Marine Policy ∎ (∎∎∎∎) ∎∎∎–∎∎∎

Contents lists available at ScienceDirect

Marine Policy

journal homepage: www.elsevier.com/locate/marpol

Neoliberalism and the politics of enclosure in North American small-scale fisheries

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ARTICLE INFO

Keywords:
Neoliberalism
Fisheries policy
Livelihoods
ITQs
Privatization
Enclosure

ABSTRACT

This paper reviews the ways in which policies of enclosure, privatization, and deregulation have unfolded in several regions of North America and examines the consequences they have had for small-scale fisheries in practice. This introductory essay provides a brief overview of the history of neoliberal thought, discusses some of the key ways it has influenced fisheries policies in North America and around the world, and presents a thematic overview of the papers included in this special issue.

1. Introduction

Since the 1980s, the strong emphasis on private property rights, economic efficiency, government cutbacks, and devolution of responsibilities and risks to the private sector that are characteristic of neoliberalism have become increasingly prevalent in both the United States and Canada. These trends are clearly evident in fisheries, where the idea of "too many boats chasing too few fish," has been repeatedly cited as the cause of economic inefficiencies and used as a justification for reducing the number of small-scale fishing enterprises, strengthening property rights, and downloading new responsibilities and risks onto those who remain. The papers in this special issue discuss the ways in which these dynamics have unfolded in different regions of North America and the consequences they have had for small-scale fisheries in practice. Many also explore different strategies that people who depend on small-scale fisheries have employed in their efforts to engage with these policy shifts and develop alternative approaches.

Maritime anthropologists and sociologists have long noted the misfit between many fisheries economists' conceptions of fishermen as disembedded, self-interested rational actors and the ethnographic record of how fishermen and fishermen's organizations actually behave [1–6]. Faith in this construction has often enabled the introduction of individual transferable quotas (ITQs), which are permits allowing the holder to catch or transfer a fixed share of a total allowable catch (TAC). This transforms the permit into a tradable commodity like stock on a stock market, with few or no limits on who can buy or lease it. A growing body of scholarship has focused on the socio-economic impacts of ITQs, as they have been introduced in different areas around the world [7–24]. Some of the most consistent findings concern the role ITQs have played in concentrating ownership, overcapitalizing quotas, blocking the entry of younger fishermen, transferring quota ownership to outsiders and investors, increasing processor control, and hardening class divisions within coastal communities. Class divisions harden because rights to fish are allocated only to the individual license or ITQ holders, with no concern for the effects this has on crew, processing plant workers, or others community residents who depend either directly or indirectly on the fishery. ITQ holders can keep the full value of their quota when they sell or lease it outside the community, province/state, or country and have no legal obligation to compensate crew members or others whose livelihoods are negatively affected as a result of their decisions [25]. Even in cases where ITQs, or a variant called catch shares, have not been introduced, neoliberal thinking has still often been present in justifying the introduction of ocean grabbing in the form of aquaculture, energy development, etc., and in enabling the defunding of management agencies, all of which are discussed below. Many of these developments threaten the survival of small-scale fisheries, which have long been the backbone of coastal communities, and often the only sector that has remained relatively free of corporate control.

This introductory essay proceeds in three sections. The first provides a brief overview of the history of neoliberal thought. The second discusses some of the key ways in which neoliberal thinking has influenced fisheries policies in North America and around the world, most notably through the introduction of individual transferable quotas (ITQs) or catch shares. The third and final section presents a thematic overview of the papers included in the special issue.

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http://dx.doi.org/10.1016/j.marpol.2015.03.025
0308-597X/

Please cite this article as: Pinkerton E, Davis R. Neoliberalism and the politics of enclosure in North American small-scale fisheries. Mar. Policy (2015), http://dx.doi.org/10.1016/j.marpol.2015.03.025

2. The historical roots of neoliberalism

Neoliberalism can be understood as an outgrowth of "classical liberalism", a set of ideas which dominated political and economic thinking in Western Europe and North America during the 19th and early 20th centuries [26–31]. At the core of this tradition is the idea that the best way to ensure widespread prosperity is to unleash "the optimizing efforts of self-interested entrepreneurs efficiently coordinated by self-regulating markets" [32]. This view has been accompanied by a growing effort to remove barriers to capital accumulation by scaling back or eliminating regulations and granting new rights and freedoms to private companies. As early as 1893, corporations were allowed to claim freedoms and protections that had previously been granted only to persons under the US Bill of Rights, and this emphasis on deregulation and economic freedom for private companies continued to grow stronger throughout most of the century that followed [33,34].

While classical liberalism held tremendous sway in most Western democracies in the early years of the 20th century, the tumultuous economic period that followed the First World War began to erode confidence in the power of the free market to deliver the widespread prosperity that had been promised. Market crashes in Europe and North America in the 1920s and 30s respectively were taken as evidence of the failure of classical economic theory to generate effective social and economic policies. In this climate of uncertainty, many governments began to adopt Keynesian approaches, which emphasized the need for stronger state regulation to "steer" the market and enable states to satisfy key political objectives [35,36]. After the Second World War, these ideas led to the emergence of so-called "welfare state" regimes in many industrialized nations, which invested heavily in subsidies to healthcare, education, public housing, and, in some cases, environmental management and/or conservation programs [37–40].

