

**ITQs from a community perspective: The case of the Canadian Scotia-Fundy Groundsh Fishery**

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### Introduction:

There continues to be considerable interest in using rights-based management to prevent overfishing and overcapitalization. With implementation of a number of these types of regimes, the aim of current research has been to evaluate these regimes for their effectiveness and far their impact on communities (McCay and Creed 1994, McCay and Creed 1990, Palsson 1992, DeWees 1989, Jcntoft 1994, Apostle et.al. 1993, also see Hanna 1994, Chaiics n.d., Jcntoft 1994).

Community issues duster around social equity, the distribution of resource rights. How resources are distributed affects individuals' material and social well-being political power. Distributive patterns also affect the fate of local, treasured institutions. From a fishing community's viewpoint, concentration of resource use-rights is the most salient and threatening consequence of instituting an ITQ system. Norwegians successfully resisted transferability and the Canadians chose to phase in this component largely because transferability makes concentration possible (Apostle et.al 1994),

A social benefit of successful fishery management is sustainability. However, *it* is not clear that ITQ systems promote conservation. ITQs may increase individuals' incentives to cheat the system by high-grading, dumping, and illegal landings and harvesting small fish because they bring immediate profits (Copes 1976, Annand 1992, Mace 1993).

### The Case Study:

In this paper, we address these issues by reporting on of a one-year community-level study of social responses to ITQ management of under 65-foot draggers in the Canadian Scotia-Fundy groundfish fishery. Research was conducted over a one-year period from. September 1993, through August 1994.<sup>1</sup> This paper uses material gathered during participant-observation and 46 hour-long interviews with, fishermen, plant owners, fishermen's wives and other villagers.

These findings are:

1. ITQs have led to a concentration of use rights and promoted social stratification in the village. Villagers feel this is a significant social cost of the ITQ system.
2. Dividing up the resource pie may be fostering stewardship of the resource. However, these changes cannot be attributed to ITQs alone.

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### Description of the Fishery Management Regime:

The Scotia-Fundy groundfish fishery covers a region along the coast of Nova Scotia, Canada, from the Cabot Strait off Cape Breton to the U.S. line in the south. This includes the rich fishing grounds of the Canadian side of Georges Bank, Browns Bank, and the Bay of Fundy. Historically, the fishery depended on cod, haddock, pollock and flounders.

The fishery is managed by gear sector. Although understanding the system would require understanding how each of the sectors affects the others, for the purpose of this paper, we will concentrate on the ITQ-managed portion. For a more detailed description of the fishery management plan and management history, see Apostle et al. 1993 and Angel 1994.)

The imposition of ITQs for the under 65-foot draggers was in response to stock declines and rapidly exploding fleet capacity in that sector (Hache 1989, Annand 1992, also Apostle et al. 1993). The system was implemented in 1991. Since then, the individual quotas were made fully transferable, Georges Banks was included, and ITQs for flounders were implemented for some management areas.

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The village chosen for the case study is an Acadian village located on the southwestern tip of Nova Scotia. The vast majority of the 2,000 residents earn their living either as fishermen, plant workers or owners, or fishery support businesses, like boat builders, welders, and fuel suppliers.

Acadian culture, history and language are the threads that *weave* the fabric of daily life. The villagers associate 'being Acadian\*' with embracing egalitarianism, co-operating with one's neighbor. Acadians are also seen as competitive and competent. Social mores long promoted egalitarian values while controlling actions that made social differences explicit.

A few generations back, there was less of a distinction between wage workers and fisherman but plant owners. There were always some material differences, especially between fish plant owners and the rest of the villagers. Today, there are significant differences of power and money, between those who own ITQs and those who do not. These significant material differences are putting considerable strain on the egalitarian ethos, solidarity, and personal dignity the villagers hold so dear.

"This was an industry-funded buyout" (Industry Representative)

From the buyers' standpoint, their financial investments in ITQs are bringing significant benefits to the fishery and to this community. They are financing the fleet consolidation the fishery management regime was designed to bring about. They have benefited the village by buying ITQs from outside the village so that *the* fish are landed in the village, rather than elsewhere.

"Sold to a plant; that is the only ones who are going to make any moves." (ITQ Seller)

But, concentration also has social costs to this community. Currently, only two or three out of 30 vessels in the Sect are not tied to one of the fish plants. This is a one-third to two-thirds reduction.

