There are also associations of professional organizations of producers for aqua products. Yet, these kinds of organizations do not comply with the producer organizations in the EU.

The General Administration for Agricultural Research (GAAR) is in charge of specifying the programs relevant with the prioritized research areas, supporting projects, specifying aquaculture areas, increasing productivity and product quality so as to increase the diversity and the number of products. Another focus area is the diagnosis, cure and protection from illnesses and parasites. These threats are partially remedied through the financial assistance of institutions such as Tubitak and State Planning Organization; however targeting the right group of fishermen and co-operatives arise as a primary problem in financing the right segment. Government incentives and donor efforts remain ineffective as policies regarding the diversion of financial resources are ineffectively targeted. The optimistic view is that these research institutes in Turkey conduct research on aquaculture, ecology and fisheries which provides concrete data to policy-makers. Institutes have research units and labs to maintain relevant diagnosis skills and technical information. However, most of the aquaculture facilities, for example, do not operate any essential research. Instead, they do applied research and develop works (Çelikkale,S et al,1999,p 62).

The General Administration for Agricultural Production and Development (GAAPD) is another sub unit that focuses on the operations such as licensing, statistics, and permissions. The GAAPD evaluates the applications for establishment of aquaculture facilities, licenses, subsidizes for aquaculture projects. The institute also collects statistics on marine commercials and sector specific activities. The licenses for aquaculture are also rewarded by GAAPD.

However, other ministries and institutions intervene to the control process regarding the decisions of separating some areas for development of aquaculture, financial subsidies of new aquaculture entrepreneurship, issues of tax and customs and renting places and seas.

These ministries and institutions can be the Ministry of Forestry, State Planning Organization, Ministry of Culture, General Administration of Sea and Oceanography, Ministry of Transportation, Ministry of Tourism, Ministry of Health and Agricultural Bank (Çelikkale,S et al,1999,p 579).

Licensing is legally framed with the 5th, 6th and 13th Articles of Law No. 1380. By 2003, there were 72.379 real and 132 judicial personalities who have been holding the fishing licenses (Seçer, S et al, p14).

Besides all these sub units and other institutions, the *Aqua product Council* was established with the decision taken on the 1st Agricultural Convention on the 25th of November, 1997. This convention covered policy issues regarding the conduction of a research and educational work and recommend on the areas of preservation of aqua product stocks, provision of rational resource management, regulation of fishing, follow-up and control of fishing interdictions, statistics, aquaculture and overall quality control. The Council meets twice in a year and is composed of 31 members. There are sub work groups whose work is brought up and evaluated by the Council and accordingly, decisions are taken (Seçer, S et al, p14).

Finally, the producer cooperatives arise the most important issues that need to be emphasized and improved related to water products. Their role in economic development is inevitable. Fishing cooperatives were first considered in Turkey in 1942. This period was extremely important as the WWII era and water products played a significant role in overcoming food scarcity and redistribution of income.

The improvement of co-ops for the development of production of water products, is sustained through sound government policy. Co-ops should especially be analyzed in the water products, sector for the EU context. Turkey, while putting forward efforts to adapt its socio-political structure to that of the EU, sector specific development attempts are also required. Specifically, adaptation to the EU in fishing and water products must be set, as the primary agenda by Turkish policymakers.

In the EU, water products activities are widely carried out and are under the control of the Co-ops. COGECA was established in order to bring together the high organizational levels of the Co-ops within the EU. The fishing co-ops unions of France, Denmark, England, Ireland, Italy, Holland and Greece are integrated to COGECA.

In the EU countries, the co-ops have finalized their high organizations and they are mostly organized in the federational level. As a primary goal Turkey should prepare itself for accessing its fisheries industry to the EU and must build up a structure to integrate itself to the COGECA (Yıldız,1996).

Co-ops in Turkey are established to give assistance to the members on processing, storing and marketing of water products. When viewed from cooperative's perspective, the structuring the sector and organizing the fishing activities start by dividing the water products into standardized categories according to type and condition of license holders, decision-making regarding the build-up of the facilities for co-ops investment, maintaining high-quality packaging according to health and market conditions, providing the appropriate handling and transportation of goods during their market penetration, handling imports and exports, mortgaging the estates of the co-ops as a legal entity to the lenders and to stand as a guarantor for its members (Yıldız,1996)

Unlike the co-ops within the EU, the operations in the fisheries sector in Turkey are not well organized. With the enactment of the law for water products, no 1380 in 1971, the fragile structure of the sector was awakened and several policy decisions were given. The numbers of co-ops were increased with the support of Ministry of Agriculture in collaboration with the Agricultural Bank of Turkey. In the EU, co-ops activities have constantly rose in agriculture and fishing sectors. For example; co-ops hold a share around 50% in France and 75% in Ireland. The Common Agricultural Policy in the EU influenced the co-ops in agricultural as well as in fishing activities.

As a supporting attitude the activities of co-ops were very well supported by the local and national governments as a 157 million ECU fund had been diverted to the fishing sector in 1991. The establishment of a fund and a financial organization as well as the provision of legal support to co-ops are other actions taken by the EU regarding the effective operation of cooperatives.

Contrary to the European examples, an inadequate financial structure, existence of unclear policies and unqualified staff within the co-ops in Turkey discourage investment and weaken operational efficiency (Yıldız,1996).

In sum, the legal and management framework of fisheries in Turkey has been drawn within the rules and regulations based on the Law No. 1380. The State is the primary source and body for the organization and management of the fisheries. However, in some respects even the legal framework does not converge with that of the EU's. However, these institutional weaknesses can be remedied through effective decentralization policies through which local governments can participate in the decision making process and maintain solidarity among sector participants. Such policy guides will assist Turkey through her attempts in accessing to the European Union's fisheries model.

4.4 Turkey - EU Relations

Since the beginning, Turkey volunteers to integrate in the European Union as becoming a member of the EU is seen as a sort of modernization. Turkey applied for associate membership in 1959 adaptation to the EU began with the 1963 Ankara Agreement (Arikan,2003). The partnership of Turkey and the EU would include the agriculture and the fisheries sector. EU's expectation from Turkey is not to create a national fisheries sector but to develop fisheries infrastructure and policies conforming to the EU norms. Turkey needs to create a beneficial fisheries policy with its own initiatives and resources during the EU adaptation process. The center of policy discussions regarding Turkey's adaptation with its fisheries will be based on the internalization of CFPs. Turkey, as a candidate state should aim on achieving its objectives to comply with the regulations of the EU, a process that requires steps to be taken to pursue and maintain sustainable fishing policy.

