

# Economic benefits of healthy fisheries



[Chris.Williams@neweconomics.org](mailto:Chris.Williams@neweconomics.org)

[www.neweconomics.org](http://www.neweconomics.org)



**Working towards an economy  
which delivers**

**high well-being and social justice  
within fair ecological limits**

# Why new economics?

## 4 'U's of economics

- › Unsustainable
- › Unstable
- › Unfair
- › Unhappy

# What's wrong with economics

- Infinite growth is possible
- All natural capital is “substitutable”
- People make rational decisions
- Everyone is perfectly informed
- Future generations will be richer than us
- Markets are fair and efficient
- Wealth trickles down from rich to poor

# What's wrong with economics (II)

Profitability is not aligned with *doing the right thing*.

Policy – Consumption – Production (mis)guided by a broken economic compass.

- Natural wealth loss = gains in GDP
- CBA informing decision-making fails to capture environmental and social values.
- Prices don't tell the truth
- We discount the future

# Solutions – What we need

- New tools / methods that reveal social/env. value
  - Happy planet index
  - SROI
- New context in which being profitable is synonymous with doing the right thing.
- Policy-making plays a key role in creating this context and in pioneering the use of new tools.

# How does all this apply to the fisheries context?



## **One key message**

**“Restoring fish stocks is good for UK/EU economy”**



Can the EU/UK meet fish demand from its own waters?

*What would be the revenue/jobs gains if EU stocks were at sustainable levels?*

*How much would it cost to get there?*

# Fish Dependence

Compares fish production vs consumption.

Estimates at when in the year calendar a country starts depending on fish from non-EU waters.

