



Speech
by
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A WORKSHOP ON SUSTAINABLE FISHERIES

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Distinguished scientists and scholars
Ladies and gentlemen

I welcome the opportunity to participate in your discussions on sustainable fisheries and share with you some lessons from the experience of my nation, lessons which can form a basis for deliberations and dialogue on sound policies and the priorities most appropriate for sustainable use of ocean resources.

Iceland's position at the opening of the 21st century is a picture of outstanding success. Iceland has one of the highest per capita incomes in the world. Our life expectancy for women and men, number of doctors per population and use of computers and the internet are all in the top global category. The equality in living standards, educational opportunities and health services is such that all families in the country, in the rural areas, the fishing villages and the metropolitan region are offered the same opportunities and access.

In examining this achievement it tends to be forgotten that until a few decades ago the Icelanders were primarily a nation of poor farmers and fishermen who for more than a thousand years had fought poverty, hardship and the destructive forces of nature. Plagues and natural disasters often took a severe toll and the population therefore remained at the same low level.

Every generation of Icelanders, up to and including the generation of my own grandparents, had known food shortages, even at times hunger. My parents were in their youth familiar with the struggle to maintain sufficient food levels throughout the hard winter. In my own childhood, staying with my grandparents in a small fishing village of 300 – 400 people in north-western Iceland, I participated in harvesting potatoes, drying the fish, smoking and salting the meat to make sure the family had enough provisions of food to last the dark winter months.

The history of the Icelanders in the second half of the 20th century can be a lesson in how to transform a nation of farmers and fishermen into one of the most affluent, high-tech oriented societies in the world, how the resources from fishing were used to build the foundations for economic progress and social welfare.

I believe that Iceland can offer some important lessons and guidelines for the development of fishing in other parts of the world. Although conditions everywhere differ in certain respects there is a sufficient universality in the course of development to offer frameworks of general principles.

Furthermore, a small country is often a suitable field to examine the interactions of crucial factors. It is closer to a laboratory situation, to being a model case for study, than the larger nations and states where the boundaries of bureaucracy and the complexities of external factors make it difficult to formulate key conclusions. We in Iceland have therefore in recent years been pleased to welcome entrepreneurs, officials and specialists from Asia, Latin-America and Africa who decided to test their own views and strategies for development by examining the Icelandic experience.

In this respect Iceland could become even more important in the 21st century since mankind now has to face the task of how to preserve and utilise the vast ocean resources for food provision and ecologically sound economic progress. Iceland is probably the only country in the world where fishing stocks have been preserved and also used in a constructive way to advance a highly profitable globally oriented and market based fishing industry without the state subsidies so dominant in most other developed countries.

A broad analysis of the Icelandic experience can provide us with 8 principle guidelines or lessons which have contributed to the successful transformation of our fishing economy:

1. Education, primary and advanced, has always been an essential pillar of our social and economic development. Although the farmers and fishermen of old were poor and overworked, they could read and write. Thus the distribution of technical knowledge and new skills was made easier.
2. Entrepreneurship in the classical sense of the term, demonstrated by the opportunities for individual fishermen to advance to new levels of income and production, was a key ingredient. Nearly all major companies in the field of processing, marketing and

distribution of fish products before the middle of the last century and in the following decades were founded by individual fishermen and their families, either privately or within a co-operative framework.

3. It was considered important to develop strong enterprises either as family concerns or as co-operative companies. The leading enterprises in nearly all communities throughout the country from the 1930s to the 1980s were of either of these two types; in some communities both forms prevailed.
4. From the early part of the last century a close co-operation and interchange was developed between the networks of local communities and the central administration. The decision makers in the ministries and other national institutions received consistent and constructive input from the local leaders. Some would even argue that the primary task of the central institutions was to serve the initiatives and the directions provided by the enterprises, private or co-operative, that were responsible for economic progress in the fishing communities.
5. The entrepreneurs and producers in the fishing sector established strong associations and companies dedicated to making the distribution and development of retail products more business-oriented and efficient, in both the national and the global market. Individual fishing entrepreneurs had strong influence over the entire development process from primary production through the processing and marketing companies to the more advanced form of global sales organisations.
6. In the fishing sector the requirements of foreign markets – Europe and America first, from the 1950s, then later the Asian market – had a strong influence on the forms of production and on technological advances with regard to processing different products. The development of the fishing sector was always very market-oriented in the broadest sense of the term.
7. Quality, the pride taken in the excellence of Icelandic fish products, has been ingrained in our culture, the market and technological development of the fishing sector. To fail to fulfil the strictest quality standards was both a national and personal disgrace. So advanced has this obsession with quality become in modern times that if American or Asian consumers buy, for example, Icelandic cod or shrimp in their own supermarkets and

find the quality lacking, that particular product can be traced not only to the plant of origin in an Icelandic fishing village but also to the respective worker who initially handled it.

