The Cofradías de Pescadores in Galicia: study applied from the perspective of the participation firms

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1. Introduction
To have a better understanding of Galicia’s small-scale fisheries, an analysis of their fishermen and their relationships becomes relevant. Fishermen and shell-fishermen are these fisheries’ principle employees, and they have a special characteristic, which is that they are organised into Fishermen’s Associations, called Cofradías de Pescadores.

These Associations have specific regulations, carry out administrative functions and are involved in the fisheries sector’s organisation, production and commercialization activities. The aim of this study is to analyse the Fishermen’s Association as an organisation that operates a business activity, including how fishermen and shell-fishermen participate in the Association. This approach allows us to evaluate the organisational characteristics and members’ participation in Fishermen’s Associations under the Theory of the Firm and the Participation Firm Approach. Following this theoretical framework, we will try to answer questions about their business nature and whether it is possible for them to be considered participation firms.

In order to accomplish these objectives, firstly we characterise the case study, describing Galicia’s territorial and institutional framework and the situation of the Fishermen’s Associations in this area. Then we establish the theoretical bases of the Social Economy on which the analysis of the participation firms and Associations is founded. In the following sections, we analyse members’ participation in Fishermen’s Associations from this perspective and we present and discuss the results obtained from the case study. We end the article by summarising the main conclusions derived from the study.

The results show that Fishermen’s Associations are participation firms, but with some differences with respect to other Social Economy entities and participation firms. The carrying out of fishing and shellfishing activity on common resources means that members cannot form a part of an Association’s ownership as equity partners. Nevertheless, Fishermen’s Associations are run like a business enterprise, and their business flows stem from members’ participation.
2. Case study

Galicia has 29,574.4 km² and its political territory is divided into 4 provinces, 3 of them coastal. The two western provinces, A Coruña and Pontevedra, are bathed by the Atlantic Ocean and are home to more than 76% of the Galician population, 2,718,525 people in 2016 (IGE, 2017a). The Galician coast is characterised by its seven Rías, geographical features where the sea penetrates the land, providing excellent conditions for exploiting marine resources. Galicia holds less than 0.6% of the European Union’s total population, but makes up 2.3% of its shoreline and around 3.5% of its catches (CIA, 2017; Eurostat, 2017; Pesca de Galicia, 2017).

In 2016, Galician catches amounted to 188,456,656 kg, with a value of 491,664,064 euros. Among the species caught were hake, mackerel, bogue, sardine, clams, cockles, mussels, octopus and squid. Fish made up 90.69% of catches, but only 74.61% of value, whereas bivalves made up 4.20% of catches and 14.20% of value, and crustaceans 0.56% with 4.01% of value (Pesca de Galicia, 2017).

In terms of the fleet, the Galician small-scale fleet represents around the 88.6% of the total, which follows a common trend in the European Union. Furthermore, the special characteristics of the small-scale sector in Galicia also include some marine exploitation where no fleet is needed, such as shellfish harvesting. Although there is no a single international definition for small-scale fishing activity, it is generally accepted that artisanal fisheries are comprised of a group of characteristics that clearly differ from those that exist in industrial fishing (García-Flórez et al., 2014). Even considering the difficulty with regard to how to classify them, it is possible to say that in small-scale fisheries the fleet is owned by family-based firms, run by one or just a few people, it returns to its home port every day and uses low-impact fishing gear (European Commission, 2016). In 2016, Galicia’s local fleet was composed of around 3,930 vessels, with an average of 2.2 GT and 27.6 CV (IGE, 2017b). In the European Union as a whole, the small-scale coastal fleet is made up of around 70,400 vessels, over 82% of the EU’s active vessels (European Commission, 2016).

Fishermen’s Associations are the main organisations for fishermen engaged in small-scale fisheries and shellfish production. These Associations exist throughout Spain and have a special organisation that determines the way in which they exploit the resources and generate profit. They have common regulations but, owing to the existence of regional governments in Spain, there are some differences between them in the different regions. In this way, the Spanish fisheries law defines the Fishermen’s Association as “a public law corporation, non-profit, whose aim is to act as a Public Administration Agency, representing economic interests in sea fishing matters and managing the fisheries sector” (Government of Spain, 2001). Although this law would only seem to consider fishing, the Fishermen’s Association can carry out its activities on many different resources: fishing, shellfish, seaweed and aquaculture.
Fishermen’s Associations have a long tradition among Galicia’s fishermen. The name of *Cofradías* itself comes from historical experiences dating back to the 11th-13th centuries, based on associations with a social protection purpose and guild foundations. After several transformations, they extended these experiences in parallel with the development of fishing activity, adopting different structures and reformulating some of their traditional characteristics (Taboada, 2004). This line of evolution is applicable to small-scale fisheries, since in Galicia, at the same time, a more industrialised fisheries sector has been developed, one which will shape new business and organisational frameworks.

Nowadays, Public Administrations control the intensity of marine resource exploitation, establishing a management framework based on the definition of fishing rights and regulatory systems in accordance with these resources (Neher et al., 1989; Hannesson, 2004; Bjorndal and Munro, 2012). The number and condition of users and the different rights granted in relation to resources (access, extraction, management, transferability) are determining factors (Schlager and Ostrom, 1990, 1992), creating a variety of governance and management problems (Jentoft, 2004; Mc Ginnis and Ostrom, 2014; Jentoft and Chuenpagdee, 2015; Linke and Bruckmeier, 2015). In Galicia, casuistic diversity has been described, found in small-scale fisheries situations of shared resources with a certain number of users with a capacity for use and management (González-Laxe, 2006; Caballero et al., 2008; Garza and Varela, 2008). In these cases, the role of the Fishermen’s Association is particularly significant.

On the other hand, Spain and Galicia’s Social Economy laws (Government of Spain, 2011; Xunta de Galicia, 2016) include Fishermen’s Associations in Social Economy organisations. Certain empirical studies also confirm this, arguing that Fishermen’s Associations comply, for the most part, with the philosophy and principles of Social Economy (Cervera, 2010). However, the inclusion of Fishermen’s Associations in the Social Economy does not mean that they are considered firms, since among the entities that make up the Social Economy are those that carry out business activities and others that have only a social purpose.

