

Regional Governance and the Newfoundland Fishery

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Abstract

A problem with the existing governance structure in the Newfoundland and Labrador (NL) fishery is the scant opportunity for communities and regional economic development groups to have input into policy and development initiatives (Jentoft & McCay, 1995). Research shows that status quo governance does not appear to be working. The current fisheries governance structure favours key stakeholders: the harvesters (as represented by the Fish, Food and Allied Workers (FFAW)) and the processing industry (processors and associations), and does not provide a formal avenue for local innovation and knowledge input. As a result, fisheries policy and fishing industry development continue to evolve, disconnected from long-term regional economic development planning. The purpose of this paper is to analyze and review the historical development and current formal governance structure of NL's fishing industry, its current state, and regional dimensions. Looking to the future, the governance process shows signs of movement toward more of a co-management approach; however, movement is slow and not widely embraced by industry players. Examining two current regional (multi-community) fisheries models from elsewhere (Quebec and Faroe Islands of Denmark) may reveal governance options for the fishery in this province. This examination may show why co-management approach has been slow to take in Newfoundland and Labrador. Due to the fact there is little history of collaboration at the local/community/regional/provincial/federal governance levels, there is no desire to support such partnerships.

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This paper is part of a provincial project titled “Rural-Urban Interaction in NL: Understanding and Managing Functional Regions.” This project is a partnership with the Canadian Rural Revitalization Foundation (CRRF), Municipalities Newfoundland and Labrador (MNL), the Department of Geography and the Harris Centre at Memorial University of Newfoundland, and the Department of Rural Studies at the University of Kentucky.

Acronyms

ACOA	Atlantic Canada Opportunities Agency
ASP	Association of Seafood Producers
CFDC	Community Futures Development Corporations
CMAs	Coastal Management Areas
CRRF	Canadian Rural Revitalization Foundation
DFA	Department of Fisheries and Aquaculture
DFO	Department of Fisheries and Oceans
EEZ	Exclusive Economic Zone
EI	Employment Insurance
EU	European Union
FF	Faroese Fishermen's Association
FFAW	Fish, Food and Allied Workers
FIR	Fishing Industry Renewal
FPI	Fishery Products International Limited
FPU	Fishermen's Protective Union
ICNAF	International Commission of the North West Atlantic Fisheries
INTRD	Department of Innovation, Trade and Rural Development
IM	Integrated Management
IMPs	Integrated Management Plans
LOMAs	Large Ocean Management Areas
NAIA	Newfoundland Aquaculture Industry Association
NCARP	Northern Cod Adjustment and Recovery Program
NL	Newfoundland and Labrador
NLFM	Newfoundland and Labrador Federation of Municipalities
NLREDA	Newfoundland and Labrador Regional Economic Development Association
NLRDC	Newfoundland and Labrador Rural Development Council
MNL	Municipalities Newfoundland and Labrador
REDA	Rural Economic Development Associations
REDB	Regional Economic Development Boards
RCM	Regional County Municipalities
RDAs	Regional (or rural) Development Associations
TAGS	The Atlantic Groundfish Strategy
UI	Unemployment Insurance

REDBs (otherwise known as Zone Boards)

Zone 6	Nordic Economic Development Corporation
Zone 7	RED Ochre Regional Boards Incorporated
Zone 13	Coast of Bays Corporation
Zone 16	Schooner Regional Development Corporation

Section 1

Introduction

1.1 The Research Problem

A problem with the existing governance structure in the Newfoundland and Labrador (NL) fishery is the scant opportunity for communities and regional economic development groups to have input into policy and development initiatives (Jentoft and McCay, 1995). Research shows that status quo governance does not appear to be working. One proposal for reform is more community and regional involvement in the existing governance structure. This proposal has not been fully explored, perhaps in part because it is not considered credible by either government or industry. This research confirms that the current fisheries governance structure favours stakeholders: the harvesters (as represented by the Fish, Food and Allied Workers (FFAW)) and the processing industry (processors and associations) and does not provide a formal avenue for local innovation and knowledge input. As a result, fisheries policy and fishing industry development continue to evolve, disconnected from long-term regional economic development planning.

The current governance structure supports the top-down approach to decision-making and feeds the impression that there is no local opportunity in the provincial fishery's future. This impression is reflected in the interviews conducted for this paper. Individual representatives from every level of the industry pointed to a lack of meaningful association with other players in the structuring the fishery of the future (Survey 2009). It is important to understand how the evolution of the fishery influenced the development of Newfoundland and Labrador. The reason is that the evolution of the fishery as a whole shaped the governance structures that came into

being in the fishery. It will be argued that key problems with the current decision-making process can in large measure be traced to the historical origins of the early governance structures. As such they continue to influence the development of management policies in the fishery. This paper begins by explaining the current state of affairs in fishery governance.

The purpose of this paper is to review and analyze the historical development and current formal governance structure of NL's fishing industry, its current state, and its regional dimensions. Looking to the future, the governance process shows signs of movement toward more co-management. However, this movement is slow and not widely embraced by industry players. Examining two current regional (multi-community) fisheries models from elsewhere (Quebec and Faroe Islands of Denmark) helps reveal governance options for the fishery in this province. This examination shows why a co-management approach has been slow to take hold in Newfoundland and Labrador. There is little history of collaboration at the local/community/regional/provincial/federal governance levels, and there is currently no desire to support such partnerships. Both Quebec and Denmark have a history of collaboration and cooperative structure built into their society, which allows bottom-up participation in the decision-making processes. This feature has not been formalized in Newfoundland's governance structures, so little support for fostering such a process exists in this Province. This paper considers federal and provincial roles in fisheries management as well as the roles played by communities, regions, fisheries workers, and businesses in the governance process.

Five key research questions are explored:

1. With respect to the fishery and fishery governance, how have historical settlement patterns impacted the development of the fishing industry as well as rural, urban, and regional interaction within the province?

2. What governance mechanisms are in place with federal, provincial, and regional partners to encourage regional planning and decision-making for the future industry?
3. What are the current mechanisms for stakeholder participation from the bottom up?
4. What are the advantages and shortcomings of the existing structure?
5. What options exist for regional fisheries governance in the future?

Section 2 of the paper considers to research question 1 by providing an overview of current and past developments in the fishery and related settlement patterns. Section 3 addresses questions 2-4 by outlining governance processes and mechanisms currently employed in the fishery.

Question 5 is discussed in Section 4, by way of a review of current regional (multi-community) fisheries models and approaches which are relevant to the future governance protocol of the provincial fishing industry. This review consists of an examination of regional management approaches in other jurisdictions, particularly the case study areas of Quebec and the Faroe Islands of Denmark. These jurisdictions—one Canadian and one international—were chosen because their unique approaches to fisheries governance/management models may have considerable applicability to the fishery of primary concern here. These jurisdictions have a history of bottom-up collaboration - a governance model not found in Newfoundland and Labrador society. Finally, Section 5 offers a reflection on the overall lessons revealed by this examination and provides suggestions for future mechanisms to strengthen the industry.

This research paper is part of a provincial project titled “Rural-Urban Interaction in NL: Understanding and Managing Functional Regions” as a contribution to an overall inventory of regional governance and examination of options for future rural-urban interaction and regional governance in the province. This project is a partnership with the Canadian Rural Revitalization Foundation (CRRF), Municipalities Newfoundland and Labrador (MNL), the Department of

Geography and the Harris Centre at Memorial University of Newfoundland, and the Department of Rural Studies at the University of Kentucky. The main goal of this project is to examine regional-scale labour market and economic development trends in the Province in order to make recommendations for future development planning and governance. This examination includes an analysis of both regional governance initiatives and the movement of people, goods, et cetera at the regional scale that, considered together, may form “functional regions.” The research outlined in this paper contributes an understanding of regional fisheries governance in Newfoundland and Labrador to this larger project.

1.2 Methodology

An extensive literature review has been undertaken, and interviews have been conducted with seven expert and organizational representatives. The literature review is focused on fisheries governance models and theory including the history of the fishing industry, which is closely linked with the settlement of Newfoundland and Labrador. The interview questions used for this paper (see Appendix 1) were consistent with those used in the Rural-Urban Interaction project. The governance characteristics examined included mandate/mission, membership and spatial/regional dimensions, funding and resources, communication and collaboration, governance structures and processes, labour markets, and regional sustainability outcomes. For the purposes of this paper, specific fisheries-related questions were added to the interviews in order to gather opinions from the key experts on fisheries governance. Finally, the opinion of the author is included where indicated, based on eight years’ experience working with the Fishing Industry Renewal Board as a research assistant, with Fisheries and Oceans as a communications officer, and with the Newfoundland and Labrador Regional Economic Development Association as executive director.

The organizational representatives interviewed were chosen from volunteers/staff of four Regional Economic Development Boards (REDBs): RED Ochre Regional Board Inc. (Zone 7), Nordic Economic Development Corporation (Zone 6), Coast of Bays Corporation (Zone 13), and Schooner Regional Development Corporation (Zone 16). Interviewees were also chosen from government agencies involved in fisheries governance in the province: Association of Seafood Processors (ASP), Provincial Department of Fisheries and Aquaculture (DFA), and Federal Department of Fisheries and Oceans (DFO). The four REDB regions were chosen to provide a broad perspective on provincial fisheries governance. Each REDB has some involvement in fisheries management. Attempts made to interview senior staff with the Fish Food and Allied Workers (FFAW) and the Seafood Producers of Newfoundland were unsuccessful. A total of eight telephone interviews were conducted between December 2007 and April 2008. Transcripts of the interviews were provided to representatives, who were given the opportunity to review and edit their responses. Research on other jurisdictions was completed through a literature review.

Section 2

The Newfoundland Fishery: Historical Development and Current Situation

Fifty years ago, the provincial economy was almost entirely dependent on its fishing industry. Today, the provincial economy has diversified and moved away from a single industry to one more reliant on royalties from non-renewable resource industries. Yet this change is relatively recent as the fishery remained critical to the economic and social lives of residents of the Province up until 1992, when the federal government imposed a moratorium on the east coast groundfish fishery. The fishing industry has since moved away from groundfish and focused on the more lucrative shellfish species. Although the fishery is worth more today than ever, this restructured industry employs fewer individuals—with higher incomes—(Dunn Report, 2003) in a more regionalized setting. Despite record revenues, the fishing industry is no longer as important to the provincial economy, mainly because of reduced employment in the fishery but also because today, the Province is benefiting greatly from the lucrative non-renewable resources of oil, gas, and iron ore, which are contributing unprecedented royalties. Unfortunately, this new economic reality is bringing prosperity to the Province's core urban region (greater St. John's) and leaving most rural regions at a disadvantage as they continue to struggle to find a sustainable, diversified economy while trying to adapt to the changing fishery.

The current situation reflects the evolution of people in the fishery and of the place in which they have lived, fished, and worked throughout the Province. The last 500 years of Newfoundland and Labrador history have been shaped by the social and economic structures of the groundfish fishery and by the international competition which arose around it (Mathews, 1988 and Baker, 2001). At first, the Newfoundland fishery was migratory, requiring no

settlement along the island coast. The fishery stayed this way for hundreds of years until it became more economical, even necessary, to assert rights of use, and people needed to settle year-round along the coastlines closest to the fishery. Early settlement was largely unofficial—in other words, when settlement did happen, it was neither planned nor organized. For this reason, Newfoundland did not evolve like other Maritime Provinces or British colonies.

With respect to the fishery and fishery governance, how have historical settlement patterns impacted the development of the fishing industry as well as rural, urban, and regional interactions within the province? The answer lies within the historical development of the Province and the evolution of the fishery. This close relationship between settlement patterns and the fishery has impacted the way in which governance structures have evolved and explains the current approach to governance in the fishing industry and the interaction among the industry players.

These early settlement patterns were shaped by the fishery and access to fisheries resources; therefore, the fishery had a critical influence on the development of provincial interactions from regional, rural, and urban perspectives. Fishery dynamics have also influenced the development of regional governance and the spatial dimensions of the settlement patterns and fishing industry that exist today. Ultimately, an environment was created where government developed fisheries policy and managed the industry in the absence of input from those closest to the fishery.

The following examination is an attempt to show how the evolution of the fishery, settlement and governance structures for Newfoundland and Labrador influenced the development of the fishing industry and governance structures which exist today. Population growth was strongest in rural coastal regions primarily within regional centres created for the fishing industry. Regional diversity evolved throughout the Province, including difference

between rural regions and the growing urban centre of St. John's. Economic dependence for the fishing industry grew and was not managed with support for local governance but with strong support for a private economic model favouring government policy, and where merchants are replaced by private and public industry companies. The way in which this fishery was governed, impacted industry participants ability to engage in planning discussions of the future fishery.

2.1 The History

2.1.1 Settlement

Newfoundland's main purpose in European history was the production of fish. European countries such as Portugal, Spain, France, and Britain attached considerable economic importance to cod fish; they made the annual trip across the Atlantic to fish along the Newfoundland coasts during the summer months, returning to Europe in the fall. The migratory nature of the fishery was economically viable and favoured by European governments and merchants, so there was no desire to station crews on the island year-round (Blake, 2000). This was particularly true for the British West Country fish merchants who wanted to maintain their monopoly of the fishery and resisted any attempt at colonizing the island (Matthews, 1988 and Crosbie, 1956). This annual migration process continued for generations as the fishery was seasonal (peak fishing took place as soon as the weather would allow in the spring and continued into the late summer/early fall).

Mathews (1988: page 14) states that "Although the fishery was vital to settlement, settlement wasn't essential for the fishery." Settlement in Newfoundland did not happen until it was beneficial and economical. Newfoundland offered little other than fish, and, with a lack of good soil, a small domestic market, and a relatively short growing season, which worked against the development of agriculture, commuting was favoured over settling. Since goods and

provisions to support the fishery were brought over from Europe on an annual basis at little cost, the fishery could be maintained without necessarily occupying the land year-round, so a permanent move made little economic sense. When settlement did begin, it was informal, unsponsored, and totally dependent upon the West Country fish merchants and the international cod trade (Pope, 2004).

