

# MPA NEWS



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## Financial Support for Fishermen Who Are Affected by Marine Reserves: Examining the Merits

Commercial fishermen sometimes suffer financial losses due to the designation of new no-take marine reserves. Their catches may decline, at least in the short term, while trip costs - affected by having to travel to farther fishing holes - may rise. This prospect can lead to opposition to new reserves from the fishing sector.

To gain commercial fishermen's support for reserves, some politicians have taken a new tack: namely, subsidizing or compensating the fishermen affected by new closures. This method has supporters in the fishing sector, but some conservationists and others view it warily. This month, MPA News describes an assortment of reserve-related financial assistance programs for fishermen, and offers the views of supporters and skeptics.

### Victoria and Tasmania: Australian states pursue assistance schemes

In general, subsidies to support commercial fishermen have existed for some time. In the US, for example, federal fishery managers have often provided research and funds to help fishermen adjust to catching alternative species. In several nations, resource managers have offered boat-buyback programs and job-retraining to fishermen to guide them out of the industry, thereby reducing overcapacity.

But the concept of providing financial compensation to fishermen affected by reserves, in particular, is fairly novel. The compensation programs that have been implemented - or which are under consideration - are not generally geared to help fishermen leave the sector. They are there to help the industry adjust to a new system of closures, and to enable it to continue fishing elsewhere, should that be a viable option. Perhaps most importantly, they are there to secure "buy-in" for reserve plans from fishermen.

The government of the Australian state of Victoria has a plan, now under state parliamentary consideration, to create a system of marine national parks that would set aside 5.5% of Victorian waters as no-take areas (MPA News 3:9). Enshrined in the plan is a compensation scheme for fishermen affected by the new closures: financial assistance would be available to fishery-license holders to cover increased fishing operating costs and reduced catches directly related to the new parks. This assistance would be available for up to three-and-a-half years, depending on the type of fishing license held and the park site. A three-member assessment panel, including at least one person associated with the fishing industry, would determine compensation amounts.

The Victorian government proposed a more limited compensation plan last year, capping the financial assistance at a total of AU \$1.2 million, roughly equivalent to US \$685,000 (MPA News 3:1). Criticism of that plan by opposition members of parliament, backed by fishing interests, led the government to remove the cap from the plan's current version. James O'Brien, an advisor to the state environment ministry, said that even without the limit, however, compensation claims should be minimal. "We don't believe there will be a huge need for compensation payments, as we expect the fishing industry will be able to make the adjustment to the creation of marine national parks," he said. "But in the interests of fairness, if there is an impact on the fishing community, then they will be able to access compensation."

Meanwhile, the Australian state government of Tasmania has released its own state-level strategy for establishing a system of MPAs. Under the Tasmanian proposal, any person who could show that the designation of an MPA resulted directly in a financial loss - and that there was no alternative for recouping the loss elsewhere - could be eligible for an "adjustment payment" from the government (MPA News 3:4). Fishermen would be eligible, but so would be owners of shops, motels, or other services, as long as they could prove they had been affected by an MPA.

Doug Nicol, principal fisheries management officer for the government's environment agency, is careful to point out that the assistance program is not compensation. Rather, he said, it is a subsidy to help individuals adjust to changes, such as by enabling them to move or change their operations. A local fishing tackle shop, for example, could use the money to purchase snorkel gear or a glass-bottomed boat to serve tourists to the MPA.

As in Victoria, Nicol said the Tasmanian plan would not likely be subject to large payouts. "Most fishers operating around Tasmania are very mobile, either on the water or by road," he said. Because of this mobility, it would be difficult for fishermen to demonstrate an inability to recoup losses elsewhere. "It is true that some fishers will lose access to specific sites, but they will maintain their access to the remainder of the open state waters," he said.

### Two compensation programs: one large, one small

What is likely the most expensive compensation program to date is ongoing in the US state of Alaska, in Glacier Bay. The National Park Service, under pressure from conservationists, developed a plan in the late 1990s to phase out most commercial fishing in Glacier Bay National Park, the waters of which had been fished commercially for much of the past century. In response, the US Congress - prompted by an influential Alaskan senator - allotted US \$23 million to compensate fishing-permit holders, crew, processors, and local communities expected to suffer lost income due to the closure.

The deadline for applications was in January 2002. As of May 2002, \$20 million had been assigned, with the remainder being held pending completion of an appeals process. "Every last penny will be paid out of the \$23 million," said Ron Dick, manager of the compensation program for the park.

The \$23 million figure arose from a 1999 economic estimate of the closure's impact. To be eligible for compensation, permit holders, crew, and processors had to demonstrate participation in a Glacier Bay commercial fishing activity during the years 1989-98, with proof of current participation. Eligible communities were judged on their number of resident fishermen and their proximity to Glacier Bay, among other factors. Because of the difficulty of demonstrating actual losses, compensation was to be based primarily on share of past harvests. Each approved recipient of compensation will receive a one-time payment roughly equal to eight times his average annual Glacier Bay earnings during the 1989-98 qualifying period. Notably, recipients may continue to fish elsewhere. (Summaries of the compensation plan and approved payouts are available on the park website at <http://www.nps.gov/glba/learn/preserve/issues/fish/index.htm>.)

