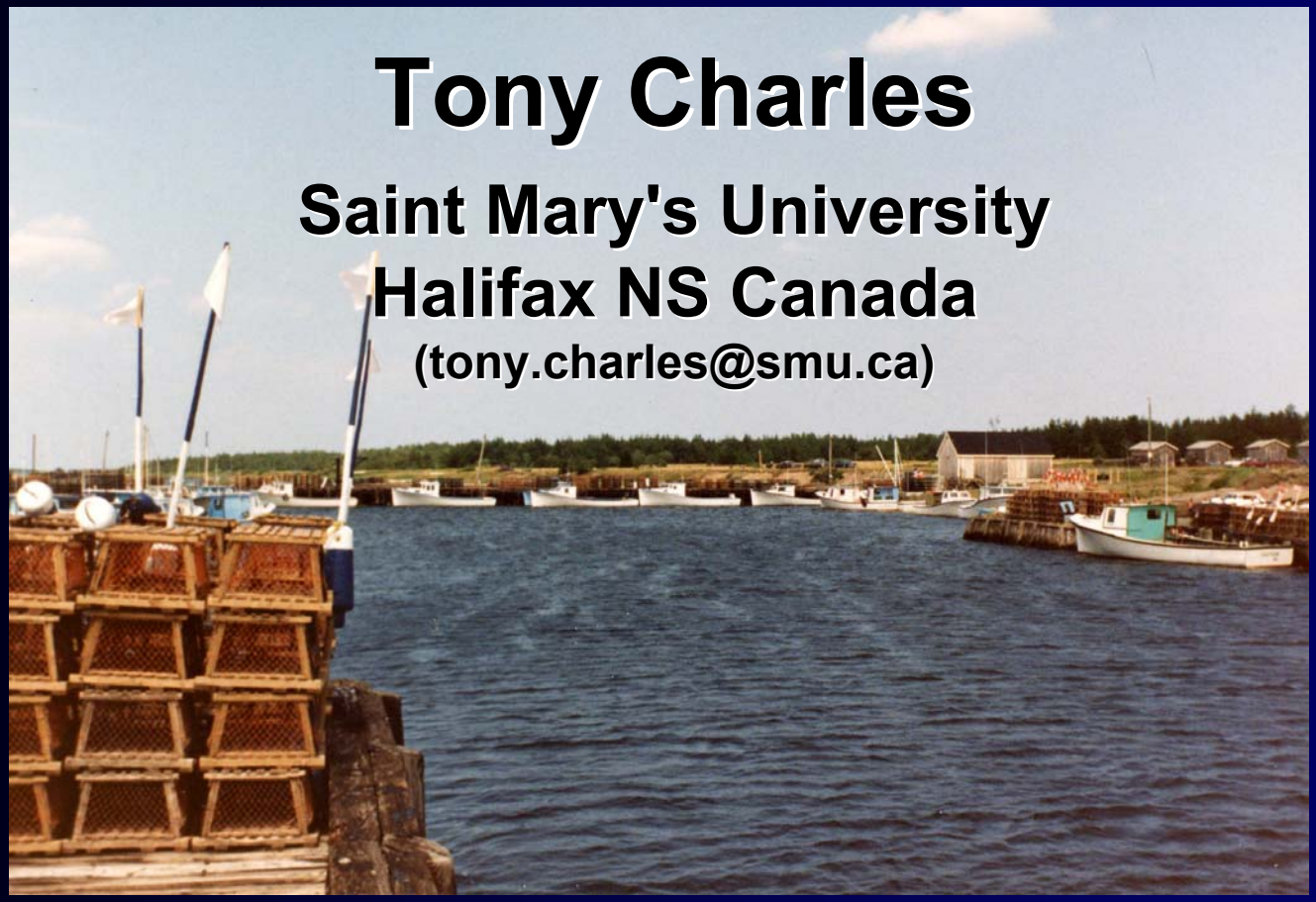
Rights-Based Fishery Management: A Focus on Use Rights



