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Article

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European Journal of Government and Economics (EJGE)

Provided in Cooperation with:

Universidade da Coruña

Suggested Citation: Martin Palmero, Federico; González Laxe, Fernando (2021) : The financialisation of the fishing industry: Galicia as a case study, European Journal of Government and Economics (EJGE), ISSN 2254-7088, Universidade da Coruña, A Coruña, Vol. 10, Iss. 1, pp. 65-79, <https://doi.org/10.17979/ejge.2021.10.1.7444>

This Version is available at:

<https://hdl.handle.net/10419/298632>

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The financialisation of the fishing industry: Galicia as a case study

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Abstract. Successive technical and organizational innovations have modelled the current structure and composition of the fishing industry. The market structure varies considerably between countries and the fish species they catch. There is a generalised global convergence towards an industrial-outsourced model, in which companies occupy a central and basic position in economic strategies. Two predominant key trends are identified: financialisation and the monopolisation of fishing areas. This paper begins with an analysis of the fishing sector from the perspective of the presence of investment funds that hold stakes in companies specialising in a principal region of Europe.

Keywords. fisheries sector; financialisation; investment funds; business concentration.

DOI. <https://doi.org/10.17979/ejge.2021.10.1.7444>

1. Economic globalisation and the framework of financialisation

We live in a world ruled by the financial sector. The expansion of this process is interpreted as a new dynamic that covers changes in the behaviour and values of the economy, politics and society, renewing, as stated by Chesnais (1994), old paradigms. Financialisation coincides with the greater role assumed by financial capital within economic globalisation and commercial liberalism, giving rise to a new regime of accumulation (Lapavitsas, 2011). In our opinion, financialisation has a degree of independence within globalisation, depending on a set of elements, systems and technical objectives, as well as laws and regulations that each country can develop and encourage. Under these parameters, economic stakeholders and institutional agents—such as investors, pension funds, investment funds, financial companies, and insurance companies, among others—take on an increasing role in determining local and regional policies, as each country establishes its own state-finance nexus. Thus, it is easy to allow for many geographical variants, depending on agreements and alliances within each territory (Pike & Pollard, 2010).

Financialisation is a new manifestation of current phenomena. It can be defined as the growing importance of the financial sector in economic operations. This is mainly due to the increased liberalisation of markets and the growth of information and technology. It is, therefore, associated with surges in international capital flows.

It thereby means two things: a change in the strategic orientation of the company, given that the profit margins are significant in both the financial and productive spheres; and the management highlighting a new business dynamic that is responsible for the companies operating both as financial agents and production units.

The fishing industry, like the food and agriculture sector, has quickly transformed following recent globalisation trends. They have all adapted depending on their capacity to extract and produce, to increase their marketing offers, and to adjust to new demands. Under these circumstances, the fishing industry has not been excluded or alienated from the dynamics of the financialisation of the world economy. A large part of the sector turns to the financial market for financing, above all, on the stock markets, and, as a result, investment funds demand both high and secure returns in the short term.

Such growth has been in parallel to a process of “*ocean grabbing*”, as the sea is a strong and attractive asset for investors, who wish to secure their investments through increased possibilities of obtaining fishing access rights (Ducastel & Anseeuw, 2011).

This study explains the changes experienced by the fishing industry from the perspective of the acquisition of shares from financial companies with the aim of obtaining very significant returns, and under regulatory policies that favour and provide incentives for property rights and access to certain fishing areas. Secondly, a specific area has been studied. In this case, the most important fishing region in Europe, where, in the last decade, the most internationalised and specialised companies have experienced a consistent increased presence of investment funds and financial capital.

2. The effects of financialisation on the fishing industry: Sustainability, privatise or perish?

In recent years, there have been growing concerns about fishing resource management, its control and access conditions. Insofar as fishing resources are commercialised, fishing rights can be purchased, rented or disposed of in specially created markets. In addition, they can be regulated by the national fisheries legislation itself, either for certain areas and/or for certain species. Thus, it is possible for a small or significant group of people or companies to accumulate a substantial number of fishing rights for a certain species or obtain privileged access to a fishing area, by virtue of having the option of concentrating fishing rights in one company. It can also occur that this concentration of fishing rights results in a productive specialisation around a limited number of ports, highlighting the concentration processes in the fishing industry.

