

**Barbara Neis: Response to Alastair O'Reilly -- Rural Revitalization for Who, by Who? Public Forum, May 27, 2005.**

1. I generally agree with Alastair O'Reilly that the future of many of our fishery dependent coastal communities and indeed some regions is in serious jeopardy and that the fishing industry is facing serious challenges. These conclusions are supported by findings from our Coasts Under Stress research. I'm glad to participate in a forum that highlights the serious issues confronting these communities and seeks to bridge the serious disconnect that exists between the lived reality of the people dependent on the fishery, others in their communities and, more particularly, the people and decision-makers living in St. John's and in Ottawa.

**However, I think the proposal for "growth centres" as presented by Alastair is at best inadequate in terms of achieving the goal of rural revitalization and at worst will jeopardize the future of many rural communities. Furthermore, his presentation masks some likely and extremely significant negative social, economic and health-related impacts this strategy is likely to trigger. The proposal also overstates the potential for growth centres to achieve the benefits of economic diversification and employment expansion outside of fishing and processing that he promises.**

For the remainder of my ten minutes, I would like to justify these criticisms and begin discussing an alternative approach to rural revitalization.

1. Alastair has not indicated the number of plants and related "growth centres" he sees emerging out of this rationalization model but – the figures I've heard bantered around are 12? 15?. The principle here is transferable plant quotas: fewer plants, fewer jobs relative to the number of workers will tend to drive down wages, not drive them up. The number of plants is down by about 50% since the early 1990s' and despite this consolidation, real wages are also down for plant workers.
2. Fewer plants will not guarantee better wages for those who survive if we don't do a better job of preserving our fish resources and if consolidation enhances corporate power relative to workers (more people competing for their jobs, monopoly control over the industry, etc) Similarly there is no simple equation between larger workplaces and safer workplaces: where are employers going to invest? What will make them invest in safety? In wages, in their communities versus in buying up plants in other parts of the province, buying up quota, etc.?
3. In some cases, people might be able to commute to the growth centres but commute to what? How many new jobs in processing are likely to be created in these centres? Probably far fewer than already exist so are we talking about displacing 1/2 of the current processing labour force? 2/3rds?
4. Many people will not be in a position to commute due to distance, isolation (Black Tickle), cost of commuting: some might be able to move to find work in

- the larger plants (if it exists) but they will have to pay for accommodations, board, etc. so in what sense will they be better off?
5. Those who commute or move into growth centres from outside will be lower on seniority lists. They will have the added cost of commuting, plus increased work uncertainty.
  6. Communities that lose their plants will lose a key portion of their tax base – how will they survive? Who will care for the elderly in these communities? This is a real issue now that is not addressed by this proposal.
  7. What will the displaced processing workers do? What are people doing now? Some are migrating to fish processing plants, to pick apples and to other seasonal jobs in other parts of Atlantic Canada where wages are lower. They have to pay transportation costs to get there, living expenses, take their children out of school before the end of the year, etc. This outmigration is having quite profound negative effects on their communities. Is this where those who don't get work in the growth centres will end up?
  8. The growth centre approach implies but does not talk about elimination of much of the inshore fishery – with increased power for processors relative to harvesters, fewer landing sites, what happens to inshore harvesters? How will their elimination affect rural communities? Household incomes? Young people?

One of the things that bothers me most about this proposal is that it is another example of a centralized management approach: we (in St. John's) know best what you need in rural communities. Lots of people think the crisis in the fishery is the result of too much democracy. I don't. The lessons of history are clear: centralized management failed in cod fisheries and in others; rural communities have paid the price – young people haven't just left fishing communities because they are seeking movie theatres and box stores. They have been encouraged to leave, pushed out by their parents often at great cost to themselves and unable to return because of the lack of employment alternatives in the areas where they grew up.

No one strategy for addressing the ongoing crisis in Newfoundland's fishery dependent regions is going to "solve the problem". Narrowly focused strategies and one size fits all strategies, like a transferable plant quota strategy and a growth centre formula, are actually quite dangerous because they could cause a huge amount of social and economic pain without solving the deeper problems confronting these regions. The effects of this type of strategy are also very difficult to reverse. We need solutions that are experimental and reversible – if we see the effects are not what we wanted to achieve. Transferable plant quota programs like Enterprise Allocation and ITQ programs have been shown to have very significant unanticipated social and ecological consequences. They are also very difficult to reverse: as we have seen with Harbour Breton, once the fish are given away, even though such quotas are supposedly a privilege and not a property right, governments are very reticent to take them back. What would it cost for the government to buy back the quota that Harbour Breton wants? How many years worth of quota would we (the taxpayers) be expected to reimburse them for? Ten years? Twenty years? How much will we have

to pay for a quota that the companies didn't pay for in the beginning – that was gift from the Canadian people?

### **An alternative Marshall plan for rural revitalization**

Rural revitalization strategies need to be led by rural communities; governments need to facilitate their efforts by giving them the resources/supports they need to work with including ongoing access to the fish and other resources in marine ecosystems and coastal areas.

I agree that the fishery has to be central to proposals for achieving rural revitalization – we have heard during our Coasts Under Stress research that tourism will never replace the fishery – the industry is more seasonal than the inshore fishery, just as vulnerable or more so to international market shifts and provides primarily low wage work. Bus tour tourism requires that we construct huge hotels that sit empty much of the year.