Since 1964, the adaptation process has begun. The transition period beginning with 1964 stated the necessary actions to be taken to complete the customs union including the agriculture sector. The historical process until the Helsinki Summit in 2001 drew the framework for the agriculture sector that was considered to include the fisheries. Thus, the decisions taken in 1995 and the Luxembourg Summit in 1997 provided the strategies for agriculture. In the Luxembourg Summit, in the agricultural section of the Strategy document, it was accepted that Turkey would need EU assistance through its adaptation to the CFP. Besides, an Agriculture Action Plan was adopted along with the negotiations.

The Helsinki Summit was a turning point at which “the concept of fisheries” was displayed in a common committee for EU-Turkey relations (National Programme, 2003, p 68-69).

The decisions taken in the 2000 Accession Partnership Document on aqua products were to establish administrative structures, to use the fisheries resources optimally, establish a resource management policy and to provide supervision and control mechanism in the short-term. For mid-term plans, it was necessary to pursue the CFP and to develop Turkish fisheries according to the CFP of EU.

In the 2001 National Program regarding the Aligning with the EU Accessions, it was aimed that the Aqua products Law No. 1380 would be re-organized so that the fisheries policy of Turkey would conform to EU regulations. Moreover, regulations in the Turkish Standards Institute Establishment Law No. 132 would be revised so that the specifications of the aqua products would conform to the EU (National Programme, 2003,p 503). Under the Law No. 1380, the quota applications and determination of TACs do not conform with the EU system. In this respect Turkey should progress towards the needs of a sustainable CFP application. For this adaptation process, the regulations and the research on technical, financial and administrative issues must be revised (National Programme, 2003, p. 71).

In 2001, the EU suggested Turkey to establish a modern fleet registration system. In 2002, EU stated in its popular Country Report that Turkey showed little progress in the Adaptation Process to the CFP Regulations. Thus, it was necessary to perform more on modernizing the fleet registration system and to establish producer organizations. Also, more financial resources should be devoted to develop administrative, inspection and control systems (IKV, 2003).

In 2003, Turkey became one of the members of ICCAT. Thus, this membership required Turkey to conform to the ICCAT decisions and quota applications. ICCAT set the quotas for 2003 as 1.146 tons for 2004 as 1.100 tons, for 2005 as 1.000 tons, and for 2006 as 823 tons. Turkey even received a warning notice twice because of exceeding the stated quotas. If persistence continues, a trade embargo could be applied to Turkey (Seçer,S et al, p18).

The Country Report of 2003, the EU stated once more that Turkey needed to reform its resource and fleet management and inspection and control mechanisms. Personnel should be educated to better adapt to the CFP, and facilities and equipment should be improved. The report was rigidly suggesting to increase efforts to establish producer organizations and license-based fishing and aquaculture activities and to conform with the Hazard Analysis in Critical Control Points system. In sum, there was little improvement in Turkey's adaptation with the CFP (Hoşsucu, H et al, 2001, p1-2).

Finally in 2004 Regular Report for Turkey, It is seen that limited progress has been made, but there are some preparatory work in the area of inspection and control. There are no progress in the field of fleet management, structural actions and state aid. A number of fishery product cooperatives, combined with a Central Union and Producer Organizations which have an important place in the stabilization of the of the market (EC,2004).

To sum up, the policies to be pursued to integrate Turkey into the EU CFP are:

a) Institutional - Structural Policies: In mid-term, Aqua products General Administration must be established with an accompanying aqua products policy and planning unit. The fleet capacity relevant with the fish stocks should be determined. Indemnity mechanism should be established to exclude some of the fleets from fishing.

b) Protection and Control Policies: Technical measures should be taken to protect fisheries resources in the Mediterranean. These technical measures are entrance rights to fishing areas and fish stocks, limiting means for fishing effort, control and sanctions to provide an effective and fair application of the regulations, and environmental regulations about the fish kinds under protection (EC, 2003, p73). The EU CFP's one of the main elements is the TAC. Through TACs, EU specifies quotas and expected stocks. Turkey's fisheries regulation does not have any section regarding such a system. Such regulation necessitates additional administrative, financial and technical resource. To establish the above-mentioned system requires some amendments in Law No.1380 and the Turkey's National Program has added TAC activities as one of its objectives. A control system conforming with CFP should also be established and a system of satellite-based fleet observation needs to be established.

c) The Log Books and Data Accumulation: The Agriculture and Rural Affairs Ministry does activities to establish a system of central fleet logbooks by the Internet. However, there are still problems with the Internet connection in some cities. Thus, the registrations are taken manually. The Ministry needs technical assistance about the registration system and its technical properties.

d) Marketing Policies: Providing trade and quality perspectives regarding the fish processing and marketing. The EU Council decision on the sold fishing products has been applied for a few years.

Some of the necessary legal and structural regulations that will be the basis for the above-mentioned policies are planned to become laws in the Turkish Parliament in July 2005 (EC, 2003,p 74-75 and Seçer, S et al, p18).

5. CONCLUSION

Fisheries policy incorporates complex scientific and managerial issues. It has diverse and extremely fragile roots. Different interests and policy variables play a crucial role in the determination of optimum economic and social outcomes. It may even be recalled as an economic and social game theory between entrepreneurs, social participants and environmentalists. Environmentalists often object to the anthropomorphic character of economists' definition of value and of a criterion on increased human well-being. Many people feel that the effects of policies on the well-being of other living creatures should be considered in the decision process. Economists typically reply that the welfare of other living beings in fact, incorporated in the concept of economic value because people who value living creatures should be willing to pay to protect them. On the other hand, economists argue that people who do not value other living creatures should not be required to pay for their preservation. This may be referred as the social cost for the fisheries. Such a retort misses the fundamental nature of the environmentalists' criticism. Environmentalists do not accept the terms of the debate or the single - criterion decision framework structured by economists. Environmentalists and others are arguing that the well-being of other living creatures should be given standing in the policy analysis, not simply included to the extent that it affects the well-being of human beings. In other words, non-human creatures (and perhaps even plants) are considered to have rights above and beyond any value they provide to people. The sustainability of fisheries requires somewhat similar approaches by its stakeholders and possesses exactly the same paradigm from both environmental and socio-economic perspectives.

Since fishing was an activity that first began as providing food for humankind, it created a unique channel which not only acts as a source of food but also of community and cultural identity. Fishing progressed towards becoming an economic activity that brought communities together and organized them around rules and regulations in specific areas. As a result, due to their conflicting and complicated policy nature, fisheries gained their legal identity and entered into legislations as a section to be outlined separately.

Today, developed nations distinguish themselves from those, which are still developing ones through the degree to which they intensify their focus on targeted fisheries sector policies. Quite often, this focus manifests itself as the creation of channels for private initiatives. The major difference in the social and economic settings in developed and developing countries, it can therefore be argued, is found in their institutional environments; namely the effective enforcement of property rights, the judiciary as well as the governments' role in perpetuating sector specific developments. In this respect economic and social welfare are maintained through the effective functioning of institutions in the economy as well as through the maintenance of a stable political structure. In cases where the fisheries sector is considered to be of crucial importance for domestic policymakers who wish to foster sustainable development in the developing countries, the customized formulation of policies and the assurance of institutional quality can be expected to dominate their agendas.