Without a doubt, the fishing industry is an income generator and, at the same time, a means of livelihood. According to the FAO (2017), between fishermen and fish farmers, the industry encompasses 56 million people, and it is multiplied threefold if we consider upstream and downstream activities (processing, marketing, manufacturers of fishing gear and equipment, shipbuilding). Fishery and aquaculture products represent approximately 17% of animal-protein intake amongst people worldwide. Likewise, fishing activity is at the centre of important economic and geostrategic interests. Not only due to being considered a key activity for the most traded food products in the world (40% of production is sold in international markets compared to only 5% of rice, or 20% of wheat), but furthermore its estimated value (146,000 million dollars) is more than the total income from coffee, bananas, cocoa, tea, sugar and tobacco (PNUD, 2016). Therefore, the continuous rise in fish consumption makes the fishing sector an attractive activity

for industry and finance.

The industrialisation of fishing has driven a globalised market for such products. The technical innovations of canning and transport processes have made it possible to maintain the quality of the products, reduce distances between supply and demand, and make them more accessible to consumers, both physically and by addressing the effects of seasonality. On the other hand, the multiplying of free trade agreements and the proliferation of fisheries agreements between countries has accelerated the dynamics of integration of most of the supply markets, reducing and eliminating barriers to the free import-export of fishery products and investment flows themselves.

The continuous pressure on resources highlights the current situation. Conflicts are multiplying around the exploitation, management and distribution of resources, on the one hand, and, on the other, the existence of territorial inequalities based on the different characteristics of the fishing segments (Noël, 2013). This asymmetry is reflected in the world trade of fisheries products and their consumption levels. Regarding trade, a considerable proportion of total fishing production (35%) is exported, which means a high degree of accessibility and strong integration of the fisheries sector in world trade. In this respect, developed countries still dominate imports of fishing products, although their proportion has reduced slightly (71% of world imports in 2016, compared to 80% in 2006 and 84% in 1996). These imports condition the market, as they encourage many producers to produce, process and export. Developing countries, for their part, continue supplying the markets of advanced countries, and exports represent a very significant part of their incomes. Foreign sales of fishing products by developing countries rose to 70,000 million dollars in 2016. The continuous improvements in distribution systems have encouraged regional trade by expanding the range of species and forms of products that reflect differences in tastes and consumer preferences. The species most traded globally are prawns (15% of exports in value terms), salmon (14%), white fish (such as hake and cod, which represent 10%) and tuna (9%).

Regarding consumption, a growing proportion of the use of fisheries products towards human consumption has been recorded, playing, therefore, a fundamental role in global nutrition and food safety. The apparent global fish consumption per capita has grown to 20.4 kg/person/year, primarily due to population growth, increased income, urban development and more efficient distribution channels.

In a context of greater international competition, it is easy to deduce that the investors will be attracted depending on comparative advantages arising from access conditions, fishing rights, capacity to acquire and dispose of fishing quotas, and rules for the granting of fishing rights (Barbersgaard, 2018). In this regard, many countries have not hesitated to include the possibility of transferring said access rights in their regulations (Mansfield, 2004, Barbesgaard, 2018)—a point that justifies some researchers suggesting trends towards *ocean grabbing*, towards the privatisation of fisheries resources and water territories (Carothers & Chambers, 2012); or predicting the triumph of neoliberalism in the sector (Bennet et al., 2015).

The new trends encourage investment funds in fishing activities. According to recent studies (Österblom et al., 2015), it is noted that 13 transnational companies control between 11% and

16% of total global fishing catches (that is, between 9 and 13 million tonnes) and between 19% and 40% of the most important fishing stocks in international markets in commercial terms. Such companies control all the segments of production, benefiting, similarly, from subventions and exercising a decisive influence on international decisions in fishing and aquaculture. In this sense, investment funds take on all the risks, and experience shows that takeovers are easier than mergers. Furthermore, fisheries investments are focused on attracting industrial companies and the emergence of venture capital funds.

Reality shows, similarly, that the use of individual transferable fishing quotas has contributed (in Chile, for example) to four companies controlling 90% of the quotas; or in Iceland, to ten companies holding 50% of the fishing rights. This means that for fishing, there is a need for a trade law that obviously generates concentration. In this context, companies pool fishing rights; namely, they seek to define a production model that spans everything from the selection of the species to be caught to the terms to use.

