

## State Policy, Livelihood Protection and Gender on Canada's East Coast

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Article abstract

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**Abstract**

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**Résumé**

*Cette étude porte sur l'interaction entre la restructuration environnementale et industrielle dans le secteur des pêches de Terre-Neuve-et-Labrador, et les changements de régime survenus dans trois secteurs de dépenses importants des pêches. L'étude concerne les répercussions pour les sexes de la restructuration interactive dans les secteurs de dépenses sur la capacité des femmes et des hommes des ménages de Terre-Neuve-et-Labrador qui vivent de la pêche de gagner leur vie. Les trois principaux secteurs de dépenses comprennent la politique sur la gestion des pêches, la politique sur l'assurance-emploi et la politique sur la réglementation de la santé au travail et la rémunération des travailleurs. L'étude fait état des ressemblances importantes dans la structure générale et les résultats des changements de régime dans ces trois secteurs de dépenses et indique des façons dont ces changements ont interagi avec le dépérissement des ressources et la restructuration industrielle pour influencer sur la vie et le gagne-pain des personnes tributaires de la pêche.*

## **Introduction**

In coastal areas of the Canadian province of Newfoundland and Labrador, people have traditionally depended on the fisheries and forestry industries, both of which have undergone dramatic economic restructuring in the past 15 years.<sup>1</sup> In this paper we focus on the intersection of changes in three key policy areas with economic restructuring in fisheries and the gendered consequences for the ability of individuals, households and communities to sustain, or move towards, healthy livelihoods. These areas include: 1) Employment Insurance (EI), 2) fisheries management policies, and 3) workers compensation policies.

The restructuring of state policies has been an important component of overall restructuring over the past two decades.<sup>2</sup> Neo-liberal reforms have emphasized privatization, individual responsibility, targeting of programs to the 'right' people, and efficiency. We examine parallel trends and issues in each policy area related to delivery, eligibility and benefits. We focus on the "fit" (or lack thereof) of the policies with the reality of the coastal economy/ecology. Finally, we discuss interactions and contradictions amongst the three policies and their consequences for peoples' struggles to navigate their way through the rules for fisheries management, EI and workers compensation in a context of ecological degradation and industrial change. Impacts on the health and well-being of individuals, families, the fishery, and coastal communities are highlighted and gender issues are addressed throughout.

In doing so, we draw on over 80 key informant interviews, 3 focus groups on EI and over 60 in-depth household interviews conducted in three areas of Newfoundland and Labrador. We draw also on linked Coasts Under Stress research on fishermen's knowledge and science (Murray et al. 2006), and on SafetyNet research on occupational health in fishing and shellfish processing (Howse et al. 2006; Bornstein et al. 2006). The Coasts Under Stress research was carried out between 2001-2004 in the communities of the Labrador Straits, the Hawkes-Bay/Port au Choix area on the Great Northern Peninsula, and in White Bay South. The SafetyNet research was carried out in multiple regions of the province.

The period between 1990 and the present has been one of substantial downsizing and reorganization within the fishing industry, historically the most important sector from an employment perspective. These changes were triggered by the collapse of the groundfish stocks in the early 1990s, and resulting moratoria on groundfish harvesting introduced by the federal government starting in 1992 on the northeast coast and in Labrador, and in 1994, on Newfoundland's west coast. As a result, groundfish fisheries and plants were temporarily closed. Since then, there

has been significant economic recovery in the Newfoundland fishing industry, though this has been primarily fuelled by an expansion in snow crab and shrimp quotas rather than by a recovery of the groundfish stocks. By 2003, the crab and shrimp fisheries accounted for over 75% of earnings from harvesting, in a fishing economy with a total landed value significantly greater than in the pre-moratorium years (Dunne 2003).

Not surprisingly, the recovery has been associated with major changes in the shape of the industry related to the species harvested and processed, the products generated, and the resource management regime. It has also been associated with major changes in the distribution of industry wealth. Within harvesting, an industry split between primarily large, corporate-owned trawlers and a smaller inshore fishery with a limited mid-sized owner-operator sector has been replaced by an industry dominated by owner-operators with numbers of smaller boat (< 35 feet) operators declining more rapidly than the mid-sized fleet (35-65 feet). However, large income differentials can be found between those with fulltime and supplementary snow crab licenses and those with only small boat licenses or no access to snow crab and shrimp licenses. Within processing, the elimination of the large, trawler-fed groundfish plants has meant that the emphasis has shifted to shellfish processing and to seasonal operations. Overall, employment and earnings have recovered more in the harvesting sector than in processing (Dunne 2003). In terms of gender, more women entered fish harvesting in the 1980s and 1990s, but they still comprised only about 20% of fish harvesters in 2000 (Grzetic 2004). In 2000, approximately 54% of fishplant workers and labourers working in fish and shellfish processing were women (5,380/9,920) (Community Accounts Newfoundland and Labrador). An aging and vulnerable labour force typifies much of the fisheries sector, particularly in processing.

### **From Keynesian State to Social Investment State: The Larger Context**

The restructuring of federal and provincial policies has been an important component of overall restructuring in Newfoundland and Labrador since the mid-1980s and policy change has interacted with industrial and environmental restructuring to affect the health of people, communities and their environments (Dolan et al. 2005). The policy period has been characterized as one of de-regulation and re-regulation, involving both the institutional framework supporting capital accumulation and the structure of social policy. Broadly speaking, there has been a change in the mode of regulation to support a change in the regime of accumulation. It is important to understand trends in the general national policy discourse as well as its regional/rural resonance (both explicitly and implicitly).

In Canada, the post-war Keynesian state policy regime included regional and rural development initiatives as well as an expanding social safety net. In the 1980s, however, Keynesian demand side economic policies gave way to supply side policies. Neo-liberal reforms emphasized the primacy of the market (and market 'adjustment') and reduced government spending. Support for private capital accumulation in the context of technological change and globalization was expressed through freer trade, less government ownership, lower corporate taxes, and policies to support flexible, cheap labour (Vosko and Stanford 2005; Cossman and Fudge 2002). The balance between private and public responsibility shifted towards private. One aspect of this was the erosion of the social safety net through a series of Unemployment Insurance (UI) reforms, including the 1996 changes, where the program was renamed Employment Insurance (EI). These years also saw the replacement of the Canada Assistance Plan (CAP) with the Canada Health and Social Transfer (CHST) (MacDonald 1999; McKeen and Porter 2003; Cossman and Fudge 2002; Dobrowolsky 2004). As well, the federal and provincial governments have tried to get out of the regional/rural development business and the business of resource management, moving more of the onus onto industry and communities. Privatization, individual responsibility, targeting of programs to the 'right' people (or the right companies or sectors), and an emphasis on "efficiency" have characterized government policy initiatives. Increased surveillance has gone along with targeting, in order to monitor efficiency gains and enforce limited access (to programs, resources, benefits, and so on).