Fish production (supply): EU catch + Aquaculture

F. Consumption (demand): Total catch + Aq. + Imp – Exp

Self-sufficiency: Supply / Demand

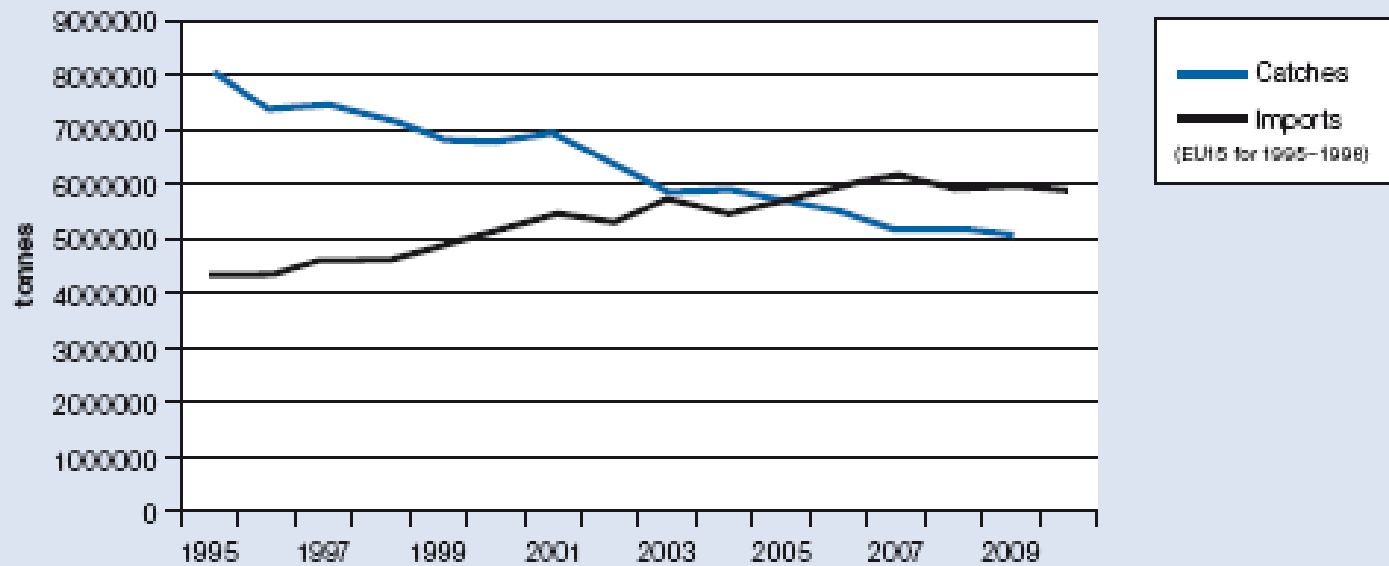


**Fish Dependence – 2012 Update**

The increasing reliance of the EU on fish from elsewhere

# Fish Dependence

Figure 1: EU27 catches (landings) and imports, 1995–2009



Source: Eurostat <sup>34</sup>

# Fish dependence day calendar 2012



Fish dependence has increased over time – stable over past 3 years

