

## **What is Adjacency?**

Adjacency means that the people who live closest to a resource should be the main beneficiaries of the development of that resource.

For example, if the most valuable fisheries in the world were discovered off the northeast coast of Newfoundland, the people living and working along that coast should be given the chance to directly benefit when that resource is harvested.

## **What is the benefit of adjacency?**

Adjacency has always resulted in economic benefit to the local community. Adjacency creates local jobs, a higher standard of living, economic growth, and a stable or growing population.

Adjacency also means social justice, as it allows individuals to benefit from their environment and to feel pride of place.

## **Is adjacency a new idea in the fisheries?**

No. The Canadian fisheries has been managed for decades according to the principle of adjacency. During the cod fishery, the inshore fleet, which applies adjacency, operated with a guaranteed allocation of 115,000mt. This cod fishery was landed in NL where it was processed in fish plants across the province.

Adjacency has also assisted the post-moratorium diversification of the NL fisheries. Crab, northern shrimp, mackerel, and halibut are all fished by an owner-operator inshore fleet and processed in the province. This harvester-producer system creates many millions of dollars in local wealth.

## **Is adjacency recognized by the federal and provincial governments or is it a traditional approach to fishing that is not recognized in policy?**

Adjacency was a primary principle used by the federal government in allocating fish quotas in the 1984 Atlantic Groundfish Management Plan, it explicitly states:

Allocation of fishery resources will be on the basis of equity taking into account adjacency to the resource, the relative dependency of coastal communities and the various fleet sectors upon a given resource, and economic efficiency and fleet mobility.

In 1997, the Minister of Fisheries and Oceans of that time announced that adjacency would be a primary consideration in the expansion of the inshore northern shrimp fishery. Adjacency is included as an allocation criteria in the most recent northern shrimp management plan.

## **Does adjacency only apply to the fisheries?**

The principle of adjacency is applied to several major sectors of the NL economy. These include:

- Oil and gas: The Atlantic Accord requires petroleum producers to submit social and economic benefit plans that outlines a project's benefit to the province.
- Mining: the Voisey's Bay Development Agreement commits Vale to build the nickel smelter in NL.

# THE ECONOMY OF A FISHING COMMUNITY

## Adjacency:

In the resource sector it means that those closest to the resource should be the primary beneficiaries of that resource's exploitation.

It is a longstanding pillar of economic development in this province and has been applied to the fisheries, oil and gas sector, and mining and energy.

The principle of adjacency has governed the allocation of fish quotas in Canada for decades.

Examples of formal adjacency agreements in NL:

- Atlantic Accord
- Voisey's Bay

## Direct Employment Opportunities Created by Access to the Adjacent Resource

- Inshore Fleet: processes 100% of its catch in the province
- Processing Plants: Employ thousands of residents

### Stable and/or Growing Population

- Employment opportunities allow people to stay in their home communities.
- Employment opportunities makes a community an attractive place to live.

### Enhanced Local Taxation

- A stronger local economy creates a stronger local tax base.
- Commercial and residential properties increase in value, which in turn can increase local revenue.
- The community can afford the infrastructure projects needed to support the community.

### Strengthened local community

- Over the past two decades, communities that grow economically weak lose the symbols of their community, such as schools, clinics, and post offices.
- A stronger economy preserves these important markers of a community.

### Further Employment Opportunities from Spin-Off Businesses

- Local economic opportunities often attract additional businesses eager to capitalize on a more prosperous population.

# THE ECONOMY OF A FISHING COMMUNITY WITH NO ADJACENCY? NO ECONOMY, AT ALL

