An economic analysis of private side of fishermen's cofradías' activity on the Cantabrian Sea

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ABSTRACT

Guilds first emerged at the heart of the feudal mode of production, but when this disappeared and they were banned, they had to adapt to new mode of production and now remain an essential part of the small-scale fishing system on the Cantabrian Sea and elsewhere within the Spanish State. Fishing businesses used cooperation mechanisms originating from the old guilds, reconvert them into strategic alliances for market economies. That has been one of the basic reasons for their hyperlongevity, despite the fact that frequently a bleak future had been forecast for them. Many specific demands related to the fishing needs of each port have arisen over such a long period of time and over such a large area. The cofradías, the current version of ancient guilds, have been the tool used to deal with these demands by taking advantage of the potential provided by their flexibility and their possibilities for addressing problems cooperatively in each specific circumstance. Once such a tool had been designed, the small-scale fishing subsector then had a mechanism at its disposal with great potential for addressing countless problems related to the production of goods and services that needed cost and risk distribution among its members. In the case of the most recent alliance variants involving cooperation, cofradías have been associated with other fishing bodies – both public and private – who share similar interests over fish stocks and markets. That is why they retain currently the trust and financial backing of the small-scale fishing sector.

1. Introduction

The emergence and subsequent development of guilds was due to demands for the economic organisation of fishing during feudal times. However, when the feudal production method died out, the guilds adapted to the new means of production, and they still retain the trust and financial backing of the small-scale fishing sector. The work presented here attempts to explain some of the reasons that illustrate this continuity under the market economy, and in particular the basic economic principles that enable that phenomenon to be understood. To this end, a brief description of the types of activity undertaken by the guilds is provided.

The basic aim of this work is to analyse the private part of the activity carried out by these bodies as businesses firms that produce goods and services for small-scale fishing businesses who are members of them. To do so, it’s necessary to turn to the economic theory of organisations in order to provide an interpretation of the features and basic economic principles governing their activity. The study of the private aspect of the activity undertaken by these organisations has tended to be neglected and hardly any work has attempted to provide basic economic and organisational principles about them, offering a suitable explanation for their prolonged survival. Recently, some aspects of their economic activity have been analysed as cooperative bodies belonging to the tertiary or socially-committed sector in which they are listed as such by law [1,2]. Attention should be drawn to the fact that throughout history guilds have also performed functions of a public nature, in their position as government bodies. The features of these organisations from their public standpoint in terms of government tools have been analysed in many works and research, and indeed this aspect has been the one into which most research has tended to be channelled about such bodies [3–5], with the study of its private business nature remaining practically unexplored.

In such a unique unit as the cofradia, it is difficult to separate public from private activity owing to the consequences of their resulting joint activity – one aspect cannot be separated from the other without taking the necessary precautions. In fact, pursuant to current legislation, they have been assigned the statute governing public bodies who are responsible for acting as consultancy and collaborative bodies working alongside competent public authorities within the maritime fishing sector, which authorises them to intervene in fishing management issues.
activities. They act in their public capacity as representatives of the entire coastal fishing subsector, although to understand all their activity, it is essential to also be aware of the nature of their activity as private business enterprise, and that is the basic task set out in this paper [6,7].

In any case, the scope and the understanding of both, the behaviour and primal attributes of the fishermen's cofradías has not been linear along their historical path. Thus, for example, based on their specific interpretation about the nature of cofradías, during four decades after 1939, general Franco and his administration appeared like being their maximum defenders. The coexistence along centuries of workers and ship owners inside this organisation fitted fairly well with the idea of the so-called vertical unions, sponsored by Francoist ideology. In this scenario cofradías started to be presented as exemplary institutions, while at the same time, all trade unions were in turn outlawed. In the meantime, the Francoist administration made the fishermen's cofradías a substantial part of their vertical unions, legally defining them as Public Law Corporation and granting them a fixed representation in its top legislative body.

Attention should be also paid on the fact that the fishermen's cofradías are indeed much older than the Franco regime, and, of course, they have continued carrying out with their functions with the democracy, after Franco. However, it is remarkable that in some settings they still maintain the stigma of the Francoist vestiges. As it will be presented in this paper, the nature and functions of the cofradías have a longstanding historical trajectory in the fisheries system, with deeper dimensions than those settled by the Franco's regime.