Aquaculture marginal impact to reduce increasing dependence on non-EU fish

**UK is a net importer – but could be a net exporter if fish stocks at MSY**

How can we allocate  
resources to those  
that create best  
value to society?

What does best  
value mean?



**Value Slipping Through the Net**  
Managing fish stocks for public benefit

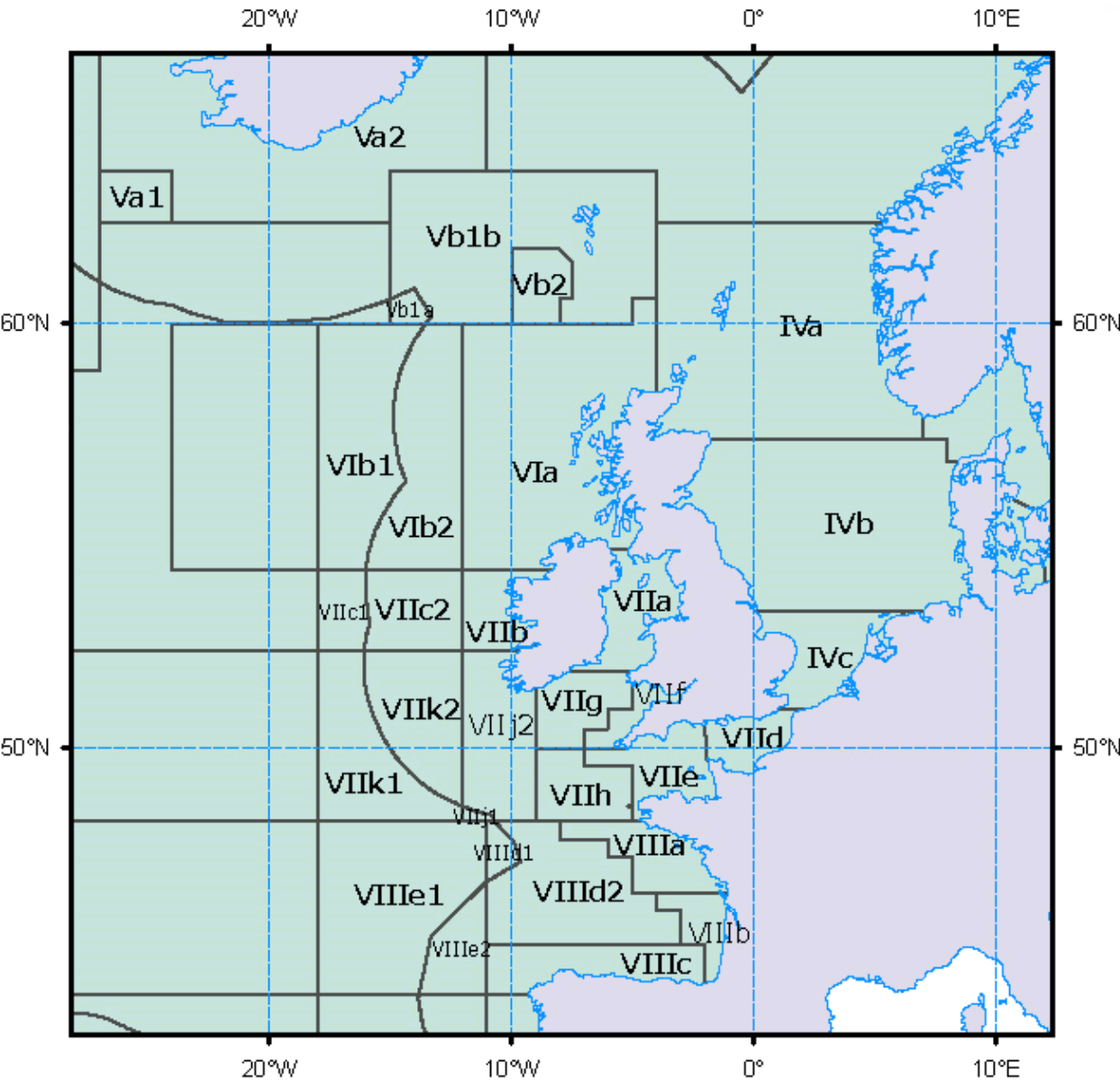
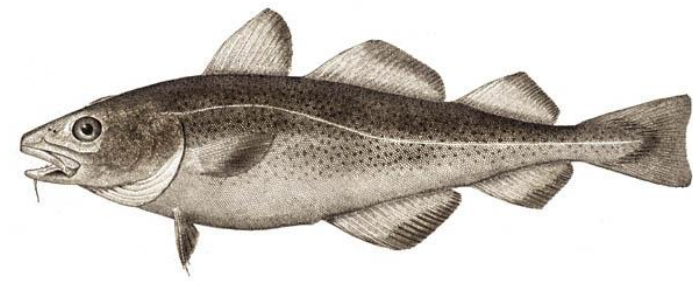
# What does best value mean in fisheries / fleets?