I agree that we are confronting demographic challenges as well as market challenges in fisheries but we are, I think, still a long way from a real labour shortage. And, the market challenges are not, I don't think, as strong as suggested by Alastair – China is a competitor but it is also a rapidly expanding market for seafood in a world where global demand already exceeds supplies. Long term markets are likely to be strong: the short term issues are who owns the resources, who has access to them, and are we willing to invest in finding effective ways to steward our marine resources and coastal ecosystems, as well as in achieving long term recovery of our marine ecosystems and the communities that depend upon them?

I also think joint management and improved coordination between the federal and provincial government would be a good idea but would add the notion of community-based co-management to this model.

I think there are fiscal issues confronting the provincial government in particular, but I also think the primary responsibility of government in a democracy is to seek to equitably promote the health and welfare of all of its people, communities and environments now and for future generations. In addition, I think failure to do this has huge social, health and environmental costs associated with it.

I know of no evidence that would suggest that the fiscal challenges facing the province are the product of overinvestment in rural areas. Those who make such claims need to produce the evidence to support them and they need to track not only the dollars going into rural and urban areas but where those dollars end up: i.e. money that goes into rural communities generally flows back to urban areas as their children go to school, as they come in to purchase goods, etc.

The original Marshall plan was about investment and about transformation of a war-based economy into a peace-time economy. In a sense, that is what needs to happen in our rural communities.

The management and industrial structures we have now have favoured destruction of our natural resources, destruction of our communities and of our social and natural capital in fishery-dependent regions. It has contributed to the dissipation of the wealth from our resources into such unnecessary expenditures as high gas consumption by poor vessel design and resource degradation triggered by poor management. Transfer of fisheries wealth out of these communities and regions has also contributed to poverty and to economic dependence on social programs.

An alternative Marshall plan would help us invest in the development and implementation of an effective plan to promote recovery of our groundfish, shellfish and pelagic resources. This plan would include community-based science, integrated coastal zone management, habitat identification and protection, identification and protection of juvenile and spawning areas, elimination or substantial control of practices that are habitat damaging and damaging to species such as much bottom trawling. It would take the lessons from such pilot projects as the Lobster Conservation Initiative in Eastport and provide the resources to help design and implement similar projects throughout the province, adapting them for the place and the situation. It would help us to look at the potential for enhancement of wild fisheries and for ways to combine wild fisheries with aquaculture development. It would look for ways to support more cooperative development and more mechanisms to ensure reinvestment of wealth in rural areas.

An alternative Marshall plan would call for preservation and support of the inshore fishery, elimination of trust agreements, preservation of the fleet separation policy and implementation of a policy framework that promotes equitable intergenerational transfer of fishing enterprises within regions. It would also entail investment in protecting and enhancing our resources and environments, our wharves and other elements of critical rural infrastructure. It would include more not less investment in DFO science and related investment in the development of a network of community-based scientists who could work with fish harvesters and others to develop an integrated, community-based co-management system based on spatial management and, where appropriate, community quotas. It would include strict enforcement of the fleet separation policy and buyouts of some of the larger vessels (i.e. the factory freezer shrimp trawl licenses that could be transferred to communities for use in economic diversification). It would include an early retirement program for older plantworkers and fish harvesters including particularly those with significant work-related disabilities like occupational asthma and cumulative trauma disorders. It would include some plant consolidation, economic diversification strategies linking working in the fishery to tourism, eco-tourism, etc, and investment in training and adult education programs for older and younger people interested in living in fishery communities. Such programs might include training and apprenticeship programs in the trades designed to help fish harvesters and plantworkers become certified within

the fishery and within the trades and the elimination of professionalization barriers to occupational pluralism. Such initiatives would help reduce the huge shortfall in skilled tradespeople in the region and in the country as a whole essential to rural revitalization, while providing supplementary income possibilities for seasonal fish harvesters. Multi-skilling training opportunities need to be made available to men and women in fish harvesting and in fish processing and we need programs like the Women and Resource Development Committee's Orientation to Trades and Technology Programs to help women see the potential benefits of work in the trades and technology fields.

This alternative Marshall plan would also require investment in and enhanced access to the services they need for prevention, diagnosis, treatment and compensation of occupational health risks, improved intersectoral collaboration so that decisions about fisheries management undergo a health impact assessment to ensure that they don't put the health of fishers and plantworkers at risk.

**Our fisheries have produced between \$8 and 10 billion dollars since the mid-1990s: where has this wealth gone?** To me, the economic and social potential in the rural fishery-dependent areas of Newfoundland and Labrador continue to be huge in the long term. The real issue is development/revitalization **for who** and **how to do it**.

**I've been called a rural romantic – but I think Alastair's proposal suffers from urban romanticism.** Economic growth often creates both poverty and wealth; larger centres have both rich and poor, can be just as degrading of our environment or more so than rural areas. Also, it is one thing to be poor in an urban environment where you don't own your own home, are away from family and friends, and you have to pay for everything including food, recreation, etc. and another thing to be poor in a rural community where you can get some of what you need from the environment, where recreation can be cheap and accessible, where your family and friends are there to help you out, etc.