

# 7

## The Impact of Quotas on Canada's Fisheries and the Response of Fish Harvesters

Evelyn Pinkerton, Marc Allain, Danielle Edwards, Phillip Saunders, and Charlotte Whitney

Individual quotas (IQs) are a share of the Total Allowable Catch (TAC) allocated to an individual operating unit such as a country, a vessel, a company, or an individual fisher, depending on the allocation system. IQs are used as an output control for limiting the total catch of individual fishers, allocating catch, and spreading catch over time. When IQs are permanently allocated to the individual and transferable via the market as individual transferable quotas (ITQs), with little or no restrictions on who buys or leases them, they have been found to create serious distributional inequities by shifting benefits from fishers and fishing communities into the hands of investors, processors, and/or offshore entities (FOPO 2019; CIFHF 2015). This chapter analyzes the development and implementation of IQs and ITQs in Canada in the context of fisheries management policy. It explores how the public interest and management objectives could be better served by alternative approaches.

Canada initiated modern fish management in the mid-1970s by creating the Department of Fisheries and Oceans (DFO), also known as Fisheries and Oceans Canada. The federal government was expanding its role in fisheries science and management in preparation for extended fisheries jurisdiction (EFJ) in 1977, and the coming into force in 1994 of the 1982 *United Nations Convention on the Law of the Sea* (UNCLOS). The government's plan to address the challenges and opportunities of EFJ were spelled out in the 1976 *Policy for Canada's Commercial Fisheries* (Fisheries and Marine

Service 1976), a remarkable public policy document, given what was to transpire in subsequent decades.

The policy attributed the main problems in Canada's commercial fisheries to the "tragedy of the commons" (Hardin 1968), i.e., overcapacity stemming from the race for fish under open access to common pool resources, but explicitly rejected private property rights and market mechanisms for determining fisheries access. Instead, it declared that the state responsibility for allocating access could not be delegated, and proposed government intervention in fisheries development "in the best interest of Canadian society" (Fisheries and Marine Service 1976, 53) and of "the people who depend on the fishing industry" (5). While the policy called for a major transformation of the fishery from seasonal, small-boat fleets making day trips toward a class of larger, intermediate mobile vessels covering more of the fishing grounds and supplying plants for longer periods, it also expressed a strong concern about fishers and their communities during the transition. It recognized that "abrupt action" could destroy the livelihoods of people and erode the economic base of communities (56). Government decisions concerning the allocation of fisheries access would therefore involve trade-offs between economic efficiency objectives and the interests of fishers and their communities in favour of the latter.

This fisher- and fishing community-centric vision for Canada's fisheries was short-lived. A series of major crises – the bankruptcy of Atlantic Canada's vertically integrated