The general prosperity of this era resulted in part from active trade unions, higher wages, and increasing consumerism associated with Fordism.[2] but was also partly facilitated by relatively high rates of taxation for the most affluent classes. The neoliberal approaches which began to emerge in the 1970s and 80s have been understood by many analysts as a direct response to these progressive policies and to working people's increased share of total wealth during the period between 1950 and 1980 [39,41]. Fig. 1 shows the evolution of the share of all US income taken by the richest 10% of the population in the US over time. The income of this 10% was at its lowest between 1950 and 1980, when it fell below 35%, but between the early 1980s and 2000, this number skyrocketed, reaching 50% by 2007. About half of this amount (25% of total wealth) was taken by the richest 1% of the population [42]. Fig. 2 shows a similar progression over time in Canada, but the share of the richest 10% increased less (to a bit over 40%) a decade and a half later than in the US. Similarly, Fig. 3 shows that the average hourly earnings of US production workers, which had been tracking Gross Domestic Product (GDP) 1950–1970, became an increasingly smaller share of GDP after 1970 and this gap between economic productivity and wages continued to expand in subsequent years [41,43]. As Piketty [42] concluded, without higher rates of taxation on the wealthy, "… wealth accumulated in the past grows more rapidly than output and wages.…Once constituted, capital reproduces itself faster than output increases."

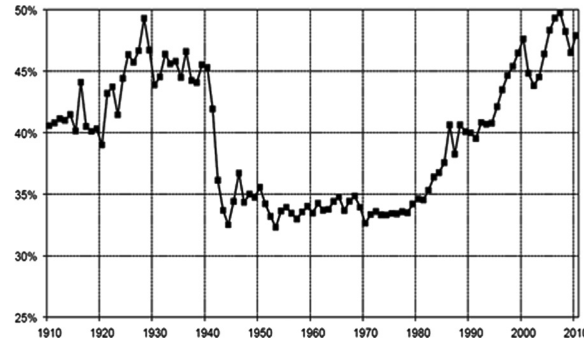

Fig. 1. Percent of US income taken by the richest 10%.
Source: piketty.pse.ens.fr/capital21c

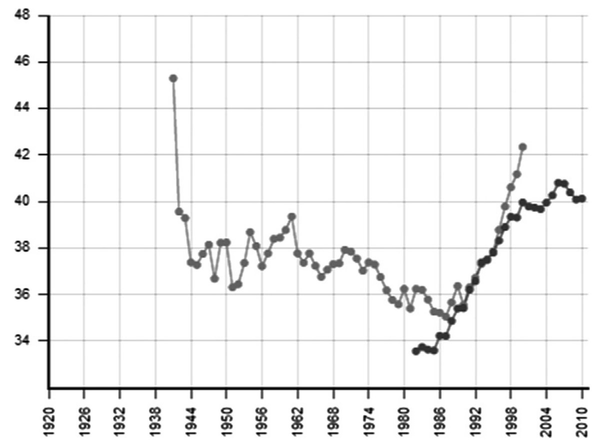

Fig. 2. Percent of Canadian income taken by the richest 10%. The darker line stands for Longitudinal Administrative Databank, which consists of a 20% longitudinal sample of Canadian taxfilers 1982–2012.
Source: http://topincomes.g-mond.parisschoolofeconomics.eu/#Country:Canada.

Although critiques of the post-War expansion of government institutions did not begin to influence policy until the 1970s, their rationale was clearly articulated in the work of Chicago School economists such as Friedman [44] more than a decade earlier. Friedman, inspired primarily by the earlier writings of Austrian-American economist von Hayek [45], argued for the withdrawal of the state from many arenas, claiming that Keynesian interventions invariably lead to inefficiency and stifle individual entrepreneurship [36,38,39].[3] Friedman and other neoliberal thinkers took the view that state intervention in the economy "disturbs the natural tendency for competition, specialization, and trade to generate economic growth" [32]. They argued that social welfare policies were an attack on individual freedom, although this freedom was almost exclusively defined in economic terms. Instead, they advocated for: "an outward-oriented export economy, organized entirely through markets, along with privatization, trade liberalization and the elimination of state budget deficits" [32]. These ideas drew legitimacy from the search for an end to the "stagflation" crisis of the 1970s (caused partly by outsourcing of jobs and

[2] The 1950s and 60s saw the rise of Fordism, attempting to capture efficiencies from mass production, and higher wages for unionized factory workers with the understanding that this would lead directly to increasing consumerism. The Fordist model inevitably influenced thinking about fisheries management as well and justified the push toward fleet rationalization [5], as discussed below.

[3] Stiglitz [124] holds the opposite view, reminding us that corporations, which continue to benefit from government subsidies for research, development, and public education, now shoulder a much smaller tax burden. Rose [125] argued that corporations (indeed the entire economy) relied on state-provided "commons" such as roads, harbors, airports, railways, market standards etc. Under neoliberalism, the corporate share in supporting these commons dropped sharply at the same time that many of them were privatized and handed over to the private sector.

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