Cod fish dominated this migratory fishery, but initially, dried cod had little market value as it was used to feed the poorer European population. Eventually, though, the Newfoundland cod acquired an excellent reputation for quality and taste in some of the best markets of Europe; as a result, markets for cod fish grew, and competition for access to the resource placed a higher value on fishery. To produce the light-salted cod, which demanded the highest price in the market place, fishing premises were required in the harbours along the coast (Mathews, 1988). Basic temporary structures along the shore were built relatively quickly at the beginning of the season to accommodate the production. As international competition grew and countries fought for access to the cod off the coast of Newfoundland, overwintering to secure permanent shore space became essential, enabling crews to maintain popular/favourite sites from year to year, thus changing the nature of the migratory pattern of the fishery into a more stationary one.

In the early 17th century, organized settlement (through a colony setting) was tested on the island with one primary objective: to see if formal settlement offered opportunities for economic profit. The results provided no proof of sustainability beyond the fishery (Mathews, 1988). While regarded by some as economic failures, the colonies of Cupids (Northern Conception Bay, 1610) and Ferryland (southern shore of the Avalon Peninsula, 1620) outlasted a single generation of settlers. Following attempts at formal colonization attention returned to development patterns closely linked to the fishery (Pope, 2004).

Settlement was unorganized and developed only as a result of growing economic importance cod in international markets. As population grew, the location of communities reflected the fishing industry and ultimately responded to the fishery dynamics.

2.1.2 Population

Initially permanent settlement grew slowly however this changed when international markets demanded more salt cod. The change was drastic beginning in the early 1800s when the population grew from 19,000 in 1803 to 123,000 in 1857 (Mannion, 1977). With no authority or ruling country, each nation confined its fishing operations to separate parts of the coastline. Competition for shore space caused people to immigrate to the same place as those from the same home country, resulting in ethnic clustering within individual bays (Pope, 2004). While the English focused early settlement efforts on the eastern Avalon Peninsula, the French initially remained closer to the south coast in the fishing areas of Placentia (Plaisance), St. Mary's, Fortune, and Harbour Breton (the Bank Fishery) and along the north and northeast coast. A series of wars and agreements between France and Britain from the early 1700s until 1904 limited the nature and location of French settlement.

By the late 18th century, the population grew to a level that was too large to move. Early English settlements reported a population totalling 2,321 in 1696, growing to 6,000 in 1741 and an estimated 6,900 over-wintering crew members and 2,676 permanent settlers by 1750.¹ Through the 1800s, the demographic structure of the island changed dramatically. In about three decades, the population quadrupled from 19,000 in 1803 to 75,000 individuals in 1836 (Mannion, 1977). This surge in population closely reflected the demand for Newfoundland fish in European markets. The Newfoundland salt fish trade flourished during the Napoleonic Wars

¹ Early English Settlements 1692-1749 (n.d.). Retrieved from <http://www.statcan.gc.ca/pub/98-187-x/4151280-eng.htm> (August 2009)

(1803–1815) and, as a result, the resident population (primarily immigrants from England and Ireland) doubled and dramatically increased the number of outports (Rose, 2007). From 1836–1845, population growth was rapid in nearly all areas throughout the province, with a total island population of 123,000 in 1857.²

As a result of the growing demand for salt cod in the international markets and the coastal geography, there was intense competition for preferred shore space resulting in strong incentive for ethnic clustering (Pope, 2004). Unlike other colonies, which attracted people from many regions throughout Europe, Newfoundland’s population remained relatively homogeneous because in western England and Southern Ireland, people immigrated to the island from only a few countries. Most of the people who settled within a given region were from the same region in their home country, so individual bays had ethnic homogeneity.³ In other words, a series of separate cultural and economic bays, independent of and relatively indifferent to each other, evolved. For example, the merchants of Poole controlled all the trade of Trinity and Bonavista Bays where most of the English settlers came from the counties of Dorset, Hampshire, and Somerset. Within these centres, the propertied classes and judiciary of fishing admirals formed early governance systems (Bannister, 2001 and Pope, 2005). The growth in rural regions was the strongest. In both northeast and south coast regions, average annual increases of over 3.5% were common. The average annual compound growth rate grew to 2.4% from 1836 to 1857 and then declined to 1.8% from 1857 to 1874 as Newfoundland’s monopoly in Southern European markets was becoming fractured by competition from Norway and, fishing regions close to Newfoundland, Cape Breton and New England. As the fishery fell into decline during the 1880s, for the first time, the total population advanced very slowly at a rate of only 0.3% from 1884 to

² The 1880s (1806 to 1871) (n.d.). Retrieved from <http://www.statcan.gc.ca/pub/98-187-x/4064809-eng.htm> (August 2009)

³ Webb, Jeff, 2001. Bays, Retrieved from <http://www.heritage.nf.ca/society/bays.html> (August 2009)

1891 (NL Statistics Agency, Historical Statistics of NL, Vol.1.). During this time, a steady stream of emigrants left Newfoundland for more economically prosperous areas in North America such as the United States.⁴

The island's population continued to grow in the early 1900s to 221,000 individuals and nearly doubled again by 1959 when the population reached 441,000. This growth was primarily due to post war baby boom and Newfoundlander's access to nation benefits such as the baby bonus system following Newfoundland joining Canada in 1949. The provincial population peaked in 1984 at 580,065, dipped to 574,982 in 1988, peaked again in 1992 at 580,109, and has shown a steady decline since (to be discussed later).⁵ Again, these population trends parallel more recent changes in the fishing industry. The end of World War I saw a rapid increase in demand for salt cod fish, doubling production value, along with improvements in processing, quality grading, and marketing. Increasing harvest capacity influenced the catch rate which reached historical levels in the 1960s. Despite signs of stock decline, economic optimism continued into the 1970s following the expansion of the Exclusive Economic Zone (EEZ) to the 200-mile limit. This optimism was accompanied by population growth until a period of relative stability in the 1980s, followed by decline in the 1990s following the closure of groundfish fisheries.

Population growth was the strongest in individual bays along coastal regions of Newfoundland and Labrador. Within these bays there was a strong trend toward ethnic clustering. As population surged from the mid 1880s to 1990s, the coastal population remained dependent upon the single industry. Individual bays created their own centers of commerce and

⁴ Webb, Jeff, 2001, Responsible Government 1855-1933. Retrieved from http://www.heritage.nf.ca/law/responsible_gov.html (August 2009)

⁵ Annual Estimates of Population for Canada, Provinces and Territories, from July 1, 1971 to July 1, 2009, NL Statistics Agency. (n.d.) Retrieved from http://www.stats.gov.nl.ca/Statistics/Population/PDF/Annual_Pop_Prov (August 2009)

had little opportunity to communicate with neighbouring bays. This independence created diversity among regions.

2.1.3 Regional Diversity

In the early 19th century, merchants developed regional centres to coordinate their transactions of fish products on one hand and local supplies on the other. According to Innis (1978), it was well known in Newfoundland that the most profitable way for merchants to carry on the fishery was to supply boat keepers and then take payment for the supplies in the form of the fish and oil they caught. This practice was supported by British law. Vessels from Europe were restricted from curing fish (drying), thereby increasing merchant power in local regional trade and trucking. Fishers were nominally independent but were tied to the merchants who outfitted them with gear and supplies on credit and took their fish as payment. Consequently the price paid for fish in the outports was very low, and merchants sold the final product for twice as much in Europe.

By the 20th century, Newfoundland had approximately 1,000 communities scattered along the coast (Baker, 2003). The majority of these communities primarily established within the bays which form the coastline of Newfoundland and Labrador and within each bay, a commercial centre evolved where goods were imported and exported to the outside world. As a result, these bays developed a sense of distinctness and independence based on its relationship primarily with European trade connections rather than with other locations on the island. These commercial and governance centres, particularly St. John's, included characteristics such as commerce merchants, educational institutions, and population concentrations.

Around the Conception Bay region on the east coast of the island, Carbonear and Harbour Grace were the most important regional centres by the 1830s (Innis, 1978). Other

important regional mercantile centres developed in Trinity Bay (Trinity, Hickman's Harbour, Old Perlican, Winterton, Catalina, and Bird Island Cove); Bonavista Bay (King's Cove, Barrow Harbour, Greenspond, and later Bonavista); Notre Dame Bay (Twillingate, Exploits, and Fogo); White Bay; Placentia Bay (Plaisance/Placentia, Burin, St. Lawrence); Fortune Bay (Harbour Breton); Ferryland, Trepassey, and St. Mary's south of St. John's; and Forteau, Venison Tickle, and Battle Harbour in Labrador. St. John's and Conception Bay were the most successful regional centres with a high population of boat keepers who collected cargo at different points of the island and transhipped to Europe and beyond (Encyclopaedia of Newfoundland, 1998).

During most of the 19th and 20th centuries, vessels from the island fished seasonally along the Labrador Coast (Ommer *et al* 2007). The Labrador seal and cod fisheries provided additional sources of employment, and there was a great boom in shipbuilding for the Labrador and coastal trade. As the population continued to increase in the early 1800s—particularly in rural regions—the fishery did not expand to keep pace. This brought misery to the population by the late 1800s (Mathews, 1988). The fishery remained the main industry up to the 20th century, so the focus of the population was still along the coast in popular fishing regions, but from 1857–1869, many rural growth rates diminished, and in the St. John's districts, a decrease was also recorded. From the 1870s onwards, in the face of depleting local island fisheries, were moving into Labrador to alleviate their declining catch rates (Hutchings and Myers, 1995). New fisheries and fisheries production also developed including hatcheries and lobster canneries.

The Rise of St. John's - Example of Rural and Urban Dynamics

An example of the rural and urban dynamics is played out in the evolution of St. John's as the capital of the province. St John's is located on the most easterly point of the island with a sheltered, ice-free harbour and a strategic geographical location. Since the fishery was the most

dominant economic activity, it dictated the development of the colonial city of St. John's for four reasons (St. John's Board of Trade, 1983):

- 1) Proximity to the Grand Banks fishing grounds, centre of the English migratory fishery;
- 2) Proximity to England, encouraging trade routes and shipping from the Avalon not only to England but also to the West Indies and the Caribbean;
- 3) An ice-free harbour;
- 4) It was the most settled community prior to formal English settlement, later encouraged by settlement laws in 1855 with a "responsible government and directive" (Thornton, 1977).

One of the first records of inhabitants in St. John's is dated 1519. A century later, in 1627, permanent settlement was first evident, and the centre was noted as an "industrial base camp for an international migratory fishery" (Macpherson, 2005, page 1). Initially, the rise of St. John's in the 17th century would have been similar to that of any other sheltered harbour along the eastern coast of the island during the migratory fishery. In the 18th century, Newfoundland was decentralized with little local governance, and communities like Harbour Grace, Trinity, Placentia, and Trepassy did not look to St. John's as their capital but rather to English government. They traded and communicated, not with each other, but with communities on the other side of the Atlantic. This system began to change after 1788—partly because of the decline of the migratory fishery but also because of the disruptive effects of the wars on transatlantic communications. With the growing population, Newfoundland desperately needed governance and laws (Mathews, 1988). Unlike smaller communities, St. John's had never been dominated by one or two merchants. St. John's eventually emerged as the social, military, and administrative centre and as the economic centre where some outport merchants eventually settled.⁶ This development created the optimum situation for competitive trade opportunities among St. John's

⁶Janzen, Olaf, 2001, St. John's. Retrieved from http://www.heritage.nf.ca/exploration/st_johns.html (August 2009)

merchants (Water Street Merchants)—in some cases, giving rural merchants better prices for their fish than they could get in their home communities.

St. John's truly became the capital of Newfoundland and Labrador, the growth of a large, more or less resident middle class led to the development of social and political awareness and connections to other regional centres. Total population in St. John's increased from 10,244 in 1785 to 19,106 in 1789 with a corresponding increase in local resident fishers (Innis, 1978). Construction of a railway in the 1880s added stimulus to urbanization and enhanced the rural-to-urban drift, making St. John's the administrative capital city and a centre for higher learning and health facilities. By the 1930s, St. John's had a small manufacturing sector, providing clothing, household goods for the domestic market, and some items for the fishing industry. With the rise of St. John's as the commercial and political capital of the island, the feeling of distinctness and independence between bays began to decline (Matthews, 1988), divisions focusing instead on urban vs. rural and St. John's vs. the rest of the island. St. John's came to be considered, to a large extent, as out of touch with the outports (The Amulree Report, 1933).

There is diversity among regions throughout the province, however not as significant as the diversity between St. John's and the rest of the island and Labrador. This difference contributed to the evolution governance structure of the fishing industry. The urban and rural diversity enabled fisheries governance to evolve without input from local leadership and organizations preventing those closest to the fisher from playing a role in the future of coastal communities and the fishing industry.

2.1.5 Early Governance in the Fishery

Every nation who invested in the Newfoundland fishery operated with the notion that they had a ‘common right of fish.’ The cod fishery was considered an international resource which no one country could claim. Many of the European countries that came to fish on the Grand Banks were encouraged to do so by bounties paid by their home governments (Blake, 2003). While some year-round settlement was necessary for the operation of the fishery in these early years, local government was not. The legal systems which eventually evolved were decentralized and developed to meet the basic needs of the administration of justice. This early governance structure comprised both legal and customary practices to serve the interests of the fishery. British officials remained sceptical about granting Newfoundland its own legislature right up to representative government in 1832. The British government supported mercantile interests and worked to ensure that the Newfoundland fishery remained essentially an English venture.

Since there was no formal policy toward Newfoundland, governance structures were slow to develop and only did so out of necessity. The early formal governance structure closely resembled a naval state (Bannister, 2001) and was dependent upon local magistrates made up of the fishing admirals who would have been the first to reach a particular harbour at the start of the fishing season (Pope, 2004). Fishing admirals, who acted as administrative authorities during the fishing season, were primarily there to serve the interest of the fishery and to manage local disputes (Pope, 2005). Yet with a growing population and growing international interest in the fishery, the need for formal governance in Newfoundland was becoming an obvious reality. The British government eventually built upon existing infrastructure and traditions to expand governance on the island and established a governor who would be a servant of the Crown.

