

Caught in the Net: Sustainability and Social Equity in Iceland's Fisheries Policy

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ABSTRACT

The management of Iceland's fisheries is a well-researched case of how market-based incentives may foster economic performance as well as environmental sustainability. Confronted with significant overfishing, fleet overcapacity, and deteriorating profitability in the early 1980s, Iceland reacted with a number of legislative changes, most notably the introduction of the Individual Transferable Quota (ITQ) system. The ITQ system allowed long-term, science-based management of fish stocks by giving individual operators transferable catch shares, hence reducing excessive rivalry and encouraging efficiency. These changes have significant economic and environmental advantages. Commercial species like cod have recovered, fishing capacity has steadied, and industry profitability has enhanced. Iceland is so frequently mentioned as a benchmark for sustainable fisheries management. These successes, nevertheless, have not been equally distributed. The market-driven character of the system has caused notable concentration of quota ownership, hence increasing entrance obstacles for smaller and new businesses. Job losses and less local access to marine resources in many rural and coastal areas have fueled discussions on social equality, regional development, and the commercialization of shared resources. This study analyzes the long-term effects of Iceland's fisheries reform, hence judging its success in striking a balance between sustainability, economic efficiency, and social inclusion. Though it has increased social inequality, the ITQ system has improved environmental and financial results. The Icelandic example also provides important insights for other small, export-dependent countries trying to create equitable and robust resource management frameworks.

Keywords: Fisheries management; Iceland; ITQ system; sustainability; policy reform; socioeconomic equity