I have no personal or family connections to the fishery; I am what is known in Newfoundland and Labrador as a “townie.” My connection to the fishery came through three years of work with Kevin Carroll at the province’s Fishing Industry Renewal Board. He grew up during the war on a tiny island in Placentia Bay, and became an accomplished fisher, then teacher, union representative, and fisheries consultant.

At the Renewal Board ten years ago it was Kevin’s task to administer the retirement of hundreds of groundfish licenses – of livelihoods – while salvaging to some degree the dignity and self-esteem embedded in those livelihoods over generations of outport life. To this gut-wrenching task Kevin brought a passion for the fishery and a personal knowledge of the industry and its participants that verged on the encyclopaedic. Maybe that’s why he was so good at the Renewal Board. He respected the harvesters, shared that devotion to their grueling but independent way of life, and acted as their advocate, not their coroner.

Kevin died two weeks ago. Hundreds came to pay their respects. When people like him pass on, the rest of us lose an important component of who we are and where we come from. Luckily, Kevin instilled his passion in many of those around him. So another generation in this province strives to be included in the future of the fishery, or shall I say, the fishery of the future. For Newfoundland and Labrador’s fishing industry is far from dead. It is changing – dramatically – in response to a growing, if volatile international market for species that used to be of marginal interest, especially shellfish. This “New Fishery” could serve as an engine of economic renewal for many outports. To make this opportunity come together for rural Newfoundland and Labrador, however, requires not just bottom-up initiative and expertise. It demands coordination at the regional level between municipalities, town councils, companies, investors, and government.

It is my conviction that in the Regional Economic Development Boards (REDBs, pronounced “Red-Bees”) we have a structure that can stickhandle that essential communication, planning, and partnership. Often underrated, the REDBs have for years dispersed what few resources were at their disposal across a broad socio-economic mandate.

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Having recently shed that social mandate, and gained in the province’s municipalities an important ally, the REDBs are now more capable than ever of playing a key role in CED in rural Newfoundland and Labrador.

**Fisheries & Fishers**

The cod fishery laid the foundation of the social and economic structure of Newfoundland and Labrador. In the 1800s cod landings are estimated to have reached 150,000 to 400,000 tonnes annually. It was predominantly an inshore fishery, conducted in small boats and coastal waters on the basis of “common property,” that is, first come, first served. The extent of your catch was limited only by your capacity to find the cod, harvest them, and find a market.

In the 1960s new technology, especially the factory and freezer trawler, allowed fishers to catch fish faster and process and freeze their catch at sea, enabling the fishery to extend offshore.

Landings climbed to nearly two million tonnes in that decade, and then began to fall off dramatically. The landing in 1977 was 500,000 tonnes, and then declined to 230,000-275,000 tonnes during the 1980s. Finally, in 1992, then federal fisheries minister John Crosbie called a moratorium on cod fishing in all areas of the province.

At the time, it was believed that the cod stocks would rebound within two years. But in 15 years, improvement has been marginal despite extensive conservation measures. Many factors may have contributed to the collapse: overfishing, water temperatures, predation by seals, reduced food sources, and the destruction of habitat by deep-sea trawlers. There are numerous theories and little consensus about which is at fault. (There is even uncertainty about how to assess the stocks accurately.) More than likely, a combination of all factors is to blame.

Yet the fact of the matter is that fishing remains a very important industry in Newfoundland and Labrador and the whole Atlantic region. The province’s fisheries employ only three-quarters the number of harvesters and processors they did in the 1990s. That was still 16,300 person-years of employment (7.5% of the provincial total) and 113 processing plants in over 500 communities in 2005, however. While a great many groundfish (that is, cod, haddock, and flatfish) plants closed, others have introduced new technology to process different species. Despite the rising Canadian dollar, the value of fisheries to Newfoundland and Labrador exceeds $1 billion annually, primarily on account of shellfish.

**Community Impact**

Between the collapse of the cod fishery and the growth of the shellfishery, the change in our rural communities has been dramatic.