This thesis attempted to explore the above-mentioned measures from Turkey's capacity and policy quality perspective. The outlook was drawn from the research that Turkey lacks certain institutional and political qualities to ensure the sustainability of its fisheries sector and heads towards and ambiguous end.

The thesis also implicitly explores the costs negotiated in the industry through the vision of environmental economics one of which the basic concept is called the Coase theorem. Basically this says that if property rights are completely assigned and there is no cost to negotiation, then the market can arrive at an efficient outcome.

As Coase himself put it: "With zero transaction costs, private and social costs will be equal...[and] the value of production will be maximized" (Coase, 1988). However, it does not say to whom the property rights are assigned. In this respect, this thesis does not address the issues of equity - the poor could worse-off, but it assumes that if market works well, then sound policies for the fisheries sector will leave it to the politicians and social action to properly redistribute the property rights so that the poor are better off as aggregate output, will be allocated for the benefits of the sector. The main focus here is on barriers to efficiency - not equity - and a lot of the problems addressed in the paper come from these considerations - particularly the assignment of property rights through sound policies and the transaction costs involved with the sustainable exploitation of aquatic resources.

For example managerial issues that were briefly described in chapter 2 signaled some aspects of the urgent need for institutional and managerial quality. Turkish fisheries sector – missing institutional qualities such as the rule of law, legislative authority, producer organizations, marketing boards etc. – will face even more deteriorating conditions during the development process. The main focus should therefore be diverted to quality rather than quantity in production.

While fisheries in the Europe yields sufficient production to consumers in the world, Turkish fisheries industry may only differentiate itself through sectoral re-structuring and renewal of its technology. This is not a simple process but a mandatory requirement for simplifying conflicts within the private sector activities. As a transiting economy, Turkish authorities should embark upon rigidly defined private sector policies for fisheries, which may be recalled as rewarding, encouraging and supportive.

As a unitary policy model, the European Common Fisheries Policy (CFPs) has been analyzed to provide information on the sustainable exploitation of the living aquatic resources and aquaculture; improvements that progressed the fisheries of the EU.

Technical measures, control, inspection and enforcement issues were observed within the context of European fisheries. Lacking policy regarding the monitoring ability of Turkish authorities were identified and decentralization of controlling activities were suggested to increase local and grass-root participation. Criticizing the EU model, the differences in the legal system of European states were considered as primary obstacles which would weaken the structure of the unitary policy model. However, EU's solidaristic approach towards maintaining a united policy, was appreciated as participating states were in accordance with the unions' common policies.

Managerial issues regarding the efficient operation of the industry were analyzed and policy factors such as co-ordination and organization were defined in the paper. It is a major finding in the paper that there exists a coordination problem between the state and its agencies during the control process.

To maintain operational efficiency and transparency in the fisheries industry, multi-level participation of stakeholders is recommended. Diverse and wide geographic conditions make it even more hard and costly to monitor for the state. The relevant decision-making process for the fisheries industry requires the participation of scientists, economists as well as the local people at the grass-root level. In this respect, the re-structuring of Producer Co-operatives (PCs) through a much more transparent outlook can be maintained through sound government policies. Hence, the role of policy-makers gain significant importance as sound policies refer to solidaristic management systems. The fisheries industry, by possessing the characteristics of a common property resource should therefore be handled cautiously to prevent conflicting ideas.

Massive geography and complex coastal structure makes it difficult to control fishing activities in the country. It is clear that the government is suffering a control problem by which effective policy design cannot be maintained.

The 2001 -2005 report of the Planning Institute and the Ministry of Agriculture and Rural Affairs reflect the fact that state control over aquatic production is expected to increase as the goal of sustainable production is looked forward to. But would the EU's Common Fisheries Policy fit into this paradigm? It seems extremely difficult to come up with a single-track strategy as the problem itself has political and social roots. Turkey; as a member state to the Union and a significant contributor of the World Trade Organization (WTO) has probably much to say in policy discussions; however there still exists a managerial shortage within the government authorities.

Competitive market structure in the EU requires value addition and product development in almost every sector. Fisheries sector is one of them. Research and development support when coupled with genetic and biological modifications boost production levels in European states. As it is quite hard to predict production levels for fisheries; planning and data collection is almost impossible to forecast marketing strategies and support programs for private participants. This factor mainly comes from wide geographic settlement and lack of technical advancements in the industry. In this respect it is extremely difficult to comment on the benefits of CFP if policy wise solutions only cover certain sectoral characteristics. However, CFPs administrative characteristics reflect some qualities that should be prioritized by Turkish institutions. At this point, collaboration among private, public and the third sector (NGOs) would remedy the effects of weak institutional quality. Fishing industry lacks government support which also leads to discouragement of the private sector.

The findings recall for policy reformulations which Turkey should spend greater effort to improve its administrative, technical and legal capacity. As a benchmark in this thesis, the EU has performed well in maintaining its institutional quality. Pioneer states disciplined and organized their fisheries management and performed extremely well in terms of its managerial activities for her fisheries sector.

Yet, there is still more to do for further develop against the dynamic environment to achieve sustainable exploitation of the fisheries through fleet restructuring, modernizing port facilities, developing more environmentally friendly techniques in aquaculture, improving quality and sanitary conditions of fish products, market promotion and improving open sea fishing activities.

