



## Desarrollo sostenible de las pesquerías artesanales en el Arco Atlántico

### Recommendations for the development of diversification activities in coastal communities

31 August 2011



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# Recommendations for the development of diversification activities in coastal communities

*Rosa Chapela<sup>1</sup>*

*Marta A. Ballesteros<sup>1</sup>*

*Javier Félix<sup>1</sup>*

*Jose Miguel Domínguez<sup>2</sup>*

*Aline Delamare<sup>3</sup>*

*Ramón Toribio<sup>4</sup>*

*David Castilla<sup>4</sup>*

Centro Tecnológico del Mar (CETMAR)  
Universidad de Cádiz (UCA)  
Association du Grand litoral Atlantique (AGLIA)  
Universidad de Huelva (UHU)



## *Recommended citation:*

Chapela, R., Ballesteros, M., Félix, J., 2011. Recommendations for the development of diversification activities in coastal communities. *CETMAR/UCA/AGLIA/UHU Report of project PRESPO*, pp. 6.

## **Recommendations for the development of diversification activities in coastal communities (PRESPO project)**

Socioeconomic diversification in fisheries is a recent debate in artisanal fishery because of novelty of their initiatives and their specific funding in the European Fisheries Fund (EFF). In this context, the diversification working group of the PRESPO project established as a priority to develop a "Guide to best practices of the socioeconomic diversification of fisheries", designed as a useful tool to direct and optimize their development under the Community framework.

However, the comparative analysis has revealed that – in general terms – the diversification activities developed in the context of the European Atlantic fall more into the category of "initiatives" or "projects" rather than business or economic activities. Even those most promising bets and with more travel has neither the diversity nor the degree of consolidation required to extract "best practices" with the precise methodological rigor. The concept of best practices, from a theoretical perspective, defines techniques, methods, process, etc., more effective – in terms of efficiency and effectiveness- to generate a particular outcome than other techniques, tools, etc. Thus, the term covers important aspects such as resource optimization, the solution of problems and contingences or application to other different situations than those in which there is.

Socioeconomic diversification is a relatively recent activity whose consolidation has been hampered by an environment of uncertainty linked to an ambiguous regulatory framework. This definition does not allow selecting "best practices", but can identify "recommendations" that strengthen this early stage and facilitate the development of these diversification initiatives. The recommendations contained in this report are supported in the research that is being developed in CETMAR since 2005 about diversification in coastal communities. The implementation of WG4 on PRESPO project and the experience and field work carried out by the project partners have facilitated the consolidation of results in form of recommendations, databases of diversification initiatives and proposals for a common definition of diversification in the European Atlantic Arc. Therefore, it is advisable that the recommendations presented here can be analyzed in the near future as best practices of the

diversification, once these initiatives are consolidated as activities that contribute objectively to the diversification of coastal communities.

## **1. From the idea to the practice: technical assistance as critical element**

The period of time elapsed since coming up and/or discussed an idea or proposal for diversification until they finally put into practice is highlighted in all initiatives. Deadlines used to be very large and causal factors would emphasize are: lack of knowledge for the development of such initiatives, either by the absence of technical support or lack of training by the promoters; lack of medium-term forecast, so that the initial expectation is lost and therefore the level of interest and involvement; lack of technical tools to solve contingencies, etc.

In response to these deficiencies around technical knowledge, it is advisable to conduct training sessions aimed at the enterprise and management skills for the development of specific activity and seeking technical assistance in Universities, Technology Centres, Administration, etc., that have more experience in the development of such initiatives and could speed up the timetable for its implementation.

## **2. Existence of a viability plan**

It is perhaps the "key recommendation" to be developed within the initiative, which all should start. From it must start all other. One of the biggest problems to consolidate the initiatives is the absence of a business plan that establish objectives, the mission of the initiative, a development follow and activity management. Moreover, this business plan must establish a set of principles for development:

- a) Economic viability: searching a financial equilibrium that allows the development of the initiative over time;
- b) Medium-term financial autonomy: eliminating dependence on aids from Administration and/or other agencies;
- c) Include members of the initiative within the social capital: this creates a concern of members in the development of the initiative and avoid disinterest;
- d) Reinvest to hold the quality of the initiative;
- e) Elaborate a complete marketing plan;

- f) Elaborate a contingency plan: it should be taken into account key issues such as the possible seasonality of demand, supply problems, etc.;
- g) Elaborate a set of indicators to evaluate the impact of the initiative beyond the economic, but also social, financial, employment, etc.;
- h) In case that the company was not created to develop the initiative, it is recommended profit sharing among members.

### **3. Availability of staff dedicated exclusively to the initiative**

The existence of a person dedicated to the activity with a professional profile and trained make easy the development of the initiative, because of it has the capacity and time to hold the activity. This person will provide a quick response and better service to any contingency or necessity, giving a better service to its customers. Experience shows that the absence of this person results in the appearance of a number of risks that hinder the operation of the initiative, among which can highlight: delays in solving contingencies, lack of a continued attention of supply and demand.