The province’s population has fallen 11% since 1991, to 509,000. It is also aging. The birth rate is low and the death rate high, as in other parts of Canada, but without the mitigating factor of immigration. Newfoundland and Labrador is very rural compared with most of Canada (53.5% of the population live in small centres, compared with a national average of 20.6%) and it is in the rural areas that the most significant loss of population has occurred.7 Burgeo, on the southwest coast had 2,400 inhabitants in 1991, and now has 1,600. On the east coast, Bonavista has seen its population decline from 4,597 to 4,000 over the same period.

The out-migration is particularly high among people in their child bearing years. As much as 25% of rural young people are estimated to have left the province since 2001. A like proportion is projected to leave by 2011. Fewer younger people are choosing the traditional rural way of life of short-term employment supplemented by EI benefits.

The social infrastructure of rural life is shifting too. Churches share clergy. Small congregations gather in newer, more centralized facilities. Cottage hospitals are being replaced with rural clinics and regional hospitals. As enrollment has declined, so has the number of schools across the province, from 781 in 1971 to 303 in 2004. At this rate, the province may have fewer than 60,000 grade school students by 2010.7

High school graduation rates, by contrast, are climbing steeply (from 63.5% in 1988-89 to 81% in 2002-03), and the vast majority of these graduates are going on to university or to some other form of post-secondary education. Actually, the percentage of the working aged population with a post-secondary education is increasing at a rate above the national average. How unfortunate that many of these well-trained young people may not be staying.

All this has profound implications for the provincial workforce. Certain sectors are already finding it difficult to fill jobs that require skilled trades and higher education. Newfoundland and
Labrador can expect to see even more labour shortages over the next five to ten years as baby boomers reach retirement.

Finally, the number of incorporated municipal governments is diminishing. In 2004, there were three cities in the province (places with a population of 20,000 or higher), 283 smaller municipalities, and 182 local service districts. About 137 communities were without any form of municipal administration, partly due to a shrinking tax base and partly to a lack of candidates for municipal government.

Yet Newfoundland and Labrador is rapidly urbanizing. People and businesses are not just leaving the outports for mainland Canada, but for centres along the Trans-Canada Highway: Clarenville, Gander, Grand Falls-Windsor, Deer Lake, Corner Brook, and Stephenville. The greatest beneficiary of this rural exodus is the Capital Region of St. John's, Mount Pearl, and Paradise. Half the province’s population now lives within a 100-km radius of these municipalities.

Governments have tried desperately to influence the changing fortunes of the hinterland communities. From 1992 to 2001, the federal government introduced funding for retraining programs, job development projects, income adjustment measures, community development, and economic diversification. Within a decade the Government of Canada spent $3.9 billion on income support, industry adjustment measures and economic development assistance programs for the Atlantic region.

This expenditure has not been in vain. Newfoundland and Labrador is beginning to experience growth in tourism, internet technology, and manufacturing, as well as oil and gas. The distribution of wealth, however, is uneven. The seasonal tourism industry and high-speed internet connectivity that are leaking into rural areas only supplement the local economies to a small degree. For renewal to take place and the population drain to be stemmed, the fisheries remain key.

**Constraints to the Fishery**

This importance notwithstanding, the seafood industry of today faces challenges from every end of the spectrum.
It’s a totally different fishery, for one thing, driven by crab and shrimp meat and the high prices they – periodically – command in Asia and the United States. In the five years prior to the moratorium (1987-91), a total of 510,000 metric tonnes were harvested, with a value of $280,000. About a quarter of the volume was shellfish. In 2004 alone, a harvest of 360,000 metric tonnes (84% of it shellfish) had a market value of $630,000.²

The high returns of this fishery do not reflect valued added through processing. Harvesters and buyers are earning more than they did when the groundfishery predominated, but workers in the processing sector are not benefiting from the transition. While a few plants offer year-round employment, in most cases the work is seasonal and ranges from less than 10 weeks to 20-30 weeks annually. In 1990, the income of plant workers was 11% higher on average than harvesters. By 2001, the situation had reversed itself. The average income of plant workers ($19,701) was 21% below that of harvesters ($24,999).³

