

Fisheries subsidies as source of finance for meeting the Aichi Targets

U. Rashid Sumaila

Fisheries Economics Research Unit
The University of British Columbia
Vancouver, Canada

r.sumaila@fisheries.ubc.ca

April 9-12, 2014



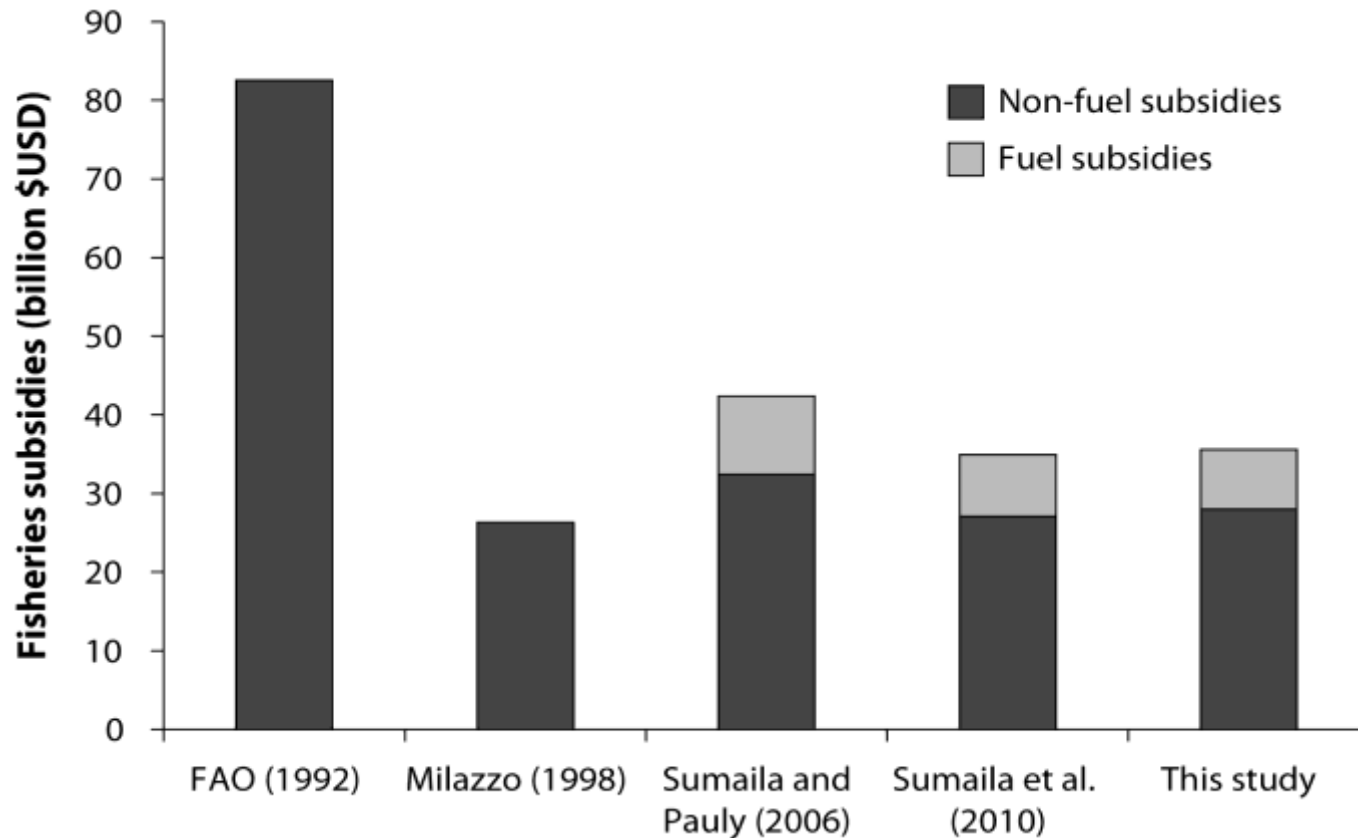
Economic basis for subsidies

- Subsidies are financial transfers from society to private entities;
- Subsidies are negative taxes;
- Society subsidizes activities or behaviors it wants to encourage; and taxes those it wants to discourage: Internalizing externalities;
- Hence, fisheries subsidies can serve as 'good' or 'bad' financial incentives.