8. The emphasis on conserving the stocks, on controlling the utilisation of ocean resources in a responsible way, has always been of primary importance to the Icelandic nation. The advice of marine scientists and the quotas formally recommended by the Marine Research Institute have always been the foundation of government policy. The long-term sustainability of natural resources has been as important to the Icelandic nation as sovereignty itself. Every Icelander knows that without the preservation of the resources in the oceans the nation would not survive. Responsible ecological management is as fundamental as our own political independence.

In addition to these eight historical characteristics which form the basis of our long-term success we have seen four major developments take place in the last two decades, developments which will probably dominate the evolution of the Icelandic fishing sector throughout the first part of the 21st century.

1. The quota system which was introduced in the early 1980s, whereby specific quotas were allocated to every vessel and later made tradable and transferable, has now become the fundamental basis of the industry, allowing companies to merge, bringing great profits into the fishing sector, almost eliminating the economic fluctuations which in earlier times produced regular inflationary cycles, but also creating difficulties for many traditional fishing communities which have lost some or even all of their quotas to companies in other parts of the country. This quota system was introduced following an extensive political debate and it has been an essential part of our democratic dialogue ever since, and still is; it was, for example, one of the major issues in the parliamentary elections earlier this year.
2. The importance of the fishing sector for our economy has fostered the growth of many high-tech and software companies which specialise in products for the fishing and fish processing sectors. Many of these companies have now obtained a strong position in the global technological market, thus adding a new innovation based dimension to the Icelandic economy. A successful fishing sector can therefore become a breeding ground for high-tech and software industries and provide the educated and highly skilled workforce with new opportunities.

3. The profitability of fishing companies and the quota system have combined to create a process which has produced many large enterprises, much larger than ever existed before. Thus we now have a situation where a group of strong and large fishing companies dominates the evolution of the sector; giving rise for the first time in our history to Icelandic fishing companies that have the strength to become significant global players. In this regard, Iceland exemplifies how the fishing sector of a small country can become the basis for successful international companies.
4. Iceland's successful track record in this field, together with the openings provided by globalisation, has created demand from countries in all parts of the world for partnerships with Icelandic enterprises. In recent years such joint ventures have been created in, for example, Mexico and Brazil, Namibia, Uganda and Morocco, China and Indonesia, Germany and Russia, to name only a few. The Icelandic seafood marketing organisations have in addition established successful branches in North America, Europe and Asia and set up subsidiaries worldwide. This experience demonstrates that the management training provided by the small Icelandic fishing sector can successfully become the basis of a formidable global presence in this field.

Although Iceland is to some degree a special case – as all countries are, of course – I believe our experience offers important guidelines for the development of fishing in other parts of the world, lessons of how to achieve there the same kind of economic progress, prosperity, welfare and balanced and ecologically responsible growth.

Bearing in mind the image of the Nordic countries within the global community you could argue that it is easy for the Nordics to achieve success. Then I remind you again that little more than a generation ago or so the Icelandic nation consisted primarily of poor farmers and fishermen who mostly lived in rural areas and small coastal villages of less than 1000 inhabitants.

Furthermore, the forces of nature had over the centuries been tough and merciless masters, requiring sacrifices and regularly delivering an array of natural disasters, volcanic eruptions and destructive storms. Judging the living conditions in Iceland from afar, many people indeed wonder that anything survives there at all.

It is quite possible to take the view that if such success can be achieved in Iceland there are not many areas in the world where progressive development cannot take place.

In fishing technology, fish processing and marketing and in the control and conservation of fish stocks, Iceland has a lot to offer with respect to the management of global food production in the 21st century.

Iceland is probably the only developed country which has succeeded in building a highly profitable market-oriented fishing industry without a system of state subsidies and without destroying the fish stocks in the process. In fact, global market orientation and an absolute emphasis on sustaining the fish stocks are the two fundamental pillars of the Icelandic success story.

We have consistently advocated responsible stock management and tried to lead other nations in that direction. Our primary argument during the Law of the Sea process and in the campaign for the recognition of the 200 mile economic zone was that these international regimes were prerequisites for preserving the ocean resources.

