

FISHER PAY IN NORDIC FISHERIES

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SUMMARY

Share pay, or lay, for commercial fishers is an old way of sharing both risk and benefits from fishing between boat owner and hired crew. Since time immemorial, such share systems have been part and parcel of the Nordic fisheries sector. Yet, when fisheries management reform was introduced, the share system remained in place, thus 'institutionalising' it. With the reform of fisheries management towards market-based economic instruments, fisher pay has augmented this, which suggests that fishers are able to share in the increased rent accruing from more sustainably managed fisheries. Fishers can leverage some of the efficiency gains obtained through investments in better gear and vessels. This is a unique feature of the fisheries sector with share payments. Although minimum wage provisions are in place, they are rarely applied. Commercial fishers are generally well paid compared to other occupations in the economy, albeit with differences between the various fisheries segments. Earlier work on fisher pay systems tends to ignore how the dynamics of the fisheries sector influence production risk. This includes changes to fisheries technology and changes in fisheries management settings. Furthermore, previous studies do not consider that differences in marketing schemes influence the price risk, such as through landings via auction or direct landings to processors, or, as in the notable cases in Greenland and Iceland, through forward integrated companies. The findings in this study suggest that fishers are very well paid compared to other occupations. Although this may reflect several factors, including a risk premium for being a fisher, we also observe that in line with the introduction of new management regimes, the fishers who remain in the sector continue to bring home substantial salaries that are well above the wage levels one might expect from land-based jobs. This is likely to reflect the fact that the increased rent in the fishery is captured by the fishers due to the share system, and not only by the vessel or quota owners. This has implications for resource rent taxation. The interviews carried out as part of this study broadly confirmed that fishers are well paid.

See the report at:

<http://norden.diva-portal.org/smash/record.jsf?pid=diva2%3A1647063&dswid=-4891>