The conclusions are that: a) production focuses on a specific number of species; b) trade is concentrated on a few species with international impact and acceptance, and c) the prices of these species record high fluctuations. On the other hand, we can also observe the establishment of conservation areas or marine protected areas in which access is limited; or the establishment of trends for the privatisation of coastal and marine areas in the interest of other users (hydroelectric and thermal power projects, residential projects or the promotion of new urban guidelines) (González-Laxe, 2008).

3. Discussion on the dynamics of financialisation

Most of the fishing industry has been integrated into what we could call the *extractivist model*. It is characterised by aiming to reduce control and management by the institutions, searching, through this, to divest the productive activities of the current regulatory and management frameworks. Due to this, some authors (Cóccaro et al., 2000) state that we are faced with a concept similar to that of “fishery mining”; where the fishing catches resemble a pattern aimed at capturing a substantial proportion of the income or surplus generated by natural resource extraction in the light of the international commodity price cycle. That is, a pattern of accumulation, in which the state plays the role of guarantor and where the company (whether national or international) is responsible for management. This model can have three direct effects: promote a dismantling of social cohesion and generate significant changes in cultural and identity patterns; contribute to the growth of productive individualism, and lead to greater and more intense competition between its members, which in its day was called the *Olympic race to fish*.

The theoretical framework of this new pattern is therefore based on the following considerations. Fishing uses technically renewable biomass, so it is necessary to redefine the criteria of economic rationality threefold: as far as natural goods are concerned; as far as territories are involved; and as far as profitability is affected. In this regard, fishing, being an extractive and random activity, requires an approach based on area (the sea), on work processes

(fishing methods and gear), on the workforce (availability and work conditions), and on legitimisation (regulation and enforcement by the State).

The new global financial context has encouraged many changes in the reality of the fishing industry and its behaviour. It does so both at the institutional level, through new international conventions and agreements, and also at the corporate level, through new forms of organisation and financing. Its greatest impact involves the modification of the classic paradigms of fishing exploitation, highlighting the above-mentioned process of *ocean grabbing* by certain fleets, managed by various forms and structures of ownership (Carothers & Chambers, 2012; Jouffray et al., 2019).

As fishing resources have the status of collective goods, the fisherman's interest is oriented towards maximising his individual interests; that is, above any collective behaviour, an attitude that in most cases could lead to suicidal actions. Hence, since 1989, fisheries economists have basically introduced the systems of property rights aimed at guaranteeing the respect of optimal or adequate use of fishing resources (Neher et al, 1989).

The individual transferable quotas (ITQ) applied by some countries are considered to be subsidised monetary securities (*paper-fish*) or a source of capital that allows a company's value to expand in a stock market. It is what Arnason (2008) defined stating that "ITQ are living capital"; to the extent that they can be used as a basis for increasing financial capital and thus contribute to other areas of economic activity. Arnason himself warned of the dual role of the ITQ: guarantee for loans and large-scale privatisation. And in parallel, he omitted other consequences and effects such as those arising from an accumulation of debts and fishing rights together with a transfer of uncertainty to the financial institutions that granted the above-mentioned loans (Gylfason et al, 2009). The commercialisation of fishing rights affected all the fisheries and fuelled a dynamic of concentration of ownership in a few hands. These circumstances have led to the establishment of what is known as fishing neoliberalism (Pinkerton & Davis, 2015).

There is also a growing commitment to further liberalisation of markets, encouraging foreign investment and allowing sales and consumption decisions to remain in the hands of free capital and people or companies who hold it (Mansfield, 2004). At times, a growing privatisation of the seas is recommended as a formula to prevent *gaspillage* (overfishing), or undeclared and unregulated illegal fishing (Appleby, 2013), putting into context the defence of human rights and greater democratic control in other situations (Franco et al., 2015).

The changes that have taken place have led to several transformations at the same time: a) the work process is diversified, both in its technical dimension (infrastructures, fishing gear, detection techniques) and in its social dimension (references to employment contracts, working conditions, migrant workers); b) there are changes in production relations (regarding organisation, representativeness and governance); c) the decision-making process is modified (multi-level management, and bottom-up/top-down strategies); and d) there is an increase in private investment and concentration of ownership in the sector, replacing the traditional process of social cooperative domain. In this regard, a distinction is made between high added value fisheries, strongly focused on fleets that are very specialised in terms of production and technologically

advanced, compared to small-scale fisheries or coastal fishing (González-Laxe, et al., 2018).