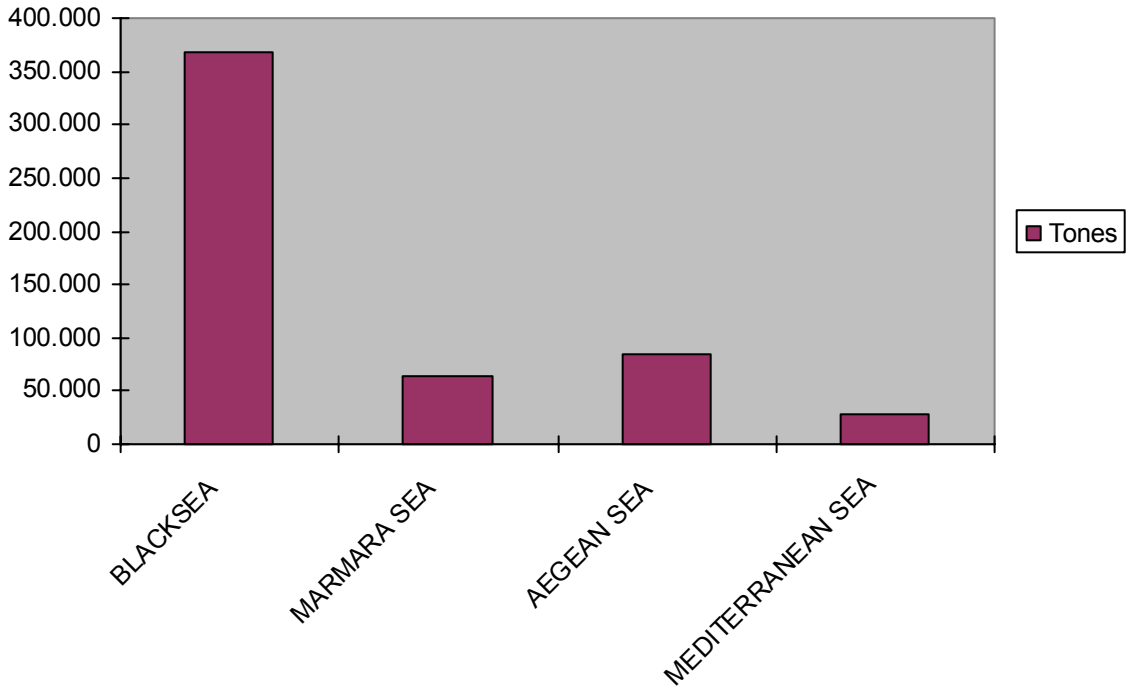
The support expected from the judiciary and administrative authorities is said to be missing, as effective enforcement of property rights (in this context, licenses and producer rights) remain vague. The lack of a supreme authority, which would solely be responsible for fisheries and aquaculture, leads to conflicts among interest groups and this results in ineffective functioning of local organizations. Bureaucratic obstacles that affect the registration and licensing procedures also generate problems as monitoring and quality issues are dismissed. Sustainable exploitation of fisheries depends on administrative, technical and legal measures to be implemented effectively and efficiently. Transparency, local participation through the decision-making process, technical assistance and developments, as well as the balance between the resources and the fishing activities must be considered as major guidelines towards a confident future for fisheries. Once the institutional base is set forth, Turkey would then be able to prepare itself for accessing to the European unitary model; the Common Fisheries Policy.