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Introduction

- Two kinds of 'rights' are most important in fisheries: ***use rights*** deal with who has the right to 'use' the fishery (i.e., to go fishing) while ***management rights*** deal with who has the right to be involved in managing the fishery.
- *Management rights* are crucial in fisheries… who holds them will vary depending on whether we are talking about big policy issues (e.g., what do we want the fishery to look like in the future?) or specifics like deciding on hook or mesh size in a fishery.
- *Use rights* – the focus here – concern how we restrict who has access to the fishery, how much fishing effort each participant is allowed, or how much catch each can take… those with such entitlements (whether individuals, groups or communities) are said to hold use rights, while all others do not have the right to 'use' the fishery.
- What are called 'rights' may actually be 'privileges' (e.g., as with a fishing license) – rights and privileges always come with responsibilities.
- In practice, a management measure (e.g., number of traps a fisherman may use in a lobster fishery) can be seen as a (negative) restriction or a (positive) use right, with the fisherman having the right to use that number of traps.

Choosing a Use Rights System

Key message: No one form of use rights is superior in all circumstances…

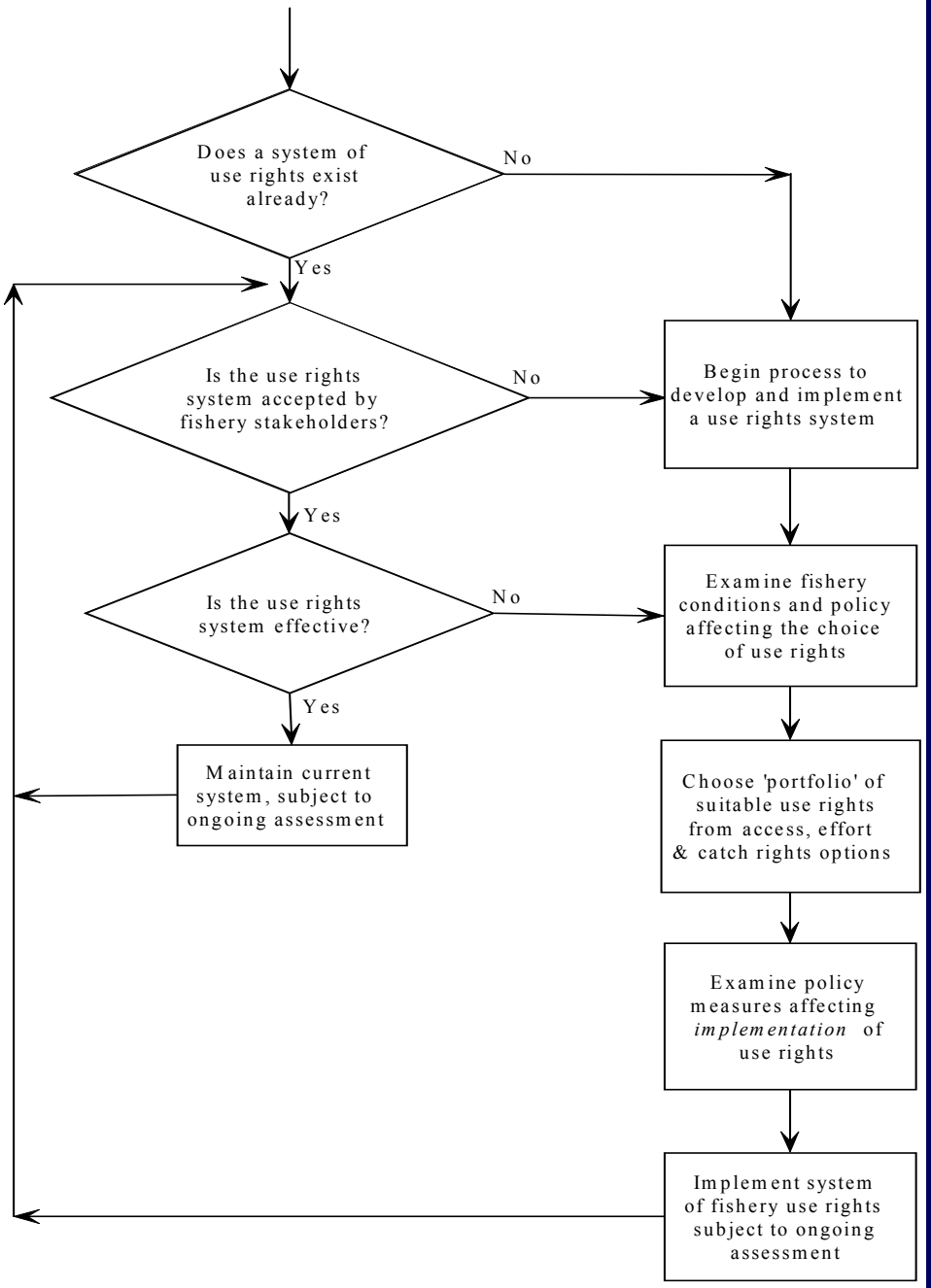
The choice depends on:

- society's objectives;
- fishery structure
- history and traditions
- social, cultural factors
- economic situation
- pre-existing rights
- political realities
- fish stock realities

Two main features:

1. Need to choose the category of use right
2. Need to decide the level at which the use rights are held

Use Rights Assessment Process



1. Three Categories of Use Rights

Access rights

- Territorial Use Rights in Fishing
  - right to specified fishing locations
  - e.g., informal rights for lobster fishing
- Limited entry licenses
  - Rights assigned by licensing to limit participation in fishing

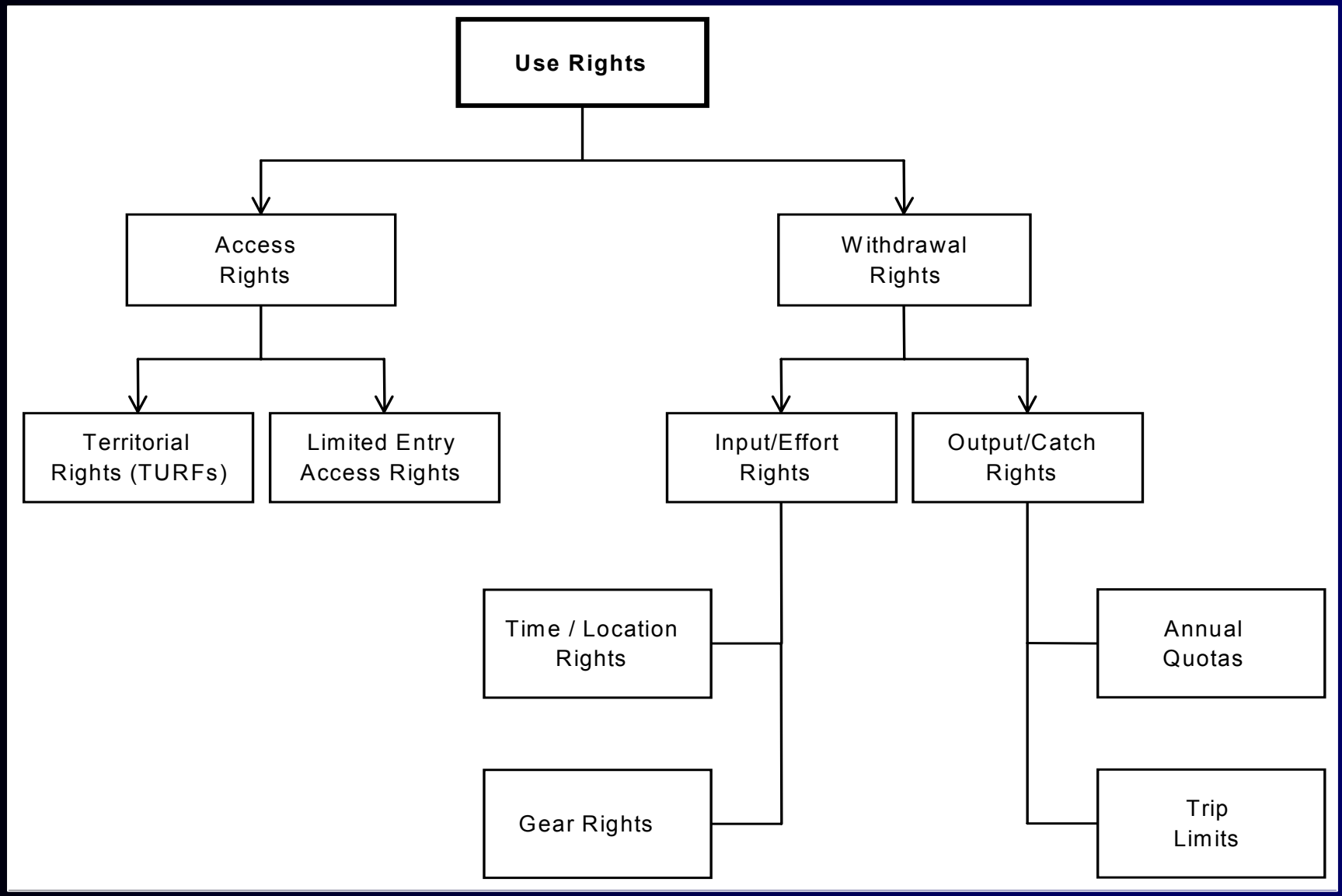
Input rights (Effort limits)