For the next two hundred years, the government passed through several distinct phases before Newfoundland joined Canada in 1949. In 1825, Newfoundland was officially granted colonial status with a civil governor and council. Representative government was instituted in Newfoundland from 1832 to 1855 followed by responsible government in 1855 to 1933. Britain was gradually giving Newfoundland more power but remaining at arm's length.

As the governance structures attempted to manage the growing population and the island's only industry—the salt fish trade, fishery governance became very complex. Up to this point in time, the fishery had been a local inshore-based industry carried out primarily by family-based enterprises supported by a system of merchant credit known as the “truck” system. Much of the rural population relied on the mercantile system up until the 1930s. Very little local governance existed beyond the magistrate and church leaders (Protestant and Catholic) within the community.

Local movements were few, but one example of a local movement toward unionization was led by William Coaker who started the Fishermen's Protective Union (FPU) in 1908. The predicament of fishers got the attention of Coaker, who aimed to increase fishermen's incomes by breaking the monopoly fish merchants had on the purchase and export of fish. This social and political movement intended to break the old “truck” system which kept fishermen in a condition of “semi-serfdom.”⁷ The union emerged in Notre Dame Bay and spread among Protestant fishermen along the northeast coast but did not gain support from other parts of the island particularly among Roman Catholic majorities. Coaker and his party wanted to achieve their objectives by winning enough seats to hold the balance of power in the legislature. The FPU

⁷ Role of the Union, Fisheries Policy, The Canadian Encyclopedia (n.d.) Retrieved from: <http://www.thecanadianencyclopedia.com/> (September 2009)

became the official opposition in the 1913 election, but any prospects the movement had were damaged the following year when the First World War began.⁸

It was not until the Commission of Government in 1932 that the island's government became officially involved in the fishery and attempts were made to diversify away from the dependence upon the salt cod fishery. In the absence of local governance in the rural regions of Newfoundland, the concept of a new modern fishery was initiated by the Commission. The Commission began a long-term plan in hopes of slow, steady growth (Hillier and Neary, 1980). To make the fishing industry more self-sufficient, the Commission attempted provide the basis for industrial fisheries development and introduced principles of efficiency and centralization for the first time (Wright, 2001). This was the beginning of the modernization of the fishing industry that would become the focus of fisheries governance for the next generation.

The first formal attempt at regulating the fishing industry was in 1934 when the Commission established a Department of Natural Resources. Besides fisheries, its mandate was to develop and grow the island's natural resource industry. Eventually, the Department began planning initiatives in marketing, baiting services, and encouraging harvesters to utilize new technologies. In an effort to regulate the fishery, government policy was directed to move away from the inshore salt fish industry and the mercantile credit system to a more modern industrialized organization.

One example of the first attempts of establishing a local governance initiative linked with rural regions was made by John H. Gorvin, the commissioner for the Department of Natural Resources, who developed a plan to create regional development councils to revitalize the rural economy. His rural reconstruction plan was called the "Special Areas Bill." His idea was to

⁸ Webb, Jeff A. 2001. The Fisheries' Protective Union. Retrieved from http://www.heritage.nf.ca/law/fpu_politics (August 2009)

involve the state more directly in the fishing economy. The plan would have given government the sole responsibility for appointing people to all local and regional administration positions with the goal of installing large-scale co-operative enterprises as an alternative to private enterprises and as a form of self help. Ultimately, Gorvin's proposed Special Areas Bill was rejected primarily due to the unwillingness of the Commission to intervene in rural Newfoundland. No other attempts were made to connect government policy and development initiatives of the fishery with local input, by the Commission or subsequent governments.

The "new" fishing industry had profound effects on the people of Newfoundland, its economy, and governance. For the first time a bureaucracy would manage development and oversee fisheries management, setting the stage for the creation of an industry that would employ people with regular incomes but with an industry with financial reliance on government funding. On the one hand, it was successful for the export industry which jumped from approximately 1.5 million pounds of frozen fish in 1938/39 to 10.5 million pounds in 1940/41 (Wright, 1997) by providing packaged frozen fish into the expansion of markets. Overnight, the fishing industry changed focus from inshore to offshore. No longer was there a demand for salt cod, but demand grew for fresh frozen fish. With help from government subsidies, fishing trawlers and centralized processing plants were constructed in an effort to take advantage of the new and growing markets for frozen fillets—particularly for the market south of the border in the United States. As a result, the growing population experienced new employment opportunities, particularly women in rural regions who were provided with employment in the new processing plants.

By the mid 20th century, Newfoundland fisheries development and management had changed from one of individual enterprises to one focused on a processing industry that was advanced in technology and fulfilling the demands of growing international markets. An offshore trawler fleet was built to compete with the growing foreign fleets. Offshore processors

received support including subsidies and inducements from both levels of government. Finally, policies toward inshore fisheries focused on encouraging use of new technology, labour mobility programs, and subsidies (Macdonald, 1979). These policies allowed the inshore industry to move beyond one-day trips to long distance, multi day offshore trips. Technological development, changing markets, and an intrusion of offshore foreign fleets changed the industry. It was no longer important to think of an inshore/offshore industry in purely physical or geographical terms, as “inshore” fleets also invested in technology and moved further afield (Macdonald, 1979).

The new fishery evolved out of support through direct and indirect subsidies from the federal government. Subsidies are defined as monies paid to members of the fishing industry in the form of unemployment insurance to self-employed fishermen and loan or insurance programs to build new vessels. These funds are over and above the proceeds of the landed catch that have been collected in general taxation by the government. The federal government extended these supports via the Fisheries Prices Support Board (1947). As well, Atlantic provincial loan boards offered advantageous interest rates to fishermen, allowing them to modernize their fleets and helped support processing plant expansion. At the height of the Newfoundland cod fishery following the expansion of the EEZ to the 200-mile limit, the fishing industry consisted of a fleet of powerful vessels using technology to find and catch more fish and transport them over longer distances. The fishing industry began receiving subsidies in the mid 1900s and continues today. It is estimated that over three billion dollars was paid between 1990 and 1998 to minimize the disruption caused by the collapse of the cod fishery in Atlantic Canada. The true subsidy figure is likely to be equal to or exceeds the value of the catch (Shchegoleva, 2006).

To aid in both fisheries modernization and industrialization in other sectors, the Newfoundland government initiated a sponsored resettlement program from 1954 to 1972 where

people were moved from remote areas of the province to more populated centres in the province. The number of settlements in the province had grown along with the population, peaking at an estimated 1500 communities in 1945 (Copes and Steed, 1975). Two resettlement programs moved over 234 communities and 23,600 people into "growth centres" such as Trepassey.⁹ This program was undertaken primarily due to the perception that people who lived in extremely remote areas of the island were in need of relocation to access new opportunities for services and employment.

Even while initiatives of economic diversification were underway, government supported the development of Newfoundland's fish processing industry. Several fish processing companies evolved and operated throughout the province. Most of these companies were operated by employing plant workers and company trawlermen (not independent) and by buying fish from inshore fishermen. By the early 1980s, many of the fish processing companies which developed by the 1950s were in financial difficulty, and by 1983, several of them merged into Fishery Products International Limited (FPI). The merger was facilitated by both levels of government and preserved in legislation (Hart and Francis, 2007).

In the early fisheries, federal authorities generally ignored licensing and let people fish freely on Canada's east coast, although it is noted that the application for the use of a cod trap was recorded by the Department of Fisheries in 1876 (Rose, 2007). It was soon evident that open fisheries attracted more fishermen and fishing power than the fisheries' resources could support. Not until the late 1960s, however, were limitations on licences put in place to conserve supply and ensure incomes. Fisheries policy was beginning to move away from simple biological management to a more complex consideration of bioeconomic and socioeconomic factors

⁹ Martin, Melanie 2006 The Resettlement Program. Retrieved from: <http://www.heritage.nf.ca/law/resprogram>

(Copes, 1982). Government and politicians were beginning to question the best use of society's resources in terms of social benefit and cost considerations.

Fisheries governance, in Newfoundland, evolved where the concept of cooperation at the rural and regional level was viewed as a threat toward progress. Rural demographics responded to the growth of the fishing industry and thus government policies and fisheries management practices focused on industry growth to support rural needs. The long term effects of such governance practices supported industry growth and employment needs, however, did little to support local input on sustainable development in the fishery and regional diversity.

2.2 Present

Nothing prepared Newfoundland's rural regions for the events of the 1990s and beyond. Throughout the history of the Atlantic cod fishery, there had been years where catches were low, but these were followed by years of high catches. The fluctuating pattern (Rose, 2007) is evident in history; however, it is not as significant as the depletion of the cod stocks which was first noticeable in the 1980s but not officially acknowledged (Hamilton and Butler, 2001) until years later. The final collapse of the cod resource occurred in 1991 and 1992 when the Northern cod spawning stock biomass fell to 10% of its earlier abundance level of 1.6 million tons in 1962 (Hutchings and Myers, 1995).

The cod moratorium announced by the Federal Government in 1992, as well as the moratoria of other groundfish stocks that followed, led to the largest layoff in the history of Canada, affecting approximately 30,000 individuals and 12% of the province's labour force.¹⁰ As a result, significant changes took place in the Newfoundland fishing industry which impacted the demographics of rural regions. Drastic changes were evident in regions mostly dependent upon

¹⁰ Higgins, Jenny, 2008 The Economic Impacts of the Cod Moratorium, Retrieved from http://www.heritage.nf.ca/society/moratorium_impacts (August 2009)

the cod fishery. In the first ten years following the moratorium, the provincial population declined by 10% and as much as 17% in some rural regions.¹¹ The most recent population numbers show the provincial population has dropped by 12% since 1992. Once again, the provincial population responded to the cod fishery; significant declines in population were experienced in the 1990s with the decline of the cod fishery as opposed to the growth in the 1960s.

The Federal Government responded to the moratorium with a series of adjustment programs to maintain the unemployed fishermen and fish plant workers until 1998, at a cost of close to \$3 billion. Subsequent income maintenance programs such as financial aid, retirement, and retraining programs have since been offered (Schrank, 2004). More recently, government offered subsidies to the industry to ensure fisheries workers gain their ‘stamps’ for Employment Insurance. At the time of the moratorium, there were warnings about the social consequences of such programs, but government provided little support for the industry beyond funding, with the opinion that the measures were temporary. Government interventions softened social issues initially by providing income assistance through a \$484 million Northern Cod Adjustment and Recovery Program (NCARP) in 1992, followed by the Atlantic Groundfish Strategy (TAGS) in 1994 with an allocation of \$1.9 billion (Hamilton and Butler, 2001). Research indicates that these programs had limited success and did not adequately prepare people for work in other fields or significantly reduce the numbers of people dependent upon the fishery (Schrank, 2004). Glavine and Wernerheim (2002) argue that the two adjustment programs amounted to repeated policy failures, exacerbated by gender-specific outcomes that left women in a relatively disadvantaged situation.

¹¹ Population data information retrieved from:
<http://www.communityaccounts.ca/communityaccounts/onlinedata/getdata.asp> (August 2009)

There have been numerous theories blaming the groundfish resource collapse on overfishing, water temperature, predation by seals, reduction in food sources, and the destruction of habitat by deep-sea trawlers, yet there is little consensus about which of these is at fault. More than likely, a combination of factors is to blame. The fact remains that the fishing industry continues to be a very important industry to the province and “a most important employer to rural communities.”¹² Today’s industry is worth more than it was two and three decades ago and is focused on high end species such as crab, lobster and shrimp but employs only three-quarters of the number of harvesters and processors it did in the 1990s. Despite the collapse of groundfish stocks, the industry has experienced good overall economic performance. During the 1990s, the value of both landings and exports has increased by more than 50% because of increases in valuable shellfish landings. In 1992, the value of total landing including fish and shellfish had fallen by nearly 40%, from \$277 million (1990) to \$172 million (1992). But by 1995, while landings of cod had shrunk to practically nothing, the landings of shrimp had nearly quadrupled and those of snow crab had tripled. In value terms, total landings were worth \$321 million in nominal terms, more than ever in the past.

The industry generated direct employment for 24,000 residents in 2008 (# person-years of employment) with 139 processing facilities (115 primary, 6 secondary, 4 aquaculture, and 14 retail) employing 12,000, primarily in rural regions in 2008. Even though rural coastal regions have experienced population decline over the past 17 years, there has been a rise in personal incomes, and the percentage of individuals receiving income support has dropped.¹³ With the new industry thriving and with advanced technology, the value of the fisheries exceeds \$1 billion annually, primarily on account of shellfish. Shellfish comprised 59% of the total landings and

¹² Seafood Industry Year in Review, 2007. Retrieved from:
http://www.fishaq.gov.nl.ca/publications/archives/archive_seafoodindustry_yir (July 2009)

¹³ Population data information retrieved from:
<http://www.communityaccounts.ca/communityaccounts/onlinedata/getdata.asp> (August 2009)

generated 82% of the total landed value in 2008.¹⁴ Higher-value shellfish replaced less valuable groundfish, leading to structural changes in the industry. This process occurred mainly because the unit price of snow crab had doubled but also because of the abundance and emphasis on shellfish as an alternative source of fishing incomes. The total value of crab in 1996 was \$255 million and the total value of landings in 2002 was \$517 million—nearly double in nominal terms from 1992 and an increase of nearly 60% in real terms.

Despite these changing economic circumstances, most rural regions continue to have some degree of reliance on fishery-based economic activities, whether it is a processing plant, a service centre relying on individuals connected to the industry in some way, or the home base of fishing enterprise. Regions most reliant on the traditional fishery continue to struggle to seek new local opportunities, such as the south coast in Zone 13, only to face extraordinary shrinking and aging populations in many areas, such as on the Northern Peninsula in Zones 6 and 7. Others continue to maintain fishing-related infrastructure due to proximity to the resource such as the Burin Peninsula in Zone 16 and South Coast in Zone 13.¹⁵ Despite these regional differences and challenges, there remains a continued attachment to the fishing industry throughout the province, whether historical/traditional, through adaptation of and investment in the current resource, or both. Communities and regions are striving to be part of the fishery of the future—one more focused on conservation and on a wider range of marine resources than the cod/groundfish-dependent industry of the past. As regional governance structures strive to have a voice in fisheries policy and management, they are slowly become known as legitimate stakeholders in

¹⁴ Seafood Industry Year in Review, 2008. Retrieved from:
http://www.fishaq.gov.nl.ca/publications/archives/archive_seafoodindustry_yir (July 2009)

¹⁵ Information retrieved from Zone Board websites:

Zone 6: nedc.nf.ca

Zone 7: redochre.org

Zone 13 : coastofbays.nf.ca

Zone 16 : schooner.nf.ca

(July 2009)

policy engagement processes (Survey 2009). For the rebuilding of the fishing industry to be successful, there should be a focus on sustainable management (to be discussed later) where both fishing regions and government participate in cooperative management approaches.