ANNEX 1

PRODUCTS OF THE YEAR 2000

BLACK SEA	**368.007 TONES**
MARMARA SEA	**63.164 TONES**
AEGEAN SEA	**85.190 TONES**
MEDITERRANEAN SEA	**28.206 TONES**

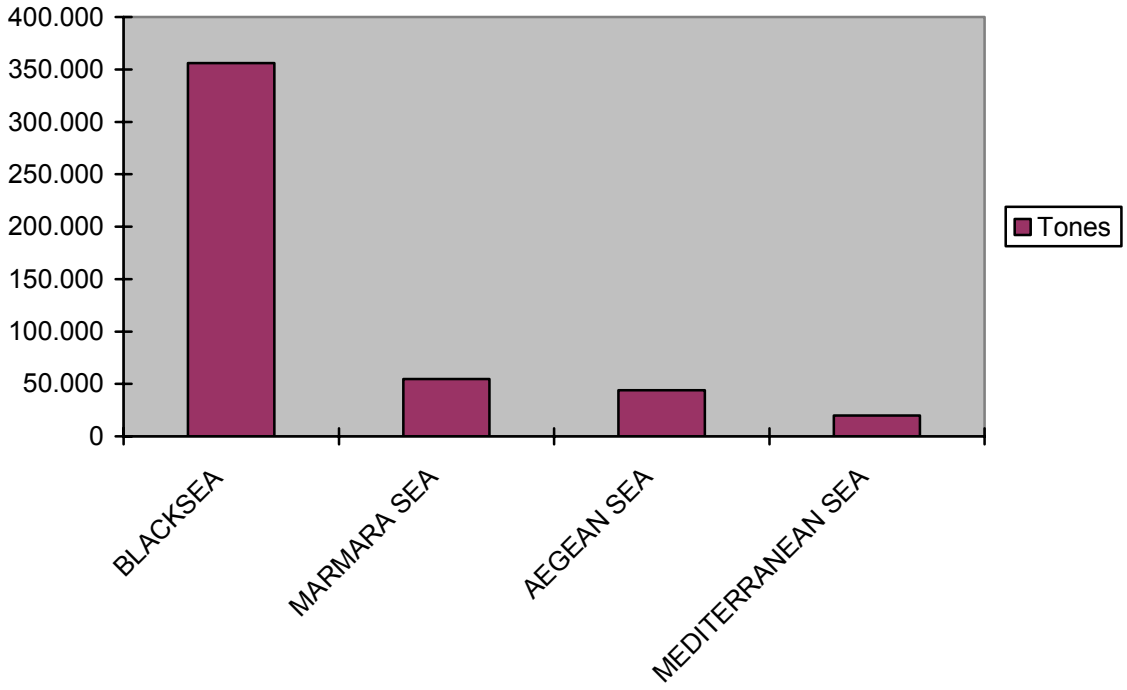
Source: http://www.tugem.gov.tr



PRODUCTS OF THE YEAR 2001

BLACK SEA	**355.977 TONES**
MARMARA SEA	**54.591 TONES**
AEGEAN SEA	**44.003 TONES**
MEDITERRANEAN SEA	**19.996 TONES**

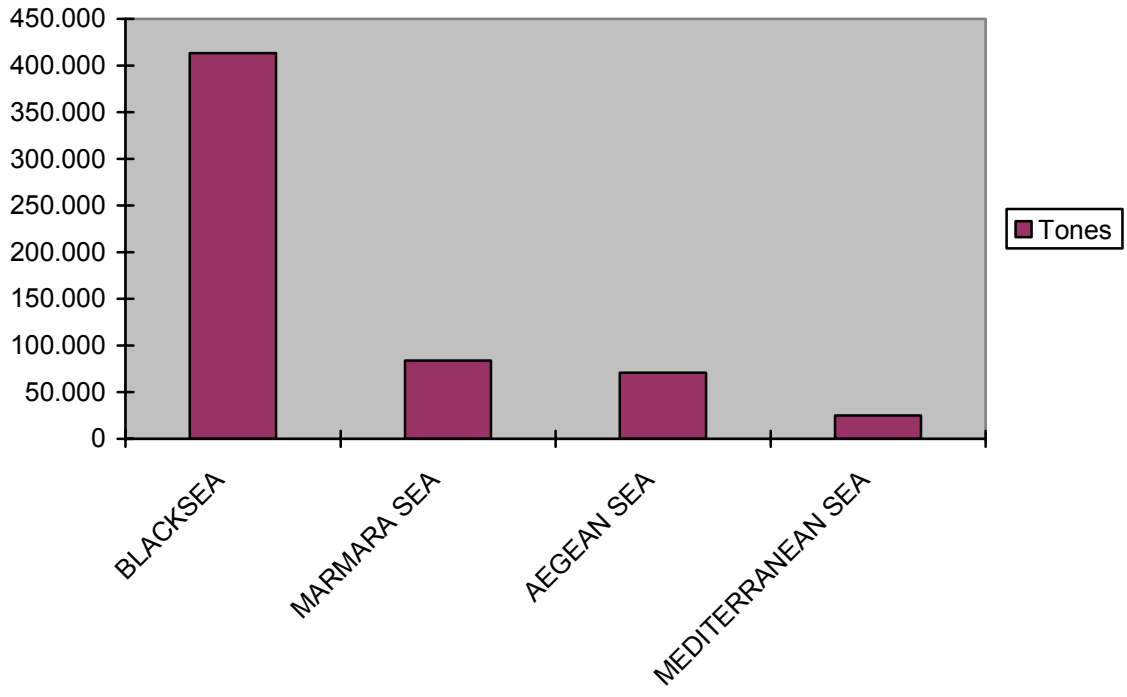
Source: http://www.tugem.gov