The sea is becoming progressively deregulated and property rights start to be the cornerstone of the new international fisheries framework. The access, use, handling and availability of fishery resources depend on these circumstances. In addition, they are considered decisive factors in the functioning of economies, as they provide the basic set of incentives that encourage or discourage economic activity (North, 1990). In the fishery sector, property rights have four essential characteristics: universality (they should belong to somebody and it facilitates long-term planning); exclusivity (that is, the capacity to exclude others from their use and consumption); transferability (possibility of trade and profit guarantee); and security (legal protection by the State). Their use has served as an excuse for “incentives must be created to prevent the overexploitation of the fishery resources”; and, on this issue, property rights broaden the perspective of public policy analysis through new regulations.

This scenario confirms the statement: “Powered by capital and its desire for profit, the current wave of enclosures targeting the world’s fisheries and ocean and inland water resources is taking place within the same context as global land grabbing” (TNI, 2014). The common denominator in the situation is: a) the exclusion of small-scale fishermen to fishing and market access; b) the emergence of new legal frameworks that undermine the position of small-scale fishing systems and producers; and c) the strengthening of the positions of the business agents and other powerful economic stakeholders. Thus, the mechanisms applied are limited to withholding or relinquishing the legal right to fish or capture resources due to changes in legal frameworks; to depriving small-scale fishermen of their customary fishing rights through the privatisation of their coastal and marine protected areas through concessions with private companies; and to facing declining catches due to overfishing, destruction of fishing grounds and the new status of marine habitats. The rights-based-fisheries management systems are based on the logic of the economic system; that is, capital accumulation is progressively linked to increasing access to resources (Allison et al., 2012).

4. Business trends

Financing trends have been significantly altered. The direct repercussions have been:

- a) changes in ownership structures and, directly, in the field of productive investment decisions and dividend distribution. It affects the shareholder composition. It is therefore necessary to analyse the shareholder composition and the strategies of the groups expecting profits and/or dividends from listed companies. Trends are aimed at obtaining capital liquidity both to be able to enter and exit the capital of the group/company, and, at the same time, retain the investment and therefore maintain control of the firm;
- b) encouraging actions on a short-term basis or within the framework of the current circumstantial paradigm. They aim to stop hostile threats, limiting the intent of the competitors regarding stock options or the drop in prices of specialised products;

- c) stimulating the processes of offshoring and consolidation of higher value-added activities. That is, they are focused on marketing or product-design innovations, creating market niches to achieve a monopoly regarding suppliers and an oligopoly in terms of customers; and
- d) promoting the transformation of many productive agents into financial rentiers, seeking havens in the financial sphere (Krippner, 2005).

Consequently, the financing processes do not show a standard model, but rather several modalities can be observed depending on the different organisations and ownership structures. By way of example, we show four types:

First, those that are of a family or local nature, corresponding to the small-scale or local fisheries that apply for loans for their investments or to modernise their fishing structures or activity.

Secondly, new corporate structures, corresponding to those operating in national fishing grounds or long-distance fishing. The integration models in the financial sphere focus on loans, on risk capital, or in the placement of private bonds.

Thirdly, the consolidation of large corporations, normally linked to an industrialised or internationalised fishing, specialising in commodities, which mainly rely on bonds, public share tenders or specific placements.

And finally, the processes of company mergers, consolidation of parent companies or expansion trends through an increase in subsidiaries.

If the 100 largest fishing companies are analysed, just over half (53%) are private, and we are witnessing intensive merger and acquisition operations (Seaman et al., 2017). Likewise, several processes are achieved: a trend towards production diversification, based on new species and market niches; and a process of setting up subsidiaries to serve different geographies and markets. The challenges of both approaches are related to the supply chains and the consolidation of the so-called Seafood Business. Jouffray et al., (2019) stress the role of shareholders in view of the successive capital increases in order to protect themselves financially, giving prevalence to the positioning of the markets and their internationalisation. In this regard, the following effects stand out: a) the presence of international corporations is highlighted (through the creation of joints-ventures and UTE [temporary business associations] with local capital); b) the trends of the foreignisation of companies is intensified, on the basis of the possibility of transferability and marketability of resources, via experimental exploitation quotas or licence transfers; c) trade liberalisation trends are strengthened, and trade openness and economic deregulation are increasing, mainly with regard to international trade rules and foreign direct investment; and, finally, d) a new financial and income logic is emerging, associated with the privatisation and foreign exploitation of fisheries resources, contributing to the development of an extractive export circle.