## Good value

- Economic viability / profitability
- Jobs
- Low impact on seabed
- Low discards
- Low C emissions
- Low by-catch

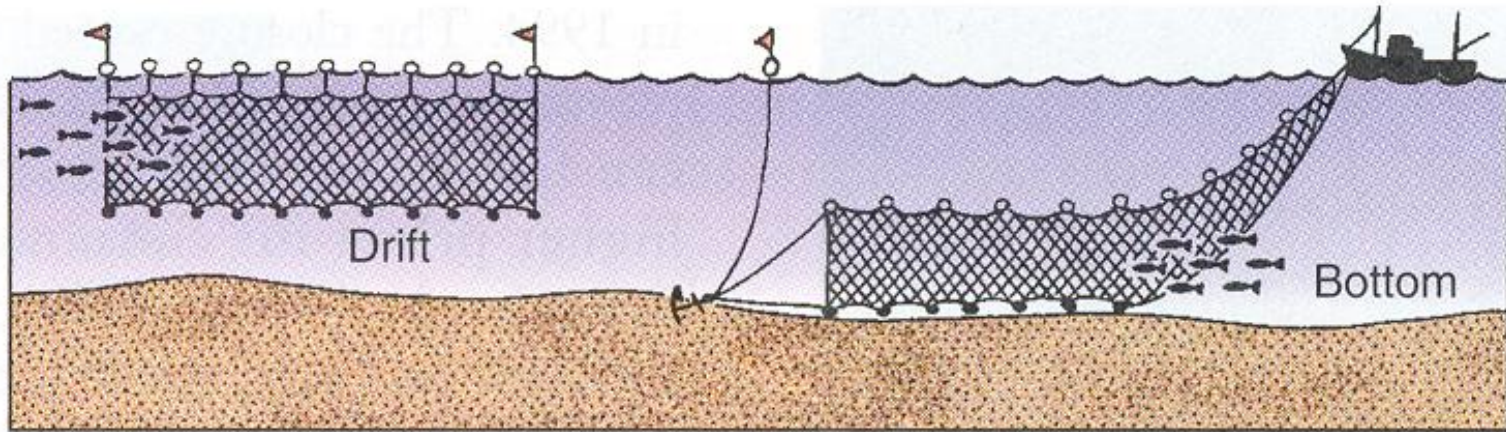


# Case study: North Sea Cod

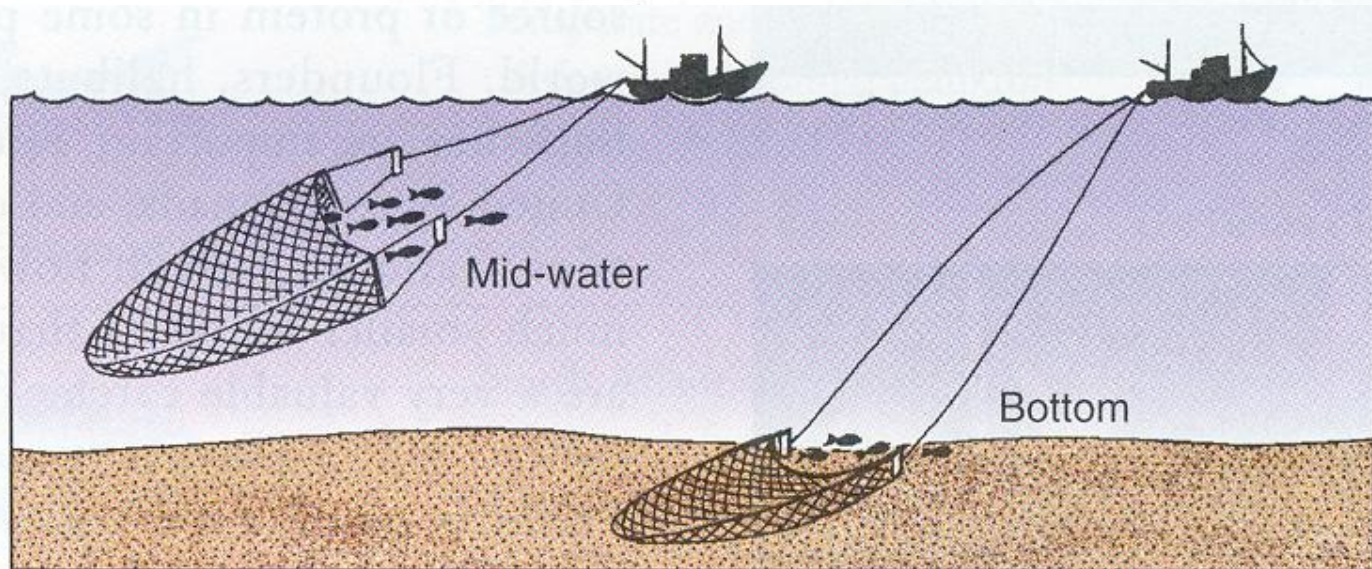


North Sea:  
ICES areas 27.IVa-c  
Source: FAO

# Main gears targeting cod in the North Sea



(a) Gill nets



(c) Trawls



# We compared:

Trawlers and Gillnets in terms of:

- Productivity (catch & rents per unit of effort – CPUE / RPUE)
- Employment
- Discards compared to total catch
- C emissions
- Fuel and direct subsidies

Sample included:

Total trawlers: 236 vessels

Total gillnets: 110 vessels

Fleets were classified in length types

Trawlers: 0-12m (41 vessels) - 12-24m (115) - 24-40 (74) - >40m (6)

Gillnets: 0-12m (105) – 12-24 (4).