PRODUCTS OF THE YEAR 2002

BLACK SEA	**413.205 TONES**
MARMARA SEA	**83.676 TONES**
AEGEAN SEA	**70.680 TONES**
MEDITERRANEAN SEA	**25.075 TONES**

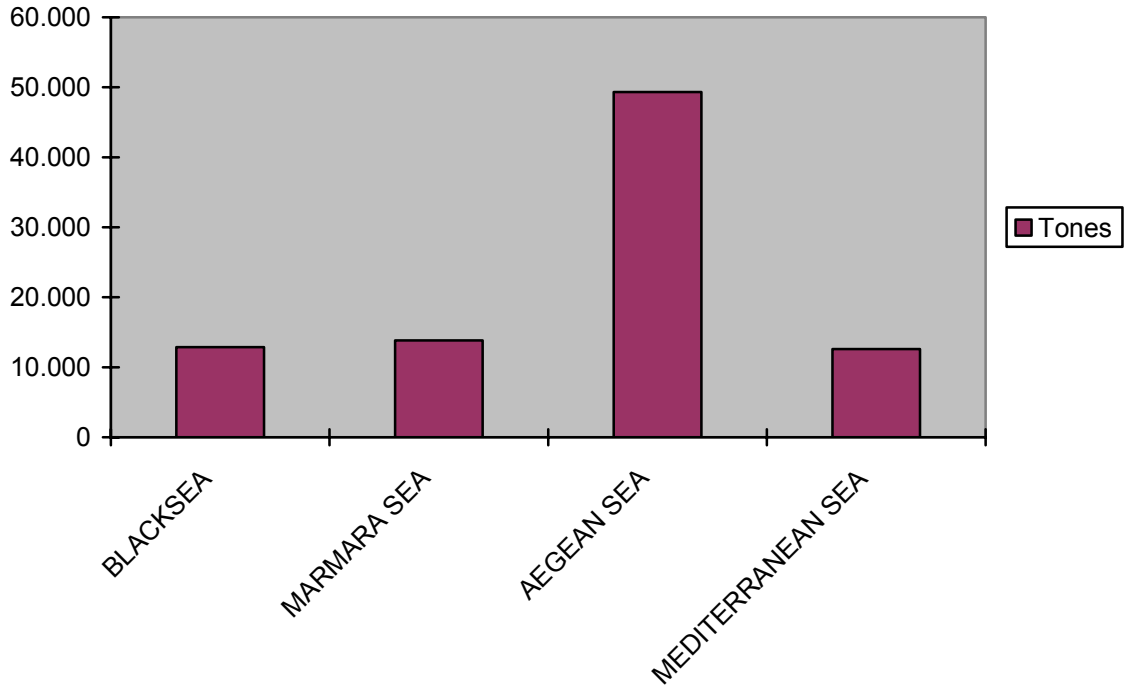
Source: http: // www.tugem.gov.tr



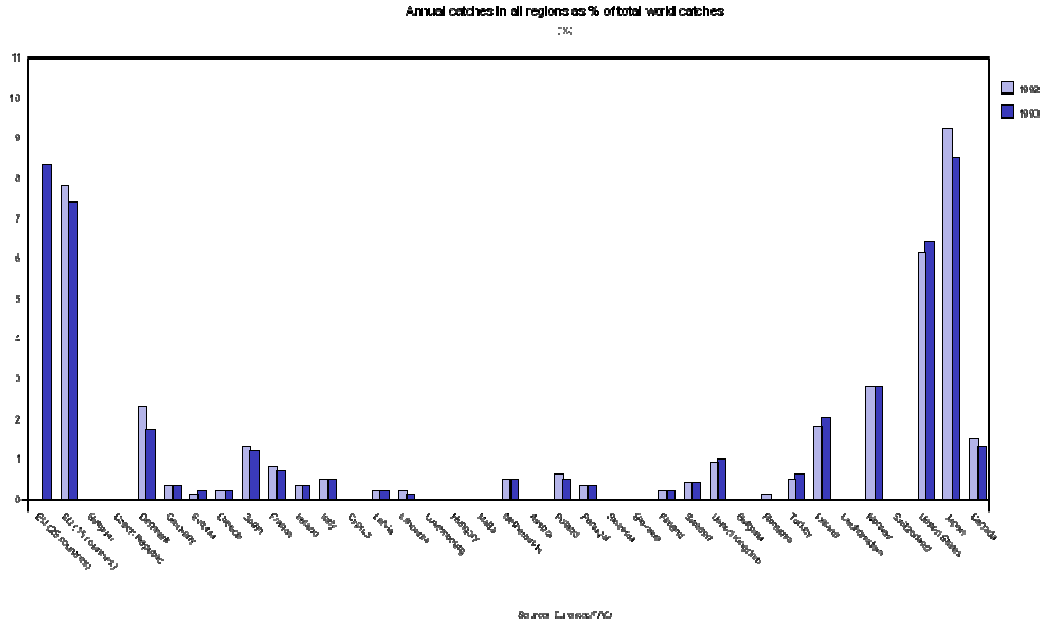
PRODUCTS OF THE YEAR 2003

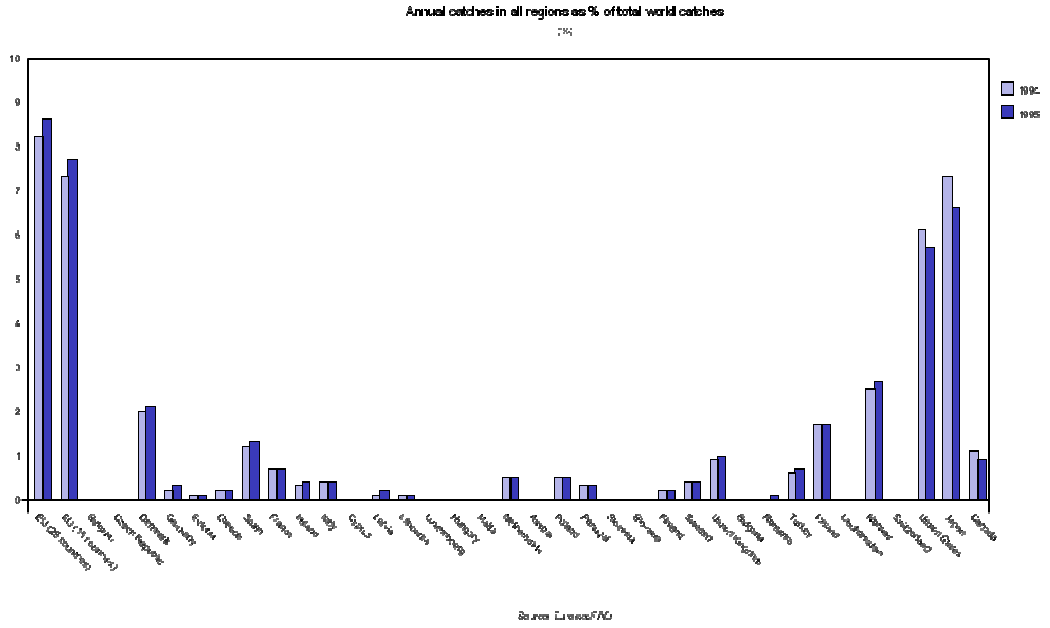
BLACK SEA	**12.892 TONES**
MARMARA SEA	**13.847 TONES**
AEGEAN SEA	**49.326 TONES**
MEDITERRANEAN SEA	**12.601 TONES**

