

8-15-95
WORKSHOP IN POLITICAL THEORY
AND POLICY ANALYSIS
513 NORTH PARK
INDIANA UNIVERSITY
BLOOMINGTON, IN 47408-3895 U.S.A.

Meetings of the International Association for the Study of Common Property, Bodö, Norway, May 24-28, 1995
Session 22: Design Principles for Property Rights Systems in Fisheries, Chair: Carl Folke

"That's Not Right": Resistance to Enclosure in Newfoundland Fisheries

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Abstract:

The option of quasi-privatization of fisheries, or individual fishery quotas, is one case among many involving the use of market mechanisms to help manage common pool resources. As a Beijer Institute working group has emphasized, it is very challenging to develop market-based systems that not only achieve economic goals such as efficiency but also deal with distributional equity in ways that help foster resource stewardship. This paper reports on recent field research among Newfoundland fishers who are on the verge of adopting privatized fishing quotas but are resisting this change in property rights, as well as those who adopted such a system but with stringent limitations. The case study is part of an attempt to identify the role of "community" and related social and cultural factors in resistance to enclosure of the commons.

"That's Not Right": Resistance to Enclosure in Newfoundland Fisheries

Bonnie J. McCay

I. Introduction: The Comparative Study

- A. Sea Clam fishery of the Mid-Atlantic US, 1990-
- B. Under 65' dragger fishery for cod, haddock, and pollock (CHP) in the Scotia-Fundy region (mostly Nova Scotia), 1990-
- C. The Newfoundland West Coast "Enterprise Allocation" Dragger Fishery, 198x - 1993.
- D. The Newfoundland East Coast Sector Quota Crab Fishery, 1980 -

Fishery	Allocation	# Boats
Sea Clam, US	ITQs 1990-	135
<65' dragger, Scotia-Fundy	IQs 1990- ITQs 1993-	350+
< 65' dragger, West Nfld	IQs 198_- I(T)Qs 1990-//	110
<65' crab pots, NE Nfld (3K)	Sector quotas; full-time vs. "suppl"	31 full-time 210 supplementary

II. Enclosure in the Sea Clam Dredge and Nova Scotia and Newfoundland Dragger Fisheries

Individual transferable quotas, or ITQs, amount to "privatization" in fisheries management¹). The cases we are studying are among the few in North America. Design of both the US and Canadian systems of ITQs have benefited from lessons learned from the 1980s experiments with this method in New Zealand, Australia, Iceland, and elsewhere. We have been investigating the consequences of ITQs in the three fisheries, with particular focus on the evaluative criteria of efficiency, equity, and stewardship (see Young and McCay, under review).

There are intriguing similarities as well as differences among the cases, including the extent to which "equity"-linked features are part of the design of the program (see Apostle et al. 1994; McCay and Creed 1994; McCay 1994). In Nova Scotia and Newfoundland they are; in the US they are not, except insofar as equity is broadly read to mean respecting the rights of investors and owners of capital. For example, in the US sea clam system there is no limit on how much of the quota any one individual or firm can hold; in the Nova Scotia and Newfoundland cases there are limits, and in Newfoundland (but not Nova Scotia) those limits seem to hold. For another example, in the US sea clam system the new property rights created include the right to freely transfer and exchange ITQs; in the Nova Scotia system this was not allowed—transfers could occur only within the fishing season—but in 1993 the system became one of fairly free transferability, although non-fishermen need not apply. In the Newfoundland dragger fishery accumulation was strictly limited and so was transferability; the past tense is appropriate because the fishery, for cod and related species, had ended by 1994, when we began our study, due to the near-disappearance of said fishes. Which should lead to a discussion of stewardship, but that too must await another occasion (Creed et al. 1994).

In today's talk, I shift from the ITQ systems to the northeast Newfoundland crab fishery, which is not being managed with ITQs but is on the brink of regulatory change, from competitive quotas to individual or "boat" quotas, but seems to be resisting changes in the property rights component of the regulatory regime.

¹ ... or quasi-privatization for those who insist that the rights are not private if they are only to shares of the annual catch, as opposed to actual fish or shellfish in the ocean, a fine and not very logical point.

The question is, *why isn't the northeast Newfoundland crab fishery managed with individualized and transferable property rights*. I will examine this question from the perspective of field research on Fogo Island, Newfoundland. The simple answer I offer is that such a degree of privatization is almost beyond imagining. In the interviews in Newfoundland, I found hardly anyone in the fishery who could imagine it beyond the notion of boat quotas. Transferability could be imagined only as far as loaning or leasing a license if your boat burned or sank.