The current changes concerning productive supply patterns contribute to accelerating those processes closely related to natural resources, insofar as internal factors (those linked to

technological changes and shifting demand) are well controlled by the sector itself. The elements of change are centred on three points. First, in the changes that concern the international fishery system (definition of exclusive economic zones; regionalisation of fisheries, protected marine areas; property rights). Secondly, in those concerning global food and consumption patterns (products, preparations, expenditure and demand). And thirdly, in the new role of the NGOs and their influence on productive sectors.

5. The case of Galicia

Galicia is the most important fishing region in Europe. This is where the largest concentration of industrial fishing and processing and distribution industries in Spain is located (see Table1). It stands out for its extensive technological developments and historical know-how. It excels for its strategic importance; for extensive biodiversity of coastal ecosystems, which support the development of various extractive activities; for its multi-species fisheries, operated by some 4,000 vessels that alternate fishing gear and methods depending to access conditions and fishing periods; and for the different fishing strategies, which combine both diversification and flexibility in their activities.

Table 1. The Galician fishing industry in figures (2018).

Category	Indicator	Galicia	Spain (%)	EU (%)
Fishing fleet	Vessels (No.)	4,400	49.0	5.3
	Tonnage (GRT)	137,830	41.6	8.7
	Power (KW)	276,418	35.5	3.4
Production	Fishing (T)	222,515	24.5	4.2
	Aquaculture (T)	289,772	92.0	21.1
Processing industry	Production (€ million)	2,820	60.0	14.7
Consumption	Per capita (kg/inhabitant)	32.0	25.5	24.5
Fishing employment	AWU	35,373	46.1	9.7
Foreign trade fishing	Exports (€ million)	1,472	46.3	
	Imports (€ million)	2,283	37.0	
Revenue	Added value of the sector / GDP	1.90	0.19	0.05

Source: Based on official data from the European Commission; Ministry of Agriculture, Fisheries and Food; INE; Consellería do Mar and IGE.

The last few years have been prosperous regarding the entry of funds and investment managers into the sector, acquiring and absorbing certain companies. Focus has been placed mainly on large companies (leaders or the top group of their segments) looking for a prominent and significant sectoral presence in terms of supply niches and product ranges. It can be said that, in the Galician fishing industry, distressed debts had no bearing on the purchase of businesses in danger of liquidation and at knock-down prices, but private equity has had a greater

and more constant presence in companies with high growth potential and as alternatives to traditional financing. Similarly, also notable is the emergence of management funds, acting as administrators of companies owned by second or third-generation family members who have hesitated between selling them or seeking a dividend. Therefore, the presence of financial capital cannot be conceived as a one-off, but instead as a structural commitment in a sector and in a specific territorial space where the turnover is over three billion euros (see Table 3). It responds, thus, to a financial option that combines characteristics linked to territorial proximity and profitability parameters.

Table 2. Presence of foreign companies, investment funds and financial entities in Galician fishing companies.

Management Fund / Company	Purchased company	Production area and year
Portobello (Spain)	Iberconsa	Frozen fish (2015)
Bolton Group (Italy)	Conservas Garavilla	Canning (2015)
Platinum Equity (USA)	Iberconsa-Portobello	Frozen fish (2019)
Stator Management (Spain)	Paquito (60%)	Boiled mussels (2018)
Banks and Funds	Pescanova	Frozen fish (2013)
Scandia Food (Romania)	Thenaise Provote	Canning (2018)
Kerry Group (Ireland)	Hasenosa	Manufacturing of fish-mixes and sauces (2018)
Shanghai Kaichuang Ocean Resources (Bright Food Group) (China)	Hijos de Carlos Albo	Canning (2016)
GED Capital (USA)	Purchases 71% of DISCEFA	Octopus distribution (2016)
Sherpa Capital (Spain)	Isidro- 1952. (proposed takeover)	Sushi processing plant and six fish farms producing trout, turbot and sea bream (2019)
Abanca (80%) controls the company.	Nueva Pescanova	Frozen fish. Bankruptcy proceedings (2013); Successive purchases between funds and banks (2019)
PROFAND	Caladero	Frozen and processed fish (2019)

Source: Developed by authors.