This regime shift has not necessarily meant *less* government, but rather a shift in what governments and related agencies do (Tupper 2001). This has taken different forms in different policy areas. Thus, while privatization might mean deregulation in one industry (e.g. airlines), it means marketization in another (e.g. intervening to introduce market principles and relations in fisheries). In some policy areas there was a shift in responsibilities across governments, often downloading responsibility to lower levels of government or to non-governmental groups – both public and private. Sometimes governments became purchasers of services rather than providers of services. In the area of the social safety net, the emphasis on the market was expressed by increased emphasis on individual responsibility for social security – primarily through attachment to the labour market and private saving for contingencies (e.g. Registered Retirement Savings Plans and Registered Education Savings Plans). There was a related realignment of responsibility for social security as depicted by the welfare triangle (state, market, family) or welfare diamond (state, market, family, community) metaphors used in the welfare regimes literature (Dobrowolsky and Jenson 2005; Esping Anderson 1999; Lewis 1992; O'Connor et al. 1999).

Some writers have emphasized that neo-liberal ideology has evolved since the early days of government cutbacks and deficit fighting. While the early period may be thought of as destroying the Keynesian state model, the recent period is one of constructing and consolidating a new state model consistent with a neo-liberal market focus. Dobrowolsky, Jenson and others argue that the late 1990s saw the re-emergence of a more active government role in promoting well-being which has been labeled the "social investment state." They argue that Canada, the UK and New Zealand are leaders in this approach, which marries a market focus with a centre-left concern for social well-being (Dobrowolsky and Jenson 2005; Dobrowolsky and Saint Martin 2005). Social welfare is now couched in the language of economics and the market. While new spending is being introduced, the provision of social supports is seen as an "investment" in future productivity, not an end in itself.

In a social investment approach the idea is to provide human capital and social capital investments which will enable people (now or down the road) to take responsibility for their own well-being. Adults are encouraged to be self-sufficient, but not all adults are equally attractive as investment subjects. While employment is expected of all adults, training investments are very selectively made with an eye to the likely return, and individuals are expected to be active investors in their own future productivity. As we will discuss below, in a social investment context, the people in our resource-based coastal communities may be less than ideal candidates. Those who are poor investments provide a cheap source of labour to the market. The new state is also characterized as a "partnering state," enlisting the private sector, and the community and volunteer sectors in the delivery of services (Larner and Butler 2005). This raises issues of the equality of partners and the locus of control.

The three policy areas we examine below (Employment Insurance, fisheries management and workers compensation) were shaped by neo-liberal reforms in the deficit-fighting era of the early to mid 1990s. However, they have evolved to reflect the changing policy discourse in the surplus era. For example, some of the most severe elements of the EI reform have been rescinded since 2000 when we began our fieldwork. The framework of the neo-liberal and social investment state provides a lens to examine trends and parallels in the programs which most affect the livelihood and options of the people in our study area in their day-to-day navigation of the rules governing resource access and income support. What shifts have occurred in their access to fishing income, EI, training or workers compensation? What do the new rules tell us about the underlying conception of which people, or areas, warrant support or 'investment'?

We are particularly interested in a gender analysis of these policies. Thus, we examine parallel trends and issues in each policy area related to delivery, eligibility and benefits and demonstrate gendered assumptions and impacts. While the Keynesian welfare state had some universal benefits, it rested on a male-breadwinner model, with benefits for women largely dependent on their relationship to a male earner. The new welfare state rests on an individual employability model that masquerades as gender neutral, despite the reality of men's and women's different options and responsibilities. When programs target deserving 'individuals' for privileged access to training, licenses or income support, gendered norms skew who benefits and who is sidelined by these policies (Porter 2003; MacDonald 1999; Neis and Grzetic 2005; Power and Harrison 2005). Gender inequalities in the labour market and in the reproductive sphere are not always taken into account. The new policies also emphasize poverty reduction not income security. Therefore, eligibility is more often conditional on income testing, usually based on family income, which reduces women's economic independence and overlooks intra-household inequality (Himmelweit 2002; MacDonald 1998). Further, entitlement in a social investment state context is increasingly via one's children, sidelining women's rights and needs (Dobrowolsky and Jenson 2004; McKeen and Porter 2003).

The analysis below looks at the "fit" between the policy changes and the reality of the Newfoundland and Labrador coastal economy and its place within processes of interactive restructuring. In a neo-liberal or a social investment framework the rural communities and their inhabitants we are studying are problematic. They are seen as drags on, not contributors to, the overall economy by the national policy community (MacDonald 2005). The model and/or assumptions of "adjustment" that underlie many policies do not fit rural economic realities. Insufficient attention is paid to how the focus on targeting and efficiency interacts with resource degradation, resource management, occupational health and, more broadly, with power relations in rural communities and between communities and corporations. Also neglected are embeddedness issues including potential conflicts between individual or corporate sustainability and community sustainability. Implicit urban norms and behavioural expectations permeate these policies. The seasonal and the self-employed workers fall outside the pale of "deserving" unemployed. Furthermore, policies aimed at individual adjustment typically fail to take account of the household context in which one is embedded and by which one is constrained (HRDC 1996a). This is particularly an issue in rural communities where one's economic options are severely constrained by distance, where forced mobility for one household member can mean mobility for the whole household, where plant closures or substantial outmigration from an area can drastically undermine the value of equity

investments in homes and infrastructure, and where the absence of public and private services reinforces reliance on informal family and community support (MacDonald 2005). For all these reasons such policies may work badly in rural and remote coastal areas.

Finally, we discuss interactions and contradictions amongst the three policy areas, as people struggle to maneuver through the rules for fisheries management, EI and workers compensation. For example, fishing practices (including when, where, with whom, and how one fishes) are influenced by license/access policies, professionalization rules, and EI regulations. For example, license upgrading requires professionalization which includes training, but training has been cut back, is increasingly tied to EI eligibility and is subject to judgments about the investment merits of each candidate. Likewise, workers compensation is supposed to compensate injured and ill workers for time loss, medical costs, and labour market re-entry (where deemed eligible), yet pressure to maintain EI eligibility may drive seasonal workers to forego applying for workers compensation, thus hiding unsafe working conditions and work-related injuries and diseases. Critically, understanding these interactions requires understanding the household and community context in which individual livelihood choices are made (Connelly and MacDonald, 1992).

## **EI and Fisheries**

### *Changes and Themes*

From the beginning of the neo-liberal reform era, the unemployment insurance program, a key element of the Keynesian state, was a major focus of attack.<sup>3</sup> As well as being expensive, it was seen to interfere with market efficiency and adjustment. From 1977 onwards (but accelerating in the early 1990s) changes were made consistent with the emerging supply-side focus: cuts were made to benefit rates and duration (1978, 1993, 1994), higher entrance requirements were introduced (1977, 1994), especially for new entrants/re-entrants (NERE) (1978), benefit levels began to be tied to having dependent children (1994), the state withdrew its funding contribution to the program (1990), and money was shifted from "passive" income support to "active" employment measures (1977, 1990). The consolidation of this neo-liberal direction was the change to EI in 1996 (Porter 2003; MacDonald 1999; Pulkingham 1998). This reform played a major role in paying down the federal government's deficit, it emphasized employability and individual responsibility for unemployment, it created a complex incentive structure designed to encourage labour force attachment and punish dependency,<sup>4</sup> and it became more targeted (e.g. to low income families with children and to



full-time workers). The EI reform was designed to increase efficiency by meeting the competitive needs of employers (decreasing premiums, supporting labour flexibility).