These are low incomes. Yet the costs of production are rising. Processors have to use expensive technologies to manufacture the products that are in demand internationally. The vessels and gear used in deep-sea harvesting now start at $1 million, a sum that you are likely to borrow from a processing company, not a bank, and only by promising them your catch. It’s a risky investment, especially when the supply of raw material is seasonal (April-October, depending on the species) and its quality so easily affected the type of gear used, handling, and the time it takes to get to market.

As an international export, its value is also at the mercy of a rising Canadian dollar – the exchange rate peaked 27 cents off each dollar of sales 2002-04 – as well as high European tariffs. Then there are the aforementioned labour shortages to consider, and some signs of fatigue in the supply of shellfish.⁴

All in all, it is going to get more and more difficult to make a profit in the shellfishery unless market prices continue to increase – and crab prices fell 34% in 2006.⁵ To address the industry’s evident over-capacity, the Ministry of Fisheries and Aquaculture established a board to handle fish processing licensing applications. Its decisions about license allocation will spell life or death for hundreds of coastal communities.

The shellfishery is and will remain a valuable sector, given very careful management of the resource, harvesting, processing, and marketing. Historically, fragmentation has prevailed, however. Management has been weak and the sector plagued with conflicts of interest between the stakeholders, by inconsistencies in harvesting and processing, and by a lack of co-ordinated support services.

The federal government is primarily responsible for the protection of the fisheries resource through the allocation of harvesting licences; the provincial government is responsible for the processing industry. Governments at both levels have implemented management strategies since the collapse of the groundfishery in the 1990s, but to little effect. Too often, development and investment decisions reflect political interests, not the economic or social interests of the residents of rural Newfoundland and Labrador. Rural communities have been savaged as a result.

We are at a crossroads. I believe the fishing industry, troubled and vulnerable as it is, can and must be the focal point of a rural development strategy that creates permanent, full-time positions for local residents in both harvesting and processing. But that will only happen if we create the means by which to include all stakeholders in a strengthened and co-ordinated process of consultation and planning that can inform such a strategy and implement it at the regional level.

The REDBs

Back in 1996, the provincial government, at the recommendation of Community Matters, the Task Force on Community Economic Development, established 20 REDBs or Zone Boards, as they’re sometimes called. Decentralized and volunteer-based, the REDBs were to be the government’s core mechanism for regional and community economic development. They were to diversify the provincial economy by developing Strategic Economic Plans that integrated and co-ordinated the actions of stakeholders and communities in all 20 economic zones.

In practice, many REDBs have not fulfilled that mandate. The reasons are many.

Firstly, government’s endorsement of the REDBs was nominal only; for years they were chronically under-resourced. A 70/30 cost sharing arrangement between the federal and provincial governments covered administrative costs, including an executive director and administrative assistant. Any other staff had to be covered by project budgets raised from other sources, which in this province is practically synonymous with government programs. Boards consequently spent far too much time chasing money for projects and far too little delivering their results. They were also at the mercy of any change to the mandate of these government programs.
Second, REDBs were assigned to a “playing field” that was already very occupied. After 1965, a significant network of Rural Development Associations grew up across the province. Some of these associations understood the REDBs as successors in the role of rural development; others viewed them as competitors or interlopers. A similar situation prevailed with stakeholders in the fisheries. Since 1971, with the emergence of the Fisherman’s Union, industry and government have found their mastery of the fishery compromised by a powerful and articulate labour movement. Amidst these giants, the REDBs were just “the new kid on the block,” and a threadbare one at that.

Third, a combination of social and economic responsibilities made the REDB mandate far too broad to manage. It listed five core functions:

- Provide leadership in the development and implementation of a strategic plan for the zone.
- Co-ordinate business development support.
- Support organizations and communities within the zone.
- Co-ordinate social and economic initiatives related to economic development.
- Promote public participation and community education.