It was a profound moment in Newfoundland and Labrador history when then Minister of Fisheries announced the closure of the fishery. Despite 18 years of extensive conservation measures, improvement has since been marginal. Originally, the Federal Government believed the moratorium would be temporary; however, management initiatives since 1992 have not led to an overall recovery, and further decline in the biomass had taken place as of 2005 (Wroblewski *et al*, 2005). However, there have been signs of a modest recovery in some cod stocks more recently. There continues to be reliance on traditional governance practices that provide little opportunity for local input to offset downturns in the industry rather than working with local groups to find long term solutions for the future. The fisheries sector (harvesting and processing) continues to be heavily subsidized through the unemployment insurance system. It has been alleged that the employment insurance program (formally known as Unemployment Insurance or UI, later EI) "...has become the fabric of modern outport life" (Hamilton and Butler, 2001). In 2003, a provincial review of the fish processing industry argued that the industry continues to be in a state of over-capacity and in need of restructuring (Dunne, 2003). The number of fishermen in 2002 was roughly the same as the number of full-time fishermen in 1992, but processing employment had fallen due to the new shellfish-intensive industry (Schrank, 2005).

Government seems to operate with the opinion that fishing industry subsidies are the solution to development and sustainability. Unfortunately, this opinion has not been proven, and such a position reinforces ineffective development in the fishery and rural regions. Worse still is the inability of rural regions to have any input into industry development and its future. History has shown that those closest to the resource have had the least voice in its development. The

lack of long-term policy influencing settlement patterns plays a significant role in the challenges with the fishery and fishery governance today. Local governance structures did not develop naturally as in other regions on the east coast of Canada. Although attempts were made at local movements and regional insight into development, government resisted decentralizing the decision-making process and allowing regional input, further emphasizing the divide between urban and rural regions.

Section 3

Long-Term Effects & Current Governance Structures and Processes

As Newfoundland entered Canada, the stage had already been set to refocus the fishery from the inshore to the offshore. A new processing and offshore harvesting sector was created with assistance from the Commission of Government, and this philosophy was further endorsed by the Government of Canada. It was believed that this new industry would be more efficient than the traditional fishery and would solve the problems of rural coastal people.¹⁶

Fishing industry participants evolved into important players in the decision making process of Newfoundland's fishery governance process. The federal and provincial governments made decisions about the industry by listening to the voice of the only fisheries union within the province, the Fish, Food and Allied Workers (FFAW), and the processing associations such as the Association for Seafood Processors (ASP) and the Seafood Producers of Newfoundland. To a lesser degree other industry associations such as Newfoundland Aquaculture Industry Association (NAIA) has played a role of coordination and communication for the industry. Regional organizations have had even less access to the decision-making process although they strive to become more involved in order to facilitate economic development within their regions.

The federal and provincial governments together perpetuated a way of life in rural fishery communities that depended on the fishery. Due to policy directions, the players in the fishery changed from the individual enterprise and merchant to the processors, larger vessel enterprises, provincial and federal governments, unions, and fisheries managers. These actors and their relationships changed in a relatively short time, leaving communities and regions outside of any

¹⁶ Wright, Miriam. 2000 Government Involvement in the Fishery, 1940-1970 Retrieved from http://www.heritage.nf.ca/society/government_involvement (July 2009)

discussions on future development (Blake, 2000). Fishery management came under the control of the Government of Canada; the Provincial government was no longer the main player in the emerging concept of fisheries management and international discussions/relations with other fishing nations. The Provincial government would focus its attention on the processing industry and marketing side of the industry with an understanding that the growing rural population would have employment needs. The fisheries union evolved out of the desire to protect the fish harvesters and workers. Industry organizations evolved out of the desire of fish plant owners to advocate on behalf of a growing and competitive business. However, regions and communities had very little say in the management of the industry as the key players—government, processors, and the union—argued their way through decades of political influence where top-down decision-making dominated, and power remained in the hands of a few who could influence the political decision-making process.

The new fishery was created by the 1960s, and the power shifted from the regional centres (bays) to a more bureaucratic and centralized (urban) government system. No real mechanism represented the fishing community voice until the creation of the Fishery Protective Union and later the Fish Food and Allied Workers (FFAW) in 1971. In the 1970s, local development associations surfaced, to be replaced in many areas with the Regional Economic Development Boards in 1995.¹⁷ Communities and regions began to unify their voices on the future of their regions, especially in the wake of the cod moratorium and the social and economic fallout. Yet, despite their efforts, rural organizations continue to struggle to be heard at the industry and government level.

The governance structure favours the voice of unions and processors. Without a formal avenue for local involvement, knowledge inputs into fishery policy and industry development

¹⁷ Of 52 RDAs active in the mid-1990s approximately 28 remain (Vodden et al forthcoming).

continues to evolve in a disconnected state and lacks connection with long term regional economic development planning.

3.1 Current Actors and Their Responsibilities/ Jurisdictions

The current actors within the fishing industry are the federal and provincial governments, union, and industry associations representing processors and aquaculture industry. Each organization has their own governance structure and may be achieving their individual operational objectives; however, there is little collective achievement in the industry.

3.1.1 Federal Government – Fisheries vs. the Oceans Act

Prior to Newfoundland's Confederation with Canada, the federal government did not have any direct management or regulation role within the fishery. This changed upon the union with Canada, when the federal government took over management of the fisheries and assuming more responsibility following the extension of the 200-mile limit of the EEZ. There have been numerous statutory and structural changes since the Fisheries Act of 1867. The establishment of the 200-mile EEZ in 1979 onward, fisheries management was administrated under the Department of Fisheries and Oceans (DFO). Much has changed regarding the way in which the fisheries and ocean resources have been managed over the past two decades since the cod moratorium. Fisheries management is not only dependent upon science but now includes more consultation with the industry than prior to the cod moratorium. It is now generally understood that the resources of the ocean need to be managed along with the activities which take place on the ocean to ensure a sustainable environment for both via the 2001 Ocean Act.

Although the Federal Minister has the final decision-making authority, DFO consists of four primary components, each headed by an Assistant Deputy Minister and eleven Regional

Director Generals, whose geographic mandates overlap. Under the Minister and Deputy Minister (Parliamentary Secretary), the organization includes a Senior Assistant Deputy Minister and four staff Assistant Deputy Ministers to cover respectively science, fisheries operations, regulations, policy, and international issues. Regional operations are consolidated into six geographic regions: Newfoundland and Labrador, Maritimes, Gulf Laurentian, Central, and Arctic, and Pacific. Within the Newfoundland and Labrador region are sub-regions: Eastern, Southern/Central, Labrador/Western. Fish quotas were the main reason for determining the size and scope of the regions; large coastal management ecosystems are also a consideration. The Canadian Coast Guard Commissioner, who exercises the enforcement functions, reports to the Minister of Fisheries and Oceans. The Minister's authority extends to licensing (determining who has access to the fisheries), allocation (determining how much fish they are entitled to harvest) and establishing the rules for overall conduct of the fishery (Shchegoleva, 2006).

The Fisheries Act is over 130 years old and sets out policies and regulatory instruments to manage traditional uses of the ocean—fishing industry single species management plans. Recent attempts have been made to modernize the Act since it is focused on inland fishing and ocean waters rather than on the activity in the water from an environmental perspective. It is now generally accepted that it is important to consider the interaction among species and between species and their environment.

The Oceans Act expands the DFO role to include conservation and protection of marine resources and lays the foundation for ocean policy, an area not covered in the Fisheries Act. The Oceans Act is not one policy designed to accomplish this; rather, it is an approach to coordination of existing policies to form a vision by establishing guiding principles in ocean management. The Oceans Strategy sets out its fundamental principles as being integrated management, sustainable development, and the precautionary approach, and provides DFO with

the mandate to develop and implement programs. The integrated management approach recognizes that there are many commercial and non-commercial interests in the coastal and marine environment and aims to equitably balance these to realize suitable benefits to all Canadians, especially coastal communities. The integrated management approach is discussed later in this section. It is recognized in the new direction of Canadian fisheries policy that the federal government has tried to do much alone in the fisheries area (Shchegoleva, 2006) and that it has now initiated more engagement processes.

Although the Ocean's Act further consolidated many federal responsibilities for oceans under the DFO, Wilson (2008) argues that this approach may have been intentional to direct attention (and funds) from fisheries management, because in 1996, there were fewer budgetary resources for fisheries management services at the same time as DFO negotiated co-management arrangements with Canadian fishers.¹⁸ Further complicating these initiatives is the way in which the fishery is still being governed by political decisions from the top by ministerial discretion while regions work with their partners to develop long-term visions for the resource and industry. The process still seems slow, lacking vision, and disconnected with changing industry and regional needs.

3.1.2 Provincial Government

The Provincial Government of Newfoundland and Labrador manages the fish processing sector and establishes the pricing framework for primary fish markets/collective bargaining through its Department of Fisheries and Aquaculture (DFA). DFA operates under four lines of business: policy development and planning services, seafood diversification and development, licensing and quality assurance inspection, and compliance and regulatory enforcement. The

¹⁸ Wilson, J.R. The joint planning agreement experience in Canada. (2008) Retrieved from: <ftp://ftp.fao.org/docrep/fao/010/a1497e/a1497e12.pdf> (February 2009)

DFA has staff in four regional offices and 17 sub-field offices located throughout the province. DFA participates in planning, developing, and delivering the Department's programs, services, and projects on a regional basis. These four regions are Labrador Region (Happy Valley Goose Bay), Eastern/Avalon Region (Grand Bank), Central Region (Grand Falls Windsor), and Western Region (Port Saunders).¹⁹

Over the last two decades, the Department's role has evolved but, fundamentally, there has been no change in the operations of the fisheries department for the province. Yet it was noted that the Department was becoming more active in foreign fishing issues and trade policy, which may reflect the challenges of working with the federal government (Survey 2009). International affairs are beyond the Department's mandate and seen as federal territory but the province faces pressure from industry and unions in these areas. In recent years, due to the growing aquaculture sector and the fishing industry renewal process, more development funds have been made available to the Department. Recently, the annual development budget has tripled to \$15 million. As the Department works around sensitive international issues, it has expanded its involvement in health and safety, marketing and product development, and labour market issues. Although the objectives of the DFA focus on industry development, there is a perception that much of the development in recent years has been directed more at reaction issues rather than at long-term planning (Survey 2009).

Confusion often surrounds the responsibilities of the provincial Department of Fisheries and Aquaculture and the federal Department of Fisheries and Oceans. Table 1 outlines the primary responsibilities of each department and the common responsibilities between the two levels of government as they relate to fisheries and aquaculture.

¹⁹ Information retrieved from the <http://www.fishaq.gov.nl.ca/department/branches/> (July 2009)

Table 1: Federal and Provincial Responsibilities

Department of Fisheries and Aquaculture (DFA)	Department of Fisheries and Oceans (DFO)	Common Responsibilities Between Governments
Fisheries diversification	Oceans, including fisheries, science and management	Research and development
Licensing, administration of fish plants	Licensing and administration of fish harvesters	Professionalization of fish harvesters
Establishing and enforcing standards for fish quality	Harvesting statistics	Seafood marketing (Agriculture Canada)
Processing and aquaculture statistics	Habitat protection	Environmental protection
Aquaculture licensing and registry	Aquaculture statistics for Canada	Statistics and information services
Aquaculture inspections and enforcement	International relations	Infrastructure support
Aquaculture development and extension services	Certification of plants exporting fish	Aquaculture science, site inspections and fish health

Note: The department also conducts its activities with other federal departments and agencies, including the Canadian Food Inspection Agency (CFIA), Agriculture Canada, Atlantic Canada Opportunities Agency (ACOA), and Service Canada on matters such as: fish inspection, seafood marketing and workforce issues.

(Source: DFA website: <http://www.fishaq.gov.nl.ca/department/index.html> (July 2009))

DFA and DFO govern in a gray area of overlapping jurisdiction in areas of licensing, harvesting, and quotas (on the federal side of legislation). The Province attempts to lobby for policy and science changes while focusing on marketing and processing. This may cause some duplication of effort due to conflicting approaches. One respondent interviewed for this research paper noted that when this happens, it is easy to fall back into a strict “mandate mode.” Another example is in aquaculture where the industry is affected by both federal and provincial responsibilities. In other jurisdictions, it is muddled, but in Newfoundland, over the past 10 to 12 years, the provincial government has coordinated and facilitated the “one stop-shop” approach on behalf of the local industry. Recent changes have enabled both departments to take a common

approach of integration and collaboration, accepting the need to link the resource more closely to the market (Survey 2009).

An example of collaboration between the federal and provincial governments is the Canada/Newfoundland Fishing Industry Renewal (FIR) Strategy announced on April 12, 2007. The goal of the Fishing Industry Renewal initiative is to develop an integrated ‘Ocean to Plate’ policy framework, and industry restructuring strategy to help industry adapt to changing resource and market conditions; extract optimal value from world markets; provide an economic driver for communities in vibrant rural regions; provide attractive incomes to industry participants; and attract and retain skilled workers (FIR, 2006). Elements of the Renewal Strategy will be implemented by both the Federal and Provincial Governments according to their jurisdiction; however, the intention is to work together to make the industry more economically viable and internationally competitive. This initiative is led by the Department of Fisheries and Aquaculture in partnership with the Department of Fisheries and Oceans.