The coastal fishery (both inshore and offshore) continues to be, as the economic sociologists say, "embedded" in the social networks, social structures, and culture of the community (cf. Granovetter and Swedberg 1992; Barrett et al. 1995). In situations where decision-making about the fishery takes place apart from the concerns of fishing families and larger communities, such as in distant (or local) boardrooms, or where crewmembers or fish plant workers are transients or strangers, it is easier to imagine situations in which market forces might be allowed to determine the allocation of rights to fish.

The Fogo Island Crab Fishery and Problems Calling for Management Reform

Fogo Island, about 9 miles from the northeast coast mainland of Newfoundland and on the edge of the Labrador current and great fishing banks, has an important crab pot fishery. In 1994 there were 8 "full-time" crab licenses used primarily with large "longliner" vessels (55-65')² and 29 "supplementary" ^ crab licenses, used with a wide variety of boats, ranging from the small (3J[+)_A open, wooden skiffs of the traditional trap fishery to a wide range of "longliners." About 190 fishermen are engaged in this fishery out of a total island fishing population of about 300.

The crabs are fished in grounds that extend from near-shore areas to as far as 200 miles away out in the deep sea, in waters as deep as 200 fathoms. They are caught in conical metal and webbing pots. The crabs are "Queen crabs" or "snow crabs" in the markets, *Chionecetes opilio* in Latin, and they are highly prized in US and foreign markets. The Fogo Island cooperative runs a large, modern crab-processing plant, which in recent years has hired as many as 300 workers at a time, mostly women.

² One of the licenses was not actually used from island ports; its holder had moved his vessel to another community, Valleyfield. Data on licenses are courtesy of the local Department of Fisheries and Oceans fisheries officers.

The pattern of far more supplementary than full-time licenses is the general pattern in Newfoundland's crab fishery. In 1993 in the larger region ("Area 3K," or "the northeast coast") there were 31 full-time crab licenses and 210 supplementary licenses. The nomenclature is confusing; neither type of license-holder actually crabs full-time because fishing is very seasonal on this coast, which is ice-bound and stormy from November to May.

The distinction between full-time and supplementary evolved from responses to trouble in the groundfish fishery in the 1980s. Crab fishing began as a sharply restricted, limited entry fishery, both for fishermen and for processing plants. In a drawing, a small handful of Fogo Island fishermen won the right to fish for crabs in an "experimental" fishery, in 1981/1982 ("everybody threw into a hat and there was 3 licenses picked" -RM interv. 8/2/94). Others remained with the groundfish fishery, either as inshore, small-boat fishers using traps, handlines, gill-nets, etc., or as near-shore large-boat fishers using large fleets of gill-nets. Northern cod and turbot ("Greenland halibut") were the major species caught. The ground-fish supported fish filleting and freezing plants run by the cooperative, and as crab landings and prices increased, the cooperative won a license for crab processing as well. When the limited license crab fishermen did well, there was some jealousy and back-biting, particularly as a few crabbers were able to invest in very expensive new vessels and homes. However, with one or two exceptions, the crabbers remained full members of the community, and class divisions were muted by inconspicuous consumption, an intensely egalitarian communal ideology, and the fact that they too had their troubles.

In the 1980s groundfish landings began to decline again (after major decline in the early 1970s), and in 1986, in response to demands for access to the comparatively healthy crab fishery, DFO created a class of "supplementary" licenses. Crab catches were intended to supplement cod, turbot, and other species for the nearshore, large-boat "longliner" fleet (overhead).³ The government fisheries agency divided the annual quota between the full-time and the supplementary licensees; the quota was also divided by Northwest Atlantic Fisheries Organization (NAFO) area; area 3K was the major site of the northeast coast crab fishery, but some license holders fished to the north, in the waters off the northern tip of Newfoundland and southern Labrador (areas 3L, 2J; 4R). (Map)

³ Note that in 1983 and 1984 the number of full-time 3K licenses increased sharply (from 18 to 27, then 27 to 36), and in 1985 there were 1151. The figure is an artifact of bookkeeping and lag in creating new constructs: in that year, under pressure from longliner fishermen hurting from decline in traditional groundfish species, DFO created a special season and opened up the fishery. However, the full-time licenses retained special standing and in 1986 resumed that in distinction to the newly constructed class of supplementary license holders.