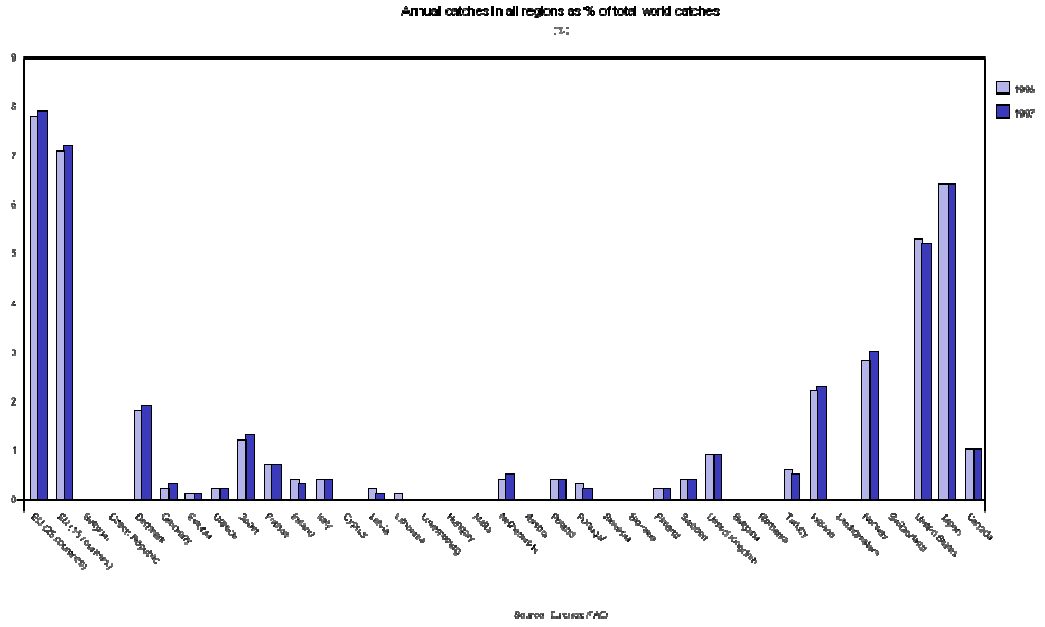
Source: http:// www.tugem.gov.tr

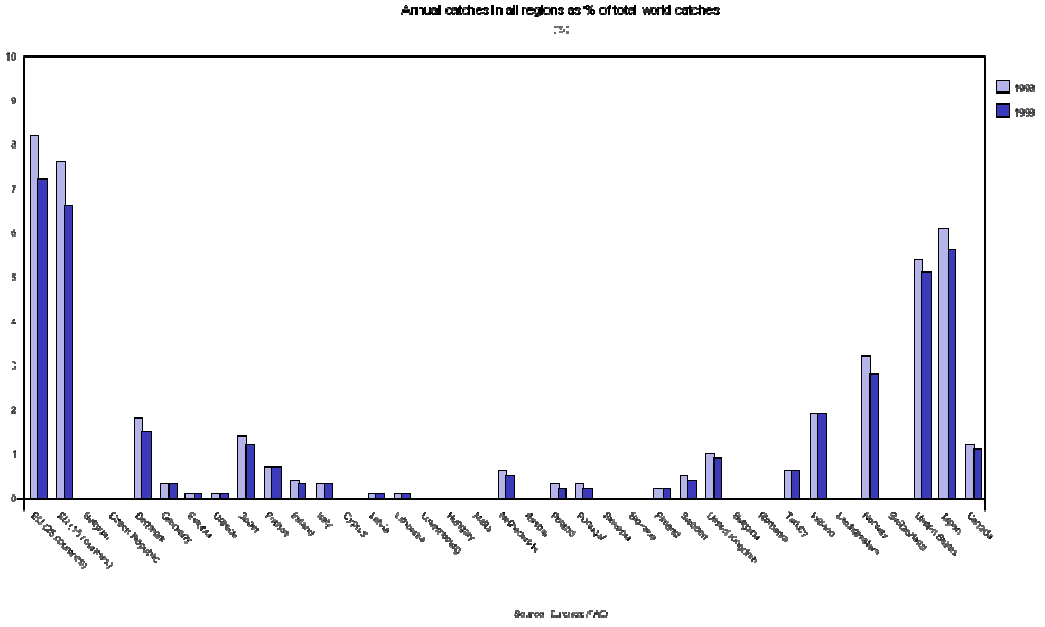


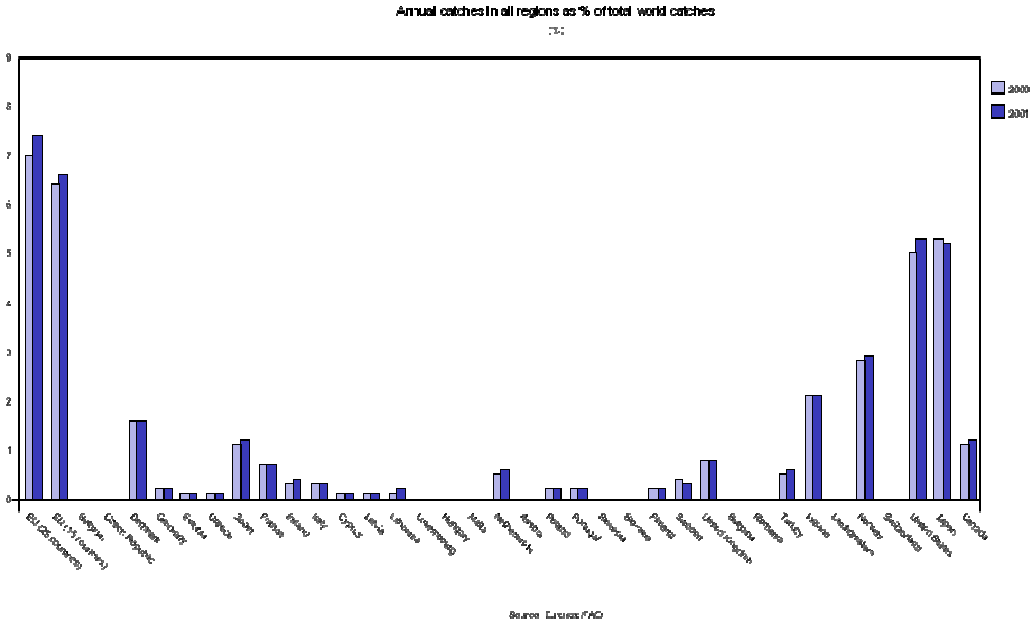
ANNEX 2

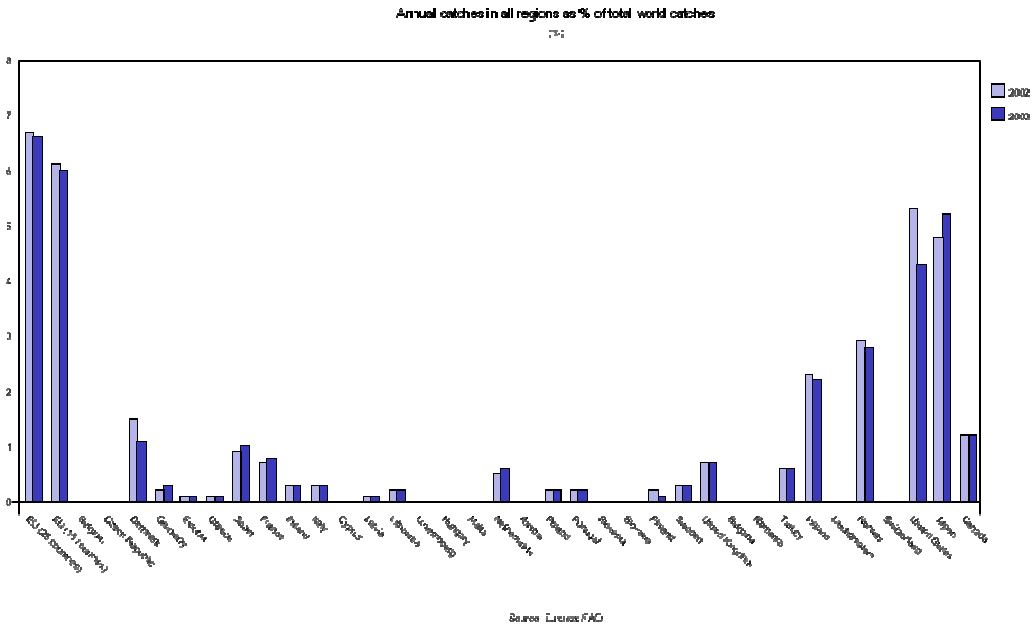

Annual catches in all regions as % of total world catches
%


Annual catches in all regions as % of total world catches
%


Annual catches in all regions as % of total world catches
1996
1997


Annual catches in all regions as % of total world catches
1998
1999


Annual catches in all regions as % of total world catches
2000
2001


Annual catches in all regions as % of total world catches
2002
2003

BIBLIOGRAPHY

Acara, A., Mert, İ. & Coşkun, F. (1995). *Devlet Planlama Teşkilatı Orman, Toprak ve Su Kaynakları (Ormancılık Balıkçılık, Sulama) Özel İhtisas Komisyonu Su Ürünleri Sanayii Alt Komisyon Raporu.* Yayın no: 2411. Ankara: DPT Yayınları.

Acara, A., Mert, İ. Şenel, G. Atik, F. (2001). *Devlet Planlama Teşkilatı Su Ürünleri ve Su Ürünleri Sanayii Özel İhtisas Komisyon Raporu.* Yayın no: 2575. Ankara: DPT Yayınları.

Artüz, İ. (1974). *Türkiye Balıkçılığının Sorunları.* İstanbul: Hidroloji Araştırma Enstitüsü Yayınları.

Arıkan, H. (2003). *Turkey and the EU.* Great Britain: Ashgate Publishing.

Bilecik, N. (1985). *Marmara Denizindeki Balık Av Miktarında Azalma*. İstanbul: T.C. Tarım Orman ve Köyişleri Müdürlüğü. Proje ve İstatistik Şube Müdürlüğü yayınları.

Brans, H. (2004). EU-25 fishery products CFP-new EU member states 2004. Brussels.

Butt, J. (1998). Labrador Fishery. Migratory Memorial. University of Newfoundland.

Coase, R.h.(1988).The firm, the market, and the law.Chicago: University of Chicago Press.

Commission of the European Communities. (2001). Green paper on the future of the common fisheries policy. Brussels.

Commission of the European Communities (2002). Communication from the Commission on an Integrated Framework for Fisheries Partnership Agreements with Third Countries. Brussels.: 23.12.2002.

Commission of the European Communities (2002a). Communication from the Commission setting out a Community Action Plan to integrate environmental protection requirements into the Common Fisheries Policy. Brussels.

Commission of the European Communities. (2002b). Council Regulation (EC) No 2371/2002 of 20 Dec 2002 on the conservation and sustainable exploitation of fisheries resources under the Common Fisheries Policy. Brussels.

Commission of the European Communities. (2002c). Communication from the Commission to the European Parliament and the Council Action Plan to counter the social, economic and regional consequences of the restructuring of the EU fishing industry. Brussel.

Commission of the European Communities. (2002d). Communication from the Commission to the Council and the European Parliament. A Strategy for the Sustainable Development of European aquaculture. Commission of the European Communities. Brussels.

Commission of the European Communities. (2002e). The CFP of the Road Traveled and the challenges ahead. Belgium.

Commission of the European Communities (2002f). Communication from the Commission Community Action Plan for the eradication of illegal, unreported and unregulated fishing. Brussels.

Commission of the European Communities. (2002g). Communication from the Commission on the Reform of the CFP. Brussels.