Figure 1 shows that in the 1,498 km of Galician coast, there are 63 Fishermen’s Associations, more or less one per every 24 km of shoreline, with around 12,734 members. The geographical distribution shows that these Associations are concentrated in the two western provinces, A Coruña and Pontevedra. The reason for this is that their coastlines are longer and, as we have seen, they are more densely populated. Pontevedra has the highest concentration of Associations per km of coastline, one every 18 km, as well as the largest number of members per Association, around 250 members in 2014 (Federación Gallega de Cofradías de Pescadores, 2017).

In addition to their geographical distribution, Fishermen’s Associations have different characteristics, mainly because of their size, the production sectors in which they operate and the functions that they carry
out. According to data collected from the 2007 General Report of Fishermen’s Associations and the 2012 Annual Reports of Fishermen’s Associations, the latest to be published (Consello de Contas de Galicia, 2015a, 2015b), the coexistence of several production sectors in Fishermen’s Associations is shown as an important characteristic in the organisation and participation of the members. Galician law establishes the different kinds of fishing activities than can be carried out, and which are grouped together in “production sectors”. These sectors are fishing - small-scale, trawlers, seiners or deep-sea -, shellfishing with a vessel, shellfishing without a vessel, specific resources -usually shellfish that needs special exploitation management, but also seaweed or marine resources- and others (Xunta de Galicia, 2014). The data analysed has shown that only six of the Associations carry out a single productive activity, whereas more than 50% combine all of the activities (shellfishing, with and without vessel, and fishing).

Source: Authors compilation on the information from Federación Gallega de Cofradías de Pescadores, 2017.

Figure 1. Geographical distribution of Fishermen’s Associations in Galicia

Another feature of the sector is that the size of Galicia’s Fishermen’s Associations is not homogeneous. Most of them are a micro-undertaking (around 45%) and a small undertaking (around 52%), whereas there are only two Associations classified as medium-sized undertakings (European Commission, 2013). This characteristic is similar to the conventional capitalist firms in Galicia, where there are an important number of SMEs and micro-undertakings.

Nevertheless, according to the information analysed, it is important to show that the size of one
Fishermen’s Association does not seem to be determined by the coexistence of several production sectors. Thus, of the six Associations that are involved in a single production activity, half of them are micro size and the other half are small size. On the other hand, the bigger medium-sized Association is dedicated exclusively to two productions sectors, shellfishing with and without vessel.

The last characteristic that this analysis shows is that Fishermen’s Associations carry out two types of clearly differentiated functions. On the one hand, they must fulfil their role as “a body that consults and collaborates” with the Public Administration. Fishermen’s Associations are responsible for the management of common resources and carry out conservation, maintenance and administrative activities. These Associations facilitate the task of inspection, collaborate in data collection and help in the preparation of statistics on fishing and shellfishing activity. They also provide all sorts of information, such as hours engaged in the activity, sales data or biological samples for quality controls (Xunta de Galicia, 2014).

Fishermen’s Associations also have the possibility to carry out organisational, production and commercialization activities within the fishing, shellfishing and aquaculture sectors. Commercialisation stands out as an important economic activity for Fishermen’s Associations on account of the profits it generates. Sales take place in fish markets (called lonjas), special markets which provide facilities for the display and first sale of fresh fish products (Government of Spain, 2001). Around 75% of Fishermen’s Associations manage one of these fish markets (Federación Gallega de Cofradías de Pescadores, request information).

As a result, it can be observed that Fishermen's Associations are spread all along the coast of Galicia, most of them are micro or small undertakings, they develop their activity in one or several production sectors and can carry out different functions, both public and private. Our study focuses specifically on the function regarding organisational, production and commercialisation activities, which enables us to study the business nature of Fishermen’s Associations and their possible structure as a participation firm.

In this paper, the participation of members in the business flows of Fishermen’s Associations is studied in two ways. Firstly, a theoretical analysis, in accordance with current Galician regulations (Xunta de Galicia, 1993, 2008, 2014). Regional laws are studied because they have a higher level of detail although, having said this, all the regulations regarding Spanish Fishermen’s Associations share many similarities.

From a practical point of view, fifteen case studies of different Fishermen’s Associations have been analysed. The information was obtained through a direct survey conducted in February, June and July 2016, and May 2017. The choice of these cases was made in terms of their geographical dispersion among the three provinces, their size and the different production sectors integrated in the Associations. As the aim is
to study the business activities of these Associations and the relation with their members, the larger ones, with more members and higher revenues, were chosen. In this way, among the 15 Fishermen’s Associations selected it is represented around 40% of the small and medium-sized Associations, comprising almost 50% of the Galician Associations members. In the sample are represented, at least, 20% of the Associations of each province and 15% of the Associations of each production sector.

3. Theoretical frame

To study Fishermen’s Associations as participation firms it is necessary to determine, first of all, their business nature. According to the Theory of the Firm, a firm arises when the transaction costs of the organisation are lower than the costs of making that transaction at market, in other words, the price mechanism is replaced by contractual relations (Coase, 1937). The Contractual Approach of this theory argues that the firm’s organisational characteristics depend on who perceives residual income, that is, the difference between the value of production and the remuneration rights that the agents, with whom the contractual agreements are entitled, have (Arruñada, 1990:40). In this sense, relations in the firm are subject to the conditions of the contracts. This condition is associated with an entire bundle of rights: 1) to be a residual claimant; 2) to observe input behaviour; 3) to be the central party common to all contracts with inputs; 4) to alter the membership of the team; and 5) to sell these rights, that define the ownership (or the employer) of the classical (capitalist, free-enterprise) firm (Alchian and Demsetz, 1972:783).

Selling the rights is shown to be an important condition, which is reinforced by the Agency Theory. According to this theory, the firm is simply a legal fiction which serves as a nexus for a set of contracting relationships between individuals, characterised by the existence of divisible residual claims on the assets and cash flows of the organisation which can generally be sold without the permission of the other contracting individuals (Jensen and Meckling, 1976:9).

Therefore, we can analyse the Fishermen’s Associations’ fulfilment of each of these conditions, in order to reveal in which ways they can be considered a firm. The questions we will try to answer are: 1) who is the residual claimant; 2) who observes the input behaviour; 3) who is the central party common to all contracts with inputs; 4) who can alter membership of the group; and 5) who can sell the property rights without the permission of the other contracting individuals.