The supplementary fishery was relatively open-access, a major contributor to the problems generated. However, it was under limited licensing and had the kinds of equity-related restrictions that are taken for granted in Newfoundland: those eligible had to be "full-time" in the sense of dependent on fishing for a living and resident in the area for which the license was granted. Because the supplementary quota and season were intended to help the longliner fleet, there was also a restriction to owners or operators of vessels in the "longliner" class: between 35' and 65' in length, excluding small-boat fishers. Also increasingly taken for granted though less enthusiastically applauded was the government's policy of controlled-entry licensing: "I don't know if I can put a foot in the Atlantic Ocean without a license" (PT interv., 8/15/94).

In the late 1980s the crab fishery declined because of poor markets and landings; accordingly, after the first "flush" of entry into the supplementary fishery, participation slacked off a bit (overhead ____). However, the number of licensed supplementary crab boats began to escalate rapidly after 1990; in 1990 there were 139; by 1993 there were 210 in 3K plus another 8 fishing waters of 2J and 3L, an increase of over 50%. This increase in boats was linked to a dramatic increase in landings, and the supplementary fleet began to represent over half of the total landings (overhead ____), due in part to the political strength in numbers and hence their ability to get larger shares of larger quotas.⁴

P-essure to reform the system came from the fact that the gains of the early 1990s were spread among large numbers of boats and people who were increasingly dependent on the crab fishery. Overhead____ shows the average crab catch per vessel in Area 3K. The supplementary crab boats rarely brought in more than about 25,000 kg of round crab; the "full-timers" in sharp contrast averaged up to about 40,000 kg in the 1990+ period (and had averaged as high as 180,000 kg in 1983).

The problem was that by 1990-91, and definitely in 1992, the "supplementary" crabbers were no longer supplementing much of anything with crab catches; the cod fishery was in sharp decline and was closed in July 1992; other groundfish were also scarce, especially turbot. Accordingly, the "full-timeTsupplementary" distinction was transformed into a "have"/"have not" distinction, and annual meetings between industry people and DFO representatives were intense battles over "carving up the pie" of quotas set for conservation and market reasons.

⁴ By 1994 the government had a clear policy that any increases in quotas should go to the "supplementary" crab fleet, [check accuracy]

Although quotas and landings increased, the seasons became shorter as more people entered the fishery in the early 1990s. The supplementary quotas were taken up very fast, within a few weeks (4 or 5 weeks in 1994). This was problematic for fishermen, fish plant workers, and the fish plants. The Fogo Island cooperative's crab plant had developed good markets for specialized and high quality crab products in Japan; short-term "gluts" would only hurt those markets. Consequently, weekly limits were instituted for supplementary crab fishermen (in 1994 the weekly limit was 30,000 pounds per vessel) and there were trip limits for the full-time crabbers. However, the coop and local fishermen are only part of a larger system and 3K quota, so the quotas were filled rapidly no matter what.

Fishermen and fish plant workers were affected by the fact that, with short crab fishing seasons and decline in groundfish landings, they found it harder to work enough weeks at the fishery to qualify for unemployment compensation. Unemployment insurance, including special provisions for otherwise self-employed seasonal fishermen, is a fact of life and has become a necessity of life in the region. In 1992 this problem was both diluted and compounded by the government's moratorium on northern cod landings, because that included a benefits package for fishermen and fish plant workers dependent on cod. In theory, that solved the problem for people who could not make their minimum number of weeks working in the crab fishery. However, it also reduced the set of options available for those who did not qualify for the "moratorium package," and provoked personal and institutional conflicts, such as between those who were content to stay home to receive "the package" and the managers of the crab plant who needed capable workers. Moreover, people who had specialized in work at the crab plant were at a severe disadvantage because they would not qualify for the "package."

The cooperative tried to negotiate working solutions for individuals caught in these binds, but the fact remained that its dependency on the crab fishery had increased dramatically. With or without weekly crab limits, increased numbers of boats racing for limited quotas meant shorter seasons.

Relief came from the opening of new grounds for the fishery in 1993 and 1994; particularly in 1994 when the Department of Fisheries and Oceans decided to let the fishermen do the exploratory work in offshore waters suspected of having good populations of crabs. However, even this new fishery did not extend the season much beyond 4 or 5 weeks.