### Social Equity. Fish Lords and Armchair Fishermen

In a competitive fishery, you compete by fishing; in an ITQ fishery, you compete with money. The poor fisherman cannot compete." (Owner)

The ITQ system favored those with capital or borrowing power, the fish plants. The terms 'fish lord' and 'armchair fisherman' also imply some criticism of those who earn their living from the fishery, but do not go fishing. The ITQ system rewards those who own the fishing rights, rather than rewarding those who work hard catching the fish. This point is made again and again, especially by those who crew on the

'Some are now saying, It's our fish, forget common property.\* (Crewman)

Concentration of fishing rights fosters social stratification. ITQ owners make more money than their neighbors. But that is not all. ITQ owners determine which of their neighbors will go fishing and how much fish each *crew* will catch that year. ITQ systems make use-rights owners gatekeepers to the resource.

This also happens in simple limited entry systems. But in those systems, crews can still work harder and catch more fish. In an ITQ system, those who do not own ITQ rights are more explicitly dependent on the ITQ owners.

Politeness rules that mask material differences are under assault. A few ITQ owners are telling their crews and captains in the last couple of months, 'once the fish are on deck, I own them; I paid for them.' And crewmen are being told that if they are not willing to push hard, they will be fired. A crewman, commenting on this change in the relations of power by saying, "What can you say when you own nothing." These occasions foreground the growing distance and power between those who own resource rights and those who do not.

The fabric of the village has been ruined." (Crewman) "A lot people say

at the service stations, it's good for you, but it is not good for us." (Owner)

There is resistance. People have been trying to reestablish the egalitarian social order through the time-honored means of direct criticism, joking and gossip. To quote one person commenting on these occasions of attempted social control, it has gotten pretty nasty." These kinds of social interactions are modifying local institutions to reflect material differences of power and distance.

Has the system promoted Stewardship?

In 1988, we sneaked and cheated all kinds of ways and there was no enforcement\* (Skipper)

"Now, if the quota is 2 million pounds, that is what is landed. Before it would have been 5 million pounds."  
(Owner)

Cheating is dropping, especially this year. Illegal landings are almost non-existent in this port. Transfers at sea (so a small vessel can sneak illegal fish into an out-of-the-way port) has nearly disappeared. Most resistant is discarding fish at sea for high-grading or to get rid of fish for which the vessel has no quota. Even this is down considerably.

When asked why cheating was down, people gave the following that:

1. Square Mesh

"Less fish are being dumped because of the ITQs, but the main difference is the square mesh. You just don't see small fish in the net." (Captain)

Square mesh net lets small, round fish escape before the net is hauled in. Fishers said they did not like to throw fish away, since they were likely dead anyway. Square mesh net brings up fewer fish and more keepers.

2,

Dockside Monitoring is great for us. Our company doesn't want us to cheat, and because we didn't cheat, the dockside monitoring made us more competitive in the system." (Crewman)

One hundred per cent coverage of all landings reduces the fixe rider problem for those who are not cheating the system.

3. Tough Administrative Sanctions.

"Canada was never able to stop cheating before the sanctions.\* (Captains)

The teeth in the system is the tough and (for all intents and purposes) non-negotiable administrative sanctions. As one crewman put it, "Sanctions are death." Sanctions make the cost of cheating prohibitive.

#### 4. The ITQ Regime

**"When you have an ITQ, you have to maximize your catch. In an open-access fishery, you go for title weight' (Owner talking to DFO biologists)**

**For ITQ owners, saving fish is saving their future. For many, the system is an incentive to not waste fish on discards.**

**It has finally dawned on us, there are only so many fish\* (Crewman on conservation).**

**The ITQs divide up the vessel's share of the annual quotas. The crews directly experience, and have to deal with, the limits imposed by the boat quotas and the scarcer fish. The ITQs, in the context of world fisheries crises, is fostering the social construction of the fish as a limited good.**

#### **INITIAL CONCLUSIONS**

**We found that ITQ systems may bring a conservation benefit, but these benefits have significant social costs to a fishing community. Ownership of the ITQs is concentrating into the hands of a few who have access to capital, the plant owners in the village. And the nature of ITQs as quasi-private property, is changing social relations in the village. There is an acceleration of a trend of increasing stratification that began in the 1970s. The ITQs increase distance and power between those who own the fishing rights and those who don't. The villagers, and especially those who are directly involved in the fishery, consider this to a significant social cost of the new regime.**

**It appears that dividing up the resource pie into individual allocations makes fishers more likely to think of the resource as a limited good and thus treat the fish differently. Deckhands and captains, as well as ITQ owner, said that they have become convinced in the past two years that their own best interest is to husband the resource. But without the rest of the management package, ITQs would not be effective for promoting resource conservation.**

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