We differentiate between four different modalities with respect to financing options. First, those that, with local ties, group together family businesses, and their production is oriented towards national markets until they have very significant market shares. We are referring to specialised industrial fisheries in the commodities of hake (*merluccius merluccius*) and tuna (*Thunnus alalunga*, *Thunnus albacares*, *Thunnus obesus*, *Katsuwonus pelamis*), such as ABSA and Porto-Celeiro, or family canning companies, with facilities outside Spain and with production oriented towards international markets (JEALSA). The second group of companies, based locally, is more oriented towards international markets, developing a strong global expansion, on the structure of a local financial institution (Nueva Pescanova). A third group comprises companies targeting national and international markets, but with majority participation of equity funds (IBERCONSA). Finally, a fourth example is a canning company with facilities and presence in several markets, involving cross-capital participation with companies in the same sector (GRUPO CALVO).

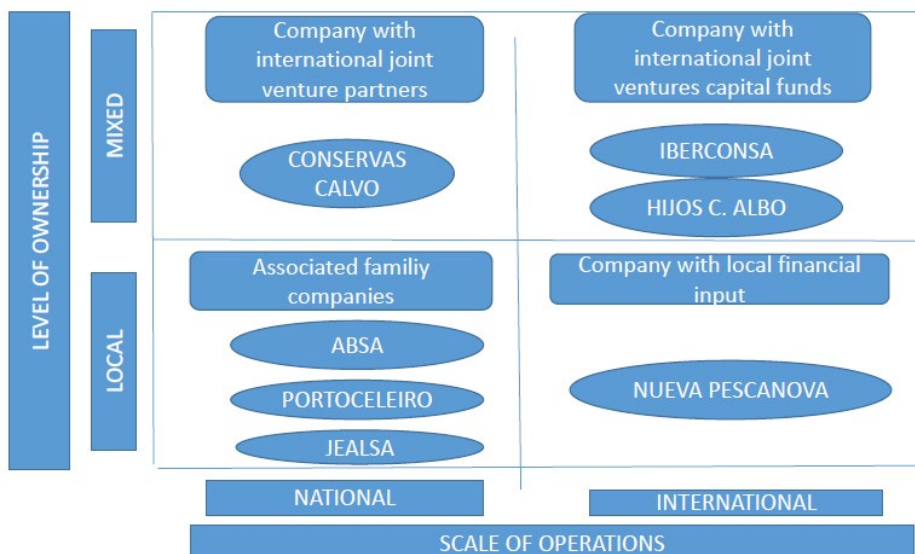


Chart 1. Diagram of Galician fishing companies according to their levels of ownership and scale of operations.

In short, the flow of Galician fishing activity is carried out under a process that ranges from family-owned extractive companies with local ties to companies more integrated into supply chains and with very close links to so-called international commodity products, thus forming part of the financial assets of large marine-industry-finance complexes.

Below, we quantify the degree of financialisation of the selected companies. We define them as the result of subtracting the ratio of Gross Fixed Capital Formation to Gross Added Value from the Operating Result / Gross Added Value ratio.

$$TF = \frac{\text{operating result}}{\text{gross added value}} \times 100 - \frac{\text{gross fixed capital formation}}{\text{gross added value}} \times 100$$

Its meaning is as follows. If $TF > 0$, i.e. positive values, it means a high rate of uninvested profits in the institution's own GFCF. They would be distributed under the financial benefits formula. It is the traditional payment method for shareholders and company owners. Subsequently, the greater the value of the degree of financialisation, the higher the profit-taking at the expense of fixed capital investments. In contrast, if $TF < 0$; i.e., negative values, the interpretation can be twofold depending on the rates that make up the indicator. That is, it could be due to losses in the year; and/or at the same time, the need to continue to invest in fixed capital to maintain business activity in the medium and long term in subsequent periods.

Table 3. Degree of financialisation (figures in thousands of euros).