In addition, the new fisheries create very dangerous conditions, particularly for many of the "supplementary" crab fishers with smaller, older vessels. In 1994, under pressure to increase quotas for full-time and supplementary crab fishermen given the continued moratorium on cod fishing, and a strong market for crab meat, the government opened up "exploratory" areas off the northern coast of

Newfoundland extending south to the northern tip of the Grand Banks. The larger boats began in an area about 70 miles from port, already beyond the old "offshore," and then went beyond, to NAFO sub-areas 3Kb, 3Kc, and 3Kg. The area of 3Kg fished, known as "Tobin's Point," is the northern tip of the Grand Banks, about 130 miles east southeast of Fogo Island. Some of the small (i.e. 40') longliners were out there, along with the bigger boats, very few of which were equipped with appropriate survival and life-saving equipment, and some of which were "really drove to their limits," beyond what insurers allowed.⁶ As one of the small boat skippers admitted, it was "too far for we small boats" (PT interv., 8/15/94)⁶

Proposals for Change

The situation is arguably one that would benefit from individual quotas. They would allow boat owners and plant managers to make agreements that would avoid gluts and would help crews and plant workers "get their stamps" or unemployment compensation. With secure shares of the total quota, a crab-boat skipper could make fewer or shorter trips per week and fish more weeks. If these quotas were transferable, then those with shares below what they felt necessary to have a viable fishery could either sell out or buy in. In the rest of the paper I discuss the issues as presented in interviews done with crab-license holders on Fogo Island in the summer of 1994. It will be shown that while the notion of individual quotas appealed to most, in the form of "boat quotas," the problem of determining how to allocate those quotas equitably proved overwhelming, and the notion of using transferability to bring a market mechanism into the allocation picture was "out of the question," beyond the realm of the possible.

Boat Quotas

Given the glut and other problems occasioned by the race for a limited quota, there have long been proposals to rationalize the crab fishery by creating individual boat quotas. The crews would know how much they were allowed to catch and could work out with the plant owners when and how much they should catch at a time. An important issue is dealing with breakdowns and bad weather in a competitive situation. As one skipper said, a boat quota would allow "... me to catch it when I like, when I got trouble I can get it fixed and can catch my

⁵ Even the bigger boats came close to violating their insurance agreements. The typical limit is 120 miles, beyond which the skipper must be a Class 2 Fishing Master; the Fogo Island fleet was saved by the interpretation that the distance is from the nearest point; the 3Kg boats were only 80 miles from the nearest point of land, Cape Bonavista, although 130 miles from Fogo Island.

⁶ ... not to mention we small anthropologists finding ourselves out to sea for a week with no EPIRBS, survival suits, or potable water 1

quota" (CR interv., 8/15/94). The full-time crab skippers are particularly keen on boat quotas. They now operate under trip limits, not weekly limits; this means very heavy pressure to get as many trips in as possible. One of the skippers (JG interv., 8/17/94) explained, "we sleep with one eye open all summer," never really getting a rest, and this is very dangerous, possibly explaining the sinking of one of the crab boats in the summer of 1994 (Tony Noble). "It's hard going, come back, unload and go on again" (JG). However, "we had to do it, to keep up with the next fellow;" otherwise they could lose a week or more of crab fishing because quotas would be caught up. With boat quotas, they could make just two trips a week and be home on Sundays. That would "give a feller a chance" to work safely and sanely.

The obstacle is a familiar one: how to divide up a quota in a way that seems fair, given variations in experience, skills, capacity, and expectations. The issue is less challenging for the small fleet of "full-time" crab fishermen, most of whom have similar investments, experience, and expectations, and who are actively pursuing a boat quota system, perhaps in effect by the time of this paper.

It is more difficult for the "supplementary" fleet to come to an agreement because of the tremendous variability of the fleet as well as the large numbers. The owners of large boats are concerned to get enough to cover their mortgages and other expenses, and suspect that the small-boat owners are much better off than they are: "A 40-footer don't need so much as a 50-footer...and I know heart and soul JG ~~is better~~, needs more than me" (CR interv., 8/15/94). Some of the small-boat fishermen involved in the 1994 crab fishery were said to have "...made a fortune, and they took it all home," meaning they had relatively few expenses. The owners of small boats want to make sure that they at least get a chance to share in the wealth of nature, that should, by rights, belong to everyone.

The general consensus is that boat quota allocation should be according to some measure of the relative expenses of each boat. This is a formidable task but for the full-time crab fleet it is being discussed as done through a simple measure of vessel cubic capacity (length x breadth x depth).