# Summary of results

Value to society per Tonne of cod landed (£/tonne)

	0-12m	12-24m	24-40m	>40m
Trawler	-116	-1425	-1961	-1992
Gillnet	+865			

Allocation of resources (fish and funds)

	% Cod catch	Subsidies
Trawler	99%	£219/tonne landed
Gillnet	1 %	£38/tonne landed

# EU Common fisheries policy reform



Final text adopted by European Parliament  
6<sup>th</sup> Feb 2013

”Access to the fishery should be based on transparent and objective **environmental and social criteria**, as a means of promoting responsible fishing which would serve to ensure that those operators who fish in the least environmentally damaging way and provide the greatest benefits for society are encouraged”

# EU Common fisheries policy reform

Final text adopted by European Parliament – 6<sup>th</sup> Feb 2013

” Therefore, the Union should improve its Common Fisheries Policy to ensure that, as a matter of priority, by 2015, fishing mortality rates are set at levels that should **allow fish stocks to recover, by 2020 at the latest,** above levels that are capable of producing the maximum sustainable yield and allow all recovered stocks to be maintained at these levels.”

# What are the economic gains of fish stock restoration?

(i.e. How much are we losing by keeping EU stocks overfished?)

# Jobs lost at sea

Our report compares 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

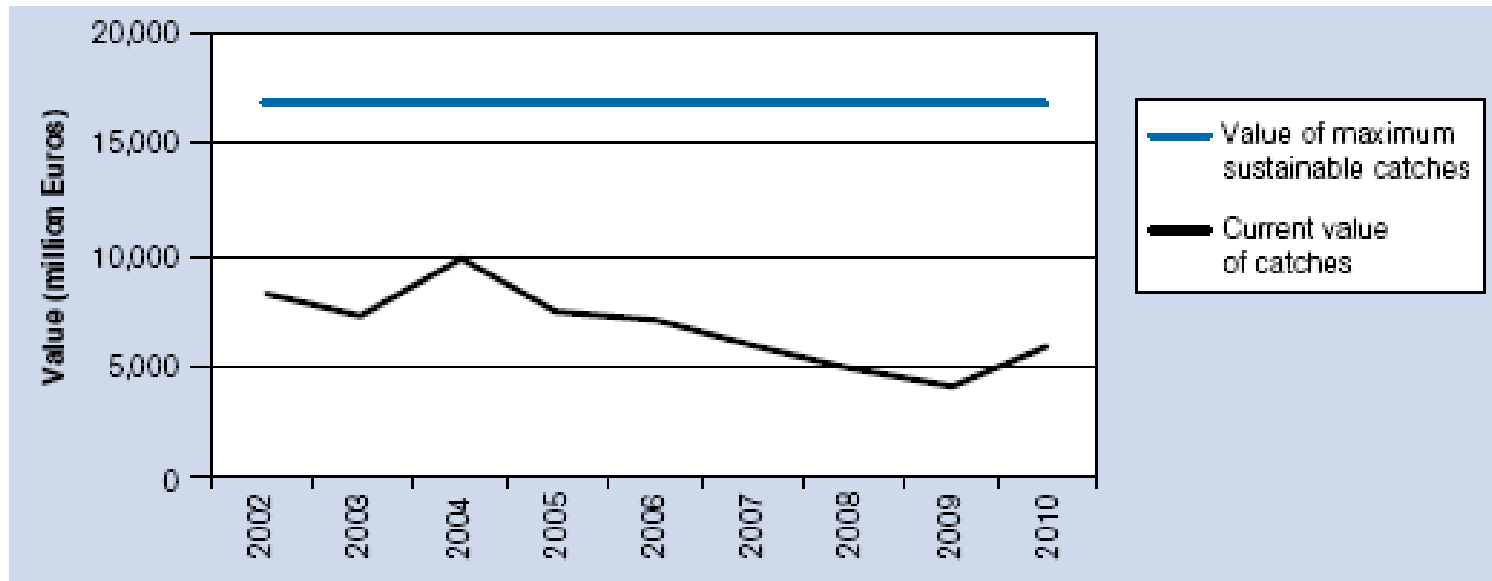


Figure 3: The current value of catches from 54 fish stocks are shown relative to their sustainable maximum. Source: MSY estimates from Froese & Proelß and current value of catches are own calculations based on ICES stock assessments and the AER.

