

Gunnar Knapp
Professor of Economics
Institute of Social and Economic Research
University of Alaska Anchorage
3211 Providence Drive
Anchorage, Alaska 99508
(907) 786-7717 (telephone)
(907) 786-7739 (fax)
afgpk@uaa.alaska.edu (e-mail)

PRODUCER CO-OPS AND PRODUCER ORGANIZATIONS

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Background

“Fisheries self-governance” refers to formal and informal arrangements under which groups of fish harvesters are creating organizations and writing contracts to govern themselves, with and without formal recognition by government management agencies. These include cooperatives, formal contractual agreements, industry-only management committees, and (in some cases) informal agreements. The Bering Sea pollock co-ops represent the most significant example of fisheries self-governance in the United States. However, there are numerous other cases of fisheries self-governance around the world. The goal of this project is to bring together information about this important trend in fisheries management and disseminate it among industry, fishery managers, and the academic community.

In 2001 I submitted a proposal to PCCRC, together with Professor Ralph Townsend of the University of Maine, for a project on “Producer Cooperatives and Producer Organizations: Case Studies in Private Fisheries Management.” We proposed to convene a workshop of researchers who have studied industry-organized fisheries management (producer coops and similar producer organizations). We requested funding for the project of \$69,901.

Subsequently, in January 2002 PCCRC awarded us \$25,000 for this project, under the condition that the workshop must be held in Alaska and funding for participant travel and other workshop expenses must be raised from other agencies and interested parties. Because of time required to seek additional funding for the project, we requested and received a no-cost time extension for the project from PCCRC.

We received additional funding of approximately \$20,000 from the University of Alaska Anchorage Institute of Social and Economic Research (ISER) for travel costs of conference participants and organizational expenditures.

The Workshop

The workshop was held on June 23 and 24, 2003 at the University of Alaska Anchorage. At the workshop, participants from universities, governments, and industry discussed examples of fisheries self-governance in a number of fisheries around the world, including Bering Sea pollock, Alaska weathervane scallop, Chignik salmon, Oregon whiting, New Zealand orange roughy, New Zealand scallop, New Zealand lobster, Atlantic Canada offshore scallops, British Columbia geoducks, Matjes herring, Oregon Yaquina Bay herring, and Hawaii lobsters.

The workshop was also attended by fishery managers from NMFS, the North Pacific Fishery Management Council, and the Commercial Fisheries Entry Commission, as well as some members of the industry. The timing of the workshop in June, which was not well-suited for industry participation, was necessitated by the academic schedules of many of the participants, which precluded scheduling the workshop at a different time of year.

As planned, the workshop provided an opportunity for detailed discussion of these different examples of fisheries self-governance, as well as a broader discussion of the conditions under which self-management can occur, the advantages and disadvantages of fisheries self-governance, and the potential for further fisheries self-governance in Alaska and the United States. The participants agreed that the quality of the presentations and the discussion was high.

Among the broader conclusions of the discussion were that virtually all forms of fisheries self-governance arose within some kind of limited entry/property rights management program. Self-governance usually involves contracting among the limited set of participants, using traditional contract law. Most cases involved relatively small numbers of fishermen, probably because the transactions costs of negotiating and enforcing contracts increase with the number of participants. The advantage that drives self-governance is that the industry can often negotiate rules more efficiently, can negotiate rules that would be difficult for regulatory agencies to reach (and in some cases, as under the U.S. ITQ moratorium, illegal for agencies), and can enforce rules at lower cost. For example, flexible area closures may be very difficult under regulatory structures with complicated notice-and-hearing procedures, but simple for an industry with a few participants.

Fisheries self-governance structures often include rules that have significant environmental benefits. Some of these environmental benefits arise because the industry benefits directly from the more productive environment, as when harvests of small fish are avoided. In other cases, as in avoiding by-catches or incidental takes, the industry is able to avoid more onerous externally-imposed rules.

The case studies presented at the workshop showed that self-governance can provide a flexible alternative to traditional regulatory structures.

Copies of presentations and other information about the workshop is available at www.iser.uaa.alaska.edu/projects/coops.htm.

Plans for Completing Project

Ralph Townsend of the University of Maine is now editing the workshop papers for future publication as a book.

As an intermediate step, all of the papers will be posted on the workshop website and will also be made available on a CD. A book proposal will be submitted to several publishers by March 31, 2004. The proposal will also be sent to the economics staff at FAO for possible consideration as an FAO technical publication, as an alternative publication outlet.

The process of signing a book contract is expected to take up to a year. In the unlikely event that a publisher cannot be identified, we would work with the University of Alaska Sea Grant office to arrange a bound form of the proceedings.