It is interesting to note the fixation on capacity and expenses with scarcely a word offered in the interviews, nor in more informal discussions, about the principle of making allocations in the basis of track record or historical performance. In the US sea clam fishery "history" was a major focus of debate and ultimately a major determinant of allocations; in the Nova Scotia small-boat dragger fishery "history" was also the single most important criterion used. I offer

⁷ One notion of the way quotas would be allocated is by the cubic foot capacity of the vessel (JG 8/17/94).

this conjecture to explain the difference. "History" is a potentially divisive topic, and Newfoundlanders, whose fisheries are so much more thoroughly embedded in the egalitarian ethos of coastal communities, try to minimize overt conflict. As shown in the sea clam case (McCay and Creed 1990), "history" can become extremely controversial and divisive if it is believed that misreporting, breaking rules about technology, seasons, and sizes, was taking place. Such cheating was allegedly rampant in Newfoundland's west coast dragger fishery and the east coast crab fishery.⁸ Newfoundlanders may prefer to avoid bringing up this potentially divisive topic.

Classes of Boat Quotas

One way around the dilemma of how to decide how much to allocate to whom is to create large classes of boats, each having a different quota, so that the larger boats get larger quotas, the smaller ones smaller quotas. Fogo Islanders have heard about this system, which has been tried in other areas (Avalon area) and generally fits the pattern of Canadian fisheries management, sub-dividing license privileges by area, gear sector, vessel size-class sector, etc. An advantage of this approach is that it avoids directly pitting one vessel owner, or crew, against another, and it creates small, potentially workable groups of common rights holders who can become effective in negotiating for quotas and changes in resource management methods. Competition remains, but occurs within smaller "commons."⁹

Two obstacles to creating vessel-size class sector quotas appeared in the interviews. One, discussed more below, is the continued problem that there are really too many boats out there to ensure that everyone can have a viable quota. The second is concern about the practical and social consequences of creating or exacerbating socio-economic differences within the fishery. The practical concern: such a system will provide incentives to upgrade boats, to be sure to get into the larger size-class because "you have to get your tonnage," (PT interv., 8/15/94) intensifying the over-capitalization problem. The rub, though, speaks more to the social consequences: the fact that some will get more than others is troublesome: "That's not right: Why should my crew member make \$1000 and another crew member on another boat make \$2000?" (PT interv., 8/15/94).

⁸ "Dockside monitoring" was instituted in the crab fishery in 1994; this system, financed in part by fishermen, ensured an objective, "arms length" report on what was actually landed per boat. A similar system was instituted in the Western Newfoundland fishery; both were based on the success of the dockside monitoring system of the Nova Scotia dragger fishery, which was part of the key to the success of the ITQ system.

Full-time Versus Supplementary

Underlying many of the specific problems envisioned with a boat quota system, particularly one that rewards different classes of fishermen, is deep concern about class itself, about what PT interv., (8/15/94) described as "...creating different categories, one fellow won't speak to the other fella passing on the wharf...There's enough categories, with this fisheries management system, as it is." One of the more highly-regarded, and wealthy, full-time crab fishermen put his social position in a similar metaphor: "oh yes, out there on the wharf, everybody is friendly, but when you turn your back..." (JG interv., 8/17/94).

This, inevitably, brings the conversation back to the problematic difference in position, and wealth, between the full-time and supplementary crab license holders, beside which the issue of how to allocate boat licenses among highly variable "supplementary" crabbers is minor indeed. It is fair to ask "Why should 29 licenses in Notre Dame Bay all get rich?" (PT interv., 8/15/94). This is a thorny problem. Rarely brought up as a real possibility but underlying many of the interviews was the idea of starting over, reallocating the entire quota to erase the historical distinction between those who obtained their licenses from drawings and purchases back in the early 1980s, and those who came in on the "supplementary program," both groups of which have become similarly dependent on crab fishing.

However, this idea is not only politically chancy, it is obviously divisive. On Fogo Island there are two classes of full-time crab fishermen: those who land crabs locally and sell to the local cooperative and those who do not. The latter deserve special mention below. The former, the majority, are well-integrated into their 'outport' neighborhoods and communities, and although subject to jealous backbiting, they are generally respected as decent, hard-working people. Their crab fisheries have also become the godsend for fish plant workers, particularly for hundreds of women who found paying work for the first time as this fishery developed.