On a much smaller scale, fishermen on the Caribbean island of St. Lucia benefitted from a targeted compensation program a few years ago. In 1995, pot and gillnet fishermen around the Soufriere Marine Management Area (SMMA) complained of severe declines in their catches as a result of new no-take zones within the MPA. They could only set their gear in multiple-use areas, where there happened to be little concentrated reef habitat. Pressure from these fishermen grew until the St. Lucian government crafted a plan: a group of 20 pot and gillnet fishers - consisting of individuals judged to be the most dependent on this type of fishing for food and income - would be compensated a sum equivalent to US \$150/month for a year, and part of one reserve would be reopened to pot fishing. In addition, the SMMA management team worked to improve access to loans for fishermen to invest in deepwater fishing, offered training in longline fishing, and performed various other projects to encourage acceptance of the closures.

The result was a success, according to Juliana Samuel, officer in charge for the SMMA. Among other things, the year of compensation allowed time for the fishermen to become knowledgeable of the benefits of the reserves. "The existing marine reserves continue to flourish, and fishers have expressed satisfaction and cooperation," she said. Asked whether the compensation program would now necessitate similar measures for reserves elsewhere on St. Lucia, Samuel said no. "Fishing communities to the east, south, and northeast of the island are closer to migratory routes of valuable ocean species such as dolphin [*mahi mahi*], tuna, and kingfish, and rely less heavily on reef fishes captured using pots," she said.

### For and against compensation

Several commercial fishing organizations have expressed their support for the concept of compensation. In the US, where the Glacier Bay compensation program remains somewhat of an anomaly on the national MPA scene, some fishing organizations have called for similar measures elsewhere in US waters. The US-based Pacific Coast Federation of Fishermen's Associations, in its position statement on

MPAs, states that where significant reductions in catches are an unavoidable consequence, then "funding for the compensation of fishermen in proportion with the reduction of the fishery shall be part of the establishment of the MPA." The Tasmanian Fishing Industry Council (TFIC), in Australia, is also a strong proponent of compensation, and has reportedly indicated its intent to raise the matter as an issue in forthcoming state elections.

But other stakeholders caution that reserve-related compensation may present managers with an array of dilemmas, both managerially and ethically. Patrick O'Leary, former regional coordinator of the Marine and Coastal Community Network in Northern Territory, Australia, said the question of compensation opens a Pandora's box of other questions regarding its fairness to non-fishing groups.

"If fishing-industry activity is shown to be damaging to marine ecosystems and fish stocks, should industry have to pay compensation to other stakeholders - divers, tourists, conservation groups, aboriginal groups, and management agencies?" said O'Leary. "And if the creation of no-take MPAs results in stock recovery and increases the viability of the industry, should industry be asked to contribute to the upkeep of the reserve?"

Some skeptics of compensation worry that once managers begin considering it, fishermen will demand it, engendering situations in which no reserves will be designated without compensation. It remains to be seen how the issue of economic mitigation for reserves - whether through compensation or subsidies - will evolve, and how it will affect the other challenging discussions that are already a part of reserve-planning efforts.

#### **For more information**

James O'Brien, Department of Natural Resources and Environment, 8 Nicholson Street, East Melbourne VIC 3002, Australia. Tel: +61 3 9637 8910; E-mail: james.obrien@nre.vic.gov.au; Web: [www.nre.vic.gov.au](http://www.nre.vic.gov.au).

Doug Nicol, Wild Fisheries Management Branch, Marine Resources Group, Department of Primary Industries, Water and Environment, Level 1, 1 Franklin Wharf, Hobart TAS 7000, Australia. Tel: +61 3 6233 6717; E-mail: Doug.Nicol@dpiwe.tas.gov.au; Web: [www.dpiwe.tas.gov.au](http://www.dpiwe.tas.gov.au).

Ron Dick, Juneau Field Office, Glacier Bay National Park, 2770 Sherwood Lane #1, Juneau, AK 99801, USA. Tel: +1 907 586 7047; E-mail: glba\_comm\_fishing@nps.gov.

Juliana Samuel, Soufriere Marine Management Area, P.O. Box 305, 3 Bay Street, Soufriere, St. Lucia. Tel: +1 758 459 5500; E-mail: smma@candw.lc.

Pacific Coast Federation of Fishermen's Associations, PO Box 29370, San Francisco, CA 94129-0370, USA. Tel: +1 415 561 5080; E-mail: fish1ifr@aol.com; Web: [www.pcffa.org](http://www.pcffa.org).

Tasmanian Fishing Industry Council, PO Box 878, Sandy Bay TAS 7006, Australia. Tel: +61 3 6224 2332; E-mail: tas\_fic@bigpond.com.

Patrick O'Leary, Northern Land Council, PO Box 42921, Casuarina NT 0810, Australia. Tel: +61 8 8920 5100; E-mail: Patrick.O'Leary@nlc.org.au.

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## **BOX: A right to fish?**

In most countries - including those with financial-assistance programs addressed in the adjoining article - commercial fishermen do not possess a legal "right to fish", whether they hold fishing concessions or not. As a result, if resource managers shut down a fishery or close areas, there is no legal requirement for the government to compensate fishermen for lost revenue. Nonetheless, political circumstances have led some politicians to consider ways of easing the potential financial burden of reserves for fishermen.

Margaret Tailby, director of Environment Australia's marine protected areas program, said that although compensation related to Commonwealth reserves is unlikely, the department is looking at other forms of financial assistance attractive to both industry and government. "What we are currently doing is looking at other options for responding to claims by fishers that their ability to earn a living has been compromised or the security of the business environment irrevocably altered by declaration of an MPA," she said.

**For more information:** Margaret Tailby, Marine and Water Division, Environment Australia, GPO Box 787, Canberra ACT 2601, Australia. Tel: +61 2 6274 1430; E-mail: Margaret.Tailby@ea.gov.au.

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