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ITQ's: It's the 'T' stupid

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Mark Gibbs CSIRO Marine and Atmospheric Research, Cleveland QLD



ITQ's are fashionable again

Fisheries issues have exposed fisheries management to a wider stakeholder group.

Conservation biologists advocating economic policy instruments

Feeling that management overly complicated

Do all parties understand the full implications of ITQ approaches (are we selectively identifying the benefits we wish to achieve)?



Ecology and economics- Mark's perspective

Ecological perspective:

= Anthropocentric - EG&S, or deep ecological perspective based on existence values

Economic perspective:

= Focus on the allocation of *scarce* resources (non-market EG&S presently excluded from market allocations).
Ultimately aimed at increasing social wellbeing through the increase in per-capita material wealth

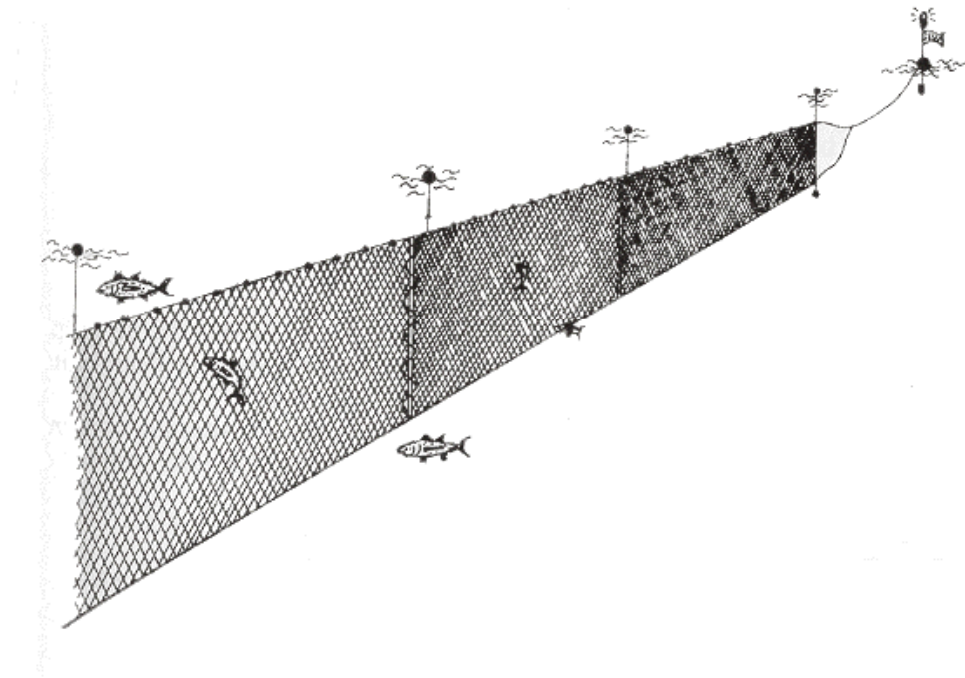
Political science (fisheries management?) perspective:

= Balancing national social welfare with sector welfare.

Fishers perspective: returns and livelihood, individual and sector

Perspectives on ITQ's

- Individual
- Transferrable
- Quota



Consider the 'Q'

- 'Q' of great importance from ecological perspective (perception that years of input controls have been unable to cap effort), MPA's not a panacea
- 'Q' represents a constraint from a hard sustainability economic perspective
- **Cost** : 'Q' only applies to target species, so either need to incorporate associated and dependent species/ habitats etc into TAC or set up another policy instrument to deal with them.

Consider the 'Q'

- The science challenge- how to incorporate associated and dependent species, habitats etc (including feedbacks) into a TAC
- Good application of ecosystem models
- However need to develop standards of acceptance.....
- Standards of acceptable change themselves change with changing social values.... Need to understand tradeoffs....

Consider the 'I'

- Individualism the basis of post-modern societies

“there are no communities anymore, only individuals”

Margret Thatcher

- Proxy for co-management- perception that management costs will decrease
- **Cost:** Fishers need to become businessmen.

Consider the 'I'

A sound and sustainable fishery can only be achieved if fishermen are given individual fishing rights and the possibility to adapt those rights to their changing needs. They must be able to exchange quotas between vessels.

Management by ITQ (Individual Transferable Quotas) has attracted broad interest this year. I am convinced, that transferable fishing rights is a “sine qua non” for fishing fleets to adapt to available fishing possibilities. A transferable system will improve economics in the fleets, and it will be an important first condition in our endeavours to reduce pressure on fish stocks.

Minister of Fisheries, Denmark

Consider the 'T'

- The 'T' is fundamental to economics, underpins economic efficiency, underpins wealth creation.
- One of the key attributes of a strong property right (duration, exclusivity, transferability and transformability)
- **Cost:** Coupled with transferability leads to aggregation of quota, decoupling of rights owners from fishers.

Summary : what is the problem?

- 1) Lack of clarity over full implications of strong property rights regimes- many are advocating an instrument for the wrong reasons
- 2) In ecology/conservation ecology we tend to focus on the benefits of the 'Q'-**need to be aware of the costs of the 'I' and the 'T'**
- 3) From political science/economics perspective we tend to focus on the 'I' and especially the 'T' – **need to be aware of the limitations of a single 'Q'**
- 4) Horses for courses- we all need to be very clear on matching the tool to the problem.....
- 5) ITQ's are not a necessary or sufficient condition for EBFM



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Thank You

Contact: Mark Gibbs
CSIRO Marine and Atmospheric Research
Phone: 07 3826 7373
Email: Mark.Gibbs@csiro.au