In the post-deficit era some of the more contentious aspects of the EI reform were altered. Most notably, the penalties for repeat users were dropped (2000) and pilot projects were introduced in 2005 to experiment with alternative benefit formulas and reduced penalties for new entrants/re-entrants. These changes are intended to fine-tune the incentive structure for both employees and employers and to improve the fit between income support and the labour market. This ongoing tinkering with EI reflects the emergence of a social investment mentality, with its attempt to refocus on social needs, in the context of supporting the market. The changes to training are another aspect of EI consistent with a social investment approach. While investment in training is emphasized, training support is based on an assessment of a person's investment worthiness and ability to personally contribute to the investment. Furthermore, access to training is now largely tied to EI eligibility, reflecting the selectivity typical of a social investment approach. Finally, the EI Family Supplement, which gives higher benefits to low income families with dependent children, reflects the social investment state's focus on children. This supplement is also fully integrated with the National Child Benefit and reflects the increased use of tax-based benefits characteristic of this approach.

The 1996 EI reform also included changes to fishing benefits, intended to reduce expenditures.<sup>5</sup> While embodying many of the core elements of the changes to regular EI aimed at cost saving, increased work effort and labour adjustment (e.g. a benefit formula that averages earnings over an arbitrary minimum number of weeks, increased eligibility requirements for NERE, and penalties for frequent users), there are key differences. The changes to fishing benefits were influenced not only by the Social Security Review process but also by reviews of fishery policy. The 1993 Report of the Task Force on Incomes and Adjustments in the Atlantic Fishery (Cashin 1993) argued that an earnings-based insurance program would distort fishing effort less than the weekly-based UI system and this was adopted in the EI reform.<sup>6</sup> There was also a change to duration with the introduction of two seasons, with overlapping qualifying periods, and fixed benefit periods (maximum 26 weeks, October 1 – June 15, or April 1 – December 15).

### *Coastal Reality*

Primary industries, the Atlantic region and seasonal workers were all identified during the 1994 Social Security Review as heavy users of the

UI system. Particular attention was paid to the issue of frequent claimants, for whom UI was argued to constitute a program of income supplementation rather than insurance (HRDC 1994: 19).<sup>7</sup> The EI reform met with considerable opposition from rural representatives and groups who felt they were being unfairly targeted and penalized for labour market conditions over which they had little control. Our research in coastal communities in Newfoundland and Labrador substantiates their concerns.

The main complaint of seasonal workers, including those in fish processing, is with how benefit amounts and duration are calculated under EI. The incentive structure of the program assumes workers are able to increase their work effort, and punishes them for low hours, irregular or seasonal work. The change in the formula for calculating average insured earnings (using last 26 weeks, with minimum divisor) reduced the benefits of those with gaps in employment, or weeks with low earnings. In our high unemployment study area, average earnings are calculated over a minimum of 14 weeks. Workers with less seniority lose out in the scramble for weeks and employers who cannot offer 14 good weeks have trouble attracting workers. EI, like UI, has struggled with the challenge to maintain work incentives for seasonal workers in the shoulder season. While the provision (2003) to ignore 'small weeks' (with earnings < \$150) has helped, some penalties still exist for workers with fluctuating hours and/or earnings.<sup>8</sup> The intensity rule, where benefit rates were reduced based on previous EI claims, also disproportionately affected rural workers, given their greater reliance on UI/EI. The options for rural workers (and employers) to respond to such incentives are limited.

The change to using hours, rather than weeks to determine eligibility for regular EI benefited seasonal workers as a whole.<sup>9</sup> However, the 910-hour NERE eligibility rule poses a serious threat to workers in coastal communities as it is unrealistic to achieve those hours in most seasonal jobs they can access locally. This creates great pressure to stay on the work/EI cycle, even if it means taking health risks or migrating for temporary work. Furthermore, the continued lack of EI coverage for the self-employed who work outside of fishing is a problem, as self-employment is a particularly important alternative employment option in restructuring rural areas.<sup>10</sup>

In our Coasts Under Stress household interviews, EI focus groups, and key informant interviews, we heard many examples of these issues. Overall, we found that the 1996 changes to EI have interacted with the changes in work opportunities in coastal communities to make it harder to make a living. EI is thus out of sync with the reality for coastal workers. Of particular concern is how interactive restructuring has created just the

kind of work that EI punishes. For example; overall fish processing has become more seasonal, and seasons are shorter; work has become more intermittent for many people; as opportunities decline in fish processing more people are turning to the service sector and self-employment.<sup>11</sup> One employer commented that "EI is doing more to create out-migration than the downturn in the fishery." Access to training has deteriorated as the social investment state narrowly links training to EI and to judgments about 'good investments' that sideline the aging coastal workforce. The loss of local service also is particularly felt in this area, where lower education levels make it difficult for people to access computer-based self-service options.

The impact of the EI reform has been more mixed for fishing benefits. Overall there has been an increase in claims and benefits, especially in Newfoundland. In 2001-02, 43% of Canada's fishing claims were made in Newfoundland, home to only 26.5% of fishers.<sup>12</sup> There is general agreement that the change to earnings-based eligibility fits the nature of fishing better than the previous program. The increase in claims also reflects the relatively low earnings levels required to qualify compared to the high value of landings for some species since the reform. For example, 96% of fishers qualify with more than the minimum earnings (HRSDC 2004: 61). Furthermore, there is now more flexibility in terms of when EI can be collected, with the possibility of two claims per year. The number of fishers making two claims a year has increased eight fold since 1997-98 (HRSDC 2004: 62). One fisher commented that "the unemployment system have got (*sic*) real kind to the fishermen." Another said "When they come out with that Employment Insurance for fishermen I thought we wrote it up our self (*sic*)." This may relate to a small rebound in the number of fishers (compared to levels in the early 1990s), despite efforts to reduce numbers of fishers through license buybacks and professionalization, discussed below.

However, not all fishers are so enthusiastic, as not all have access to the high value fisheries and many are struggling to survive based on small quotas and low landings from depleted stocks. The main complaint they have about fishing EI relates to the fixed period for claims, with concern that the "season" as dictated by EI does not coincide with the reality of the fishing season – EI runs out before the season opens or it is safe to go out on the water in some situations. A winter claim started in December runs out in April. You can't keep an open claim, and you may have no other source of income. In this situation, there is pressure to get out on the water when it isn't safe. For the families where women fish with their husbands, there are no other jobs or non-fishing EI claims to fall back on during these periods. The divided reactions to fishing EI reflect differentiation within the fishery in terms of access, alternative employment and family situation.

## *Gender*

The EI reform of 1996 has been shown to have negatively affected women more than men (Pulkingham 1998; MacDonald 1999; Porter 2003; HRDC 1996b), given gendered paid work patterns. The change to hours-based eligibility and the formula for calculating weeks of benefits hurt those working 15-35 hours per week – a group in which women predominate. The implicit norm of the program – the ‘deserving’ unemployed – is a full-time, full-year worker. This is more a male than a female norm although in the fishing industry it is definitely not a norm for either, in the wake of the sale of the offshore trawlers and closure of the year-round plants. The incentive structure of the program encourages and rewards longer hours and multiple job holding, which are more difficult for women, given their greater unpaid work responsibilities. While many seasonal workers gained eligibility, as they no longer had to work a minimum number of weeks, seasonal workers with low earnings or less than 30 hours per week (disproportionately women) lost significantly in terms of eligibility under EI (de Raaf et al. 2003). The gender division of labour and the seniority systems in fish plants have been linked to some ongoing differences in the work hours available to men and women. Historically, women were more heavily concentrated in seasonal processing labour forces including crab processing, while year-round plants were more male-dominated. Now all processing work is seasonal and there is some indication that in the labour forces for the newer crab and shrimp processing plants, the proportion of male workers is higher than in older plants (Howse et al. 2006).