The definition of a Fishermen’s Association as a Social Economy organisation makes it necessary to answer these questions from the perspective of a participation firm. Therefore, it is important to realise that in the Social Economy there are two major sub-sectors: the market or business and the non-market-producer (Monzón and Chaves, 2008). As the study’s proposal is for the Fishermen’s Association to perform business activities, it will be framed within the market sub-sector. This consideration allows it to be studied from the
perspective of the Participation Firm Approach, in particular, as it is a case of an organisation self-managed by its employees. This problem was set out by Vanek (1970), when he studied the case of Yugoslavian self-management firms, which has served as the basis for numerous research studies on this subject, both at macroeconomic and microeconomic levels (Defourny, 1983). This is a more general case than the subject of our analysis, but it shares the challenge of reconciling the employees’ right to manage their own firm with the legitimate demands of other capital providers, both private and public.

The classification of a firm as a participation firm lies in the fact that the relationship between member and firm entails more actions-effects than those traditionally linked to this type of relationship in other organisational forms. The members of a participation firm participate in the activity of the organisation as suppliers, consumers, employees, or a combination of these relationships, in addition to contributing with capital to the entity. And it is precisely this relationship that provides the main reason for the existence of such a firm. In the Social Economy, the organisational form *par excellence* is the cooperative society, but labour societies, agrarian transformation societies, mutual societies and, by virtue of their activity, Fishermen’s Associations are also valid examples (García-Gutiérrez, 1988-89, 2002).

In this study we focus on the Fishermen’s Associations’ fulfilment of cooperative principles, which have been followed by cooperative societies since their origins and adopted by other Social Economy organisations over time. We will consider the original cooperative principles instead of the principles shown in current Spanish Social Economy law, because it does not fully or adequately define them (Fajardo, 2012). In fact, European national cooperative laws have been discussed in order to present the main general provisions on the basis of which cooperative laws should be formulated in order to provide these organisations with a defined legal identity (Fajardo et al., 2012).

The cooperative principle of “democratic member control” is related to the primacy of people and the social objective over capital, and the subsequent democratic decision-making. The cooperative principle of “members’ economic participation” is reflected in the need to apply the results obtained from economic activity in terms of the work or service provided, or to satisfy the social purpose that is the entity’s object. “Voluntary and open membership” is an important characteristic that makes the cooperatives voluntary organisations, open to all people able to use its services and willing to accept membership responsibilities. These cooperative principles are the most relevant for our study of Fishermen’s Associations because of their relationship with economic activity, allowing them to be considered participation firms taking part in the Social Economy. The remaining principles of “autonomy and independence” (considering that Fishermen’s Associations can carry out public and private functions, this principle could be important to study, nevertheless, the study is not aimed at addressing this duality, focusing instead on private and
business activities); “education, training and information”; “cooperation among cooperatives”; and “concern for community” complement the study (International Co-operative Alliance, 1995).

This participation of members in the activity of the firm (Fishermen’s Association) is reflected in three types of flows: informational-decision flows, real flows and financial flows. Researchers from the School of Cooperative Studies follow this Participation Firm Approach, with application to the diversity of organisations included in the Social Economy (García-Gutiérrez, 1988-89, 2002; Bel, 1997; Lejarriaga, 2002; Martín et al, 2013; Cervera, 2010, among others). At international level, the economic analysis of participation and employee-ownership firms is being widely discussed by the International Association for the Economics of Participation, IAFEP, and its researchers (Burdín and Dean, 2013; Burdín, 2014; Pencavel, 2013; Perotin et al., 2012; Conte and Jones, 2015; Jones and Kalmi, 2015).

Consequently, the method used to guide this study is the analysis of members’ participation in Galicia’s Fishermen’s Associations. This method will allow us to study the business nature of these Associations, applying the Theory of the Firm and the Contractual Approach, and their possible consideration as a participation firm on the basis of the Participation Firm Approach.

4. Members’ participation in Galicia’s Fishermen’s Associations

Membership of a Fishermen's Association is free and voluntary, which fulfils the principle of voluntary and open membership. However, as already stated, Fishermen’s Associations carry out their activity on natural resources and under a common property regime. This conditions the way in which this principle is applied. Thus there is a limitation in the number of users, it must fall within the Association’s territory, it is not possible to belong to more than one Association, and it must have an “administrative title” to develop the activity. This title is granted by the Administration, and enables members to carry out a fishing, shellfishing or aquaculture production activity.

Once a member joins a Fishermen’s Association, his position is linked to his participation in the activity. In this way, it is possible to differentiate between them according to the activity they carry out and, additionally, whether they are considered entrepreneurs or employees. Table 1 shows the different types of members, taking into account this dual classification.

Membership status, of any kind, implies participation in the administration and management of the Fishermen’s Association. Members acquire ownership, although not in a strict sense, and the administration positions that condition the information and decision-making flows between them and the Association. It is possible to find the answer to several questions about the business nature of a Fishermen’s Association in this relationship.
<table>
<thead>
<tr>
<th>ENTREPRENEURS</th>
<th>EMPLOYEES</th>
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<tr>
<td><strong>Fishing activity</strong></td>
<td></td>
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<tr>
<td>Owner: Natural or legal persons who carry out an activity as owner of vessels engaged in fishing activity</td>
<td>Crew member: Workers enrolled on vessels engaged in fishing activity</td>
</tr>
<tr>
<td><strong>Shellfishing activity</strong></td>
<td></td>
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<tr>
<td>Ship Owner: Natural or legal persons who carry out an activity as owner of vessels engaged in shellfishing activity</td>
<td>Shell-fishermen with vessel: Workers enrolled on vessels engaged in shellfishing activity</td>
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<tr>
<td>Holder of a “Shellfishing authorisation”: Holders of shellfish concessions or authorizations</td>
<td>Shell-fishermen without vessel and others: Self-employed who carry out the tasks necessary for the extraction of marine resources</td>
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<tr>
<td><strong>Aquaculture</strong></td>
<td></td>
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<tr>
<td>Holders of an “Aquaculture authorisation”: farm parks or floating nurseries</td>
<td>Aquaculture employees: Employed employees in farm parks or floating nurseries</td>
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</table>

Source: Authors compilation from Xunta de Galicia, 2014.

* The law includes the employees and entrepreneurs of aquaculture activities as members of Fishermen’s Associations but, in general, only mussel farming activity is relevant to these associations.