To understand the functions performed in their role as private bodies over the period they have been operating under the market economy in the Bay of Biscay and Cantabrian Sea, the fact that fishing is pursued within a special milieu and under particular conditions needs to be taken into account. In order to ensure the smooth running of fishing operations, it requires the input of goods and services with which they customarily have to be equipped just at the moment required – especially when needed on the high seas or when heading out to sea without delay for short periods of time. These demands include a wide range of tasks, ranging from the regulation of activity, to production and to commercialization. Yet such input has often tended not to be available in the market or have turned out to be fairly inaccessible and expensive in the place and under the special conditions demanded.

Historically, the same has occurred with the availability of insurance for goods and individuals and, even now in some fishermen's guilds – continuing age-old practices – they internally administer certain insurance by collectively using their own capital resources [8]. First-sale marketing also requires a specific, flexible and relatively complex organisation starting with the landing of the catch, safekeeping of the cold storage chain, and auctioning and delivery to retailers or the transformation industry, especially taking into account the extremely perishable nature of fish. The same occurs with the availability of a swift, adaptable mechanism for repairing fishing nets and tackle between the time when the catch is unloaded and the activity is resumed, etc. Cofradías have been entrusted with creating the devices and regulations needed to provide their members with these and other goods and services under the conditions and in the place they are demanded.

In the sense stated, the private activity undertaken by guilds may be understood as referring to the materialization and management of an alliance of independent fishing businesses belonging to the small-scale subsector that acts as a non-profit-making body. This alliance is a body funded by its members and as such is subjected to requirements, criteria and production decisions of its members, who operate independently by setting their own regulations, checks and balances via their representative bodies. Furthermore, it should be pointed out that it constitutes a body that brings together both ship owners and the fishermen who work on their boats [9]. Decisions are taken by the representative governing bodies, who are elected by the universal suffrage of their members. The Board is represented by an equal number of workers and ship owners, while an executive committee is charged with taking executive decisions under the leadership of the President or main patron who implement the guidelines established by the Board. These are the bodies that decide about the tasks to be performed within the business and private sphere of their activity.

Section 2 provides an analysis of the historical challenge faced by cofradías in either having to adapt to the new rules of play or die out after they were banned with the beginning of the capitalist fish market. In Section 3, the role of traditional fishing businesses will continue to be analysed, but within the new mode of production, so as to encourage cooperation under the institutional umbrella of the cofradías. In Section 4, how such cooperation materialized is analysed in the form of strategic alliances, while Section 5 focuses on new varieties of these designed to deal with more recent problems. Lastly, the conclusions are provided in Section 6.

2. A brief historical background to the dilemma facing the traditional fishing sector: reinvent or die out

When the fishermen's guilds were outlawed in 1864 in Spain (in 1873 in the Basque Country owing to its special legal status) and were facing the end of the monopolies that benefited from the Ancien Régime, the State took over exclusive ownership of rights to access of resources and became their plenipotentiary administrator, paving the way for free access to fishing. The fishing industry was also deregulated. Henceforth, all fishing businesses that met the State's sole owner legal requirements would be able to access resources and sell their catch without having to pass through guilds. The communal exploitation of fishing resources paved the way for exploitation via the public ownership model.

The stance taken by fishermen's guilds radically changed the scenario after they were outlawed, and in turn also changed their conception of fishing activity. Now that the feudal model had died out, the capitalist framework became dominant and the market model expanded to the economy as a whole, meaning that guilds faced the dilemma of needing to either structure themselves according to market forces or disappear.

Once the conditions had been created for the emergence of new fishing agents, the first fleet of trawlers was established in 1882 on the Bay of Biscay organised around newly-fledged companies. These carried out trawling with steam engines that used coal, and this method enabled boats to be steered by machine, adapting well to the catching of demersal fish using far more powerful fishing techniques than the technologies hitherto used by fishing fleets operated by guilds and associations. Prior to this, fleets were based on the wind energy furnished by sails and human effort provided by rowing, together with manual fishing tackle techniques. In short, steamboats proved to be far more productive. Moreover, these new companies were devised as industrialised fishing fleets, designed to work under new production conditions and destined to meet the growing demand arising from the increase in population and coming from a fast-evolving capitalist, urban development process [10]. The deregulation of trade led new trawling businesses to specialise in meeting the demand for fresh fish in large urban centres, and the advent of railway construction in the late 19th century helped them achieve their objectives. This railway network connected Madrid with cities on the periphery, favouring demand for fish in large cities and the establishment of markets that would go beyond the local and regional framework [11]. Hence these companies were designed to dominate the fish market and were conceived to obtain maximum profits within the framework that economic theory had established for the operation of capitalist enterprises.

Once the guilds had been outlawed, they were compelled either to adapt to the new situation or die out – their fleets and organisations felt obliged to reconvert in keeping with the new legal and productive conditions. To do so, they were formally set up as firms in accordance
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