	Nueva Pescanova	Canning Albo	Iberconsa	Porto- Celeiro	ABSA- Burela	Canning Calvo	Canning Jealsa
A Net turnover (NT)	1,008,201	93,008	343,747	77,677	69,479	582,656	639,404
B Purchasing (procurement)	588,448	39,943	118,530	70,920	67,183	354,401	452,286
GVA (A - B)	419,753	53,065	225,217	6,757	2,296	228,255	187,118
Operating profit	45,791	5,793	54,975	-1,160	353	25,889	32,410
C Non-current assets for 2018	371,343	2,133	183,954	37,696	3,962	115,038	283,987
D Non-current assets for 2017	370,730	1,806	110,942	42,813	4,337	116,272	269,613
GFCF (C - D)	613	327	73,012	-5,117	-375	-1,234	14,374
Degree of financialisation	10.76	10.30	-8.01	58.56	31.69	11.88	9.64

Source: Developed by authors using the accounts presented by the companies in the Trade Registry. They correspond to 2018.

A first overview of the accounts arising from the use of the operating results reveals very enlightening conclusions. First, low operating results are particularly noteworthy in the fresh-haulage sector (Porto-Celeiro and ABSA-Burela). An analysis of the operating account shows that in 2018 divestments were carried out (Burela, -375 thousand euros and Celeiro, -5,117 thousand euros). Such trends are a response to the situation of uncertainty arising both from the allocation of quotas for fishing in Community waters and from the prospects raised by Brexit, variables that condition the expectations of this fleet. Secondly, in reference to the industrial fishing industry (Nueva Pescanova and Iberconsa) the operating results are very positive (Nueva Pescanova, +45 million euros; and Iberconsa, +54 million euros). However, a different position is observed in investments. Iberconsa reinvests profits (73 million euros) while Nueva Pescanova, involved in the final process of constituting the nucleus of its shareholders, records no reinvestment of profits. Finally, both companies report high added value and depend on the financial markets. The third hypothesis is related to the canning sector (Conservas Albo, Calvo and Jealsa). Their accounts reflect a disparity arising from the time lags incurred by these companies within the sector's extensive cycle characterised by phases of adjustment and of mergers and acquisitions in order to reach an adequate size so as to be able to deal with an offer other than that of the distribution circuits and respond to the business fluctuations of the sector. Thus, all three record very positive numbers in their operating accounts (Jealsa, 32.4 million euros; Calvo, 25.8 million euros; and Albo, 5.7 million euros). Similarly, two of them hardly reinvest profits (Calvo and Albo), while the third (Jealsa) does.

6. Conclusions

In recent years, a transition towards a hybrid food model has been detected. Namely, on the one hand, there is a generalisation of the outsourced agro-industrial model, within a context of greater liberal capitalism; and on the other, the consolidation of alternative models based on grassroots relations and close circuits is witnessed, under the hypothesis of strengthening policies in the interest of sustainable local development. The first scenario described highlights a group of large companies—linked to supply sectors, food industries, and logistics and distribution companies—

that ensure the bulk of the extracted production and marketing of food. The resulting market is awash with powerful publicity campaigns and an intense lobby by multinationals, where cross-cutting issues in terms of quality standards, consumer information and taxation, for example, show high levels of control in terms of global food governance.

In the second model, there is a predominance of medium-sized companies with limitations in regard to their capacities; either in terms of capital or markets. They have difficulties accessing traditional financial markets and adopt classic legal status (such as Public Limited Companies). There is a clear predominance of family businesses, smaller in size, and with technologies adapted to small-production formats.

Companies are progressively taking control of fishing resources. Most of them are increasingly related to production chains. The main fishing commodities are the first to be affected by such trends. The salmon industry is no exception to this trend, nor are the white-fish, farmed-shrimp or tuna sectors. Such production concentration enables the big companies to define their production models based on the selection of species and the techniques used. There is no doubt, as claimed by Olivier de Schutter (2014), that this industrial fishing system shapes and stimulates the growing demand for certain fishery products, both in advanced and in less-developed countries. Hence, when considering an allocation of fishing quotas (access and fishing rights), the dichotomy of *privatise or perish* is raised. In a nutshell, the trajectories are being conditioned by investment, by productive adaptation in terms of resources, by expanding non-seasonal markets and by managing surplus production.