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**.



How can we halt this drain? and  
how much would it cost?

# No Catch Investment

Profitability of restoring fish stocks

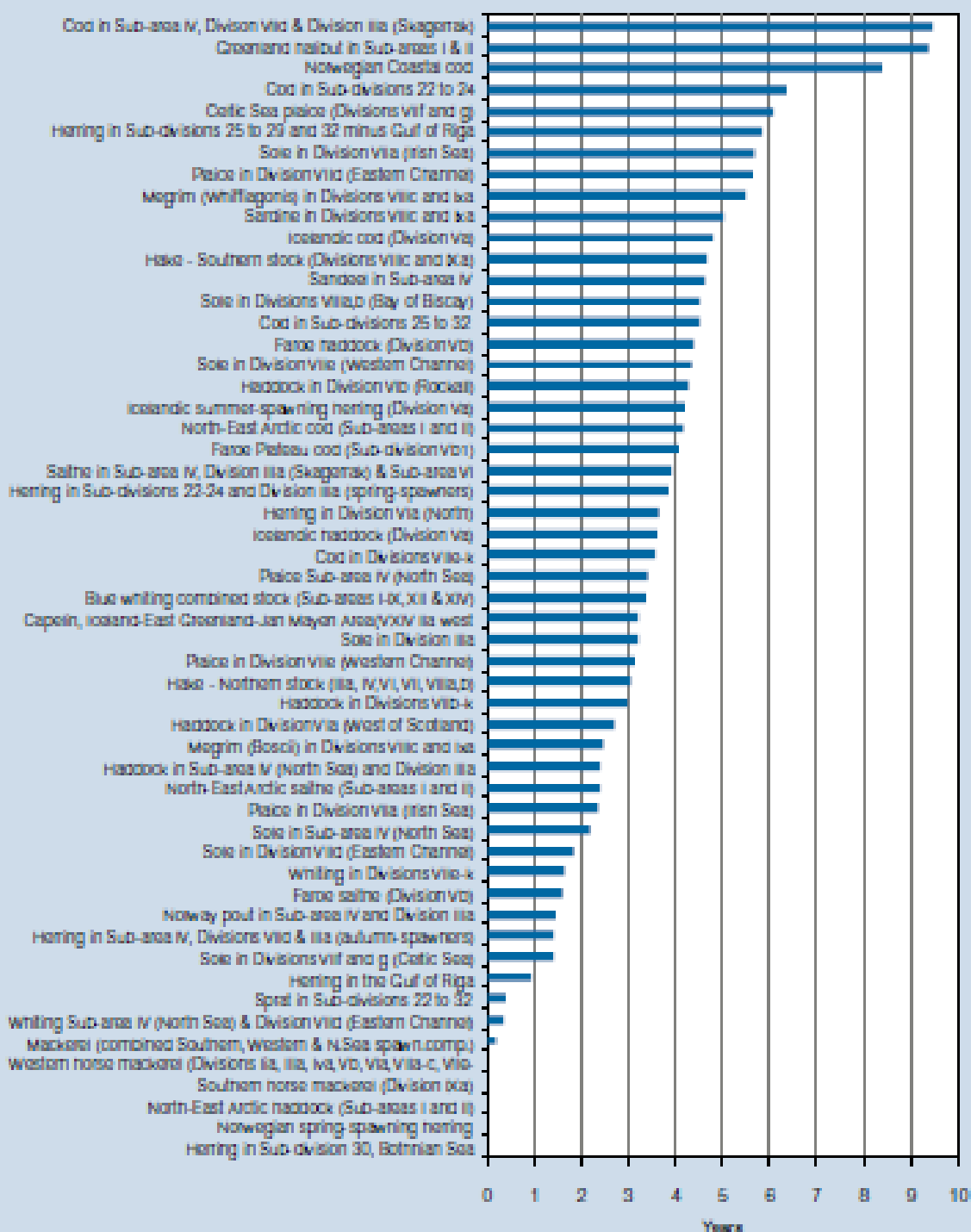
Recovery time for EU “overfished” fish stocks

Benefits of doing so (i.e. Like Jobs Lost at Sea)

Investment needed to compensate fishermen for “forgone” revenues during the moratoria period.