Table 1. Members of Galicia’s Fishermen’s Associations

Members participate in the administration and management of a Fishermen’s Association through the decisions that are made by the entity’s corporate bodies. The existence of members carrying out different activities means that the Association is organised internally on the basis of production sectors. Each sector has its own interests and is represented in the organisation.

The main corporate bodies of a Fishermen’s Association have some characteristic names, but we can compare each one with a conventional body, and the functions they fulfil are almost the same. The Junta General is the General Board, the Cabildo acts as a Council, and the Patrón Mayor and Vicepatrones represent the Chairman and the Vice-Chairmen of the Association. Decision-making is the responsibility of members through these corporate bodies.

Elections to representative bodies are held every four years and the process is regulated by the Regional Administration. In this process, all the members of a Fishermen’s Association elect their representatives to the General Board by universal, free, equal and secret ballot. The number of representatives of each production sector that make up the General Board is conditioned by the weight of the sector in the Fishermen’s Association. Thus, each member has a vote to elect its representatives from among the members of its own production sector. Once the General Board has been formed, the representatives democratically elect the Council, the Chairman and the Vice-Chairmen from among themselves.
ALL THE MEMBERS OF THE FISHERMEN’S ASSOCIATION

CORPORATE BODIES OF THE FISHERMEN’S ASSOCIATION

SECTORIAL BODIES OF THE SECTORAL GROUP
(if they exist)

The members elect their production sector representatives:
- By universal, free, equal and secret ballot
- Every 4 years

→ All the representatives form the General Board

↓

The General Board elects the Council, the Chairman and 2 Vice-Chairmen

The representatives of the General Board become the representatives of the Sectoral Board

↓

The Sectoral Board elects the Sectoral Council and the Chairman

Source: Authors compilation from Xunta de Galicia, 2014.

Table 2. The election process in Galician Fishermen’s Associations

As the elections take place divided into production sectors, regulations require that, insofar as is possible, the composition of the corporate bodies be equal between sectors and also between entrepreneurs and employees. This parity is strictly observed between said entrepreneurs and employees, so that half of the members of the governing bodies belong to each group. Thus, representation is not fully proportional, rather one of the groups has proportionately greater representation.

In addition, a Fishermen’s Association can voluntarily constitute sectoral bodies, called Sectoral Groups. These are intermediate corporate bodies that link all members of the same production sector. These groups have their own governing bodies: the Sectoral Board – made up of all the members –, the Council and the Chairman. Elections in the Association take place on the same day, so that the members elected as representatives of the General Board per production sector automatically become members of the sectoral bodies, if they exist. In Table 2, the election process in the Fishermen’s Association can be observed.

The analysis of the information and decision-making flows reflects that in the Association’s corporate bodies the decisions are made by means of delegation. The members democratically elect, from among themselves, their representatives in the corporate bodies, and these, in turn, make their decisions democratically. As a consequence, the analysis of information and decision-making flows allows us to affirm that the democratic system in decision-making is strictly observed within each production sector, in accordance with the cooperative principle of democratic member control. In the whole organisation, the participation of members in decision-making is democratic by means of delegation, a fact that will show some repercussions in the case study.

In relation to their business nature, it can be seen that within Fishermen’s Associations a system of relations is created between individuals that cooperate with each other and are linked to the organisation
contractually, such as the membership and representation system. The system of participation in the corporate bodies confirms that the members govern, manage and administer the organisation, answering affirmatively questions about who observes the input behaviour of the factors and who the central party common to all contracts is.

Participation in information and decision-making flows presents the members as administrators of a Fishermen’s Association. However, members acquire other positions derived from their intervention in real flows. Associations carry out production and commercialisation activities in the fishing and shellfishing sectors, where members can participate as suppliers, consumers, employees or as a combination of positions. The performance of these functions makes it possible to study an Association as an economic organisation and talk about the dual position of the member in the participation firms.

All of the Fishermen’s Associations carry out production activities; nevertheless, there is a difference in the tasks that a member has to perform as a producer depending on whether they are fishing or shellfishing activities. In fishing activities, members are exclusively engaged in extracting the resource via their own production methods, vessels and fishing gear, whereas in shellfishing members not only extract the resource but, in accordance with exploitation plans, must participate in other production tasks such as seeding, cleaning and supervision. Consequently, insofar as production is concerned, members act as employees, but with a difference with regard to employees in a conventional capitalist firm, because here they acquire the dual status of member-worker. Thus, production is carried out collectively, especially in shellfishing, creating a cooperative link for the management of factors.

In terms of commercialisation, members can choose to sell their products through an Association’s fish market, in other fish markets or in establishments authorised for the first sale of fishery products (Government of Spain, 2015). When a Fishermen’s Association manages its own fish market, members usually sell their products there, especially shellfish. Fish markets have their own regulations and charge a percentage of the sales, which is used towards the market’s management expenses and the Association’s operational tasks. When the member carries out the commercialisation activity, he acts as a supplier, selling his products to the Association’s market. In this case, the real flows can be assimilated in those produced in an agricultural cooperative, which acts as buyer of its members products in order to sell them all together.

In addition to production and commercialisation activities, Fishermen's Associations perform other activities in favour of their members, which can be classified as complementary activities. Some of these activities are directly related to production: production and sale of ice, sale of bait and assignment of spaces for maintenance work and repair of boats or fishing gear. In this case, the members act as
consumers of the Association’s products and services. As with the previous comparison, the real flows are similar to those produced in an agricultural cooperative that provides products and services to its partners.

Sometimes these complementary activities can be confused with those carried out by the Association as a “body of consultation and collaboration” with the Public Administration. The problem is that it is not always possible to differentiate between which activities a Fishermen’s Association carries out because of its public responsibility and which are its own decisions as a business activity. The work exceeding that which corresponds to a public function is considered a service provided to the members, where the organisation assumes the costs. Some of these activities are training, administrative tasks, cultural, historical and environmental heritage conservation, as well as tourism and recreational activities. The cooperative principles of education, training and information, cooperation among cooperatives and concern for the community are included in these activities.

According to the Theory of the Firm, no question is raised regarding the participation of members in the firm’s real activity. Therefore, the analysis of the real flows focuses exclusively on the participative nature of Fishermen’s Associations, which, as we have shown, is reflected in the member’s position as a supplier, consumer, worker, or as a combination of all three. In small-scale fisheries this is a traditional situation, where fishermen usually work in different activities owing to the seasonality of some sectors and the use of fisheries as a complementary option for their incomes.