Galicia is a good showcase for this dual behaviour, which also shows certain variations, depending on the different levels of specialisation and presence in the markets. We consider four models based on a division according to ownership levels and positioning levels.

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ANNEX

ABSA. Founded in 1997 by a group of ship-owners from the Port of Burela (North of Lugo). Annual average sales amount to 24,500 tonnes for a sum of 80.5 million euros. The group manages 48 boats (of which 28 vessels operate in waters of Grand-Sole and 20 in the Cantabrian-Northwest fishing grounds). The main target species are fresh hake (11,000 tonnes and 52 million euros in 2018) and albacore (1,600 tonnes and 6.2 million euros in 2018).

PORTO-CELEIRO. Group of companies located in Celeiro (North of Lugo). The group is formed by nine companies. It covers 30% of all fishing capacity for hake from community waters. In 2018, 14,132 tonnes were marketed for a sum of 49.3 million euros, of which 9,856 tonnes were fresh hake with a value of 43 million euros. They own 50 boats, of which 20 involve bottom-set longlines, and 19 vessels fish in the Cantabrian-Northwest fishing grounds.

GRUPO NUEVA PESCANOVA. Spain's largest fishing group both in turnover and in marketed fish products. Founded in 2015 as the result of a corporate restructuring process. Currently, the financial institution ABANCA owns the largest share capital (80.4%). It is present in 80 countries, with a turnover in 2018 of 1,008 million euros. The group owns 25 factories distributed over several countries and its fleet consists of around 70 boats that fish mainly in the Southern Hemisphere. It has nearly 10,000 employees. The main species caught and marketed are hake, shrimps, European flying squid, prawns and pink cusk-eel. In 2018, its sales reached 177,000 tonnes of fish products and 62,000 tonnes from aquaculture.

IBERCONSA. Second largest fishing group in Spain in turnover and tonnes. Founded in 1981 by a group of Galician ship-owners. Today it is an international group formed by 20 companies, with a turnover of 350 million euros and 3,600 workers. Its fleet consists of 45 boats and five processing plants located in Argentina, Namibia, South Africa and Spain. Production in 2018 was 124,000 tonnes, of which 75,500 tonnes were processed in Argentina. The main species are prawns, red shrimp and pink cusk-eel. Portobello in 2015 paid out 30 million for 55% of the group. Later, in 2019, the North American Venture Capital Fund, Platinum Equity, completed the purchase of the entire group for a volume of over 500 million euros.

GRUPO CALVO. Founded in 1940, it specialises in canning. It is currently a global food company encompassing 25 trading companies. In 1993, it began its international expansion by acquiring the Italian company Nostromo; in 2003, it opened a canning factory in El Salvador, and in 2004, it purchased the Brazilian company Gomes da Costa. According to 2019 figures, it has a turnover of 593 million euros, has a presence in 74 countries and between its three factories (A Coruña, Galicia; La Unión, El Salvador; and Itajai, Brazil) it produces 101,000 tonnes of finished products. It owns seven large tuna boats, two merchant boats and two support vessels, and it serves a hundred tuna suppliers. The ownership structure is composed of two groups of shareholders: the Calvo family, owning 60%, and the Italian group Bolton, with 40%.

CORPORACIÓN JEALSA. Founded in 1958 as a family group, it is the leading manufacturer of canned fish in Spain, and the second largest in Europe. It is made up of 26 societies divided into four activities: food; fishing and related services, circular economy, and energy. Its turnover in 2018 amounted to 639 million euros, with a workforce of 4,600 people. It has factories and

branches in Puerto Quetzal (Guatemala), Puerto Montt (Chile) and Fortaleza (Brazil). It owns two tuna boats for catching skipjack, bigeye and yellowfin tuna. It is also a supplier of products for third-party brands.

HIJOS DE CARLOS ALBO. Founded in 1869, it started out as an artisanal producer of salted and pickled anchovies. Two of the three workplaces are located in Galicia (Celeiro and Vigo). It has a presence in 25 markets, distributed in all five continents. It was purchased in 2016 for 61 million euros by Shanghai Kaichung Marine International, part of the Bright Food holding company with the aim of internationalising the tuna trade. In 2017, it had a turnover of 92 million euros.