The third and fifth of these required that REDBs ensure that all sectors of the rural population could take an effective role in the decision-making and development process, and to see to whatever capacity-building was necessary to help citizens become in effect “experts on their own futures.”

Thus, boards were presented with the temptation to be “all things to all people” but without budgets or staff remotely adequate to such a role. REDB involvement in social initiatives was either very high and none at all, depending on the convictions of board members. Some boards chose to persevere in the social mandate and undertook activities relating to health, education, seniors, women, and youth needs; others confined themselves to the economic sphere.

Finally, as the co-ordinators of action, rather than the actors, the REDBs naturally have had a low profile. When things go right, they get little or no credit; when things go wrong, they get a share of the responsibility. This too has served to diminish their
**M-RON**

Mariner Resource Opportunities Network Inc. (M-RON) is the REDB that serves 70 communities and 44,000 residents on Newfoundland’s Bay de Verde Peninsula, just west of St. John’s. Like other boards, M-RON is a nonprofit corporation whose administrative costs are shared 70/30 by the federal and provincial governments. It strives to increase employment opportunities by means of systematic planning, financial leverage, and by connecting the many parties with interests in the region’s development: municipalities, Chambers of Commerce, private investors, labour, educational institutions, and government.

However, when partners cannot be identified, M-RON is prepared to go beyond the role of facilitator, advocate, or researcher, and implement projects valuable to the residents of Zone 17. It is one very busy organization. Here are some of its major undertakings:

- **Fishery:** Nine years of research into the processing of chitin shall finally bear fruit this fall with the completion of a plant in Old Perlican. Abundant in discarded shrimp and crab shell, chitin is the basis for chemicals used in the pharmaceutical industry and many others. Its climbing market value finally offset high production costs, enabling M-RON to find a champion to carry the concept forward.

- **Agriculture:** M-RON is considering the feasibility of a community-owned farm as a succession strategy for retiring Zone 17 farmers, and as a social enterprise to employ the disadvantaged and encourage community gardening. The dehydration and marketing of wild berries is another subject of research.

- **Tourism:** Pitcher’s Pond Golf Course is a public 9-hole course overlooking Trinity Bay. M-RON supplied a co-ordinator to complete a feasibility study, a business plan, and a master plan for the course’s development. Like the chitin plant, it took M-RON years to match a feasible concept for the course with the necessary capital.

- **Youth:** M-RON’s two career coaches assist youth at risk with job search, employment information, résumés, and student loan and other applications in order to smooth their way into the job market or post-secondary studies.

- **Training:** M-RON staff created the Community Capacity Building (CCB) Program to prepare REDBs and other community-based organizations to take action in human resource and/or labour force development. Certified by the College of the North Atlantic, 300 CCB workshops have been delivered across the province since 2001.

It is worth noting that the latter two initiatives do not fall under the narrower REDB mandate of economic development designated in 2005. M-RON’s board and staff consider them essential to the goals of the Corporation and make them happen anyway through government sources in addition to its core funding. “You can’t do economic development in a social vacuum,” declares Executive Director George Parsons. “Rural renewal requires a will to address long-term needs, not just satisfy short-term wants. You must build the social and organizational capacity for increased economic success.”

The REDBs are the ideal facilitators of a common effort to seek regional solutions for the fishing industry & to promote local involvement in the decision-making process.

Photos: (above) The snow crab is one of the main sources of the 16 million tonnes of waste shell generated within Zone 17 annually – a prime opportunity to manufacture chitin. Courtesy of M-RON. (right) A 65-foot boat like the Calvert Challenger, equipped for the shrimp, crab, and fin fisheries, can cost up to $2 million new. Courtesy of the Professional Fish Harvesters Certification Board.
condition of the stocks, but future resource opportunities and how communities and industry could collaborate to seize them.

