

Critiques of economic analysis: Case study 1



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economics
real wealth
means well-being



environment
lifestyles must
become sustainable



society
communities need
power and influence

Case study 1: Jobs lost at sea

Our report compared current performance of 43 fish stocks with their potential if they were at MSY.



1) Catches

2) Revenues

3) Employment

Note: there are 150 commercial fish stocks in EU

Where we are VS. where we could be

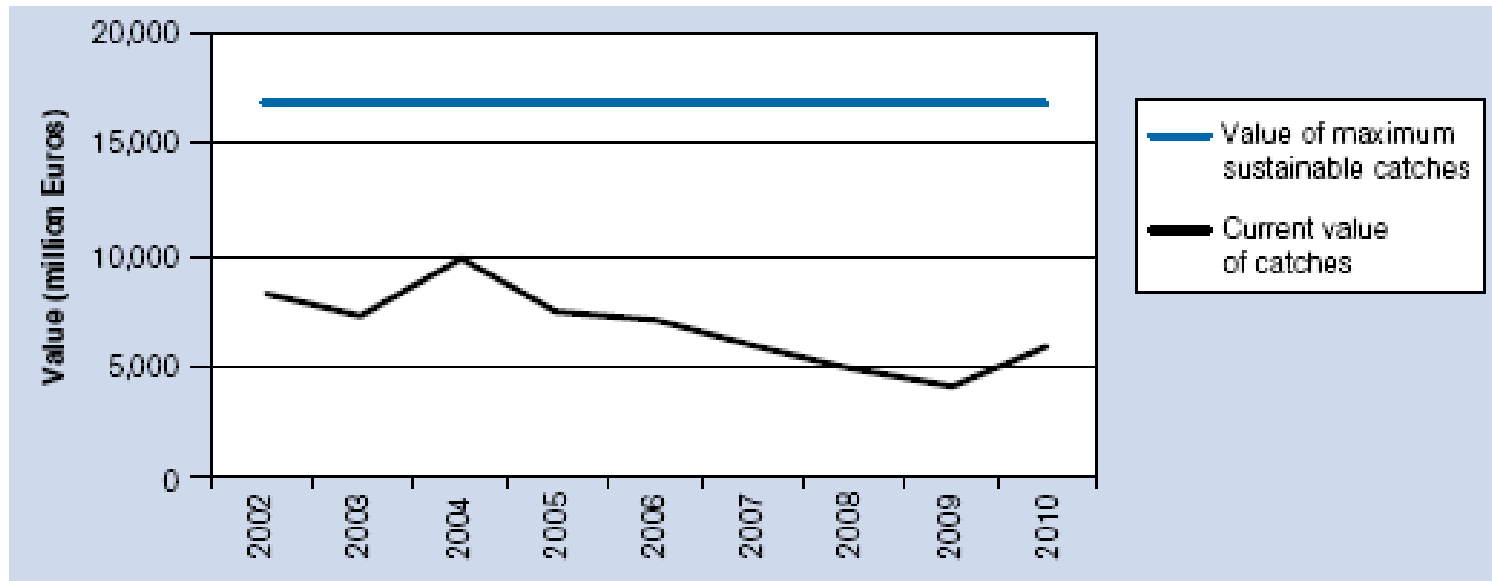


Figure 3: The current value of catches from 54 fish stocks are shown relative to their sustainable maximum. Source: MSY estimates from Froese & Proelß and current value of catches are own calculations based on ICES stock assessments and the AER.

Potential additional catch (43 stocks)

MSY landings (tonnes)	2010 landings (tonnes)	Additional catch (tonnes)
9,756,519	6,230,564	3,525,955

Catches in 2010 were 64% of their potential

3.53 million tonnes is enough to meet the annual demand for fish for 155 million EU citizens

Employment potential

Fishing	Processing	Total
31,802	68,988	100,790

32,000 full-time fishing jobs, and 69,000 (full- and part-time) processing jobs every year.

About 83,000 of these are in the EU27.

With every passing year that our stocks remain overfished we are losing out on **2.7 billion pounds** and the potential to support **100,000 jobs**.

Hang on a
minute....



The European Commission's previous analysis revealed that the effect of a transition to MSY would cost **20,000 jobs.**

How did their assessment differ so much?

When you increase the size of the stocks,
(i.e. @MSY) = the landed value increases...

You can do a number of things with that
additional value:

- a. Keep the fleet the same size and
increase wages of fishermen (or profits of
boat owners)
- b. Reduce the fleet size and further increase
the wages and / or profits
- c. Keep the same conditions for fishermen
and allow new vessels and fishermen to
enter the fishery



Trade off between capital accumulation (savings / profits..) and job creation; or increasing salaries.....which all depend on healthy fish stocks

These are political objectives, which can all be justified using economics with the right assumptions.

The EC analysis has **ASSUMED**
that waging in fishing would
DOUBLE in the future...

A bizarre assumption (as there is
no historic precedent) and even
more bizarre in the current
European context..

So, the assumptions drive the result...

...Maria Damanaki
(ECommissioner) then
talked to her economics
team who repeated the
analysis and they got similar
results to nef..