3.1.3 FFAW

The chief union in the fishing industry other than the Fisheries Protective Union (FPU) in the early 1900s was the Unified Fishermen and Allied Workers Union, which was founded in 1945 and remains the bargaining agent for fishermen.²⁰ Now called the Fish, Food and Allied Workers (FFAW formed in 1971), the union represents over 20,000 working women and men throughout Newfoundland and Labrador. As the only fisheries union in Newfoundland and Labrador, the FFAW represents a very broad but potentially unstable combination of groups comprising fish plant workers, offshore trawler workers, and onshore fishers (Hart and Francis,

²⁰ Role of the Union, Fisheries Policy, The Canadian Encyclopaedia (n.d.) Retrieved from: <http://www.thecanadianencyclopedia.com/> (August 2009)

2007). In 1988, the provincial Labour Relations Board certified the FFAW to be the bargaining agent for most harvesters in negotiation of all fish prices. The exceptions are Fogo Island (although Fogo Island has been unionized for the past 5 yrs) and north of Makkovik. These two areas had negotiated through their own cooperatives and opted out of the current union structure.

Of the FFAW members, 10,000 are fish harvesters and 10,000 are fish plant workers, with elected committees in more than 50 fish plants. Approximately 300 inshore fishermen's committees represent the union membership throughout the province. The FFAW represents both boat owners and crew members in the inshore fishing sector. An 18-member Executive Board, including the President, Secretary Treasurer, Vice President Inshore, Vice President Offshore, and Vice President Industrial/Retail as well as two affirmative action positions and a retiree position are elected by province-wide mail-out ballot. Policy-making councils are elected in each of the Union's three divisions: inshore (34 members), offshore (6 members), and industrial/retail (32 members). This includes affirmative action seats on industrial (2) and inshore (1) councils. The union employs about 20 full-time staff in St. John's, and regional field representatives are found in the following areas: Marystown; Grand Falls (Windsor, Burin, Straitsville); and Corner Brook.²¹

Usually, fisheries unions influence government policy through representation on various committees that advise the federal government on establishing quotas for different species. When harvesters and processors organizations mount conflicting lobbies to influence policy, harvesters—via unions' strength—sometimes prevail. When fishing industry unions perceive that government policy favours the interests of the fish companies, their last resort may be an attempt to mobilize their membership at the ballot box.²² Such is the case for the FFAW, which is

²¹ Structure, FFAW (n.d.) Retrieved from: www.ffaw.nf.ca/Structure.asp (August 2009)

²² Role of the Union, Fisheries Policy, The Canadian Encyclopedia (n.d.) Retrieved from: www.thecanadianencyclopedia.com (August 2009)

actively involved in negotiation of fish prices and collective agreements as well as a sentinel project with DFO to help scientists assess fish stocks. The Union is also actively involved in lobbying government on issues that affect members such as EI reform, fisheries management issues, and workers compensation.²³

3.1.4 Industry Associations

Two provincial associations represent the processing sector of the fishing industry: the Association of Seafood Producers (ASP) and the Seafood Producers of Newfoundland and one provincial association representing the aquaculture industry, Newfoundland Aquaculture Industry Association (NAIA). The ASP was formed as a not-for-profit association in November 1993 with a particular focus on structural problems in the fish processing industry. The ASP represents the interests of seafood producers, provides effective input into policy decisions on regulatory matters, participates in programs of direct benefit to the whole industry, and promotes a positive image of the industry. This organization's board of directors comprises 12 individual representatives of the processing industry. Little is known about the structure and efforts behind the Seafood Producers of Newfoundland despite efforts to interview its executive director. One respondent noted that the ASP has a competing interest with the Seafood Producers of Newfoundland and has created competition in the processing sector's advocacy with government, the union, and the pricing panel (Survey 2009).

The aquaculture industry is represented by one provincial organization: the Newfoundland Aquaculture Industry Association (NAIA) represents the needs, opportunities, and differences of the industry. A not-for-profit organization, its mandate is to facilitate and promote the commercial development of aquaculture as a means of rural economic renewal. The

²³ Structure, FFAW. (n.d.) Retrieved from: www.ffaw.nf.ca/Structure.asp (August 2009)

NAIA is partners with the Provincial Government and local Regional Economic Development Boards, particularly with Zones 13 and 16, to promote development in the industry.

These industry associations play a very important role in fisheries development and have become the legitimate voice within the industry.

3.1.5 Regional Economic Development Agencies²⁴

The first sign of bottom-up approach to development surfaced in Newfoundland in the late 1960s, when a number of communities in rural Newfoundland became disillusioned with the government's approach. Citizens organized at the grass roots level to find solutions to their own economic and infrastructure development problems. This resulted in the emergence of the province's regional (or rural) development associations (RDAs). These associations first appeared in the northern regions of the province, and the groups eventually spread throughout the whole province. Some of the RDA initiatives resulted in the establishment of fisheries co-operatives such as that on Fogo Island. Over time, however, the RDAs became vehicles for local communities to lobby government for short-term projects to allow citizens to qualify for EI. The provincial and federal governments supported these initiatives from 1978 to 1994 by signing three- to five-year financial agreements, most of which led to job creation but also dissatisfaction with the existing rural development model (Blake, 2003).

The concept of creating economic zones originated in the province's 1992 Strategic Economic Plan. Shortly after, the Newfoundland and Labrador Rural Development Council (NLRDC) and the Newfoundland and Labrador Federation of Municipalities (NLFM) endorsed

²⁴In this paper, the Regional Economic Development Boards chosen for examination as case studies of local involvement in the fishery represent the Great Northern Peninsula (Zones 6 and 7) and the South Coast (Zones 13 and 16). Both regions traditionally depended upon the fishery and continue to struggle since the moratorium. Both are facing aging and declining populations and dwindling government services and have sought an active role in fisheries development discussed further below.

the concept and began discussing how municipalities, regional development associations, and other development groups could develop more effective partnerships toward economic development.

In September 1993, the NLRDC requested the federal and provincial governments to strike a Task Force to review community economic development in the province. The Task Force on Community Economic Development, which began its work in May 1994, consisted of representatives of the federal and provincial governments, the NLRDC, NLFM, Community Futures Committees, and the business sector. The 1994 Task Force recommended in its report, *Community Matters: The New Regional Economic Development*, that the “local people themselves should play the lead role in their own region’s economic development,” though government would play a strong “supportive role.” The Regional Economic Development Boards (REDBs) of Newfoundland and Labrador were created in 1995 as per the recommendation from *Community Matters Task Force Report* via partnership with the provincial and federal governments. Twenty REDBs were given the task to coordinate social and economic development within their regions. Governments announced financial support for the creation of the Boards for the purpose of planning and implementing regional economic development initiatives. Each Board was governed by a volunteer-elected board of directors reflective of the unique characteristics of each region. The mandate of an REDB (or zonal board) was to facilitate, promote, and coordinate economic and social development. This mandate is accomplished through implementation of a zone's Strategic Economic Plan.

At the time, Regional Economic Development Boards received strong provincial support. In 1997, the Minister of Rural Renewal, Judy Foote, stated that “The boards are well advanced in most zones in developing their strategic economic plans for their zones, and the federal and provincial governments are committed to working with the boards to establish common priorities

based on their plans. The collective resources of governments, communities, private enterprise and other stakeholders in regional economic development will then be integrated and coordinated to realize the development opportunities which exist in all regions of our province.”²⁵

One decade later, in 2006/07, the REDBs broad mandate was narrowed and more focused on business development following a renewal review led by both governments— through ACOA and the province through the Department of Innovation, Trade and Rural Development (INTRD). Both levels of government continue to endorse the zonal process. Zone Boards have developed three-year business plans focused on economic and business development in their respective regions. REDBs were never intended for involvement in fisheries development; they were created to develop and diversify opportunities with other regional partners. This was a tall order; now, with a renewed focus on industry and business development, REDBs find themselves the leaders in conservation and sustainable development.

As it stands governments work together with pressure from union and industry associations to develop fisheries policy, with little evidence of engagement with local economic development groups regarding sustainability initiatives and plans for regions. Although there are no formal avenues for local innovation and knowledge inputs into fisheries development, there are signs that local governance is beginning to take a bottom-up approach in fisheries governance. In other words, local groups are taking it upon themselves to become players the industry and in some cases are viewed as legitimate stakeholders in the process.

²⁵ News release, March 20, 1997. *Rural Newfoundland and Labrador to Benefit from Enhanced Economic Development Services*, Department of Rural Renewal, Newfoundland and Labrador. Retrieved from: www.releases.gov.nl.ca/releases/1997/drr/0320n10 (July 2009)

3.2 Bottom-Up Participation in Fisheries Governance

The only formal avenues for bottom-up participation in decisions related to the fishing industry since the cod moratorium in 1992 is the FFAW and industry associations. There are, however, recent examples of policy formation through consultations by the federal government and, to a lesser degree, the provincial government. These examples include the Atlantic Fisheries Policy Review (2004), the Oceans Strategy Integrated Management, and the recent Fishing Industry Renewal (FIR) process. Government have used consultation with users and industry but are usually at a very low level of engagement.

3.2.1 Canada's Oceans Strategy – Integrated Management (Coastal Planning)

Canada's Oceans Strategy defines the framework for modern ocean management. It defines the vision that includes stakeholders into an integrated management process to allow for conservation and development of coastal regions. In the past, provincial and federal governments have typically been concerned with managing single species and activities, not taking into consideration impacts on other valuable resources and opportunities. Over the past decade, however, governance agencies, including several operating at the regional level, have begun to explore opportunities for future diversification and development of natural resources to stimulate local economies. Success has been limited as competition for resources intensifies due to lack of political intervention. This problem is not unique to Newfoundland and Labrador but rather an international and global issue since the late 1970s and 1980s when competing coastal interest groups began developing management regimes to allocate depleting resources and benefits among all user groups. However, it was not until the introduction of Canada's Oceans Act in 1997 that the federal government established a legislative framework and parameters for ocean management. Upon the release of the Oceans Strategy in 2002, the Department of Fisheries and

Oceans provided the governance framework that would encourage local community, regional, provincial, and federal stakeholders to enter into coastal planning via integrated management agreements regarding use of ocean and adjacent land development.

Through the 2002 Oceans Strategy, the federal government committed to develop large-scale and local Integrated Management Plans for all of Canada's oceans that include specific Coastal Zone Management area planning processes within designated Large Ocean Management Areas (LOMAs). Coastal Zone Management programs are currently developing on both the Pacific and Atlantic coasts. The goal of Integrated Management (IM) is to ensure that development occurs in a sustainable manner while creating opportunities for wealth generation through protecting critical marine environments and promoting sustainability of coastal and marine ecosystems.²⁶In this case, Integrated Management is termed a decision-making process that relies on bringing together diverse stakeholders and information to determine how ocean and coastal resources and areas should be managed. This type of management draws upon the collective views, experience, and knowledge of the participants to solve problems that may extend beyond their traditional roles and responsibilities. As well, it integrates social, economic, technical, and scientific information to help resource management agencies like the DFO and DFA make informed decisions. The intention of Integrated Management is to help balance coastal and ocean uses in a manner that maximizes protection, maintains conservation efforts, and rehabilitates marine ecosystems and their resources while providing opportunities for social, cultural, and economic benefits. As the process develops, the function of IM is to evolve to providing advice on the development of the management plan. Once mandated by federal

²⁶ 2002 DFO Annual Report. Retrieved from: <http://www.dfo-mpo.gc.ca/reports-rapports-eng> (February 2009)

authorities, the IM Committee may shift to an overseer function as the plan is implemented, monitoring is initiated, and the plan's effectiveness evaluated.²⁷

Support has been provided to five integrated coastal management areas in Newfoundland and Labrador including the Northern Peninsula, the Coast of Bays, Bay St. George, Placentia Bay, and the Bay of Islands. In addition to these Coastal Management Areas (CMAs), Placentia Bay and the Grand Banks is one of five Large Ocean Management Areas (LOMAs) in Canadian waters. Additional details of two CMAs are provided below. These regional initiatives have brought together representation from key stakeholders including industry, Regional Economic Development Boards, non-governmental organizations, and Aboriginal groups with assistance from DFO and DFA.

3.2.2 Role of Regional Economic Development Boards in Integrated Management

One of the biggest challenges faced by REDBs in coastal regions is how to facilitate new businesses and economic activities that strengthen traditional industry sectors while promoting new economic growth. In the past, these regions were faced with decreasing stocks, environmental destruction, and lack of resource planning with no mechanism to facilitate change and resolve conflict between users. With the introduction of the Oceans Strategy, REDBs were provided with a framework for addressing ocean-related issues dealing with conservation and sustainable development before they reach a conflict stage. In their capacity as regional facilitators of change, REDBs were identified as an ideal governance body to lead the process

²⁷ 2002 DFO Annual Report. Retrieved from: <http://www.dfo-mpo.gc.ca/reports-rapports-eng> (February 2009)

locally. Below are two examples of REDBs involvement in local integrated management, via the Oceans Strategy.

Coast of Bays (Zone 13) and the Coast of Bays Coastal Planning Committee

The Coast of Bays is located on the south-central coast of the insular portion of the province. Covering an area of approximately 11,292 sq km, the total coast line in the region is 1,365 km. There are 22 communities throughout the region with a total population of 1877 people.²⁸ Today, this region is considered the finfish aquaculture centre of Newfoundland. Other activities in the area include fish processing, hydroelectric production, forestry, agriculture, and recreation and tourism.

The coastal planning initiative within this region has been under development for the past several years with support from DFO and DFA. Since its inception, the Coastal Planning Committee has comprised ten individuals, several ex-officio members representing various regional stakeholder groups such as fisheries (FFAW fishers and processors), aquaculture, tourism (Coast of Bays Arts and Exploration Centre), recreational boaters and cabin owners, harbour authorities, municipalities, Aboriginal (Conne River Band Council) and other levels of government, and the Coast of Bays Corporation. There are currently preliminary projects which have been ongoing in the region to catalogue the biological and physical characteristics of the coastal area, develop communication initiatives to inform community, and build support for the coastal planning initiative.