Another gender issue has been the enforcement of the ‘arm’s-length’ criterion regarding the nature of the employment relation.<sup>13</sup> While this predated the change from UI to EI, enforcement seems to have increased. Under this criterion, women who work in family businesses have their EI claims challenged. They are suspected of not ‘really working.’ This is particularly an issue for coastal communities like those we are studying where women often hire family members to care for their children and where women are fishing with their husbands.<sup>14</sup> The EI challenges to women fishing feed off of social biases against doing non-traditional work. Women who fish with their husbands may also be seen as replacing other workers or getting double EI for their households. Such divisions in communities have been heightened in the context of restructuring and declining employment opportunities for women and men in most communities. EI reinforces such divisions (Grzetic 2004).

A final gender issue is the switch to using family, not individual, income as the basis for determining eligibility for the Family Supplement for those with dependent children (previously the Dependency Rate).

Many married women lost eligibility for this extra benefit as a result of this change. Most feminist analysts agree that women gain most when benefits are based on individual incomes (MacDonald 1998; Himmelweit 2002). Targeting based on family income assumes equal income sharing within households and equal access to labour market income – neither of which can be assumed to exist in contemporary coastal communities or elsewhere in Canada for that matter. As the social investment state focuses more on investments in children and using the tax system to deliver benefits, this issue takes on heightened importance.

## **Fisheries Management**

### *Changes and Themes*

Since (at least) the 1980s, the federal government has moved away from heavy involvement in direct responsibility for fisheries science and management and from the state-funded 'modernization' schemes of the 1950s and 1960s, and towards what might be called a more neo-liberal approach that has focused on privatization, economic efficiency, individual responsibility and conservation. Starting in the 1970s the Canadian government began to tighten up access to fisheries more than in the past by introducing limited entry licensing in some fisheries, and through the introduction of Enterprise Allocation (EA), Individual Quota (IQ) and eventually Individual Transferable Quota (ITQ) programs. Privatizing and 'marketizing' fishing rights is considered by many to be the most effective way to resolve two linked problems: the economic problem of overcapacity/inefficiency and the environmental problem of overfishing (Mansfield 2004).<sup>15</sup> Coinciding with the collapse and eventual closure of Newfoundland's groundfish fisheries, by the late 1980s the federal government began to introduce a series of programs intended to 'adjust' fishers out of the fisheries and/or to maintain incomes during the process. This began with the Atlantic Fisheries Adjustment Program (AFAP), moved on to the Northern Cod Adjustment Program (NCARP, which provided opportunities for early retirement, retraining and license buy backs) with the beginning of the northern cod moratorium in 1992, and was followed by The Atlantic Groundfish Strategy (TAGS) which concluded in 1998 (Schrack 2005). By 2002, the total number of fishers had dropped to around 15,000 from about 25,000 in the very early 1990s (DFO 2005(a)) – a reduction that appears to have been primarily linked to the elimination of part-time, registered fishers (Dunne 2003).

In the post-moratorium phase the assigning of property rights by DFO has been mediated by other programs including a professionalization program and a program to distinguish between core and non-core harvesters with access to some licenses limited to those with core status.<sup>16</sup>

In 1996, DFO reorganized licensing and created 'core' and 'non-core' statuses.<sup>17</sup> The core license program has effectively capped the number of fishers, as there will be no new core-licenses offered. The only way to achieve core status is to purchase an existing core enterprise.

The assignment of core status – aimed at reducing effort – has gone hand in hand with the 'professionalization' of the fishery – aimed at limiting access and improving livelihoods for those remaining. Some existing fishers were grandfathered into one of the professionalization levels, while new entrants must pass through a series of levels in order to qualify for Level II Professional Fish Harvester status. In order for harvesters not grandfathered into Level II to qualify for Level II status, they must have passed previous levels (apprentice and Level I), must have a total of 120 education credits (with one credit being approximately equal to 1 day of training), and must have 5 years of full-time fishing activity. They must then demonstrate full-time fishing activity, and may not go more than two years without having 75% of their income come from fishing during the fishing season (May 1–October 1) (PFHCB 2005). This requirement limits the previous 'occupational pluralism' exhibited by many fishers in order to make ends meet and is meant to limit access to fishing incomes by those whose primary employment is in other sectors. Only Level II Professional Fish Harvesters have the right to purchase or own core enterprises. The 1980s also saw Government begin to "promote the independence of inshore fishers and to limit the concentration of ownership of fishing licenses" (DFO 2004).

More recently, management initiatives have begun placing more emphasis on individual responsibility through the introduction of joint stewardship and expressed commitment to the devolution of responsibility for management (though not always authority) to 'self-reliant' user groups (DFO 2001, 2004). Indeed, 'self-reliance' was established as one of two core objectives in the Atlantic Fisheries Policy Review of 2004 (DFO 2004).<sup>18</sup> This change is consistent with the move to a social investment discourse within government as a whole. Taken together individual quotas, professionalization, and devolution of management responsibilities represent a form of social investment: the assigning of property rights through IQs (and similar programs) is thought to create a vested interest in conservation; professionalization ensures that harvesters have the knowledge required to manage sustainably, efficiently and safely and that their incomes are not jeopardized by competition from "non-professional" fish harvesters or "moon-lighters;" and that the opportunity to sell quotas and licenses gives harvesters a "pension". As with other social investments, the role of government is seen to be mediating amongst competing claims on scarce investment dollars. A further change that fits with a social investment framework is the shifting of financial responsibility and

management of surveillance (e.g., dock-side monitoring and fisheries observers), fisheries management (integrated management plans) and infrastructure such as harbours and wharves, to fish harvesters and fishery-dependent communities (e.g., Coastal Communities Network 2004). Harvesters, and to a lesser degree their communities, have taken on these extra social and financial obligations during a period of major industrial restructuring, high scientific uncertainty and pressure for conservation.

### *Coastal Reality*

In some sense, between 1990 and 2002, there was an improvement in the economic condition of inshore fishers. Prior to the groundfish declines, the under 65 foot fleet was responsible for 58% of landed value, a percentage that increased to 70% of the value of a fishery that, in 2002, was worth more than it had been previously (Dunne 2003). The average net fishing income of fishers increased 176% (from \$4,287 to \$11,831) between 1990 and 2001. Averages, however, tell only part of the story. As fisheries become more capital intensive and costly, participation becomes more and more contingent on access to wealth or to employment by someone with an enterprise. It is clear that this viability and these relationships vary with fleet sector, license type and geographic area. Earnings on the west coast (4R3Pn), for example, are lower than elsewhere and earnings have not improved in the under 35 foot fleet as much as they have in the 35-65 foot class (Dunne 2003). Likewise, earnings in the snow crab fishery for those with full-time or supplementary licenses (and therefore access to higher quotas) have been much higher than those with "inshore" licenses. The status of one's fishing license directly dictates who receives any of the benefits from the crab fishery. Most of the allocations go to Core license holders in the under 65 foot crab fishery, and most of the increases in shrimp quotas have gone to Core license holders in the 45-65 foot category (Dunne 2003). This directly results in differential benefits. Similar gaps exist between skipper owner-operators and crew. Schrank (2005) has suggested that while a skipper and owner of a 65 foot fishing vessel can earn up to \$100,000 annually from crab fishing alone, crew members earn in the \$22,000 range. Those with smaller 'inshore' licenses, with much smaller quotas, would earn much less than this.<sup>19</sup>

The differential benefits flowing to these different fleet segments have contributed to social differentiation (see Sinclair 1987, Palmer and Sinclair 1995 for a discussion of the historical roots of differentiation in the Northern Gulf cod fishery). Power (2005) has suggested that differentiation has also occurred at an individual level, as distinctions are increasingly drawn between who is and who is not a 'genuine' fisher. Stories abound of 'genuine' fishers who somehow fell through the cracks and

were awarded what they feel to be inappropriate status, leading to inappropriate exclusion from fishing benefits (Power 2005). This is partly a result of the poor fit between federal policy frameworks and the complex sets of relations at the local level that structured fishing behaviour in the past.