- e.g., # of lobster traps / fishermen
- Numerical rights to use a certain amount of fishing time or gear

Output rights (Catch quotas)

- Numerical rights to catch a piece of a TAC
- e.g., community quotas: Maritimes groundfish, Alaskan CDQs
- e.g., individual quotas: ITQ or INTQ (nontransferable)

Typology of Use Rights



Characteristics of Use Rights

Access rights (Limited entry)

- Can be an effective 'first step' in generating economic benefits, slowing expansion of capacity, but does not resolve all fishery management issues (e.g., the 'rush for the fish')

Input rights (Effort limits)

- may provide cost-effective management, minimizing waste
- increases incentives to expand uncontrolled inputs, and requires adjustment since technological change increases effectiveness

Output rights (Catch quotas)

- may reduce race for the fish, reduce over-capitalisation
- increases incentives to under-report catches, and to dump, discard, high-grade (i.e., increases 'waste' of the resource)

2. Level at which Use Rights Held

Use rights may be held by:

- a fishery sector
- a fishery organization
- a co-operative
- a community
- a private corporation
- a community development corporation
- an individual fisherman

This is a crucial choice, as it can dramatically affect the impacts of use rights on stakeholders & communities, and the choice may be essentially irreversible!

Example: Individual vs. Community

Individual Quotas

- Individual transferable quotas
  … ITQs are 'market-based'
- Individual nontransferable quotas
  … not permanently transferable

Community Quotas

- Quotas allocated geographically to communities rather than to individuals
- Fishers (and their communities) create and enforce management plans and allocate rights, in keeping with local situation

Major Issues with Use Rights

- How should use rights be allocated initially?
- Should market forces decide who gets the use rights?
- Should use rights be individual or community-based?
- What should be the duration of use rights?
- Should use rights be transferable?

Canada's Atlantic Groundfishery

Offshore sector

- enterprise allocations (corporate quotas, introduced in early 1980s)
- meant to stabilize the fishery but are now being sold between companies

Mobile-gear sector

- ITQs
- meant to be held by individual independent fishermen, but have now become "processor-controlled quotas" held by ~ 6 companies

Fixed-gear sector

- community quotas
- have led to diversity of arrangements for sub-allocation of rights among fishermen in each community

Hazards with Use Rights

- It is easy to hand out use rights, but difficult to do so in a way seen to be fair to boat owners, crew members, and potential future participants!
- Use rights define who can and cannot take part in a fishery, so they create insiders and outsiders… this can have a dramatic impact on boat owners, crew members, related industries and entire coastal communities!
- Decisions about use rights may be irreversible… once allocated, it can be difficult to make changes! Irreversibility is especially an issue if rights are allocated at an individual level.
- Transferability of rights tends to occur whether desired or not, leading to concentration of rights (e.g., 'individual' rights can turn into 'processor-controlled' rights!)

Some References

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- R.E. Townsend and A.T. Charles, *User rights in fishing*. In: "Northwest Atlantic Groundfish: Perspectives on a Fishery Collapse", J.G. Boreman, B.S. Nakashima, J.A. Wilson and R.L. Kendall (eds). American Fisheries Society, Bethesda Maryland (1997).

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