Great Northern Peninsula ICZM Steering Committee

The Coastal Planning Initiative of the Great Northern Peninsula has been supported for the past seven years by the RED Ochre Regional Board Inc. (Zone 7), with the Nordic Economic

²⁸ Population information retrieved from: <http://www.communityaccounts.ca/communityaccounts/onlinedata/getdata> (February 2009)

Development Corporation (Zone 6) and in partnership with DFO. The Great Northern Peninsula constitutes the largest, most distinctive geographical region on the island of Newfoundland. It stretches 363 km and covers approximately 17,500 km². Zone 7 encompasses the southern half of the peninsula from Trout River north to St. Barbe, a distance by highway of approximately 33 km, and Zone 6 stretches across the top of the Peninsula from Anchor Point north to St. Anthony and east to Englee. The total land area of Zone 6 is 6,221 km. Both Regional Economic Development Boards have a strong history of working together. In 2006, both boards partnered in leading the Great Northern Peninsula Fisheries Task Force which proposed 44 recommendations. They continue to hold annual forums with key stakeholders to determine the status of the recommendations.

The Integrated Coastal Zone Management (ICZM) Steering Committee has initiated a consultant's study on the public relations and communications planning for the process. Pilot projects (St. John's Bay and Cow Head) began in 2006, and the final integrated three-year work plan is currently being finalized. Plan initiatives have been incorporated into the Zone 6 Strategic Economic Plan (SEP) (Annual Report, March 2008) and Zone 7 SEP (RED Ochre, SEP 2008). Both Boards indicate they will be working closely with the ICZM Steering Committee and other coastal stakeholders to finalize the three-year work plan and continue to identify proponents to assist in the implementation of the plan.

Collaboration is the governance model proposed in the Ocean's Strategy for the integrated management framework of coastal planning. The overall objective is to create governance mechanisms that foster greater involvement of the people most affected by decisions. The Regional Economic Development Boards outlined above have successfully led the creation of local management committees primarily due to the flexibility outlined in the IM framework. This flexibility allowed the REDBs to lead a process based on local interests and issues. This

was evident in the feedback during the February 2007 planning session of the GNP ICZM Steering Committee. The process was viewed as a way to “better address issues/needs of stakeholders, bring government agencies and stakeholders together on issues and interests as they arise as well as having mechanisms in place to reach out to all stakeholders...”²⁹ It is interesting to note that neither of the above-mentioned Integrated Management Plans (IMPs) has been released by DFO; however, at the time of their creation, the REDBs were in the process of facilitating the creation of their three-year SEPs. All three of the Boards noted in this paper have incorporated activities and initiatives of the IMPs in their SEPs. While a climate of cooperation has been initiated within the region, one can only hope that the federal authorities fully support the IMPs and follow through with endorsing these initiatives. History has shown, however, that government has had difficulty separating politics from stakeholder engagement when making policy decisions.

3.3 Challenges in Current Governance

The evolution of the Newfoundland fishing industry and its resource challenges impact the way in which the fishery is governed. It seems that lessons of the past failures have not been learned (Schrank, 2004), so history repeats itself again and again. Political and social pressures have led to a continuation of short-term accommodations that have interfered with long-term rational management of fish resources. The fishing industry has been traditionally used to take pressure off regional unemployment problems that politicians have not been able or willing to resolve by more rational means (Copes, 1982). The Newfoundland fishing industry evolved to allow and encourage people to remain in the fishery despite the turbulence and instability of EI and industry subsidies. Power remained in the hands of a few; there was little success

²⁹ ICZM Steering Committee Planning Session, GNP February 2007. Retrieved from: www.coastalplanninggnp.ca/minutes/planningsession_feb14_2007 (February 2009)

diversifying the rural economy, with only pockets of economic diversification and limited community involvement in the fishery.

Although relatively strong governance mechanisms exist within government, industry (processors and union), and community, the structure does not operate effectively. The current environment does not enable players such as, government, non-government organizations, and private operators, to develop effective long-term plans, collaborate on initiatives, and gain trust. This situation makes the industry vulnerable to conflict and renders decisions that are more political than necessary. Just what role government should play in the fishing industry is a question underlying much of the debate around industry restructuring and, indeed, fish policy in general. However, given the current environment and the evolution of the industry, the government believes it has no option but to make difficult decisions for the industry and ultimately rural regions of the province, rather than leading a process of inclusion and collaboration.

In most cases, government, industry, and the union operate separately from communities and regional groups. There is no shared vision of the industry. Provincial government officials focus on the current and constant issues facing rural regions such as changing demographics and the recruitment and retention of the population and workforce. Even as government leads the Fishing Industry Renewal Process with intentions of improving marketing and production of quality products, traditional objectives in the form of employment and subsidies a process that is supported and influenced by the Fish, Food and Allied Workers Union. On the other hand, fish-plant owners subscribe to a private enterprise philosophy, but critics charge that private enterprise has been responsible for the crisis in the fishing industry, which necessitated government intervention. Such diverse and complex agendas make inter group cooperation difficult. Meanwhile, the federal government supports development through initiatives such as

ICZM with a focus on long-term sustainability and conservation of the resource, but with little effective engagement with communities and regional groups regarding current fisheries policy and management.

With the financial support from both the provincial and the federal government, the 20 Regional Economic Development Boards develop long-term strategic economic plans. A few REDBs try to tackle fisheries issues at a local level, with limited success, because regional partnerships involving municipalities and business have minimal credibility in the fishing industry arena. In many regards, communication and consultation with rural regions and communities is considered merely a necessary evil by government, industry, and union. Engagement is limited and never leads to a collaborative decision-making process.

Two key issues prevent current governance mechanisms from working are the current and future demographics of rural regions, as well as the politically fragile fishing industry. Both are preventing a true integrated approach to planning for the fisheries future. These two issues are further discussed in the following sections.

3.3.1 Provincial Demographics

Newfoundland and Labrador's future demographics are real concerns for government and the fishing industry. While the 2008 provincial population shows an increase from 2006 census figures, it is predicted that in 2021, the provincial population will dip below half a million at 481,000.³⁰ Out-migration has also been a significant factor in the changing demographics, but the rate has slowed in recent years. Newfoundland and Labrador are challenged with the lowest fertility rates in the country as well as a rapidly aging population (faster than the Canadian average). There are fears of a massive exodus over the next decade of current industry and

³⁰ Population projections, NL Statistics Agency. Retrieved from: <http://www.economics.gov.nl.ca/POP-default> (February 2009)

government workers from within the fishing industry. There are concerns that the province may be faced with significant issues in the area of employment in regional settings (Survey 2009). These concerns impact the way in which government and industry plan for the future. There are many outstanding questions: Will there be a workforce available in rural regions for the future industry? What kind of work will be available? Will the workforce have the skills for this work? These questions are difficult to answer and challenge how regional groups, government and industry respond and plan.

As a result of these demographic trends, a strong population base has shifted from rural to urban regions. Areas throughout the province which were heavily dependent on the ground fishery to support local economies have been disproportionately impacted by the population decline of the past two decades. Northern Peninsula, Northeast Coast, the South Coast, and areas of the Avalon Peninsula outside of the St. John's Census Metropolitan Area have experienced the largest population losses.³¹ Although the population decline has levelled off, a significant shift to the urban centres of St. John's area has resulted in higher population in urban areas. Therefore, some regions will continue to record significant population decline while others will experience population growth.

3.3.2 Politically Fragile Fishing Industry

Beyond the demographic trends, some believe the greatest threat to the fishing industry is the processing industry itself. The fluctuations in the resource and global markets are challenges but not as threatening as the current environment within the processing industry. The historical significance of the fisheries has carried over into contemporary political importance—where the pressures of unemployment are the greatest thus allowing policy to be relaxed—and the

³¹ Population Projections, NL Statistics Agency. Retrieved from: <http://www.economics.gov.nl.ca/POP-byage-CMA.asp> (February 2009)

traditional reasons for the fishery remain as the main objective of fisheries policy and development, especially rural employment (Copes, 1982). In the 1970s, the future of the fishery seemed bright, but instead, the industry was allowed to grow, virtually uncontrollably. These historical ideologies have not changed—the current top-down management of the fishery continues to be influenced by political pressure and lobbying, resulting in ineffective decisions.

The development model never intended to incorporate both the frozen fish and salt fish, inshore and offshore, into the long-term development of Newfoundland's fishing industry. The inshore fishery is often portrayed as the "social fishery"—too bound to tradition, too highly overcapitalized, and too inefficient to operate profitably. The narrow focus on the expansion of the frozen fish industry alienated the salt fish industry from the development plan while it had been embraced by other countries with major fisheries such as Iceland, Norway, Sweden, and Denmark. These countries have implemented a variety of technologies for processing and harvesting as well as methods of financing. These countries also had commitment from their governments, trade, and fisheries (Wright, 2001) to embrace their fishing industries and not to use them as tools to leverage votes or jobs. These regions invested in and protected their capacity to ensure the fishery was supported, yet were realistic about its capabilities.

Newfoundland communities have never had a voice in fisheries development, and as they struggle to become sustainable in the new realities of the current economy, they want a stronger say in what is happening in the fishing industry rather than being held at arm's length and diverted away from fisheries conversations. Jentoft (2000) states that viable fish stocks require viable fisheries communities; however, they are frequently ignored or seen as a "drag" on fisheries management rather than as a critical source of contribution. Newfoundland has never had a movement such as Quebec's social movement nor a mechanism for shared decision-making as in Denmark (see Section 4). The fishery continues to be managed under the same

national policies and legislation as the rest of Canadian fisheries with structures that encourage elements of participation yet do not provide an adequate mechanism for either local communities or NGOs, such as regional development groups having direct input into sharing ideas in policy development.

The Newfoundland fishery was built on the philosophy that private capital, technology and the state would build the modern fishery, which would result in creating a healthy economy. Consequently, though with the help of the state, the economy developed a dependence on the state, requiring it to be continually supported during hard times (Wright, 1997). Additionally, the same players have been influencing the fishery for the past 50 years with little engagement of the people closest to the fishery—the harvesters except through their union or their political representatives.

Solutions are not easily to come by. Some fisheries representatives, interviewed for this research paper, express concern that the industry is fundamentally unsound, that it is structured irrationally and is chronically dysfunctional. Members within the fish processing industry are fierce competitors for the product and are, at times, at odds on public policy. Some recommend a restructuring of the industry and suggest that creating a new profile would be beneficial. Interview respondents place blame for industry dysfunction not only on processors, but also on government policy and on harvesters for the politically charged nature of the sector.

All industry players seem to have a desire to improve the industry and its governance mechanisms. Yet there seems to be no agreement on how to achieve this. Industry players continue to use political power, especially in Newfoundland, to get what they want. This power is exercised through a political brokerage system which is more effective in exerting leverage on the subsidy and social security systems and the surges of power spending just prior to elections rather than on positive fishery policy formation (Macdonald, 1979).

Some of the respondents to the survey also stated that the industry has a misguided objective, initially developed to employ as many people as possible and supposedly to save rural Newfoundland. These objectives carried through into government policy even though it conflicts efficiently driven modernization policies from the onset and has later conflicted with the processing industry ideology of making money in the most cost-effective way possible. There is a perception that the entire fishing industry is “too political and linked tightly with the Union” (Survey 2009). Industry variables that most influence government are “EI impacts, the open line and how the Union and fishermen apply pressure” (Survey 2009). It is also believed that producers are often at odds with the way forward.

The structure of the industry is very political, and members are limited in their ability to address it. Industry problems have a politically intractable nature, so any input about ‘what is right or good’ has limited impact because the real considerations are: What will the impact be on access to EI benefits? What will happen to rural NL? What is the Union saying? Where are the fishermen on the issue? What is open line³² saying about it? For this reason, the working relationship between the players is often carried out in the media. Current communication from government, union, and processors often does not reflect a positive image, illustrating their unwillingness to work with one another. The Minister of DFA spoke publicly through the media about the challenges of resolving pricing negotiations. "Our Government is very disappointed that harvesters and processors have not been able to agree on a price for shrimp," said Minister Hedderson. "The two groups have been very far apart. The market intelligence available to my department demonstrated that there is a reasonable price for both groups between the two positions and our Government does not see it as appropriate to get involved in settling industry price disputes. I call on the industry to get back to the bargaining table and resolve this

³² Open line: Callers to radio shows such as VOXM and CBC Newfoundland

dispute for the sake of all the people who are depending on the fishery throughout the province."³³ Although a memorandum of understanding was ultimately reached, this type of public relations campaign is common and speaks of the fundamental competition in the industry.

3.3.3 Underestimating the Value of Local Governance

Challenges such as demographic changes, rural/urban shift, and a politically fragile industry impact the way in which the industry is governed. These challenges prevent a clear vision for the future of the fishing industry, primarily due to the lack of collaboration and trust among the industry participants. Without a long-term vision for the fishery, both levels of government, industry, and union will continue to prevent the current governance structure from working and creating a more engaged approach to the issues among all the participants. The provincial and federal governments do not currently have a united long-term vision for the fishery that includes input from the regional level. The federal government encourages regional groups to collaborate in individual coastal zone management plans, but the provincial government feels that regional development initiatives should support development outside fisheries.

In 1986, the Royal Commission on Employment and Unemployment described the Provincial Department of Fisheries as reluctant to allow provincially owned plants to convert to locally owned cooperatives. Although this department had a major role in rural development, the cooperative movement could not succeed due to weak relations with the Rural Development Branch. Other authors have commented on the difficulty experienced in seeking provincial support for cooperative, community-based fisheries initiatives (Snowadzsky, 2005). In 2000, a senior Provincial Fisheries official described community economic development (CED) as “a

³³ News Release, June 30, 2009 DFA. Retrieved from:
<http://www.releases.gov.nl.ca/releases/2009/fishaq/0630n07.htm> (July 2009)

fad,” adding, “It’s hard to admit that something won’t work, that it isn’t feasible. You have to have strong private sector involvement,” suggesting a reluctance to get involved in or support the REDB process (Vodden, 2009). On the other hand, REDBS were redirected away from incorporating fisheries initiatives in planning as government representatives believed that the fisheries was insignificant to a regions future. In 2002, upon the author’s entry into regional development, when a senior manager within INTRD was asked why REDBs are not involved in fisheries development, the response was that there is not a fishery left in rural Newfoundland and Labrador, “so why would the REDBs be encouraged to get involved?”(Personal account).