Participation of member in financial flows with a Fishermen’s Association is the result, on the one hand, of his membership and, on the other, of the different activities he performs, by acting as a worker, consumer and/or supplier of his Association. From this financial participation, we can determine who receives the residual income from the activity.

When a member joins to a Fishermen’s Association, he usually makes a contribution which acts as a fee. This contribution may be periodical, as long as its situation is maintained and it becomes part of the entity's net equity, which is indivisible and at the common service of all its members. Its existence or otherwise, as well as its amount, depends on the activities that are carried out and the decision of each Association. Nevertheless, membership of a Fishermen’s Association is not conditional upon an economic contribution to the social capital. Thus, the similarity of this fee with the capital contributions of conventional capitalist firms is only apparent, since this contribution does not confer any ownership rights to the entity. Members acquire ownership of an Association, although not in a strict sense, by carrying out an activity and participating in the real flows, but when they leave the fishing or shellfishing activity, property rights disappears. In fact, Fishermen’s Associations act like the Yugoslavian cooperatives of the socialist regime, which were one of the most important employee-owned firms studied (Vanek, 1970). In these
organisations, capital ownership belonged to the State, while the members were the employees and managers; the cooperatives had public-private definitions that have some similarities with Fishermen’s Associations.

The incomes obtained by a member while belonging to a Fishermen’s Association are always produced through prices and differ depending on whether he acts as a supplier, consumer or as a combination of both positions.

As a supplier, a member’s income comes from the sale of his catches via the Association. His profits can be quantified as the extra return he receives compared to the price that he would obtain in the market. By adopting a position of goods and services consumer, the transaction involves a cost for the price paid, and what he obtains as a result is a price advantage (lower cost) compared to what he would have to pay in the market. In this sense, for example, the sale of his catches at the Association’s fish market gives it an increase in price as compared to operating there individually. In the event that the Association were to provide the member with supplies such as fuel, ice, etc., the price advantage lies in the improvement of purchase prices. In addition, the Association can provide the member with other services for free. These complementary activities are mainly with regard to administration and training, and the advantage is the opportunity cost compared to the cost of contracting them in the market.

A Fishermen’s Association is presented as an organisation that seeks to offer members the best conditions to carry out their fishing or shellfishing activity, where the mechanism of market prices is replaced by internal contractual relations. The Association is the nexus of all these contractual relations and the members receive the residual incomes from the activity through prices. In this way, compliance with the cooperative principle of a member’s economic participation is observed, since the incomes are obtained according to the work or service provided.

When members leave a Fishermen’s Association, they do not receive any compensation, nor can they prevent new members, who meet with legal requirements, from entering. In other words, the membership status of the organisation is not associated with any type of ownership title that may be transferable in the market. This is the consequence of exploiting common resources, also answering two questions about the business nature of the association; that members do not have the right to sell ownership rights, or the power to alter the composition of the group.

Consequently, the theoretical analysis of participation in Galician Fishermen’s Associations shows that business flows arise from members’ participation. They participate in the decision-making as managers and administrators, with a democratic representation system by means of delegation, and as consumers,
suppliers and/or workers involved in the real activity. The financial flows are presented as a reflection of this participation, where members receive the residual income from the activity through prices. Nevertheless, this paper aims to corroborate the information from the theoretical analysis with the case study.

5. Results of the case study

The case study allows us to observe how a member’s participation is shaped in practice, and if the principles established in regulations are complied with. In this section, there is an analysis of the three business flows, the information and decision-making, real and financial, based on the information collected. We have analysed fifteen Fishermen’s Associations from Galicia’s different coastal provinces and chosen a geographical denomination in order to work with them: Lugo (L1, L2), A Coruña (A1, A2, A3, A4, A5, A6, A7) and Pontevedra (P1, P2, P3, P4, P5, P6).

The system of Fishermen’s Association membership is conditional upon the carrying-out of a fishing, shellfishing or aquaculture activity. These activities have different processes for the member of an Association. In four of the case studies (L1, A2, P4, P6) members carry out mainly fishing activities, in two of them almost exclusively with regard to purse-seine and deep-sea fisheries. In fishing, employees, owners and legal persons of vessels whose base port lies within an Association’s territory can belong to it. This is the principal condition for being a member and in none of the study cases was any prohibition relating to this right found.

Only in two of the fifteen cases analysed (A5, A6) do the members carry out mainly shellfishing activities, either with or without a vessel. These Associations can gather shellfish in the “free shellfishing zones”, which are managed directly by the Administration, but also have their own authorizations to exploit marine resources and manage shellfish exploitation plans, both individually and jointly with other Fishermen’s Associations. Any person belonging to any of these exploitation plans is a member of the Association, and access to a plan vacancy is free and carried out via a public selection process. The specific resources have special exploitation plans, in many cases similar to shellfishing, with their own conditions.

Most of the Associations studied, nine to be exact (L2, A1, A3, A4, A7, P1, P2, P3, P5), carry out fishing and shellfishing activities, and they combine both membership systems. Nevertheless, of these nine, two of the Fishermen’s Associations carry out special activities. Only in one are aquaculture activities relevant, which confirms that aquaculture is not one of a Fishermen’s Association’s main activities, and that members participate in the same way as the others. These people are the owners of mussel farms and members of a Fishermen’s Association because of the territory in which they carry out their activities, and there are many
owners who choose not to belong to any Association. In other Fishermen’s Associations, a special and characteristic group exists, where more than half of the members manage “a shellfish farm”, which is a traditional means of marine exploitation with distinctive ownership conditions. They can decide to be members of an Association or not.

These results are in accordance with the Fishermen’s Associations’ characterisation and with the theoretical study: Associations use to perform different activities and their members are fishermen, shellfishermen and aquaculture producers. Members can be entrepreneurs or employees, and the practical analysis confirms compliance with the voluntary and open membership principle. If a person carries out his activity within the Association’s territory, has a base port in this territory or is part of a shellfish exploitation plan, he can be member.

In relation to the representation system of the Associations studied, Table 3 shows how the corporate bodies are composed with relation to the total numbers of members. In all the case studies, a scenario where half of the members of the corporate bodies are from the groups of entrepreneurs and the other half are employees is observed. This system means that the "one person, one vote" characteristic of participation firms is not strictly adhered to. Regulations try to ensure that no group is outside the governing bodies, however, this distribution means that in seven of the cases (L1, A2, A7, P2, P3, P4, P6), employees are underrepresented in relation to their weight within the Association. The opposite situation also occurs, and in four Associations there are the entrepreneurs who have less representation (A3, A4, P1, P5).