### **4. Participation in a legislative framework**

This section has become one of the keys to develop initiatives because there is no adequate legislation for most cases. Legislation is presented as the ideal framework to recognise and give legal certainty to the autonomy and development of these activities. For it is necessary to interact with Administration to improve legislation or even create, if doesn't exists. Depending on whether or not legislation can act in different ways:

- If doesn't exist: elaborate pilot or experimental projects that allow adapt legislation to the reality by the Administration and have legal coverage. It is advisable the interaction between promoters and Administration through formal and informal channels;
- If exist: adjust the rules and interact with the Administration to adapt it to the new reality generated with the implementation of these initiatives with its own characteristics.

Moreover, it would be interesting fir initiatives and their promoters, the creation of a lobby to channel the demands and interact with the Administration to amend the legislation.

## **5. The paper of public funds**

It would be advisable to seek access to public aid to facilitate the early development of the initiative, since the economic section used to be the most problematic when an initiative start. In any case, these aids have to be considered punctual and no recurring, because sometimes the development is subject to the perception of the subsidy by the company. So the initiative tends to paralyze, and even disappear, when it stops receiving aid.

## **6. To take into account the environmental impact**

Nowadays, environmental protection must be part of the essence of all social, economic and business activity. In these activities is necessary give a special attention to the protection of fish and shellfish resources in all types of diversification activities because of their link to the fishery and coastal activity, whether they are tourism, new products and markets, new technologies, training, etc. It is recommendable to include references and actions linked with the projection and environmental management as an essential part of the proposals for diversification.

## **7. To identify the key agents for a correct development of the initiative in the community**

In the social and economic fabric of coastal communities can be identified key agents that will generate synergies and anticipate conflicts in the development of new initiatives. Therefore, it is recommended to have those individuals and groups that can exercise a leadership for example, into the fishery sector; or on the tourist sector where could be threatened by the diversification activities. Likewise, adding entities that can contribute in terms of economic holder, institutional visibility, promotion, etc, will be strategic.

## **8. Links to coastal community**

Socioeconomic diversification has as main objective to compensate for the reduction of future income that fishermen are suffering, so it is recommended to include any link with the fishery community inside the projects, either with companies or with marine culture/life. These relationships are both



implicit in the concept restrictive<sup>1</sup> of diversification, developed by PRESPO project and used in this document; as in the wide, promoted by Axis 4 of EFF, that facilitate the develop of this type of initiatives in their geographical areas.

### **9. To avoid or reduce temporality adjusting it to demand**

The diversification initiatives often tend to link their development to a certain economic situation. It causes that the initiatives turn into a replacement of fishing activity in times of crisis and that leave in good times. It means that when fishermen cannot fish they are engaged in this activity replacement. Therefore, it is recommendable link the initiative to economic factors and not to other factors, so they can eliminate the seasonality of demand and make it a complementary activity to fisheries. In other cases, it may be incurred in the temptation of limit diversification activities on summer period or weekdays, especially in the fishing tourism, leaving unattended the activity during periods where could exist offer. So, it is advisable to know the potential demand for the initiative, in order to adjust supply to demand.

### **10. Not only to diversify, but also to differentiate**

Giving a distinctive character to identify and add value that does not offer other initiatives. In short, it is not only to diversify but to differentiate, avoiding the risk of multiplying identical bids along the Atlantic Coast whose unique distinctive add value is the location, and allowing a complementarity of supply in the territory. The existence of a differentiated offering makes easy the access to the initiatives to a greater number of plaintiffs, because of the absence of direct competition (exclude) between initiatives, creating an economic boost to these activities.

In practice, it was observed that a proposal “successful”, usually accompanied by the novelty as their impact on media, has caused a knock-on led the creation of identical initiatives in a small territory. As a consequence, it can be seen as market saturation (offer excess), coupled with the existence of reduced supply, prevents the initiatives are able to generate the revenues needed to ensure its viability.

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<sup>1</sup> PRESPO Project (2011). *The diversification concept*

### **11. To promote cooperation and exchange of experiences**

The absence of practical experience in the development of diversification initiatives, as can be read at the beginning of the document, has direct consequence on the delay in the implementation of the project and the creation of many similar initiatives in surrounding areas (point 10). Promoting the cooperation and exchanging experiences is intended to reduce risks during the projects development and, besides, to diversify supply avoiding an overlapping market offering the same products/services in the same geographic area.

### **12. Advertisement and promotion of the initiative**

All the diversification initiatives, like any type of business, offer a service or product in the market. So, if they make a lot of dissemination about their activity, they will get more demand for their product. It is convenient to use all available media to reach more people. Moreover, the existence of new technologies is getting a great repercussion and this should be used as a mechanism of dissemination activities, because they can reach a lot of people with a very low cost, almost nil. It would be very important have a website and be active in the search for clients in the most important social networks (Facebook, Twitter, etc.)

### **13. Initiatives without barriers**

Actually, there are regulations requiring the removal of architectural barriers to allow the access for the disabled through new constructions or infrastructures. Implementation of these measures of accessibility has double impact diversification initiatives: increasing the potential supply, because more clients can access; and allowing "open the sea" to people, giving greater visibility to the marine culture.