On the federal side, with the exception of coastal management, the DFO does not have discussions with regional groups directly. Instead, the DFO relies on its relationship with the FFAW Union. There is very little contact between DFO officials and municipalities, processing sector, or regional development officials. The Department of Fisheries and Oceans currently contacts industry and provincial organizations through the FIR process via their partnership with Department of Fisheries and Aquaculture.

Interviews with government, industry, and regional representatives conducted for this paper reveal a variance in the value of collaboration and interaction among partners. Collaboration among members of their various organizations is “important” for the federal and provincial governments and the REDBs; however, the processing industry identifies collaboration as “somewhat important” (Survey 2009). This is probably due to the competitive nature of the industry, the acknowledged lack of cooperation, and the atmosphere of mistrust.

When responding to a question about the importance of interaction among communities and organizations, government representatives indicated that it was “not relevant,” industry representatives responded by saying it was “somewhat important,” and REDBs representatives stated that it was “very important” (Survey 2009). These responses indicate that people closest to

rural issues related to the fishery understand the importance of interaction among groups at the local level, while industry and government representatives may not understand the importance of such interaction or see the potential benefits.

Regional Economic Development Boards are optimistic that they are the vehicle for change (REDB SEPs, Survey 2009, and personal account). In many interviews, it was stated that a rural voice is absent in the industry, a voice which might help diffuse issues and help overcome challenges. They see that the regionalization approach is working within their regions and would like a clearer voice up the line to decision-makers, especially on fisheries development.

Although the Union chose not to participate in the interviews, government, industry, and regional representatives consider the FFAW a key stakeholder in many of the policy decisions and the renewal process. The FFAW has very close ties with the provincial government and industry associations. Nonetheless, representatives of the industry speak of conflicts at all levels. While more government involvement in fish marketing is generally opposed by producers, it is supported by the Union. Increasing numbers of fishermen and plant workers have banded together, facilitated by the FFAW, to protect their interests in dealing with fish companies and governments.

There are signs that communication is beginning to open with rural regions. DFA has begun to include provincial and regional organizations in its discussions through presentations and meetings (Survey 2009). For example, during the recent Fishing Industry Renewal Process, DFA began to build a relationship with Municipalities Newfoundland and Labrador (MNL) and NLREDA to gain a broader perspective on rural issues; this recent process discovered that MNL is valued as a stakeholder because of their “regionalization approach.” Interaction between groups does take place, but there is little evidence of an engaged ongoing process and DFA is only now beginning to discuss regional concepts for future policy development in the fishery.

The public has begun to realize that a more integrated and participatory approach to decision-making, as opposed to a strictly top-down approach to fisheries management has a greater chance of success, particularly as it pertains to conservation. Under a strictly top-down approach, resource users have little say in the policies governing their activities. On the other hand, there is a trend toward urbanization of the fishery and concentration of decision-making in Ottawa, St. John's, and, to a lesser extent, a few regional centres. As a result, they are unwilling to accept responsibility for the outcomes of fisheries management decisions and often neglect to supply the data required by resource managers to ensure the sustainable use of fisheries resources.

3.3.4 More Examples of Success from the Bottom-up

Despite the challenges in the governance of the fishing industry, there are examples of successes at the local level. Local governance is strong and beginning to show a more collaborative approach to industry development regionally and provincially. There are strong interactions among regional groups and collaboration at the local level and industry is beginning to see the benefits of creating these relationships.³⁴

A unique example of bottom-up participation in the fishery is the Northern Peninsula Fisheries Task Force. Through the Task Force, Zones 6 and 7 were involved in the creation of 44 recommendations focused on economic development and the fishing industry. Of the recommendations, 13 have been acted upon by government. "This process has allowed us to provide valuable input into policy review and which policies are evolving and developing" stated one local representative, and "...additionally the Integrated Coastal Zone Management (ICZM) is

³⁴ The Strategic Economic Plans of REDBS show that they are working directly with industry in order to strengthen business opportunities. This is particularly true for Zone 13 and Zone 16 and their relationship with the Aquaculture industry associations and businesses.

enabling our region to have input into the research and development of the future fishing industry. As well the ICZM is a process that is building stakeholder involvement and cooperation around coastal and environmental challenges and issues” (Survey 2009).

Representatives from Zones 13 and 16 on the south coast of the island do not harbour similar views. This region has been facilitating discussions between harvesters and government representatives for years; however, these discussions have been viewed as “ineffective”—set up to listen to the concerns but yielding little evidence they “hear what we are saying” (Survey 2009).

From a development perspective, the aquaculture industry is a different situation. In the mid 2000s, Zone 16 hired an aquaculture development specialist. Information and research collected was made available to industry, allowing development to happen faster and enable aquaculture companies to establish business within the region. This advanced research enabled the aquaculture industry to develop effectively and cooperatively with the region and government. In return, the aquaculture industry supports the efforts of engagement at the local level.

The context for these current fisheries governance issues and questions has been shaped by past structures, processes, and decisions with very little input from municipalities and REDBs. From the beginning of the industry’s development, it was evident there was little interest in the views of communities. Historically, it was thought that governments were caught in a web of their own making. Closing the fishery would leave serious social and economic problems (Blake, 2000), but without government assistance, the industry might have reformed itself and forced uneconomic units out and/or maintained a focus on a smaller-scale, lower-cost inshore fishing model (Thompson, 2006).

Provincial and federal governments are struggling to identify the best approach to rationalizing the industry. Should this be done through competitiveness, or should there be movements to encourage more rationalization? Should the change come from the industry, communities, or government? Due to a lack of appreciation for the regional governance and its ability to gain consensus through engaged process, government is led to believe the driver of regional development is something other than the fishery, such as eco-tourism or public services. Without an overall plan for provincial rural development, it is difficult for citizens, government, or industry to understand where the fishery fits in.

Looking to the future, the governance process shows signs of movement toward more of a co-management approach; however, movement is slow and not widely embraced by industry players. Alternatives such as those from two current regional (multi-community) fisheries models from Quebec and Faroe Islands of Denmark reveal governance models for the fishery in this province. Although collaboration at the local/community/regional/provincial/federal governance levels have been slow to take in Newfoundland and Labrador these examples show a history of collaboration and cooperative structure built into their society, which allows bottom-up participation in its decision-making processes. This feature has not been formalized in Newfoundland's governance structures, but with encouragement could be enhanced.

Section 4

Examples From Other Jurisdictions

While examining the current state of the Newfoundland fishing industry and its governance, it is worthwhile exploring other jurisdictions which may provide insight into ways to improve the current governance system. There seems to be a continual struggle to engage all participants and create a common understanding of the future of the Newfoundland fishing industry. Newfoundland's fishing industry participants seem to underestimate the value of input from other stakeholders, primarily regional groups who represent communities, business, and industry at the local level. With very few ways to incorporate information-sharing within the Newfoundland model, there may be lessons to be learned from other jurisdictions which might enable Newfoundland to build upon the governance structures already in existence. This section explores two alternative models and lessons for the Newfoundland fishing industry and its governance practices.

Two regions, Quebec and the Faroe Islands, have been chosen to provide insight into alternative governance structures. Quebec is another region under Canadian legislation for fisheries, although identified as a distinct society within Canada. The province maintains a small but successful fishery off the coast of the St. Lawrence River. English research on Quebec's fishing industry is limited; however, indicates the provincial government operates in a culture of consultation that provides local groups and communities with the ability to share in the decision-making process. The Faroe Islands were also chosen for their unique regional independence in its case from the governing nation of Denmark. The Faroe Islands have been provided the authority

to negotiate their own fisheries agreements with the European Union (EU). Although new industries such as oil exploration are on the horizon, the fishing industry remains a main priority of the Faroe Islands by ensuring operational independence and adaptability.

4.1 Quebec

As one of the largest provinces in Canada, Quebec has succeeded in diversifying its economy through natural resources and manufacturing, yet its coastal rural regions remain dependent upon the fishing industry. In 2009, Quebec's gross domestic product (GDP) was \$300 billion, representing 20% of Canada's economy; however, its fishing industry represents a very small fraction of its overall economy.³⁵ The fishing industry in Quebec falls under the same federal legislation as other fishing jurisdictions throughout Canada. What makes Quebec unique across most fishing jurisdictions on the east coast is the evolution of its political systems where local governance is much stronger, creating a culture which favours negotiation and consultation. This culture results in a fishing industry closely linked to the regional needs without processing overcapacity and dependence on government subsidies.

The Quebec fishery evolved in a similar fashion to those in the rest of the eastern provinces. The migratory fishery persevered through interference by French and British disputes over territory, creating a merchant-dominated industry. In the mid 1900s, the Quebec fishery transformed with the advancement of technology and emerging domestic and US markets. Even today, similarities exist as Quebec's dependence on groundfish gave way to a reliance on crustaceans as it did in Newfoundland and Labrador. As with all rural Canadian regions, rural Quebec has suffered changes in demographics trends in coastal regions such as declining population, high unemployment rate, seasonal employment, restricted fishing of groundfish, and

³⁵Economic and Financial Profile of Quebec 2009. Retrieved from: <http://www.finances.gouv.qc.ca/documents/Autes/en/AUTEN> (November 2009)

large fluctuations in processing jobs. Quebec's coastal regions suffered considerable demographic changes similar to those of Newfoundland's coastal regions. Quebec's coastal regions lost between 6% and 14% of its population.³⁶

Governance structures within Quebec consist of the National Assembly, the Executive Council, and municipal institutions. The two types of municipal organizations in Quebec—local municipalities and regional county municipalities (RCMs)—are primarily used to engage in land use planning and development and act as service cooperatives among municipalities within their territorial jurisdiction. Local regions are also supported by the Community Futures Development Corporations (CFDC) and Rural Economic Development Associations (REDA) since the 1980s.

Through these governance structures, Quebec has fostered a tradition of regularly bringing together decision-makers from multiple levels to discuss issues of mutual concern and establish plans of action. Since the mid-1960s, at the local community level, organizations have evolved from conflict to collaboration with the state. As a result of this informal governance process, a social economy emerged in Quebec in the mid-nineteenth century, although it did not have a significant presence until the beginning of the 20th century. The social economy movement has fostered a strong, local, decentralized decision-making process between the state and community. The state tends to turn to the social economy in its commitment to reduce the deficit, to create jobs, and to put into place social and economic policies. The unions expect to be invited to the table, as do community groups and movements. Any movement against this is met with resistance on all fronts (Mandell, 2003).

³⁶ 2004 Socio-Economic Profile. Retrieved from: <http://www.dsp-psd.pwgsc.gc.ca/Collection/Fs121-5-2004E.pdf> (November 2009)

Although little research is available in English print concerning the relationship between regional governance and the fishery it appears that the social economy movement within Quebec society lays the foundation for an engagement with the local community level. No longer considered an experiment, the social economy is integrated into the way Quebec operates. In a recent study of marine clusters, Doloreux and Melancon (2008) state that Quebec's social cohesion and social capacity to plan the future are linked to the generalization of a new form of local governance where the three distinct sectors private, public, and civil society, work together more closely to achieve a desirable future for the community. As such, the concept of governance is a powerful one for understanding how a local community may have the freedom to act and influence its future, including its future in the fishery, without being overly impacted by external factors.

4.2 Faroe Islands - Denmark

Situated halfway between Scotland and Iceland in the Northeast Atlantic, the Faroe Islands are an archipelago of approximately 18 islands with a land mass of 1400 sq km and a coastal area of 274,000 sq km. First settled by Norsemen 1200 years ago, the current population of the Faroe Islands is less than 50,000 individuals and maintains a relatively independent fishing industry. The Faroe Islands are part of Denmark but have chosen not to be part of Denmark's membership in the European Union. The Faroe Islands intends to seek membership status independently so as to negotiate its fisheries outside of the realm of Denmark.

The Faroese national budget for 2007 was to \$4.0 billion Danish Krone (DKK).³⁷ Its economy is overwhelmingly dependent upon fisheries. Fishing, fish farming, and fish processing account for a quarter of the gross factor income. Fish account for 94% of exports from the Faroe Islands. Other industries are, to a great extent, suppliers to the fishing industry, and the remaining industries are, like the public sector, highly dependent on proceeds derived from the fishing industry.³⁸ With few options for diversity, the islands are heavily reliant on fishery and agriculture, but with new oil exploration, the future of the economy is encouraging.

The Faroe Islands have had home rule, under Danish authority, since 1948. As a self-governing territory under the sovereignty of Denmark, the Faroe Islands legislate and govern a wide range of areas including the conservation and management of living marine resources within the 200-mile fisheries zone, and its own trade matters. For many years, the Faroe Islands have been active in international cooperation on fisheries conservation and management, both through reciprocal bilateral fisheries agreements with neighbouring countries and as a coastal state in multilateral arrangements for the management of shared fish stocks in the Northeast Atlantic (Ministry of Fisheries and Maritime Affairs, Faroe Islands, 2007). The Faroe Government, with the approval of the Foreign Affairs Committee of the Faroese Parliament, is seeking associated membership in the UN Food and Agriculture Organization. As a result, the Faroe Islands will be able to negotiate their own trade and fisheries agreements with the EU and other countries, in consultation and cooperation with the Danish Foreign ministry, and participate in a range of regional fisheries management bodies.