The consequences of this situation are that the participation of members in decision-making is democratic by means of delegation and one of the groups in the Association, usually employees, is underrepresented in the decision-making process. In relation to the production sectors, the distribution is more equal in all the cases studied, although the proportion between the number of members and their representatives is not the same for all sectors. According to gender representation, there is still a greater number of men than women in the corporate bodies. Women are only predominant in the “shellfishing without vessel” sector, so almost all of the women representatives are from this sector. As the theoretical study shows, the principle of democratic member control is observed by Fishermen’s Associations, as a democratic system by means of delegation, strictly observed within each productive sector.
<table>
<thead>
<tr>
<th>Nº of members per production sector</th>
<th>Entrepreneurs</th>
<th>Employees</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Shellfishing with vessel and specific resources, ship owners</td>
<td>Small-scale fisheries</td>
<td>Deep-sea fisheries, trawlers and others</td>
</tr>
<tr>
<td><strong>L1</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fishermen’s Association</td>
<td>2.37%</td>
<td>5.64%</td>
<td>6.83%</td>
</tr>
<tr>
<td>General Board</td>
<td>0</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>Council</td>
<td>0</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td><strong>A2</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fishermen’s Association</td>
<td>-</td>
<td>8.74%</td>
<td>9.71%</td>
</tr>
<tr>
<td>General Board</td>
<td>-</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Council</td>
<td>-</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td><strong>A3</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fishermen’s Association</td>
<td>14.02%</td>
<td>46.34%</td>
<td>-</td>
</tr>
<tr>
<td>General Board</td>
<td>2</td>
<td>6</td>
<td>-</td>
</tr>
<tr>
<td>Council</td>
<td>1</td>
<td>3</td>
<td>-</td>
</tr>
<tr>
<td><strong>A4</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fishermen’s Association</td>
<td>19.05%</td>
<td>40.48%</td>
<td>-</td>
</tr>
<tr>
<td>General Board</td>
<td>1</td>
<td>4</td>
<td>-</td>
</tr>
<tr>
<td>Council</td>
<td>1</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td><strong>A7</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fishermen’s Association</td>
<td>18.28%</td>
<td>15.55%</td>
<td>-</td>
</tr>
<tr>
<td>General Board</td>
<td>7</td>
<td>5</td>
<td>-</td>
</tr>
<tr>
<td>Council</td>
<td>3</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td><strong>P1</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fishermen’s Association</td>
<td>7.20%</td>
<td>62.82%</td>
<td>-</td>
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<tr>
<td>General Board</td>
<td>1</td>
<td>11</td>
<td>-</td>
</tr>
<tr>
<td>Council</td>
<td>No data. There was an election process taking place at the time of interview</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>P2</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fishermen’s Association**</td>
<td>44.84%</td>
<td>-</td>
<td>0.01%</td>
</tr>
<tr>
<td>General Meeting</td>
<td>12</td>
<td>-</td>
<td>0</td>
</tr>
<tr>
<td>Council</td>
<td>5</td>
<td>-</td>
<td>0</td>
</tr>
<tr>
<td><strong>P3</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fishermen’s Association</td>
<td>5.64%</td>
<td>15.79%</td>
<td>-</td>
</tr>
<tr>
<td>General Board</td>
<td>3</td>
<td>9</td>
<td>-</td>
</tr>
<tr>
<td>Council</td>
<td>1</td>
<td>4</td>
<td>-</td>
</tr>
<tr>
<td><strong>P4</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fishermen’s Association**</td>
<td>6.00%</td>
<td>23.33%</td>
<td>4.00%</td>
</tr>
<tr>
<td></td>
<td>General Board</td>
<td>Council</td>
<td></td>
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<td>--------------------------</td>
<td>---------------</td>
<td>---------</td>
<td></td>
</tr>
<tr>
<td>Fishermen’s Association**</td>
<td>19.92%</td>
<td>3.08%</td>
<td></td>
</tr>
<tr>
<td>General Meeting</td>
<td>3%</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td>Council</td>
<td>2%</td>
<td>1%</td>
<td></td>
</tr>
</tbody>
</table>

** Approximate data

Table 3. Members’ representation in the corporate bodies

Members of the Fishermen’s Associations studied have different information and control methods regarding the corporate bodies’ activity. Meetings of the General Board and the Council, their programmes or the agreements reached are usually reported on the notice board, or via more direct methods, such as mail or personal contact. There are also sectoral meetings, involving all of the members of the production sector. These meetings deal, for example, with production organisation, extraordinary events or new regulations. The decisions, suggestions and problems recognised are transferred to the governing bodies by their sectoral representatives. In this way, the participation of members in the government, administration and management of a Fishermen’s Association is confirmed, as is their position as "administrators". Members observe the input behaviour of the factors and are the central part common to all contracts, like the conventional capitalist firm.

Most of the Associations, eleven in all, have Sectoral Groups (A1, A3, A4, P1, P2, A5, A6, A7, P3, P5, P6). They are usually formed by the “shellfishing with or without vessel” members and by the “specific resources” members. Each sector can have its own Sectoral Group or can have them for all of them. Only in two cases (A2, P4) do the Associations show that some of these Sectoral Groups exist but that they are not functional.

In accordance with real participation, through the case studies it is possible to analyse the participation of members in the activities carried out by their respective associations. Table 4 shows how participation is different according to the activity, as is the member’s position, operating as a worker, supplier and/or...
consumer.

All of the Fishermen’s Associations studied carry out production activities, fishing or shellfishing, where a member participates as a worker-producer. If we separate the specific resources, four Associations carry out mainly fishing activities (L1, A2, P4, P6) and their members participate in the resource extraction phase. Most of the Associations carry out fishing activities and also exploit shellfish resources. These resources have exploitation plans, so the members must participate in various stages of production: extraction, seeding, cleaning and supervision. There are only two Associations (A5, A6), which are dedicated exclusively to shellfish production.