The overall population in fishery-dependent rural areas of Newfoundland is both declining and ageing. In interviews and feedback sessions with fish harvesters and community members in rural communities, a message that recurs time and again is fear about the future. For example, of 34 surveyed fishers asked if they had encouraged their children to fish, 30 said no. When we asked about the next generation in interviews and discussions with harvesters and others in fishing communities, we were often told 'there won't be one'. Out-migration rates are high, as more and more young people leave rural communities, searching for greater opportunities elsewhere. Even those in the 35-65 foot vessel category are not benefiting as much as they appear to on the surface. Respondents have indicated that costs have increased over the last several years, particularly with respect to insurance and fuel. Licensing fees, observer costs and monitoring fees have also increased as a result of the devolution of costs and responsibility by the Department of Fisheries and Oceans (DFO) onto industry. Limited entry licensing, IQs and ITQs have produced a market in access rights, driving up the cost of access to the point where owner-operators are being forced into so-called "trust agreements" with processors that are compromising the owner-operator principle, seriously limiting the access of future generations of small operators to the fishery and contributing to the pressure to fish unsustainably (Praxis 2005). Overall, a recent comprehensive study of the owner-operator portion of Canada's fisheries found that "the small business foundation of the industry is under severe stress. Shifting and sometimes inconsistent management approaches and dramatic changes in markets for fishing licenses and quotas are rapidly undermining the owner-operator fishery and the social and economic sustainability of coastal communities." (Praxis 2005: 2-3).

Returning to the oft-expressed concern that "...the Department of Fisheries and Oceans (DFO) has suffered from a policy schizophrenia, never being able to determine whether its chief goal is to set and implement policy for the fishery as a viable industry or whether it is to maximize employment and save non-viable rural communities" (Schrank 1995: 291), we question why these two goals should be seen as mutually exclusive. The problem may not be with contradictory policy goals (economic viability versus employment support) but with the application of a particular economic model that privileges short-term economic efficiency and maximizes private returns in an industry where such market



principles have repeatedly threatened the long-term sustainability of the resource – and hence livelihoods. It seems the tragedy of the commons is being replaced by the tragedy of the market in coastal Newfoundland and Labrador. On the other hand, it is possible to use privatization in conjunction with community management, as long as groups, not just individuals, are assigned property rights (Mansfield 2004, McCay 2004), though it should be noted that the assignment of allocations in this fashion would challenge purely market-based approaches to resource use (Mansfield 2004).

### *Gender*

In the harvesting sector, women have long struggled to have their contributions to the fishery recognized. Fishing work has been defined in terms of the male roles associated with being in the boat. Women's support work on shore – making and marketing fish – has been ignored when crucial decisions are made about who is, and is not, a fisher. This has been true with UI, TAGS and licensing and professionalization policies. Granting of core status was based on historic attachment and dependence on the fishery, and one had to be the head of a fishing enterprise to be granted core status. Historic attachment meant being on the boat and owning the enterprise and licenses. Professionalization individualizes involvement in the fishery which has, historically, been family-based. The meanings and definitions associated with professionalization tend to be gendered and exclusive. Early in the restructuring process, a professional fish harvester was defined as a "fisherman who is experienced, highly-skilled and well-trained ... fishes for the full season and is involved in the management and development of the fishery through fishermen's organizations" (Cashin 1993: 68-69). This definition ignores the relationship between fish harvesters and communities and households, and determines who will and who will not be considered a 'serious' fish harvester. As Power (2005: 130) has put it, "(t)he current criteria used to determine legitimate harvesters and the methods of distributing access to resources via individual quotas have served to reinforce a history of male privilege and to solidify corporate interests." Given their family responsibilities, women face particular challenges around accessing the training needed to qualify for professionalization, especially if training is not available locally. Gender norms also restrict their access to the informal (on-the-job) training that they need in order to be safe on the water and to advance in professionalization so they can eventually hold fishing licenses (Grzetic 2004).

## **The Workers Compensation System**

### *Changes and Themes*

The history of workers compensation in Newfoundland and Labrador since 1990 is similar to that of EI and Fisheries Management policy change in that it reflects a shift from essentially voluntary, arm's-length management, through neo-liberal cost-cutting and marketization, to an introduction of social investment themes. Relative to other Canadian provinces, Newfoundland and Labrador was slow to establish a collective, compulsory, no-fault compensation system for work-related injuries, diseases and fatalities. Relevant legislation was not introduced until after confederation with Canada in 1949. Here as elsewhere in the industrialized countries, there was a wave of occupational health and safety (OHS) reforms between the late 1960s and the 1980s. These reforms were generally based on four basic principles: 1) employer responsibility for hazard control with a focus on engineering and prevention versus just managing workers' behaviour; 2) regulatory reform emphasizing improved standards, clearer legislation and better enforcement efforts directed at health and safety; 3) a focus on worker participation as a right and to improve efficiency; and 4) the creation and dissemination of OHS knowledge as a means to promote change. With these reforms, while it was understood that employers had a legal obligation to limit OHS hazards, the approach was largely based on voluntary rather than mandatory implementation, primarily driven by reactive enforcement and later by a focus on OHS knowledge development and reliance on OHS professionals and standards driven by research and investigations (Frick and Wren 2000). When occupational injury, disease or death occurred, workers forfeited their right to sue in exchange for access to a no-fault compensation system funded by employer premiums. However, Newfoundland and Labrador faced numerous OHS challenges including limited access to medical services in many rural and remote areas, extremely limited inspection and enforcement capacity, and a policy framework that tended to emphasize jobs and safety over health (Rennie, 2005).

In the 1980s, the costs of injuries and related employer assessment rates in Newfoundland and Labrador expanded rapidly until, by 1990, two actuarial studies had indicated the compensation system was at risk of falling apart. In 1993, a number of neo-liberal changes to the compensation system that reduced overall benefits and sought to target benefit payments to a smaller proportion of injured and disabled workers were implemented. Benefit rates fell from 90% of net earnings to 75% for the first 39 weeks and 80% thereafter (Discussion Paper, Task Force Report on the Workers Compensation Commission 2001: Appendix 1, pg. 2). Indexing of long-term disability payments was temporarily frozen and average premiums increased. The practice of "deeming" (withdrawal of benefits from work-

ers deemed capable of work whether or not they had a job) also increased during the 1990s. "Deeming", which was a form of targeting and a mechanism for encouraging claimants to return to work, resulted in a lot of criticism as workers lost income because employers generally did not have in place appropriate return to work opportunities and workers often had difficulty accessing alternative employment. Also during the 1990s, the Commission introduced experience-based rating, an approach to premium-setting that identifies employers with injury costs higher than the average in their rate group and assigns them higher premiums, targeting compensation costs towards employers with the worst claims record.