³⁷ As of Monday, January 1, 2007 the 4,000,000,000 Danish Krone = 825,682,228 Canadian Dollar. Retrieved from: <http://www.greenwichmeantime.com/time-zone/europe/european-union/denmark/currency-converter.htm> (November 2009)

³⁸ Faroe Islands, Danish Export (n.d) Retrieved from: <http://www.danishexporters.dk/scripts/danishexporters/regionsFaroe.asp?landekode=GB> (November 2009)

As in other Scandinavian countries, the political decision-making process incorporates concepts of shared decision-making, such as the negotiated economy and the Scandinavian model. Political decision-making in Denmark is characterized as a negotiated economy: although the system is centralized, stakeholders have a strong voice as they are integrated into the decision-making process via consultative boards that provide advice to the relevant Minister (Christensen et al 2007). Despite its small population, the islands have 34 municipalities, although only six of the 34 municipalities have a population of more than 1,500. The fishing industry and other major trades are primarily located in the larger towns. Large and small municipalities have their own representative organizations.³⁹ Fishermen and ship owners are represented in the Faroe Islands by their own organizations. The Faroese Fishermen's Association (FF) works to improve the collective agreement with shipowners (via the Shipowners Association) and, more recently, represents the harvester's interests to the public authorities. The associations have succeeded in securing a guaranteed income for harvesters originally supplemented by public funds, but such subsidies no longer exist in the industry.⁴⁰

The golden days of foreign fishing took place before the expansion of the fishing boundaries during the 1950s and 1960s. After the 1960s, restrictions on distant fisheries came into effect with the introduction of the fishing zone of 200 miles in the North Atlantic in 1977. Changes in the Faroe fishery resulted in the sharp increase of processing plants and trawlers due to an increase in subsidies to the Faroe industry. Instead of assisting in the development of the industry, the subsidies "twisted the market forces in unfortunate ways." In 1992, the subsidies were replaced by a capital subsidy and, in 1998, removed altogether. Now the fishing industry relies very little on subsidies although some indirect measures have been introduced instead.

³⁹Municipalities, Politics, Faroe Islands. Retrieved from:
<http://www.danishexporters.dk/scripts/danishexporters/politicsFaroe.asp?landekode=GB> (November 2009)

⁴⁰ History, Faroe Islands. Retrieved from www.fishin.fo/get.asp?gid=f48E3BC93-BB7C-4606-BDE4-F18F2D94014D (November 2009)

Buy-out programs removed approximately 30% of the Faroese ship owners. The evolution of the industry has resulted in the majority of today's fishing taking place in the waters surrounding the Faroe Islands, but with a large distant fleet fishing in Canadian waters and the Barents Sea.⁴¹

It is difficult to compare Newfoundland and Labrador's current fishing industry with those of other jurisdictions such as the Faroe Islands mainly due to the evolution of fishery and federal jurisdiction. Since the Newfoundland and Labrador fishery is primarily managed by the federal government, challenges are perceived as federal issues rather than provincial. Thus fisheries policy is created in the context of wider international relations between other countries and Canada. In the case of the Faroe Islands, the challenge of economic diversification was limited, so the fishing industry was shaped to become self-sufficient, building on an economic model. From the beginning, it was evident that the Faroe Islands had few natural resources on which to rely, other than fishery and agriculture. Therefore, the industry focused on becoming self-reliant and maintaining a processing framework which required all locally landed fish to be processed on the islands. The larger centres specialized in the fresh frozen industry while the rural regions maintained an industry of salt fish. The manufacturing industry has remained committed to supplying the needs of the fishing industry. The unions negotiate fair and useful long-term agreements. The Faroe Islands have truly embraced their fishery and have worked toward adapting to growing and changing markets, resulting in a proactive industry. As an independent member of the EU, they have the ability to negotiate their own contracts and have grown stronger and more inclusive than have Newfoundland and Labrador.

In the case of both Quebec and the Faroe Islands of Denmark, their fishing industries were built on a history of collaboration from all industry participants, including input from

⁴¹ History, Faroe Islands. Retrieved from: <http://www.fishin.fo/get.asp?gid=f48E3BC93-BB7C-4606-BDE4-F18F2D94014D> (November 2009)

communities and regional organizations. By exploring these two examples it is evident that for collaboration to take place in Newfoundland it would have to be artificially facilitated. Even though it was not a natural evolution of the fisheries governance structure, it doesn't mean that it shouldn't be fostered.

Section 5

Conclusion

Since the collapse of the cod fishery, the social and economic change in Newfoundland and Labrador rural communities has been dramatic. Some communities struggle to survive while attempting to embrace long-term planning via the ICZM process (Zones 6 and 7). Other communities have faced a difficult transition and succeed in diversifying locally the fishing industry (Zones 13 and 16). Today's fishery is more thus more diversified than it was before the cod moratorium. It is worth much more than it was 20 years ago. Yet, it employs fewer individuals, albeit with higher incomes per capita. The employment is also more regionalized than in former days when small but vibrant fishing communities dotted the shore lines of the Province like pearls on a string. Traditionally, industry and communities have worked toward different goals. However, more recently there are signs that groups increasingly strive to create common goals and work collaboratively toward common goals. Nonetheless, at present, the provincial fishing industry and communities lack a united vision.

Historically, Newfoundland and Labrador has not had a long-term fisheries strategy, and there appears to have been little support for the emergence of local/community governance structures. The early formal governance structures which eventually evolved supported the fish merchants, and served to keep peace and justice among the settlers. The geography of the

coastline kept communities isolated from each other, impacting the way in which local organizations evolved. As a result, there was little coordination or support for rural regions beyond offering government services while governments struggled to diversify the island's economy and manage its single industry: the fishery. Even the regional structures that are beginning to take shape struggle for legitimacy. But without any traditions, the new participants from regional organizations continue to suffer a lack of credibility and support from within the provincial government and non-government organizations. What support exists comes instead from municipal government and certain industry associations.

The provincial population base is shrinking in rural regions and growing in urban centres. Faced with an aging population and low birth rate, many rural communities are experiencing the regionalization of services such as healthcare and education. With these changes comes an urbanized focus in policy making, leaving rural regions vulnerable and needing to find newer ways for industries to become sustainable. Regional Economic Development Boards are partnering with municipalities to ensure industry opportunities are not lost and that a service base continues to exist. The modernized economy of the province is offering new opportunities in urban centres, and federal and provincial governments remain supportive of diversification projects in industries outside the fishery. Yet the fishery continues to be the economic driver of many rural regions throughout the province despite the perception that it is an insignificant and unimportant industry to the future of the province.

New activities and industries have also sprung up along the coastline such as aquaculture, eco-tourism, recreation, and the oil and gas industry. These industries compete for shore and ocean space that was historically restricted to the traditional fishery and way of life. As a result, the province's coastal resources are being challenged by ever increasing and competing demands. If development continues without integrated planning, shared stewardship, and

environmental consciousness, traditional resource users and communities may lose access to resources and face mounting conflicts over what remains. New approaches to planning and development are needed to protect the current as well as future well-being of coastal resources and communities.

The provincial economy and society face considerable challenges that must be clarified and addressed if rural communities are to survive. Unpopular decisions must be made in the interest of sustainability. Such decisions are better taken in a collaborative and inclusive decision making environment, than by, government alone in a traditional fashion. Newfoundland and Labrador already has governance structures in place but these structures are not being utilized. Government, industry, and unions need to join forces with rural agencies to find innovative solutions to pressing problems that can otherwise hold back progress. Overcoming a long tradition of top-down decision-making and establishing a strong connection with rural agencies would reveal a willingness for change at the local level, and a willingness to share responsibility in the decision-making process. Both federal and provincial governments have the stereotypical perception that communities will fight against regional approaches to development. Yet regionalization is currently taking place in rural areas (Zones 6 and 7). Others may fail to recognize the extent to which they are in fact exerting influence when working with industries (Zones 13 and 16) such as aquaculture for example.

There is no one strategy applicable to all jurisdictions and all fisheries, but the solution resides within a governance structure that encourages as much shared responsibility and decision-making as possible. Fisheries management is complex, and simple solutions to management problems are therefore not readily available. Management involves biological, social, and human factors; economic considerations; budget constraints and agency cooperation; legal requirements and regulatory flexibility; and politics and public perspectives (Shchegoleva,

2006). Given this complexity, it stands to reason that a larger vision is needed as a framework for regional and fisheries sector development. In the absence of a provincial development plan—one which would outline the vision for economic development, including fisheries—all key players in the fishing industry will continue to operate in isolation from each other. Although they may achieve their own narrow operational objectives, there is no collective advancement of the industry. Therefore, the same concerns remain because those involved are not dealing with the overarching issues, and decisions are being made by the same groups and individuals who have been influencing the industry for the past three decades. Without a clearer perspective from the regions about their needs, it is difficult to truly assess and understand the impacts of these programs.

Despite the fact that the REDBs continue to seek the financial resources needed to implement their five-year strategic economic plans (SEPs) and to garner recognition at the local and government levels, REDBs offer local collaboration and research of a region that government and industry do not have direct access to. Unfortunately, REDBs still lack the recognition and support by a wider rural development plan. Although there may be collaboration at the regional level and commitment to the individual SEPs, there is no way to ensure that the SEPs are incorporated into provincial policy development. In fact, in recent years, support for regional development seems to be faltering.

In summary, a stronger economic base focusing on local resource management and industry investment is needed, coupled with policy decisions that are less partisan and more focused on broader strategic social and economic plans which incorporate critical conservation considerations. To accomplish this, avenues must be created to allow the fishing industry to become less top-down and to encourage more integrated planning with all involved, recognizing

local collaboration and integration did not evolve naturally for Newfoundland and Labrador as in the case of Quebec and Faroe Islands.

The following recommendations provide a framework from which collaboration can begin. However, this framework will not be successful unless industry participants accept that current governance practices are not working. Since the type of collaboration advocated in this report does not come naturally within the Newfoundland and Labrador fishing industry, this process will need to be nurtured and facilitated if it is to translate into a new and better way of doing business.

RECOMMENDATIONS:

1. Federal and Provincial Governments should develop formal avenues for engagement with regions throughout the province with a goal to encourage shared decision-making for the future of the fishing industry. This can be accomplished by developing a framework for engagement in collaboration of all industry players.
2. Government and industry together should be encouraged to develop partnerships with Regional Economic Development Boards through a formalized structure such as regional fisheries commission. Regional commissions would be mandated to develop a vision for the fishing industry based on regional strengths and opportunities. Regional fisheries plans would be created by the regional commissions and used to build a provincial plan.

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**Regional Governance and the NL Fishing Industry
Final Paper -Survey
Masters of Marine Studies (Fisheries Resource Management)**

The purpose of this survey is to assist in the analysis and review of the current formal governance structure of the NL fishing industry, its current state and its regional dimension. This survey/interview will be used to collect information from key players in fisheries governance organizations regarding their key governance characteristics and challenges. Governance characteristics to be examined include: mandate/mission, membership and spatial/regional dimensions, communication and collaboration, governance structure and processes, labour market and regional sustainability outcomes.

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For more information on the Masters of Marine Studies (Fisheries Resource Management with the Marine Institute can be found on the following website: http://www.mun.ca/sgs/prog_study/marine.php

SECTION 1: GENERAL INFORMATION

1. Name of group/organization _____
2. Name of respondent (optional) _____
3. Position of respondent (i.e. director, chairperson, etc.) _____

SECTION 2: HISTORY/MANDATE/MISSION/FUNCTION

4. What year was your organization formed? _____

5. What was the initial motivation behind the creation of your organization?

6. Briefly describe the mandate/mission of your organization below (50 words or less).

7. Has the mandate/mission of your organization changed in the past 5-10 years?
Yes_____ No_____

8. If yes to Q7 above, briefly describe how the mandate/mission has changed.

9. What functions, activities or services does your organization perform or provide?

SECTION 3: REGIONAL NATURE OF ORGANIZATION

10. Define the geographic region(s) covered by your department or organization. Are there sub-regions?

11. How was or who determined the region covered by your department or organization?

12. Why was this size/scope of region chosen for your organization (i.e. what factors were considered)?

13. What interests (stakeholders) were involved in the initial development of your organization (i.e. municipalities, community representatives, concerned citizens etc.)?

14. What individuals or groups would you consider as stakeholders in your organization today (i.e. partner organizations, general public or particular groups)?

SECTION 4: COMMUNICATION AND COLLABORATION

15. Please describe any mechanisms or processes that your organization or its representatives use to provide information on your goals and activities to its stakeholders (.i.e. annual general meeting, newsletters etc.).

Stakeholder Group	Communication Process

16. Please describe any mechanisms or processes that your organization or its representatives use to gather input on your goal and activities from its stakeholders (.i.e. annual general meeting, community meetings, website etc.).

Stakeholder Group	Communication Process

22. If yes to Q34, has this overlap led to conflict between groups and organizations within your region?

Yes____ No____

SECTION 5: ORGANIZATIONAL STRUCTURE

23. Describe the legal status of your organization (i.e. incorporated, formed under legislation)?

If your organization is incorporated or operating under legislative authority, please answer the following questions. If your organization is not incorporated or operating under legislative authority, please proceed to Question 41.

24. What year did incorporation or the granting of legislative authority take place (if different from the year your organization was initially formed)? _____

25. Why was your organization formalized through incorporation or the granting of legislative authority?

26. *If you were formed under regulatory or legislative authority, under what Act do you operate)*

27. Does your organization have a board of directors/trustees or management committee?

Yes____ No____

28. If yes to Q41, how many directors/trustees/members are there on your board or management committee? _____

29. What organizations/interests are formally represented on your board or management committee?

30. How do you identify people to sit on your board or management committee?

31. Does your organization have internal committees?

Yes____ No____

32. If yes to Q45, please list the names of your internal committees and number of members each committee has:

<u>Name of Committee</u>	<u># of members</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

33. Does your organization maintain a formal membership?

Yes____ No____

34. If yes to Q47, how many members does it have? _____

35. In relation to decision-making, do you utilize a consensus approach to decision-making or are there formal motions or votes on issues before the group?

Consensus____ Formal Motions/Votes____ Other____

SECTION 6: LABOUR MARKET DEVELOPMENT/REGIONAL SUSTAINABILITY

36. Does your organization have a mandate to address labour market development issues?

Yes____ No____

37. Has your organization undertaken activities to support labour market development or to address labour market issues within your region?

Yes____ No____

38. If yes to Q51, please describe some of your activities below.

39. Has the regional nature of your organization enabled you to address labour market development issues more effectively?

Yes____ No____

40. If yes to Q64, please describe why you think this is so.

SECTION 7: ACHIEVEMENTS/CHALLENGES

41. What do you feel are the greatest challenges facing your organization today?

42. What are some of the lessons you have learned in relation to regional governance, working as a “region” and operating a regional organization?

43. What are your feelings on your ability to provide input into the current fisheries governance?

44. Do you have any additional comments to make in relation to your organization and the regional interests it represents?

THANK YOU!