<table>
<thead>
<tr>
<th></th>
<th>L1</th>
<th>L2</th>
<th>A1</th>
<th>A2</th>
<th>A3</th>
<th>A4</th>
<th>A5</th>
<th>A6</th>
<th>A7</th>
<th>P1</th>
<th>P2</th>
<th>P3</th>
<th>P4</th>
<th>P5</th>
<th>P6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production → Participation as a worker - producer</td>
<td></td>
<td></td>
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<tr>
<td>Shellfishing without vessel</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
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<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Shellfishing with vessel*</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
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<td>x</td>
<td>x</td>
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<tr>
<td>Small-scale fishing</td>
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<td>x</td>
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<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
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<td>x</td>
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<td>x</td>
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<td>Purse-seine fishing</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
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<tr>
<td>Trawl fishing</td>
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<tr>
<td>Deep-sea fishing</td>
<td>x</td>
<td>x</td>
<td>x</td>
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<td>x</td>
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<td>x</td>
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<td>Specific resources</td>
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<td>x</td>
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<td>x</td>
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<td>x</td>
<td>x</td>
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</tr>
<tr>
<td>Commercialisation → Participation as a supplier</td>
<td></td>
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<tr>
<td>Fish market</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
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<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
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<tr>
<td>Complementary activities → Participation as a consumer</td>
<td></td>
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<td></td>
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<tr>
<td>Sale of ice</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Sale of bait</td>
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<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
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<td>Others</td>
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</tr>
</tbody>
</table>

Source: Authors compilation from information derived from the case studies

* The “Shellfishing with vessel” includes the mussel sector and vessel for aquaculture activities, which are only relevant in two of out of fifteen Fishermen’s Associations.

Table 4. Real participation of members

With regard to commercialisation, all of the Fishermen’s Associations studied, except for two (L1, L2), manage a fish market. Each market has its own established rate, which may vary depending on the product sold. The fish market is one of the Associations’ main economic activities, given that the results obtained
revert directly to them.

Finally, Fishermen’s Associations carry out complementary activities where members participate as consumers. They may be consumers of goods, such as ice or bait, or services, such as administrative services and training. Table 4 shows that administration and training activities take place in all of the Associations except one. These functions are very important for Fishermen’s Associations, as they allow fishermen to achieve better economic results, improve fishing and shellfishing conditions and serve as a tool by means of which to communicate and cooperate with the Administration.

In these case studies, it can be seen that the participation of members in real flows may vary between the different Fishermen’s Associations, but that such participation exists in all of them. In addition, the existence of complementary training activities in all of the Associations highlights the importance they lend to the cooperative principles of education, training and information.

According to the financial flows, with regard to the economic contribution that Fishermen’s Associations may require, there is significant heterogeneity between the fees that members must pay. Thus, in some cases, there is no fee, while in others there is a differentiation depending on the production sectors. That is, each Association decides what its fees are according to its needs.

In the case studies, there are four Associations (L1, L2, A1, P4) that do not request payment of a fee. In all other cases, the amount could be the same for all of the members (A5, A6, A7, P1) or depending on their status, that is, entrepreneur or employee, and the capacity of the vessel. Employees and shell-fishermen without vessel usually pay between 12 and 60 euros per year, while ship owners pay between 24.20 and over 200 euros per year. As is shown, the price of the fee is at the discretion of the Association, and the reason for payment not being required might be due to the fact that the Association does not carry out any shellfishing activity or have a fish market, which would require greater financial resources. In all cases, the fee remains in the association, is not refundable and is a financial contribution on the part of the member. At this point, it can seen how the characteristic of participation firms is observed, where people’s interests in the production and distribution processes are more important than the capital they might provide. As the theoretical analysis proposes, membership of a Fishermen’s Association is not conditional upon an economic contribution to the social capital and the fee paid does not confer any ownership rights to the entity. Being a member means being able to participate in the Association while performing an activity, but he will not have ownership in a conventional capitalist way, that is, he will not be able transfer his rights when the activity is finished.

There are two special cases among the fifteen Associations, where the organisation requires an “entry fee”
(P1, P2). The reason for this would seem to be the movements of members and changes of organisations in some regions, owing to proximity and convenience. These movements have created administrative problems, and even competitive disadvantages. The highest “entry fee” could reach 1,000 euros for ship owners.

However, the main participation of members in the financial flows of Fishermen’s Associations stems from the different activities that they carry out and the positions that they adopt. The economic benefits that members obtain are only by participating in the Association’s activity: the income derived from their production sales; the remuneration for their work in the fish market; and the lower costs of the services consumed.

This way of members’ remuneration has its consequences on the results and the financial structure of the Association. The income and expenditure items are affected by this participation, since they contain the improvement in prices obtained by the members when operating through the Fishermen’s Association.

Table 5 presents a summary of the profit and loss accounts of the Fishermen’s Associations analysed, in order to observe the possible repercussions derived from the participation of members in the entity’s financial results. There is one Fishermen’s Association (P2) whose results are not shown because the members have formed a Producers’ Organization that operates simultaneously. This fact changes the annual accounts of the Association and its analysis could cause distortions in the study.

As can be seen in the table, the difference between sales and purchases costs is very small. In twelve of the Associations (A1, A2, A3, A4, A5, A6, A7, P1, P3, P4, P5, P6), the purchases account is approximately 90% of net revenue, while sales are around 98% or 99%. These figures are the consequence of the Fishermen’s Associations’ strategy, which is to buy the products from their members at the best possible prices, adjusting their profit margin to the minimum income necessary for their performance.

Although members receive the highest possible income through prices, the entity must ensure a minimum margin. This margin includes the fish market rates, which are established by each Association and vary from one to another. The fish markets of ten Associations (A1, A2, A3, A4, A5, A6, A7, P1, P4, P5) usually charge an equal rate for all products sold and, in two cases (P3, P6), different percentages are applied depending on the type of product (fish, shellfish or specific resources) and on being a member or not. Whatever the situation, this rate, which implies a cost for members and an income for the Fishermen’s Association, oscillates, in these case studies, between 4% and 9.25%.
### Table 5. Profit and Loss Accounts of the Fishermen’s Associations for the year 2012, in percentage of the net revenues.

The difference observed in the information for the first two Associations (L1, L2) is due to the fact that commercialisation activity is not their main activity, that is, they do not manage any fish market. For this reason, they have no purchases and their sales are much lower, 42% and 77%, respectively, of their net revenues.
revenues, and the supply of services is of greater relevance. However, these cases are useful for analysing an Association’s performance when its main economic activity is not the fish market and show the reality revealed in the characterisation of the Fishermen’s Associations, where it was seen that 75% used to manage a fish market.