**No Catch Investment**  
Investing to restore European fish stocks



How long to MSY?

Most stocks would be rebuilt within 5 years

# No Catch Investment

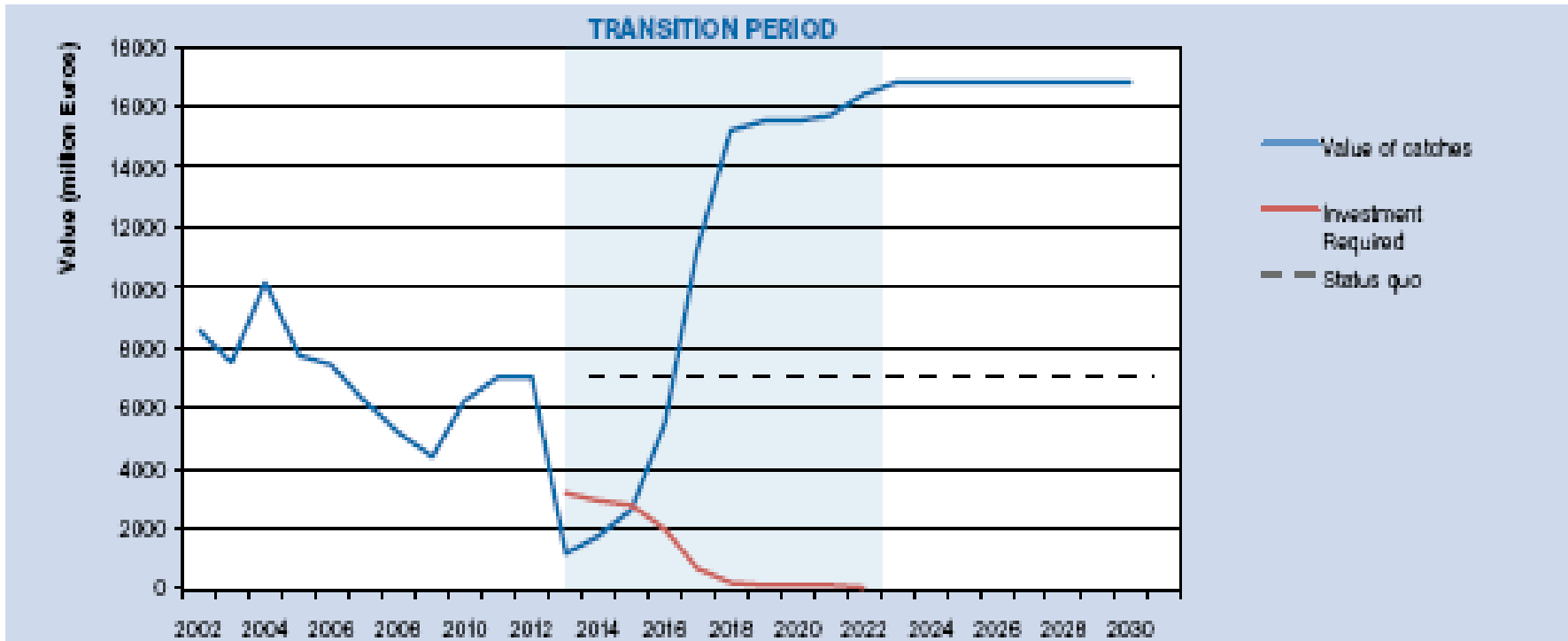
In just 4 years: higher and + sustainable fish supply.

