



Fisheries



The Red Snapper fishery in the Gulf of Mexico is a textbook example of a regulatory nightmare. The fishery is open for nine days a month, creating a crazed race to fish that results in a vast amount of waste and habitat damage as the fishermen try to catch as much as they can as fast as they can, rather than targeting their trawls to maximize the quality of their catch and minimize the environmental effects of their operations. For example, when the snapper season is closed, snapper caught while fishing legally for other fish species must be thrown back. And during the open snapper season, undersized fish must also be thrown back. Millions of snapper die as a result of a throw-back mortality rate of at least 70 percent.

A recent (2003) study estimated that about 87 boats, out of the current fleet size of 387 vessels, would be enough to harvest the entire snapper fishery. Those 300 extra boats that are the result of a regulatory nightmare are certainly adding to the ecological footprint of the fishery.

In March 2004, however, the participants in the Red Snapper fishery overwhelmingly passed a referendum directing the Gulf Fisheries Management Council to design a new fishing rights system for the fishery—one that is rooted in private rights to fish. Ninety-two percent of eligible fishermen, or 145 individuals, voted in the referendum. Eighty-one percent of the weighted votes, cast by 104 fishermen, supported the development of a fishing rights program, commonly referred to as an Individual Fishing Quota system. Once this task is completed, the fishermen will have to pass another referendum on whether to accept it or not, but the ball is rolling.

Fisheries depletion is widespread in the United States and around the world. At the heart of the matter is what is commonly known as the “tragedy of the commons,” a phrase coined by Garret Hardin in 1968 to describe what happens when valuable resources are free for the taking; they are quickly depleted. Fisheries are a classic case because even when fishermen know that they are destroying their own source of livelihood, they have little choice but to keep fishing, because any fish left in the water may simply be caught by someone else.

One of the most successful responses to the tragedy of the commons in fisheries is to create harvest rights commonly known as Individual Fishing Quotas (IFQs) or Individual Transferable Quotas (ITQs). These rights assign a percentage of a scientifically determined total annual allowable catch to specific fishermen. If the health of the fishery increases, then so does the tonnage assigned to the harvest right, and vice versa, giving fishermen an incentive to keep available catch numbers high. These rights do not privatize the fishery per se, but they do strictly define who has the right to go fishing and how much they can catch in any given year.

When fishermen own a right to a percentage of a total harvest, healthier fish populations translate into an increase in the value of that harvest right. Under an ITQ system the rights are transferable, and so owners can realize the gains from any improvements in the fishery, encouraging them to invest time, effort, and



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capital into research and stewardship. ITQs are not well-suited to every fishery, and they do not translate directly into private ownership of actual fish and/or habitat (which would create even stronger stewardship incentives), but they are a definite step in the right direction.

ITQs have only been applied to a limited number of fisheries in the United States (most notably the Alaskan halibut fishery and the Mid-Atlantic surf clam and ocean quahog fishery), but are widespread in places like Iceland, New Zealand, and Australia. The Alaskan halibut story is an especially telling one.

The Alaskan halibut fishing season was once almost ten months. When regulators decided that overfishing was a problem, they began reducing the length of the fishing season. Before long, however, the season was down to 48 hours, with almost no change in the amount of fish caught. The motivation to catch as many fish as possible, as quickly as possible, remained, and so ingenuity and technology overcame restrictions.

The halibut season is once again measured in months because an IFQ system was created. Critics are quick to point out that the Alaskans haven't invested very much in conservation, but the rights to fish in Alaska are legally revocable at any time, and antitrust laws make it difficult for fishermen to cooperate. In New Zealand, on the other hand, rights to fish are certifiable property rights, and the fishermen have developed innovative quota-owning management groups that invest heavily in fisheries science and enhancement, and tend to fish conservatively.

IFQs have been politically controversial in the United States, primarily because of interstate competition (the powerful Alaskan congressional delegation does not want the fish in Alaska's water assigned to the fishing fleet of Washington State) and the fact that ITQs will alter the market relationship between fishermen and fish processors (i.e. the fishermen will be able to delay harvests until they like the price offered). As a result, a five-year moratorium on any new IFQ programs was instituted by Congress in 1997. Fishery managers initially waited for Congress to explicitly authorize tradable quotas, but since there has been no legislation since the moratorium expired, some fisheries are moving ahead anyway.

For more information see: www.ifqsforfisheries.org