The complementary activities carried out by these Fishermen’s Associations also revert in favour of the members, through lower costs. In activities such as the sale of ice, sale of bait, space assignment and supply of services, the entity receives a remuneration from members that, although small, increases its sales and operating income. In these cases, the operating income represents around 47% and 154% of the net revenues, while for most of the other cases, it is between 1% and 5%, and never higher than 11%.

On the other hand, all of the Fishermen’s Associations also carry out some complementary activities that are free for its members, such as administration or training. The operating or staff costs show the significant costs assumed by an Association for these concepts. In the first Association (L1), the high percentages that these costs can reach can be seen, so that the operating costs exceed the net revenues and the staff costs are 58% of these. The second Association without a fish market (L2) is a small Association and has a special condition, that is, there are no staff costs because the only worker it has is paid by the Public Administration. However, its operating costs, 194%, reflect the relevance of the complementary activities.

Finally, it can be observed that the Fishermen’s Associations’ outcomes are negative or almost null. This is not always the case, in that these figures are from 2012 and are still affected by the economic situation of 2009, but it is common for them to obtain very small economic results in relation to their net revenues. This fact reinforces the proposition that the objective of Fishermen’s Associations is not the maximisation of profits, the objective of the conventional capitalist firm. In addition, if they obtain positive results, these must be given over to increasing the entity’s own funds, without it being possible that they revert to members through the distribution of financial results.

Consequently, and in compliance with the principle of members’ economic participation, the cases studied show that the results are applied according to the work or service provided, in other words, members receive the residual incomes of the activity through prices. Meanwhile, positive financial results should remain in the Fishermen’s Associations to meet their collective purpose, an idea that is related to the management of common resources and the inability of members to sell property rights. As in the theoretical study, the practical analysis shows that when members leave the Association they do not receive any compensation and their membership status is not associated with any type of ownership title that may be transferable in the market. Also, because of the common resources, and in relation with the
voluntary and open system of membership, members do not have the power to alter the composition of the group.

6. Conclusions

Cofradías de Pescadores are the main Fishermen's Associations that, in Spain, group those who are engaged in small-scale fisheries and develop their activity on marine natural resources. The current Cofradías inherited an associative tradition from past times (based on their collaboration in productive activities and mutual social assistance). The current Spanish legislative framework for small-scale fisheries has taken into account the historical presence of these Cofradías and in the past few years has attributed to them an important role in fishing activities. In this sense, they participate in the management of fishing rights and the application of regulations. Moreover, the capacity of representation and consultation has been recognized to them in the processes of definition and application of the fisheries policy. For these purposes, they are defined in the legislation as public law entities, despite acting in a context (rules, principles) of market economy.

In this framework, Cofradías perform a business activity autonomously managed by its members. It is therefore an associative entity with public-private characteristics and nature, where its members share and benefit from the use and exploitation of marine resources.

Most of the previous studies on Cofradías have focused on their consideration as fishermen representative entities, particularly highlighting their public. However, this study aims to deepen in the private side of a Cofradía, in order to determine the extent to which it can be considered as a firm that develops its economic activity exploiting fishing resources. Categorizing Cofradías as a constituent part of Social Economy does not completely answer this question, since it includes both non-profit entities and firms. Nevertheless, this has allowed us to focus this study on participation firms, as the members of the Cofradías participate in the entity. The results obtained reinforce this definition, despite highlighting special features, both in its business and participative sides.

Cofradías are the nexus articulating the complex set of contractual relationships to which the rights bound to their consideration as a firm can be associated. The members of the Cofradía have the ultimate right over the residual income generated by the economic activity and they exercise it through the received or paid prices. If there is an economic surplus, it fully reverts to the association. Their members also control the inputs and are key in comparison with the rest of the contracts. The administration and management bodies —composed by members of the Cofradia—are in charge of managing the entity and performing the necessary contracts to develop the economic activity. However, the members do not have the right to change the composition of the group, since access to membership requires to be in possession of the
corresponding administrative title that depends on the Administration's action. And, more relevantly, the condition of member is not associated with their participation in the entity's capital, thus it is impossible to transfer property rights. Consequently, the contractual relationships established between members and Cofradías do not meet the set of requirements to be considered as a classic private firm. Despite having an organizational structure and a formal management for the productive activity development, the non-compliance of these criteria is due to the fact that it is a public entity that takes advantage of natural resources, which are a common good. And it is not possible to completely separate the public and private aspects.

The parallel analysis of the members' participation on the business flows (decisional, real and financial) of Cofradías, has allowed us to define its nature as a participation firm. The main objective of a member when it becomes part of the entity is to achieve an economic rent, by participating on the three business flows. In order to acquire the status of member, it is necessary to participate on the Cofradías' economic activity, whether as a supplier, consumer, worker, or as a combination of these activities. It is not possible in any case to acquire this status if a fishing activity is not performed.

Every member of a Cofradia's governing body is involved in the decision-making processes. The decision-making system, delegated when the existence of sectors requires it, is conducted democratically; each member has the right to one vote. The case studies have allowed us to detect that, due to the current regulation, there is an underrepresentation of the employees with respect to the entrepreneurs, which to some extent contrasts with the firm participation philosophy.

Members' remuneration is performed via prices. The residual income is transferred to the members through an advantage in prices, charged or paid in the Cofradías, with respect to the prices they would obtain if they conducted the transaction individually in the market. The analysed cases have allowed us to verify that this way of operating, typical of a participation firm, is reflected on the reduced amount of operating margin of the associations studied. Likewise, as a consequence of this remuneration system, the results of the analysed fiscal years are very low. In any case, providing that there is any profit in a fiscal year, it returns to the Cofradia in the form of retained earnings. Members only receive their income through their participation in the real flow and the economic surplus, if any, reverts to the group of members and remains as part of the entity's own funds.

The consideration of the Cofradia as participation firm with special characteristics allows it to be treated from the scope of business administration study, although these distinctive features must be incorporated into the methods of analysis used for their study.
Moreover, this consideration is a significant consequence of integrating an entity ab initio considered as public into market activities. However, this decision was also a solution to guarantee, following historical presence criteria, the continuity of fishermen engaged in traditional fishing activities in the Spanish coastal areas.

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