

Canada's Fisheries Labour Market Programming and Other Measures: The Learning Experience (1992-2003)

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Takeaways

- Gradual re-emphasis from adjustment through passive labour market support/licence retirement to active support/economic development (and less spending)
- Success of active support/economic development challenged by realities of individuals, communities, and governments
- Need for whole-of-government commitment to program planning, communication, investment, implementation, and evaluation
- Passive support programs can still have a role

Adjustment Driven Mainly by Resource Declines

Atlantic (1992-2002)

- Declining groundfish stocks led to closures, starting with northern cod stock in 1992
- Some stocks remained open while others were re-opened in late 1990s at much lower levels
- Government program response: NCARP/AGAP (1992); TAGS (1994); CFAR (1998)

Pacific (1995-2000)

- Declining salmon returns began in 1995, including the key Fraser River sockeye stock
- Industry also hit with record low prices that were seen as permanent
- Government program response: PSRS (1996); PFAR (1998)

Atlantic (2003)

- Remaining cod fisheries were closed
- Government program response was much more limited than before

Atlantic Programs

Program Components	NCARP/AGAP	TAGS*	CFAR*	2003 Closure
Income** Support	484	1 750 (690)	315 (315)	27 (0)
Early Retirement	31	28 (57)	85 (65)	-
Retraining/Counselling	333	n/a (747)	-	-
Economic Development	-	50 (50)	100 (100)	44
Vessel Support	15	12 (n/a)	-	-
Licence Retirement	40	60 (277)	230 (250)	-

* Figures in (brackets) are planned spending, including CAD 80m in program administration not included in actual spending

** In addition to regular Employment Insurance (EI)

Pacific Programs

Program Components	PSRS	PFAR*
Income Support**	-	2***
Retraining/Counselling	30	30
Early Retirement	-	- (20)
Economic Development	-	42
Vessel Support	-	9
Licence Retirement	80	196

* Figures in (brackets) are planned spending

** In addition to regular Employment Insurance (EI)

*** Salmon licence fee remission

Programs in Review

NCARP and AGAP (DFO/HRSDC)

- Expectation of short term closures led to over-reliance on income support, which was not restrictive (based on EI) – went over budget by CAD 59 million
- Few who were eligible chose early/licence retirement and retraining programs had not yielded results
- Heavy criticism of income support and retraining programs (retraining for what?)

TAGS (DFO/HRSDC/ACOA/CEDQ)

- Realization of severity/scope of closures led to programs other than passive/active labour market support (much bigger capacity reduction component and first time economic development introduced), but
 - Government still criticized for not focusing enough on economic development to complement retraining
 - At the same time, some economic development funding not spent because of lack of quality project proposals
- Eligibility for income support more restrictive than NCARP/AGAP, but:
 - Many more individuals still qualified than expected and political pressure for more support
- Government forced to reallocate spending and shorten program by 1 year – still some CAD 300 million over budget

Programs in Review Cont'd

CFAR (DFO/HRSDC/ACOA/CEDQ)

- Income support replaced lost 5th year of TAGS and planned spending had learned from TAGS problems
- Greater emphasis on overall coordination (led by DFO)
- Licence retirement more competitive and communicated as “last chance” –more successful program this time

PSRS (DFO) and PFAR (DFO/HRSDC/WED/INAC)

- Economic development/retraining occurred sooner with PFAR following calls during/after PSRS by fishers/communities for more and better assistance in line with Atlantic
- Federal government originally planned CAD 20m in early retirement under PFAR but provincial government did not want to cost-share, so reallocated

2003 Closure (HRSDC/ACOA/CEDQ)

- Government commitment to not provide further licence retirement and to fiscal restraint: focus now on economic development (aquaculture, tourism, light manufacturing)
- Closure of remaining fisheries announced right before fishing season required temporary income support to provide bridging for EI and economic development programs
- ACOA received some 90 applications for development projects

Overall Challenges for Active Support/Economic Development

- Individuals: limited acceptance of active support
 - Many are older, less well-educated, with non-transferable skills
 - Strong ties to family and community further reduces mobility
 - Belief that opportunities remain/will return in the fishery and doubts about other industries
- Communities: economic diversification out of fishery is difficult
 - Family incomes (genders/generations) already diversified but still tied to the fishery and related income sources (including passive income support)
 - Remoteness, relative lack of physical/human capital, further limits diversification opportunities not linked to the fishery
- Governments: program toolkit is too limited and politicized
 - Typically very narrow window for decision-making/program announcement (e.g., < 6 months)
 - significant program design challenges (e.g. sunk fishing costs immediately prior to season and expectation of enough earnings to collect EI at end of season)
 - role for “smart” passive income support (e.g., bridging, temporary)
 - Perception that DFO’s jurisdiction over marine fisheries implies (at least political) responsibility for economic development
 - difficult to bring other federal departments and provincial governments to the table
 - Active support/economic development programs require significant long-term planning/management, investment, and flexibility to be successful

Thank you