Like most other "longliner" fishing enterprises, the full-time crabbers do their share for the community by hiring so many people. For a not unusual example, one has a crew of 8 (the skipper and his brothers, son, in-laws, and other more distant relations) supporting 8 different households.⁹ However, the full-time crabbers go beyond that critical role. The sheer volume of their production, as well

⁹ Moreover, even though most large, expensive vessels like this have shifted the "share" system of payment in favor of the vessel owner, this one has not: "I'm good to me crew" says the skipper /owner, who keeps 55% for "the boat" and shares out 45% among the crew. Most others have upped the amount "for the boat" to 60%, 70% or more. But the smaller longliner operations try to return the shares to the old system of dividing the entire catch, minus the expenses of the trip, among members of the crew, once they have paid off the boat.

as the fact that, as full-time crabbers, with limited licenses and hence less competition for the quota, their season usually lasts longer than that of the large supplementary crab fleet, means that full-time crab boats make a huge difference to crab plant workers and whether they will get the income and unemployment insurance they need. Fogo Island has about 3,700 people living in 9 small communities; during the crabbing season, one can count on anyone of those people knowing when and whether a particular full-time crab boat is expected to land.

Equity and the Problem of Small-boat Crab Fishing

The relationship between full-time and supplementary fishermen is at the heart of the difficulty developing a "rational" system of management for the crab fishery. It is also ambivalent, variable, and complicated by the cross-cutting issue of how those with large, very seaworthy vessels relate to those with small boats designed for the inshore fishery. Both types are found in the supplementary fishery and in the early 1980s both were also in the full-time fishery. As the fishery developed during the 1980s, both large and small boats were competing for crabs in the same areas, fairly close to Fogo Island. It did not take long, however, for local fishermen to work out an arrangement whereby the larger boats would restrict themselves to offshore crab fishing grounds, and the government legitimized the agreement by fixing a line of latitude, the 50' 10" line, demarcating inshore from offshore crab fishing territory.

Much more could be said about this system, including its fragility and its strength as an instance of local-level governance of the commons, but let me turn to the newer "inshore" issue: the entry of boats under 35' into the crab fishery.

The chances of developing an even more restrictive, boat quota system were further diminished in 1994 by pressure from inshore fishermen to be allowed into the crab fishery. The original rule was that boats under 35' in length could not participate, a rule intended to keep this important resource for the longliner fleet which was in particular trouble in the 1980s. The 50' line was created to help the smaller longliners, 35' to 45' feet perhaps, not this inshore fleet of mostly open skiffs used with cod traps, handlines, gill-nets, seines, and other gear. With the moratorium on northern cod fishing, closure of other important inshore fisheries (including salmon), and signs of tremendous abundance of crabs —perhaps filling a niche emptied by cod, a theory embraced by most local fishermen and women—the small-boat fishers want in.

Pressure to change this rule had been mounting throughout the 1990s and the topic was brought up at industry/DFO meetings in 1994. As might be expected, there were differences of opinion, particularly since both full-time and

supplementary fishermen were fighting to get more shares of the quota. The most negative perspective was offered by one of the large longliner skippers, struggling to keep his enterprise (which supports 5 households) viable in the context of fishery decline while not having a "full-time" crab license (which are, by the way, either unavailable or prohibitively expensive). On the subject of bringing under 35' boats into the crab fishery: "It's a big job, if they starts that, there'll be a bigger problem than there is now....The quota is too small to share out" (CR interv., 8/15/94).

Nonetheless, no one interviewed was entirely negative because of widespread recognition of how desperate the situation was for the cod fishermen and the fact of embeddedness: one simply cannot ignore what is happening to others in the community, like it or not. The general idea was to build on the old 50'10" system by creating a special area "inside the line" for the very small boats. One longliner skipper, himself an inshore fisherman until 1990, even identified an appropriate spot, a place where Fogo Island crabbing began and that hadn't been fished much for many years because of higher returns from more distant and deeper waters (PT interv., 8/15/94). Moreover, experimentation in 1994 and experience and observation over a longer time span removed suspicion that small-boat fishermen simply could not handle crab pots. One skipper recalled what he'd observed while working as a seaman on coastal trade boats on the Labrador coast, 3 or 4 fellows in a punt or a speedboat working crab pots [at Harrington and Northern Quebec] PT interv., 8/15/94.).

Conclusion: Transferability and Dis-Embeddedness

There is much more than can and should be said about how Fogo Islanders think and talk about ways to reform the crab fishery management system. I will select one last topic in closing: transferability, a critical variable determining the extent to which market forces can be involved in allocation. I will observe the extent to which this topic is beyond the Pale, and obliquely suggest why by showing the perspective of one of the full-time crab fishermen who is "dis-embedded" from the community.