In 1998, the Commission assumed responsibility for health and safety education and accident prevention and was renamed the Newfoundland and Labrador Workplace Health Safety and Compensation Commission (WHSCC). This social investment in education and prevention was in response to the 2001 Task Force Report that recommended greater attention to prevention as the only way to address ongoing serious fiscal threats. It identified serious shortcomings in OHS training within schools and on the job, as well as with joint health and safety committees and worker representatives on those committees. While supporting the "internal responsibility" approach to OHS, the Report called for the development of a comprehensive prevention strategy including more rigorous enforcement of joint committee requirements, mandatory training and monitoring of joint committee operations by government. In addition, the Report called for the introduction of an Early and Safe Return to Work program with legislated responsibilities for employers and workers, in order to reduce the cost of injuries and reliance on vocational retraining and "deeming" within the system. The Report also recommended an increase in the surcharge ceiling for a higher than average experience-based rating and the elimination of a minimum benefit provision, which it saw as potentially creating a disincentive for some workers to return to work (but maintaining it for surviving spouses). Finally, the Report recommended more effective inspection for abuse by employers, workers and health professionals, supported increased resources in this area, and promoted the "abuse" hotline at WHSCC.

Overall, in Newfoundland and Labrador the social investment shift in the area of occupational health and compensation to date has focused on the introduction of an early and safe return to work program based on a legislated "duty to accommodate" and the implementation of a system for monitoring such programs, with penalties for noncompliant workers and employers. Although experience-based rating is still in place in the system, the penalty surcharge has been increased to 40% in response to the recommendations of the Task Force Report (2001). More recently, the WHSCC has introduced a package of reforms that it calls PRIME

(Prevention, Return to Work and Insurance Management for Employers and Employees). The PRIME program offers a 5% average premium refund to employers who meet certain health and safety and return to work requirements (so-called practice incentive) and, to those who meet this first set of requirements, a second level refund based on accident costs (the so-called experience incentive). The PRIME program is being phased in between 2005 and 2008. In general, companies are being offered financial incentives to introduce elements of an occupational health and safety management system including some structures that are required by law but might not currently exist, such as joint health and safety committees.

### *Coastal Reality*

Environmental and industrial restructuring and changes in fisheries management policies have contributed to changes in targeted species, the location of fishing, owner-worker relations, as well as vessel size and design. These changes have had consequences on the nature and scale of occupational risk exposures in the Newfoundland and Labrador fishing industry (Dolan et al. 2005) as well as on prevention and compensation. In the late 1980s, a substantial proportion of compensation claims for fish harvesters came from the deep-sea trawler sector. Claims from both this sector and from the small boat coastal sector declined in the early 1990s in response to the moratorium. In 2000, the Canadian Coast Guard (DFO, 2000) conducted a fishing vessel safety review in response to an apparent increase in the rate of fishing incidents in Newfoundland and Labrador in the late 1990s (primarily from the <65 foot fleets). The review incorporated Search and Rescue (SAR) incident data, workers' compensation claims data and DFO fisheries data from 1993 to 1999. The authors concluded that workers compensation claims and Search and Rescue (SAR) incidents were on the rise in the Newfoundland fishing industry during that period. Pelot (2000) showed that the mean distance of activity from shore had noticeably increased for the 35-45 foot and 45-65 foot length classes (linked to an expansion and changes in the snow crab fishery) and that the incident rates as measured by the ratio between fishing activity and the number of Search and Rescue incidents were highest in the 35-45 foot length class. Furthermore, a recent Transportation Safety Board comparative analysis of fatality rates across multiple Newfoundland and Labrador industrial sectors using workers' compensation claims showed that the fatality rate of 0.619 per 1000 among fish harvesters was the highest of any sector. This rate was almost twice that of the second highest sector (construction at 0.373) and more than seven times the average rate across all sectors (Steven Henderson, Research Analyst, Macro Analysis Division, Transportation Safety Board of Canada, Personal Communication, October 2006).

SafetyNet focus groups with fish harvesters in the <65 foot fleet indicate that many accidents and injuries are not reported to either Search and Rescue or the WHSCC (Power et al. 2005). Short seasons for high value fisheries can discourage harvesters from filing claims and encourage them to take risks. Injured harvesters often keep working as long as they can during the short fishing seasons and also tend to help each other out if a vessel gets in trouble rather than calling in SAR. In interviews and focus groups harvesters talked about the new risks associated with the shift from cod to snow crab. These were related to a poor fit between their training and experience, the types of safety equipment they had on board, the design of their vessels and the demands and risks associated with crab fishing (Power et al. 2005).

More and more comprehensive regulations designed to promote fishing safety are being introduced. These have been integrated into the professionalization process described above and tend to focus on knowledge and use of safety equipment as well as what to do in the event of an emergency. The courses can entail substantial costs for fish harvesters.

In terms of fish and shellfish processing, environmental and industrial restructuring from groundfish to shellfish, supported by a policy commitment to downsize the processing sector, have resulted in reductions in the number of plants and processing workers and, as in fishing, an increase in the overall seasonality of employment (O'Rielly 2004). A total of 27,154 accidents were reported to the WHSCC by fish processing workers between 1985 and 1998. The incidence rate for reported accidents (number of reported accidents per average number of workers/month) for these years declined from a high of 30/100 workers in 1987 to a low of 12/100 workers in the mid-1990s, increasing again to 17/100 in 1998 (Neis et al. 2001). Lower incidence of compensation claims in the mid-1990s may only reflect a reduction in the duration of work-related exposure overall. However, fewer claims to the WHSCC probably also reflect the combined impact of increased seasonality and EI dependency on accident and injury reporting. Seasonal workers rely heavily on EI for their economic survival. Time off on compensation does not count towards EI eligibility. Although the EI Act says that if a person is unable to work due to an injury or illness, and can provide documentation stating so, their qualifying period will be extended by the number of weeks lost due to illness (HRSDC 2005), injured or ill workers who are struggling to get the minimum number of weeks to qualify, and who are uncertain of employment the following year, are unlikely to file claims for compensation unless this is absolutely necessary.