The importance of scientific knowledge, research by marine biologists and formal advice from respected ocean research institutions must be the firm basis of both international and national policy-making. The system of quota controls must furthermore be economically viable, based on sound market premises and solid principles of economic growth. All elements of national and international fishing regimes and control systems must also be based on mutual confidence, transparency and the most advanced networks for open information gathering.

The international community faces monumental tasks in the 21st century: how to obtain the necessary knowledge about marine nature and how to conclude multilateral agreements in order to preserve the ocean resources in a responsible way.

It is indeed a paradox how little attention this dominant feature of life on Earth has been given in modern times by the scientific and technological communities which have revolutionized mankind's existence, and how reluctant global and regional institutions have been to deal with the challenges posed by successful management of the oceans.

The great explorer Thor Heyerdal of Kon Tiki fame told me a few years ago that due to the direction of scientific research in recent decades mankind now knows far less about the oceans than about the Moon. He asked: Has the time not arrived to dedicate the powers of science, discovery and global co-operation towards making an effort on behalf of

humankind with respect to the oceans, on the scale which in previous decades has been devoted to exploring space?

Fish stocks could with proper management become an increasingly important part of the Earth's food supply, and therefore their sustainability must become a fundamental part of the global food strategy for the new century.

I believe that five conditions are especially important in this respect:

1. Priority must be given to concluding multilateral – and in particular regional – agreements on preserving the fish stocks which lie beyond the national boundaries of the 200-mile exclusive economic zones. It is of utmost importance to build up the stocks that pass through international waters.
2. The paramount step towards responsible fishing is to abolish the various systems of state subsidies to the fishing sector which exist in both developed and developing countries. No other single action could bring such positive results in a short time towards achieving sustainable development in fisheries. There is, for example, a direct correlation between the excess capacity of fishing fleets and the volume of state subsidies. The elimination of government subsidies is therefore the key to success. Our nations are now quite capable of catching all the fish which it is sensible to harvest without the existing mechanisms of subsidies. The elimination of harmful subsidies is an important topic in WTO negotiations.
3. Surveillance of fishing, both in national and international waters, must be increased. International organisations should receive sufficient and detailed information on all fishing which takes place in the various regions of the world. It is now possible through satellite and computer technologies to make data available on the catches and the location of individual vessels, large and small, at all centres where information is gathered. An open data system of the kind now operating in aviation would ensure transparency and build trust not only among the member states but especially within the fishing communities – and let us not forget that the co-operation of fishermen is an essential ingredient for success.
4. An important contribution towards progress would be to establish global free trade in fish and fish products, and to abolish import

quotas, customs duties and technical obstacles to trade. These matters are also important tasks for WTO negotiations.

5. The best way to secure the interests and well-being of fish consumers, and likewise maintain high prices of fish products, would be to introduce throughout the world uniform quality systems based on international standards.

I believe it is also very important to make lessons of success available to others, to train officials and technical staff, to inform policy makers and political leaders and to enhance in this way the global dialogue on fishing as a major food resource in the new century. I hope our discussions here today will further that effort.

I have sought to illustrate my views by referring to the experience of my country. I have done so not in order to elevate its importance but simply because I believe that the concrete experience of a small nation whose existence has been defined and determined by the ocean for more than a thousand years is a better guide to deciding what works and what should be done than fancy theories or extensive and complicated memorandums. But I have also presented this approach in order to encourage scientists and policy-makers to seek inspiration and wisdom from your collective experience, from the nations and communities which must, for the sake of their very existence, treat the resources of the oceans in a responsible way.

It is indeed high time for us all to demonstrate our capabilities in harvesting the oceans and manage their riches in ways which preserve them for all generations to come.

In the Holy Bible we are faced with the challenging question: “What shall it profit a man, if he shall gain the whole world, and lose his own soul?” At the crossroads of the new millennium we can similarly ask how humankind will benefit from the exploration of space and the discovery of the genetic properties of life itself, if we lose control over the essential nature of the oceans, over the currents which encircle the continents and preserve our climate in a condition man can live in; and if we lose control over the great food source of the future and the vital elements of the Earth’s biosystem provided by the oceans.

In greeting the new century we must resolve to give the oceans the highest priority in global co-operation and make determined efforts to seek solutions to the challenging tasks of preserving the nature and riches of the seas.

I humbly thank you for the honour you have shown me and my country by inviting me to address you here today. I salute your efforts and dedication and wish you success in all your deliberations.