A powerful obstacle to both boat quotas and sector-based quotas is realization that, given the large and growing number of boats in the "supplementary" crab fishery, any attempt to divide the quota among them would result in far less than what any one of them would need to be able to survive (make boat payments, provide a living wage to crew, contribute to unemployment insurance, make repairs, etc.).

"It won't work...." Tony went back to the argument about boat quotas, and the fact that if the quota were divided up among all the participants in the supplementary fishery, there would be only 25,000 lbs. per boat, not

enough for a boat (given the fact that the weekly limit is 30,000 lbs., this would be less than a week's worth of crabbing). The only reason it was viable this year (1994) for the big boats was because they could venture outside, offshore, in the exploratory areas; otherwise the fishery is not viable. (PT interv., 8/15/94).

It was at this point in my structured interviews that I asked about the possibility of transferable quotas, so that some could buy up the quota allocations of others, allowing some to survive in the fishery and others to leave "with money in their pockets" (as advocates of market-based management often say).

And it was at this point that I came to realize that some things might be beyond imagining. Everyone I talked with either sidestepped the question or transformed it into something else. CR interv., (8/15/94), for example, who seemed to be leading up to this in our conversation, dodged it right away by saying "there are enough crabs out there [for everyone], no need for that."

A more specific and realistic concern about transferable quotas came from one of the small-boat crab fishermen, one of the handful who had been in the cod fishery but had held supplementary crab licenses, and were told "use it or lose it," so went crabbing in earnest in 1994. He pointed out that with transferability, "the fear of that is boats coming in from other areas" after they'd fished out quotas from those areas, buying up local boat quotas or licenses and hence taking part of the local quota (ML interv., 8/15/94). Note the implicit assumption, reinforced to a large extent by licensing practice and policy, that area quotas belong to people in adjacent local communities.

Just about everyone else (the other exception will be discussed at the end) recast the question in terms of a very specific, narrow issue: whether someone who holds a license can transfer that license to someone else during the fishing season. That is not what I was talking about, but it was what they were seeing and preferred to discuss. The case they had in mind concerned a local fisherman, highly trained and experienced, who nonetheless had neither a boat nor a crab license; the arrangement was that he fished someone else's boat, using someone else's license (and taking on some of the crew of the lessor), in exchange for giving the owner/license holder a share of the proceeds. He also sold the crabs to a dealer off the island.

The moral outrage was directed mostly at the license-holder, also a local man, but who had, for personal reasons, chosen not to fish his crab license. One term used to describe this kind of license was "arse pocket license," analogous in meaning to "coupon clipper" (someone who makes money only from investing in stocks) for a factory worker. Everyone agreed that there was no problem leasing a license to someone else if your boat broke down, so that you could not fish yourself, but beyond that. . . ."If a feller's into the crab fishery he should have a

boat" (PT interv., 8/15/94)

Even a discussion that links transferability with concentration of ownership gets around to the same moral issue, which sidesteps the concentration / monopoly question:

"We talked about [transferability] last winter [at the DFO crab meetings]" but he and others "are not fussy" about it. They suspect that the man who brought it up had already lined up a few licenses. "It's not right, a feller with no boat, he can give someone his quota to catch, and he probably has another job on the side. That isn't right" (JG interv., 8/17/94)

This moral discussion is grounded and embedded in the harsh reality of high unemployment and chronic poverty and rural Newfoundland cultural expectations that if jobs are scarce, they should be spread around as broadly as possible.

The issue of concentration of ownership, which appears in most debates about ITQs in fisheries, does not really even surface among Fogo Islanders. Concentrated power does—one of the reasons people were upset about a particular instance of license leasing is that an outside crab-buying company was involved in the deal, and allegedly used its "pull" with the government to get the license transfer approved. But the possibility that transferability of boat quotas would lead to concentration of ownership (for example, in companies that would soon own, or at least control, large numbers of boats, as has happened in the US and Nova Scotia cases), is not even discussed, even though it is the major topic in debates about ITQs in the rest of North America. That degree of transferability, a reality in the Nova Scotia and US ITQ fisheries, is hard to imagine when the burning issue is whether someone whose boat is out of commission one season can lease his license to someone else during that season. It is unimaginable, I suggest, because it is too profoundly threatening to the coastal fisheries, which are still thoroughly embedded in the coastal, fishery-dependent communities.

