

The Tragedy of Privatizing the Commons - BC ITQs

Privatization

The formation and distribution of exclusive property rights over goods, spaces, and processes to private actors. Frequently occurs in response to increased scarcity [1].

"B.C.'s access to harvest fish was privatized and profited from. This privatization of access has created insurmountable entry costs and what I will call a lost generation of fishers"

FRASER MCDONALD , 2019 [2]

The Ocean

- Fluid nature and boundaries result in intensified externalities and heightened interdependencies
- The ocean exists under legal pluralism and rights and responsibilities towards it are unclear
- Relative to the privatization of land, ocean privatization is novel, rapid, and lacks management institutions

Individual Transferable Quotas (ITQ)[4]

- Purpose = stop overfishing
- Theory = through owning a resource individuals have a higher incentive to protect and preserve it
- Practice = owned by and transferable between individuals. Treated as capital and traded on the free market
 - Owner of a quota does not have to be the owner or operator of a fishing vessel
- Legal nature = license to engage in an exclusive fishery is a property right in practice but not in law [5]

IMPACT OF ITQs IN BC

1

Consolidation of rights

80% of the Fraser River sockeye salmon run is owned by Jim Pattison [6]

In 1990 90% of halibut licenses were owner-operator, by 2016 on 15% were [7]

2

Quota value appreciation

In 2007 ITQs in BC were estimated at \$1.8 billion, five times more valuable than all BC fisheries equipment and vessels [8]

A single quota ranges from \$30,000 (green sea urchin) to \$6 million (geoduck) in BC [9]

The BC halibut fishery is no longer self-sustaining and crew on lessee boats do not make a living wage [10]

Consequences

Fishing has become too expensive for independent fishermen and local communities as the costs are prohibitive and historic fishing communities have become dispossessed of their rights. The result is a system analogous to feudalism [11]. Furthermore, the high cost of ITQs is leading fishers to try and cut costs by engaging in risky behavior, such as decreasing crew size or experience [12].

The sustainability premise of ITQs is undermined as the majority who own ITQs are not directly involved in the fisheries and simultaneously have rights to large portions of them. These owners maintain less of a stake in fisheries management and the day to day production than local communities. Absentee owners do not play the same stewardship role as locals, who are in it for the long term and for reasons which may extend beyond profit. (us news)

Canadian Alternatives

"The Department of Fisheries and Oceans Canada's "Policy for Preserving the Independence of the Inshore Fleet in Canada's Atlantic Fisheries" can be adapted to BC fisheries to address the worst harms of the ITQ system [13]. This policy was instituted as a change to the Fisheries Act in 2019 by updating inshore regulations. This policy, among other things, **requires the owners of quotas must also be the owner/operator** of fishing vessels.

However, this solution maintains fishery rights as a private property rights and still faces the challenges of managing what is, by its nature, a common and fluid resource.

Further Alternatives

Cooperatives are a form of allocating fishing rights to a group rather than an individual. This better reflects the shared nature of fish stocks, creates stewardship incentives, and facilitates collective action [14].

The United States American Fisheries Act (1998) offers cooperative bargaining units, which are guaranteed a constant amount of the total allowable catch, as an alternative to ITQ's. This approach does not provide permanent property rights to a public resource (fisheries) [15]. A 2017 report for the North Pacific Fisheries Management Council found the impacts to be largely beneficial.

Citations

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