# Managing Marine Resources: Evidence from Iceland's Fisheries

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## Abstract

Iceland's fisheries management system is widely regarded as a successful example of market-based resource management. In the early 1980s, the country faced serious problems. Fish stocks were declining. The fishing fleet was too large. Profitability was falling. In response, Iceland introduced an Individual Transferable Quota (ITQ) system. Catch quotas were allocated to fishing companies and could be traded. This reduced competition and encouraged more efficient use of marine resources. The results have been positive in many ways. Fish stocks, including cod, have recovered. Fishing capacity has become more stable. The industry is more profitable. Iceland is now often used as an example of sustainable fisheries management. The benefits, however, have not been shared equally. Quota ownership has become concentrated in relatively few companies. This has made it harder for new entrants and smaller operators to compete. Many coastal communities have lost jobs and direct access to marine resources. These changes have raised important questions about social equity and regional development. This research examines the long-term effects of Iceland's fisheries reforms. It finds that the ITQ system has improved environmental and economic outcomes but has also created important social challenges. The Icelandic experience offers useful lessons for countries seeking to balance sustainability, economic efficiency, and social equity in the management of natural resources.

**Keywords:** Iceland; fisheries management; ITQ; sustainability