## *Gender*

Men were more concentrated than women in the year-round, deep-sea plants and offshore trawlermen were exclusively male in the 1980s, prior to the cod collapse. The virtual elimination of the trawler fishery in the 1990s removed most of the year-round jobs from the sector. During the 1990s, men's jobs became more like women's jobs in the 1980s in terms of seasonality, employment uncertainty and exposures to health and safety risks. In fishing and in fish processing, men and women tend to do different jobs and thus to have different exposures. While women made up 20% of registered fish harvesters in 2000 (Grzetic 2004), they accounted for only 4.8% of lost time claims for workers in fish harvesting and fish farming. However, the proportion of lost time claims filed by women increased from 39/2011 or 1.9% of lost time claims in the five year period between 1989 and 1993 to 73 claims or 7.9% of lost time claims in the 5 year period between 2000 and 2004 (Charles Coady, WHSCC, Personal Communication, June 21, 2005). An analysis of processing workers' compensation claims for the period from 1985-1998 found that while women made up slightly more than 50% of processing workers overall in the industry during this period, they were more likely to work in seasonal plants and with shellfish than men. Women processing workers submitted only 28.6% of accident claims between 1985 and 1998. However, the ratio of claims filed by women processing workers relative to men increased over this period from .27 in the late 1980s to .35 between 1993 and 1998 (Neis et al. 2001). Overall, the proportion of 'medical aid' and 'report only' claims relative to 'lost time' claims also increased for women and for men which may reflect less serious injuries but, based on our interviews, may also reflect less willingness to take time off work in an increasingly seasonal industry.

Occupational asthma and allergy are important occupational health risks associated with snow crab processing. Worker health assessments carried out among workers in four Newfoundland and Labrador plants found that female study participants were more likely than male participants to be diagnosed as almost certain/highly probable snow crab occupational asthma and allergy sufferers and to have higher median cumulative exposures to the sensitizing proteins associated with these occupational illnesses. This study also found that workers with breathing problems were unlikely to have filed claims for these problems (Howse et al. 2006).

While this requires more research, there are indications from Coasts Under Stress and SafetyNet research that recent shifts in WHSCC policy towards experience-based rating and early and safe return to work programs have been associated with pressure from employers to

not file claims and to return to work early. For example, in our Coasts Under Stress research, we heard about attempts to “ease back” women workers who are seriously allergic to shellfish – a questionable and potentially risky practice for both the worker and the employer. While it is still early days in the PRIME program, there are indications that its premium reduction for plants that create and train joint health and safety committees does seem to be encouraging improvements in these areas in the processing industry. However, some discussions indicate it may also be adding to the incentives for management to challenge claims and to discourage reporting. The Discussion Paper prepared by the Task Force on the Workers Compensation System commented that, “supporters of experience rating maintain that experience rated assessments provide a more equitable distribution of injury costs among employers, an incentive for prevention programs, and a stimulus for claims management programs. Opponents of the programs argue that experience rating compromises the collective liability principle, encourages employers to control costs after an injury has occurred through underreporting, and diverts attention away from accident prevention to claims cost control.” (2001, Appendix 1: ii). The balance between these outcomes probably varies between employers and with the relative vulnerability and options of different groups of workers. It is significant that there have been few claims for occupational allergy and asthma among shellfish processing workers in recent years, despite extensive efforts to promote awareness of this problem and research indicating prevalence could be up to 15% in older plants.

### **Interactions amongst Policies**

While different departments and/or levels of government are responsible for each of the policies discussed, it is clear from the points of view of those on the ground trying to make a living and policy-makers trying to reshape the economy, that the policies are interdependent. As the three policies share a common neo-liberal underpinning, the cumulative impact is to impose a market logic on coastal communities that – as elsewhere – creates increased differentiation and undermines traditional livelihood strategies and options. A common thread of each policy is a focus on keeping people working, and the interaction amongst policies intensifies this pressure. The policies also share a common focus on the individual actor – the unemployed worker, the injured worker, the fisher. However, this individual is usually embedded in a household and frequently lives in a rural and remote, single industry community, where the cumulative effects and interactions amongst policies are felt and acted upon. These relationships are generally ignored, though gender norms and family stereotypes are implicitly at work.

The intersection of EI and fisheries policy is perhaps the most recognized by both policy-makers and analysts. As noted above, changes to fishing benefits took account of recommendations of the 1993 fisheries task force (Cashin 1993) and stopped basing eligibility on weeks of fishing. There is also evidence that UI/EI policy may influence fisheries management policy. For example, one lobster fisher recalled that when the number of weeks required for UI increased from 10 to 12 in the early 1990s the lobster season also had to be increased to 12 weeks ("they were basing our lobster fishery on the UI system"). He noted that now, with the changes to fishing EI, the season was down to 8 weeks.

A common view amongst analysts is that generous UI/EI has worked against attempts to rationalize the fishing industry (Schrang 1998b, 2005). In this view EI is a subsidy to fish plant workers and fishers. Less commonly argued is that, in this logic, it is also a subsidy to the companies and that in a context of resource scarcity, EI support can help harvesters and processors adhere to conservation initiatives necessary for the long-term recovery of the resource and the long-term survival of fishery communities. The incentives embedded in fishing UI/EI, along with fisheries management regulations, certainly structure fishing efforts and, to some degree, OHS risks. The shift to an earnings-based eligibility scheme under EI was partly designed to remove the problem of fishing for insured weeks. Under the earnings-based system it is easier for most fishers to qualify, partly because of the increased value of landings with the switch to shellfish (for those who have access to these species). However, the concern now is not pressure for *individual* fishers to increase their effort, but rather that the ease of meeting EI eligibility may keep more people in the industry. Differentials in the fit between fishing EI and regular EI and the realities of fishery communities may help account for the increase (since the late 1990s) in women and others fishing – particularly since jobs in processing have become scarce, more short-term and more precarious, and regular EI rules have made it tough to get a decent benefit. The household basis of the fishery – invisible in policy – shapes how families work with the changing incentive structures.

Most fishing families we interviewed experienced some tension between EI rules and fisheries management rules. They are concerned that the rigid rules about the time frames for receiving fishing EI do not fit the regulated fishing seasons, leaving them without income at critical times of the year. "This spring there was so many people who didn't have any money to start up fishing at all." They are also concerned that the possibility for two fishing claims a year reinforces the differentiation amongst fishers created by the management regime discussed above. As one inshore fisher said, "If you haven't got big boats and big quotas where you can catch a lot of, big lot of dollars worth, it's no good to us."



Another issue is that taking a job outside the fishery in a bad season – or taking a job to augment an EI claim can jeopardize your core fisher status despite its potential contribution to conservation. EI encourages multiple earning activities, while professionalization demands occupational specialization.

Fisheries management and health and safety policies are closely interconnected. The DFO is responsible for fisheries management while Transport Canada has primary responsibility for fishing safety in Newfoundland and Labrador and elsewhere in Canada. Over the past two decades, in Canada as elsewhere, there has been no systematic mechanism in place to monitor and mitigate the potential impact of fisheries management initiatives on fishing safety and the health of fish harvesters (Bornstein et al. 2006; Windle et al. 2008).

Substantial concern exists about the potential effect of regulations such as those limiting vessel length or tightly constraining when gear can be deployed and fishing risk. To a growing extent, licenses and quota in Newfoundland and Labrador are controlled by processors through so-called trust agreements that are linked to processor financing of vessel costs (Praxis Research 2005). Under the current system, processors pay WHSCC premiums on behalf of fish harvesters. As their control over harvesting increases, this could influence the amount of pressure harvesters experience to take risks and to not report injuries.

Other potential interactions between fisheries management and OHS include the fact that poorly regulated competitive fisheries like the St. John Bay lobster fishery (Whalen 2005) create pressure to get out there no matter what the state of the weather or your own health. Training for safety in fisheries focuses more on vessel safety and emergency response than on vessel design from the point of view of daily work and ergonomics; gender differences in training requirements and opportunities are also poorly addressed (Grzetic 2004). OHS considerations have not been integrated into fisheries management decision-making although the introduction of Individual Quotas is often justified in terms of their potential to reduce the “race for the fish” and related risk-taking in fishing (Power et al. 2005).

