

## What's wrong with LIFO?

**Paul Foley, Charles Mather, Barbara Neis, Memorial University**

We are social scientists who have each spent at least 7 years conducting independent research on northern shrimp, the results of which have appeared in several reports and peer reviewed journal articles (listed at the end of this submission – all are open access). Our focus in this research has been on northern shrimp allocations and their socio-economic impact. We draw on this research, and many years of additional research experience on fisheries issues, to argue that LIFO should be abolished *because it is contrary to Canada's Department of Fisheries and Oceans (DFO) commitments to integrate social considerations and objectives into fisheries management*. LIFO, by definition, does not include social considerations and thus violates not only broader DFO commitments to include social considerations into fisheries management but also the IFMP for Northern shrimp, which includes social principles and considerations.

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This history of allocation decisions and their social impacts has been a focus of our research and is examined in much more detail in our published papers and reports listed below. A key finding of our ongoing research on northern shrimp is that the *allocation* of this important resource was guided by social and economic considerations oriented towards supporting vulnerable coastal communities through established and conventional DFO principles like adjacency. It is the reason why offshore licenses were distributed to interests across Eastern Canadian provinces and territories in the 1970s, and why some of these went to fishing co-operatives with land-based processing capacity. It is the reason why inshore permits/licenses and Special Allocations were distributed beginning in the late 1990s. It is also one of the reasons why Aboriginal groups have gained increasing access in recent decades as the adjacency principle has been incorporated into informal resource claims and formal Land Claims.

The process of *cutting* northern shrimp stocks in the last 5 years has been guided by the LIFO – or last-in-first-out – policy. It means that those who benefited more recently from shrimp allocations – mostly but not exclusively inshore harvesters – stand to lose most as shrimp stocks weaken. In this way, LIFO's approach to reducing quotas and allocations relies only on one variable – time of entry. If you got access to the resource later, you will lose it first. If you got access to the resource earlier, you are likely to be better off...as long as there is someone ahead of you. LIFO is a simple formula that undermines other allocation principles that commit DFO to making hard decisions around how to balance social and ecological concerns. In this way, the application of LIFO deviates from the history of management of this resource. Allocation decisions are always challenging because allocating a fish quota to one person/group means that another person/group will not benefit from access to the resource. They are particularly challenging in contexts like we have with northern shrimp where a resource is in decline.

LIFO stands apart from, and is inconsistent with, DFO's long tradition of allocating and cutting fish resources in Atlantic Canada according to social and economic principles, and broader policy principles. Most fish resource allocations in this region have been guided by some form of social or economic justification, and informed by general policy principles. The same is true when resources are cut – DFO has often had to weigh up the social and economic impacts that withdrawing access to resources will have on different industry participants and incorporate efforts to mitigate these impacts into its policy decisions. The complex mix of strategies introduced in response to the collapse of Atlantic groundfish stocks is a good example of this kind of approach. Despite the enormous challenges associated with this collapse and some controversy, this approach played a key role in helping to both rebuild those stocks and sustain a dynamic and diverse fishery in Newfoundland and Labrador with many strengths. We argue this in more detail in the Moving Forward Policy Paper and booklet referenced below.

The Ministerial Panel is no doubt weighing up presentations that are polarized around an inshore-offshore definition of the fishery. Part of what gets lost here is that the original purpose of offshore licenses and Special Allocations were to support for the development of the small and medium-sized fisheries for shrimp and other species and both have been to varying degrees essential to the survival of many communities in this region. The focus of our publications on northern shrimp has been to emphasize this complexity, which is directly relevant to the debates on shrimp allocation policy. We encourage the Ministerial Panel to recognize the way in which allocations have been shaped by, and contributed to, social concerns and to use it as a basis for moving forward. LIFO is problematic because it ignores these social considerations and does not speak specifically to the best way to achieve regional and economic development and vibrant communities in the region.

In place of LIFO, what is needed is a new and bold approach that integrates social principles of allocation that are contained in the IFMP for northern shrimp and is able to weigh up the competing claims for resources in the short and longer terms in light of a larger goal of producing resilient fisheries and fishing communities into the future. This is an approach that draws on DFO's tradition of engaging with the issues, rather than leaving it up to a policy that has very weak legitimacy within the industry and is out of line with its previous approach and its own stated principles.

### **Relevant reports and papers**

Foley, P. and Mather, C. 2016. Making Space for Community Use Rights: Insights From "Community Economies" in Newfoundland and Labrador, *Society & Natural Resources*, This paper is [open](#) access.

Foley, P., Mather, C. and Neis, B., 2015: Governing enclosure for coastal communities: Social embeddedness in a Canadian shrimp fishery, *Marine Policy*. This paper is **open access** and can be downloaded [here](#).

Mather, C., 2013. From cod to shellfish and back again? The new resource geography and Newfoundland's fish economy, *Applied Geography*, 45, 402-409.

P Foley, C Mather, B Neis, 2013. Fisheries allocation policies and regional development: Successes from the Newfoundland and Labrador shrimp fishery, Leslie Harris Centre of Regional Policy and Development, Memorial University  
<https://www.mun.ca/harriscentre/reports/arf/2011/11-12-ARF-Final-Mather.pdf>

Neis, B., Ommer, R. and Hall, P. 2014. Moving Forward: Building Economically, Socially *and* Ecologically Resilient Fisheries and Coastal Communities, A policy booklet, The Community-University Research for Recovery Alliance, Memorial University,  
<http://www.curra.ca/documents/CURRA-Booklet-FINAL-WebRes.pdf>

Neis, B. and Ommer, R. 2014. Moving Forward: Building Economically, Socially *and* Ecologically Resilient Fisheries and Coastal Communities, A policy paper, The Community-University Research for Recovery Alliance, Memorial University  
[http://www.curra.ca/documents/Revised\\_CURRA%20Policy%20Paper%20April%2016%202014%20to%20the%20printer%20\(1\).pdf](http://www.curra.ca/documents/Revised_CURRA%20Policy%20Paper%20April%2016%202014%20to%20the%20printer%20(1).pdf)