The aforementioned Nordic has also partnered with another REDB, Red Ochre, on the peninsula’s Fisheries Task Force 2006. Its recommendations, based on consultations with communities, industries, businesses, and scientists, identified management issues at the local level but also called for government to resolve international issues (like the European Union tariffs that impede local investment in shrimp).

(It is ironic that REDBs have not had nearly as much difficulty getting endorsement from “away” as they have at home. National and international research has endorsed the zone process as a good example of regional community co-operation, community capacity-building, and regional strategic planning.)

Turning to the Future

Since 2005, however, things have been looking up. In that year, the Province established a Ministerial Committee to review the regional economic development process and recommend ways to make it more efficient and effective. The major result of this review was to shear the REDBs of their vague social mandate. Their core functions now concern building and facilitating partnerships among the key players in regional economic development:

- Develop and co-ordinate the implementation of a Strategic Economic Plan in each zone supported by an integrated business plan.
- Develop a strong partnership with municipalities in each zone that incorporates the strategies and priorities of municipalities in the economic planning process.
- Develop partnerships in planning and implementation with Chambers of Commerce, industry associations, labour organizations, post secondary institutions, Canadian Business Development Corporations (CBDCs – a network of nonprofit corporations established to offer credit and technical assistance to entrepreneurs), and other zones that advance and support the economic and entrepreneurial environment of a zone.
- Undertake capacity-building and provide support to stakeholders to strengthen the economic environment of the zone.
- Co-ordinate and facilitate linkages with federal, provincial, and municipal government departments and agencies in support of the strategic economic plan.

New to the list of key players are the municipalities. They must have a strong representation in each REDB and Strategic Economic Plans must be consistent with key municipal economic strategies and priorities.

These changes reflect changes in the status of the municipalities themselves. With the 2002 revision to the Municipal Act, they have finally received the authority to get beyond the role of local service providers and actually undertake economic development.

In the past municipalities have often struggled among themselves over scarce resources in the name of survival. Now a spirit of cooperation is emerging, as evidenced by the formation of combined municipal councils and, in areas dotted with very small settlements, local service districts. (The current Fisheries Industry Renewal Initiative elevates the role of municipalities in regional economic development still higher. Municipalities have been included on the steering committee, and the Federation of Municipalities formed a fisheries committee to guide its involvement in the renewal process.)

So it is a powerful ally that the REDBs, for years the orphans in rural economic development, are finding in the municipalities. The Federation of Municipalities and the Newfoundland and Labrador Regional Economic Development Association (the REDB umbrella organization) have now formalized a partnership in order to work together on issues of common concern. It is also working on a Memorandum of Understanding with the provincial association of CBDCs.

Does that leave the REDBs in the clear? By no means. They have a narrower mandate, but the amount of resources available to them has barely increased. Most boards now face a bigger resource crunch than ever. In the words of one Board Chair, Harold Mullowney (Irish Loop, Zone 20), “Much of the capacity the boards have developed is still not sustainable. As we face these resource problems we may have to orphan the entities we spawned and condemn them to an untimely demise.”

Still, after a troubled 10-year history, the REDBs may now be in a better position than ever to fulfill the role for which they were originally intended.

Despite the dramatic changes occurring in its population and resource industries there remains a spirit of generosity and humor in Newfoundland and Labrador. Increasingly, Canada’s “Youngest Province” is becoming recognized as a place with a distinct culture and unique history. A prosperous, viable fishery and rural communities that contribute to and benefit from it are essential to
the province’s future. If you hear something of the passion and determination of Kevin Carroll in those words, you’re right.

But this cannot happen if government alone expects to design and implement fisheries policy that will enhance rural regions dependent on the fisheries. Nor can it happen if no consistent means exists by which the other parties with interests in the fisheries can overcome their bitter rivalry. The communities with the biggest stake in the fishery must have the greatest say in how the industry is run. It is imperative that the future fishing industry be co-ordinated and strategic in order to reflect the uniqueness of each region. The REDBs are the ideal facilitators of a common effort to seek regional solutions for the fishing industry and to promote local involvement in the decision-making process.

References


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