We have noted that EI reforms make access to training more difficult, which intersects with the increased emphasis on training in the professionalization of fishing. While this is sometimes experienced as contradictory (needing training to change status, but being denied training support by EI), the cumulative impact is to reinforce the overall goal of limiting the numbers of fishers, at the same time as it skews who can and can't succeed in the new fishery. Of particular concern is that it reinforces

the marginalization of women. Note also that both EI arms length challenges and fisheries license surveillance undermine the legitimacy of women fishers.

We have heard in our interviews disturbing examples of the intersection between EI and workers compensation. Maintaining EI eligibility often takes precedence over health considerations. Workers are afraid to apply for workers compensation for fear of losing out on EI for a season or, more importantly, falling into the NERE trap and trying to find 910 hours of work to get back on the system. As one fisher who injured his eye and didn't apply for worker's compensation said "... I had to be fishing, I had to make enough to get me EI. I had to stay fishing or I'd been stuck all winter with no EI ... Fishermen got a certain time and that's it – they can't afford to lose that time."

## **Conclusion**

Our case study has illustrated the common underpinnings of these three policies that affect the livelihoods of people in coastal communities and some of the ways these policies are interacting to affect their livelihood strategies and their health. Changes made in each policy from the 1980s through the mid-1990s reflect a neo-liberal ideology about the role of government and the primacy of the market. Privatization – of fisheries resources, of responsibility for health and safety, of delivery of training – pervades the policies. In the post-deficit era further changes in policies are consistent with the social investment state discourse, which reconstructs social policy to work with and through the market. Terms such as social investment, social capital and social economy reflect the new way of thinking about social spending. In the initial neo-liberal stage, cuts and targeting focused on identifying the 'undeserving,' it could be argued that the social investment stage shifts the emphasis to the 'deserving,' with renewed spending in some areas and a concern with inclusion and equal opportunity. The common thread, however, is targeting, and with that comes surveillance, marginalization of some, and a complicated set of incentives within and across policies. The social investment state is also a 'partnering' state, whereby civil society actors (firms, individuals, community organizations) participate in the delivery of programs. This ethic of individual responsibility shifts the onus away from the state; however, power differences amongst these actors – and between them and the state – mean the rhetoric of 'participation' is often hollow. The partnering state is evidenced in recent trends in fisheries management and in the changing regulatory regime for workers compensation.

Each policy is framed in gender neutral terms, as is the common emphasis on employability. However, as we have shown, this masks both

underlying gender assumptions and gendered impacts: a gendered labour market renders women's work less protected by EI; gender differences in occupational hazards contribute to the greater invisibility of women's work-related illnesses and injuries; and fisheries management regimes privilege traditional male roles in fishing, marginalizing women.

Employability is the common goal and source of entitlement across the policies. There is pressure to be employed, stay employed and return to work quickly if injured, even if this endangers worker health in the longer term. The interactions amongst the policies discussed above exacerbate this pressure, helping maintain a cheap, vulnerable and aging labour force in coastal communities. Interactive restructuring – including industrial, social and environmental restructuring – has undermined traditional livelihood strategies and options and shifted power relations in these communities (MacDonald 2005). It has resulted in an increase in precarious forms of employment that are not covered by EI, or are outside of the management model on which workers compensation is based. Policy restructuring is not simply overlaid on this interactive restructuring; it is part of it – affecting not only individual options and behaviour but the very shape of the industries on which they depend.

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### **Notes**

1. This research took place as part of two large interdisciplinary projects called "Coasts Under Stress" ([www.coastsunderstress.ca](http://www.coastsunderstress.ca)) and "SafetyNet" ([www.safetynet.mun.ca](http://www.safetynet.mun.ca)).
2. We use the term interactive restructuring to describe the interrelated processes of industrial, environmental, social and institutional restructuring. Institutional

restructuring includes the changes to policy frameworks and specific policies addressed in this paper. These changes are shaped by, and shape the other dimensions of restructuring.

3. In addition to its social safety net function, UI was part of active Keynesian demand stabilization and regional equalization efforts.
4. For example, in Regular EI the benefit formula (minimum divisor) penalized those who qualified with only minimum hours; repeat users were penalized (intensity rule, clawback); new entrants and re-entrants (NERE) faced dramatically higher eligibility requirements (910 hours).
5. Fishing benefits were introduced in 1956 amidst considerable controversy to provide UI benefits for self-employed fishers – the only group of self-employed to be covered. Under UI, eligibility for fishing benefits was based on a system of “stamps” tied to weeks of fishing effort (with a minimum earnings value per week) which mimicked rules for regular UI.
6. The 1996 EI reform based eligibility on earnings (minimum of \$2,500-\$4,200 from fishing, depending on the unemployment rate). It should be noted that the NERE penalty is less severe (\$5,500 earnings) for fishing EI than with regular EI.
7. While seasonal workers claim a disproportionate share of EI, it should be noted that almost 40% of seasonal layoffs do not lead to an EI claim (deRaaf et al. 2003). There are limits in how much leeway seasonal workers have to respond to program incentives.
8. For example, the 26 week average earnings calculation period creates a disincentive for seasonal workers to take bits of work at different earnings over the course of the year. A pilot project (October 2005 – 2008) to use the best 14 weeks of employment has been introduced to address this, after years of lobbying (FFAW 2004).
9. However seasonal workers (like others) with <30 hours per week lost eligibility.
10. In rural areas outside of commuting distance from urban centres, the self-employment rate (28%) is more than double that in urban areas (13%) (duPlessis 2004).
11. Tourism, encouraged as an alternative, is particularly challenged by EI regulations in light of its short season and high incidence of self-employment.
12. EI figures from the 2002 EI Monitoring and Assessment Report Annex 1 Table 1.6; fishing labour force statistics from the 2001 census, Cat. No. 97F0012XCB2001013. ([www.statcan.ca](http://www.statcan.ca)).
13. When a family member is hired it must be established that there is an ‘arm’s length’ relationship and the pay and terms are equivalent to what any other employee would receive.
14. Women who fished with their husbands only got the right to a UI claim in their own name after a Human Rights decision in 1980. Since then, women’s access to benefits has been affected by the narrow definition of fishing which omits the support work women traditionally do in fishing enterprises.
15. Mansfield (2004) points to a ‘convergence’ between the thinking of common property theorists and their focus on the benefits of common property (vs. open access regimes) with that of neo-classical economics centered on ‘rights-based’ fishing.
16. Fishers had been separated as early as 1980 into full-time and part-time categories

- and differential privileges had been assigned to each category. For example, fishers in the part-time category in 1980 could only fish in vessels up to 22' with hand-line and jigger (Parsons and Lear, 1993).
17. Whereas in 1995 there had been 13,070 full time fishers and 7,001 part-time fishers, in 1996 there were only 5,359 core license holders and 12,251 non-core license holders (DFO 2005b).
  18. The second principal objective was 'conservation and sustainable use'.
  19. Our respondents in NAFO subdivision 2J in inshore (under 35') crab fishery had quotas of around 12,000 lbs in 2004. Those in the supplementary fleet had quotas around 110,000 lbs – nearly ten times as much.

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