In closing I offer an exception to the rule I have tried to define: a crab fisherman who understands what I mean about transferability, at least to a point, and thinks that's a good thing.

The "full-time" crab fishermen include some who are highly respected, even if begrudged, and others who are not. More problematic, from a social perspective, are the full-time crab licensees who no longer sell their crabs locally because of old or long-standing problems with the cooperative and/or because one of the costs of obtaining a full-time crab license was becoming indebted to a crab

plant elsewhere in the region.¹⁰ Interestingly, no one interviewed had developed this fact into an argument against transferable boat quotas-but as I noted above, the case of full-fledged ITQs is beyond imagining, outside discourse.

The following quotation from an interview with one of these crabbers suggests the difference between a business that is "embedded" in the local community and one that is not, a difference that is causally linked to the isolation this fishermen and his family experience in the local community:

[BMc: Is that an issue, where you would sell your fish?] "No, a lot of it, too, your hands are more or less tied, too, in a lot of cases. You got to get somewhere to get financing, like that boat there [a large, expensive steel-hulled vessel], you go to [the largest fishery company in Newfoundland] to get financing, [then] you wouldn't expect to sell your fish somewhere else. Wherever you negotiate the best deal, that's where you got to go. It's not like a small business, one time, you could do this and that and something else; you're more or less, we're in the big business and we got to treat it as such." (RM interv. 8/2/94)

This particular crab fisherman (actually a "shore skipper" these days; his sons run the two boats of the family fleet), is also the only one who responded with enthusiasm to the notion of ITQs in the fishery. I mentioned the system as it existed in Western Newfoundland. He said he thought that was a very good idea,

"...especially now the way the quotas are set up, so low...You got your quota and the other guy don't use his boat or he loses his boat, and I gets his quota, well I got enough to live with, and if you're an aggressive fisherman, you can live with that."

[BMc: yeah, you can then buy up quota from other people] "Yeah, that's right, if that's what it takes, if you're going to stay in."

[BMc: this gives more flexibility than boat quotas?] "Yeah, I'm not interested in boat quotas, you eventually gets down to paying to catch it, it gets to a point where it's not feasible to be at it.

[BMc: but ITQs would be different, you could operate as a business, more flexibility..]. "Yes, that's true...If I had a grocery store up here and there's

¹⁰ ¹⁰ One is indebted to the outside buyer (because he had sold his full-time crab license back in the 1980s and thus had to get financing to buy another when the fishery picked up in the early 1990s); he also gets special attention and services that cannot be offered to him at the cooperative, which has a policy of no favoritism, despite differences in productivity. Another full-time crabber not shipping to the local cooperative is in a similar situation. Both had blow-ups in the past about cooperative policy.

another one down there, and if I can buy that place for a reasonable price and close it down, well sure, I'm going to take all the business, that's it, that's the way it's down. One trucker goes out, the other guy gets a new truck. That's the way it is" (RM interv. 8/2/94).

Transferability of licenses, in the sense of buying and selling and leasing, bothers him, though, in so far as it might pose "unfair" advantages to those who lease, in contrast with those like himself who slowly built up capacity with both boats and licenses:

"I can see a guy losing his boat, and he's trying to get a boat built the next year, if he's hung up on financing, I can see them letting him lease the license, but [not otherwise, not if he just doesn't want to fish], no, the way things went the year, they go and lease somebody else's boat to fish the crab. If you want to go fishing, you go to the bank and negotiate a loan like I did, \$1.2 million bucks, have that hanging over your head the rest of your days. You know, that's the facts. If you're going to be leasing licenses, leasing boats, all this old stuff, how can I compete with that, when I got a million dollar loan? You can't do it; it just can't be done."

cheated
This hard-nosed, capitalist perspective is not unique on Fogo Island but it is rarely expressed so baldly. "It's hard going," another less-isolated full-time crab skipper said, with reference to competition with the "supplementary fleet" over quotas and his desire to keep his own privileged position in it. "but I want [i.e., need] so much crab to survive." On the other hand, he offered, "they got to make a living too." And this is where even the bold capitalists falter, and the impulse to privatize comes to a screeching halt.

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1. Research for this paper has extended over many years and many sources of support, including the Rutgers University Grants program. Support for the interviews reported in this paper comes more specifically from the National Science Foundation, the New Jersey Sea Grant College Program, **and** the New Jersey Agricultural Experiment Station. Support for the more general analysis also comes from the Beijer Institute....