Investment recovered in 4.6 years.

From thereafter we would get positive returns on investment of 50% after 10yrs up to 1400% after 40yrs.

Investing £9.16 billion in restoring fish stocks would generate £4.43 billion profit by 2023

Investment from private funds. Public funding targeted towards delivering MSY.



Source: [www.neweconomics.org/sites/neweconomics.org/files/NoCatch\\_web.pdf](http://www.neweconomics.org/sites/neweconomics.org/files/NoCatch_web.pdf)

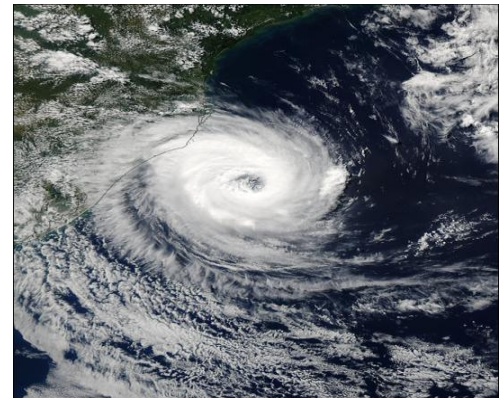
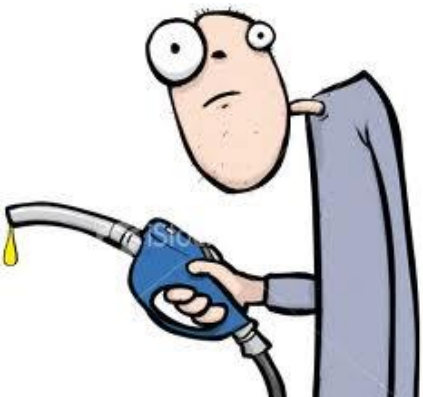
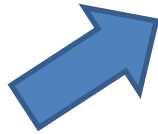
## Final (unquestionable) points

EU fish stocks are not delivering as much as they could if they were at MSY.

Keeping fish stocks below MSY levels is synonymous with loss of revenues and jobs.

The quickest way to restore fish stocks to MSY – is to stop fishing those stocks which are below MSY levels.





Within the current context:

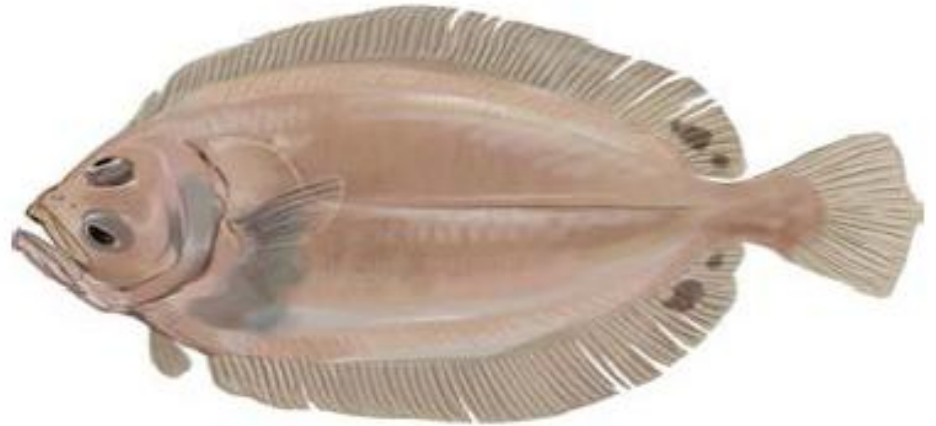
Fish stock restoration is the most important thing that that the fishing sector can do to reduce vulnerability and increase resilience to external shocks.

It is also the main (only) variable we can control.





# THANK YOU



Reports available at: [www.neweconomics.org](http://www.neweconomics.org)

Email: [chris.williams@neweconomics.org](mailto:chris.williams@neweconomics.org)