European Commission (2002 h). Outcome of the Fisheries Council of 16-20 Dec. 2002. Retrieved December 01, 2004, from http://europa.eu.int/comm/fishreis/news_corner/press/inf02_61_en.htm

European Commission (2003a). Common Fisheries Policy Compliance Scoreboard. Retrieved December 01, 2004, from http://europa.eu.int/comm/fisheries/scoreboard03/fleet_en.htm

European Commission (2003b). Reforming the Common Fisheries Policy. Retrieved December 01, 2004, from http://europa.eu.int/comm/fisheries/reform/access_en.htm

European Commission (2003c). Reforming the Common Fisheries Policy Repercussion of the conservation policy on the fishing fleet. Retrieved December 01, 2004, from http://europa.eu.int/comm/fisheries/reform/fleet_en.htm

European Commission (2003d). Common Fisheries Policy Compliance Scoreboard. Retrieved December 01, 2004, from http://europa.eu.int/comm/fisheries/scoreboard03/structures_en.htm

European Commission (2003e). Common Fisheries Policy Compliance Scoreboard.Retrieved December 01, 2004 from

http://europa.eu.int/comm/fisheries/scoreboard03/management_en.htm

European Commission (2003f). Reforming the CFP Conservation of resources and management of fisheries. Retrieved December 01, 2004, from http://europa.eu.int/comm/fisheries/reform/conservation_en.htm

European Commission (2003g). Reforming the CFP Introduction. Retrieved December 01, 2004, from http://europa.eu.int/comm/fisheries/reform/index_en.htm

European Commission (2004).Second Edition of the CFP Compliance Scoreboard. Retrieved December 01, 2004, from http://europa.eu.int/comm/fisheries/scoreboard/index_en.htm

Eurobarometers (2005). Fisheries Statistics. Retrieved 11. 01, 2004 from europa.eu.int/comm/eurostat database.

Çeliker, A. (2003). Su Ürünleri. Vol: 3. Ankara: Tarımsal Ekonomi Araştırma Enstitüsü.

Çelikkale, S., Düzgüneş,E. & Okumuş, İ. (1999). *Türkiye Su Ürünleri Sektörü Potansiyeli, Mevcut Durumu, Sorunları ve Çözüm Ürünleri*. İstanbul: Lebib Yayımları ve Basım İşleri.

Dedman, M. (1996). *The Origins and Develpoment of the European Union 1945-1995.* London: Routledge Press.

European Commission. (2001a). Green paper the future of the common fisheries policy. Luxembourg.

European Commission (2002). The Common Organization of the markets in fishery and aquaculture products. Belgium.

European Commission (2003). Financial Instrument for Fisheries Guidance., Belgium.

Grey, T. (1997). Fishing and fairness: The justice of the common fisheries policy. University of Newcastle upon Tyne.

Holden, M.J.(1984). Management of Fisheries Resources: The Experience of The European Economic Community. In M.J. Holden (Eds.), *Experiences In The Management of National Fishing Zones* France : OECD.

Hoşsucu, H., Kınacıgil, T., Kara, A., Tosunoğlu, Z. , Akyol, O., Ünal, V. et. al. (2001). Türkiye balıkçılık sektörü ve 2000'li yıllarda beklenen gelişmeler. *Ege Üniversitesi Ürünleri Dergisi* 2001, 18, 593-601.

İktisadi Kalkınma Vakfı. (2003). Avrupa Birliği'nin Ortak Balıkçılık Politikası ve Türkiye'nin Uyumu. İstanbul: İktisadi Kalkınma Vakfı Yayınları.

Jeffrey N. (2002). *'The New Institutional Economics: Can It Deliver for Change and Development',* unpublished paper presented at the conference on Paradigms of Change. Bonn: University of Bonn.

Johanness, G.T. (2004). How 'cod war' came: the origins of the Anglo-Icelandic fisheries dispute, 1958-1961. Historical Research pp:543-574

Kılıç, M. (1991). *The Common Fisheries Policy, and Turkish Fisheries.* Istanbul: Marmara University Press.

Lear, W.H. (1998). History of fisheries in the Nortwest Atlantic: The 500 Year Perspective. *J.Northwest Atlantic Fisheries Science* pp: 41-73.

Lequesne, C.(2000). "The CFP letting the little ones go?. In H. Wallace & W. Wallace (Eds.), *Policy Making in the European Union* pp: 345-368 Oxford: Oxford University Press.

Moussis, N. (2004). Ortak Balıkçılık Politikası. In *Avrupa Birliği politikalarına giriş rehberi* (pp: 497-511). İstanbul: Mega Press.

Murhy, B., Collier, P, Mitchell, D. & Hirst, B. (1993). *Maritime Zone Boundary Generation from Straight Baseines Defined as Geodesics.* Melbourne : Melbourne University.

Nerheim, M. (2004). The New Common Fisheries Policy:Towards Sustainable Management and Profitable Fisheries Sector?. Maastricht: EIPA.

Redmon, J. (2005). Ortak Balıkçılık Politikası In *Avrupa birliği ansiklopedisi* (Vol.1, pp. 211-213) (H. Akay, Trans.). Istanbul: Mas Yayıncılık.

Seçer, S, Korkmaz, A. S., Yavuzcan, H, Atar, H.H. & Pulatsü,S. (2000) "Su Ürünleri Üretimi: Avcılık ve Politikalar" makale mi, kitap mı, ona göre formatlanacak.

Şenel, G., Erbaş, S., Ertaş, S., Gözgözoğlu, E., Duru, D., Kuşhan, S. (2002). *Devlet Planlama Teşkilatı Su Ürünleri Ekonomisi Üretim, Miktar, Fiyat ve Değer Değişimleri 2000*. Ankara: İktisadi Sektörler Ve Koordinasyon Müdürlüğü, DPT Yayınları.

Tiryakioğlu, Ö. (2003). Avrupa Birliği Ortak Balıkçılık Politikası, Dış ilişkiler ve AT Koordinasyon Dairesi Başkanlığı Tarafından Hizmet içi Eğitim Programı Sunumu, Ankara.

Yıldız, S. (1996). *Türkiye'de ve AB ülkelerinde su ürünleri politikaları ve sektöre yönelik koruma yöntemleri.* İzmir: Ege Üniversitesi.

World Bank (2002).*Small and Medium Size Entreprise Financing in Eastern Europe*; Policy Research Working Paper December 2002 . Retrieved from september 15, 2005, www.worldbank.org.

INTERNET SOURCES

http://europa.eu.int

http://www.fao.org

http://www.occamir.org

http://www.oceanlaw.com

http://www.nafo.com

http://www.iote.org

http://www.ices.dk/index fla.asp

http://www.tugem.gov.tr

http://info.wiu.ca

National Institute of Statistics; http://www.die.gov.tr

National Planning Institute; http://www.die.gov.tr ; http://mevzuat.dpt.gov.tr/ypk/2004/92.pdf

National Planning Institute; http://ekutup.dpt.gov.tr/ab/uyelik/etki/olasi.pdf