Types of subsidies

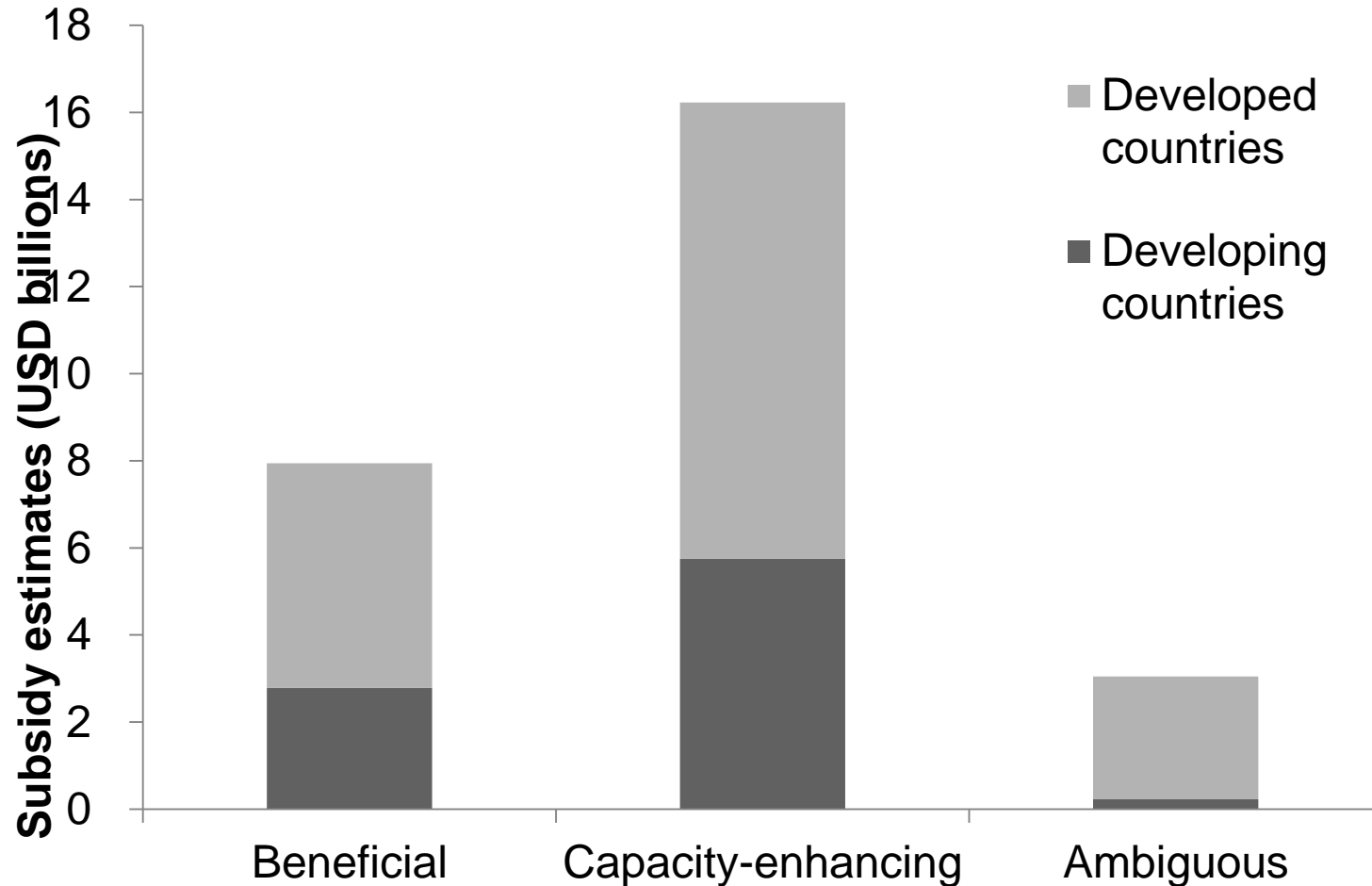
- Beneficial subsidies ('investment' programs in fish stocks);
- Capacity-enhancing (harmful) subsidies ('disinvestment' programs in fish stocks);
- Ambiguous subsidies (programs may benefit or harm fish stocks).

Why are subsidies a potential source of finance for biodiversity?



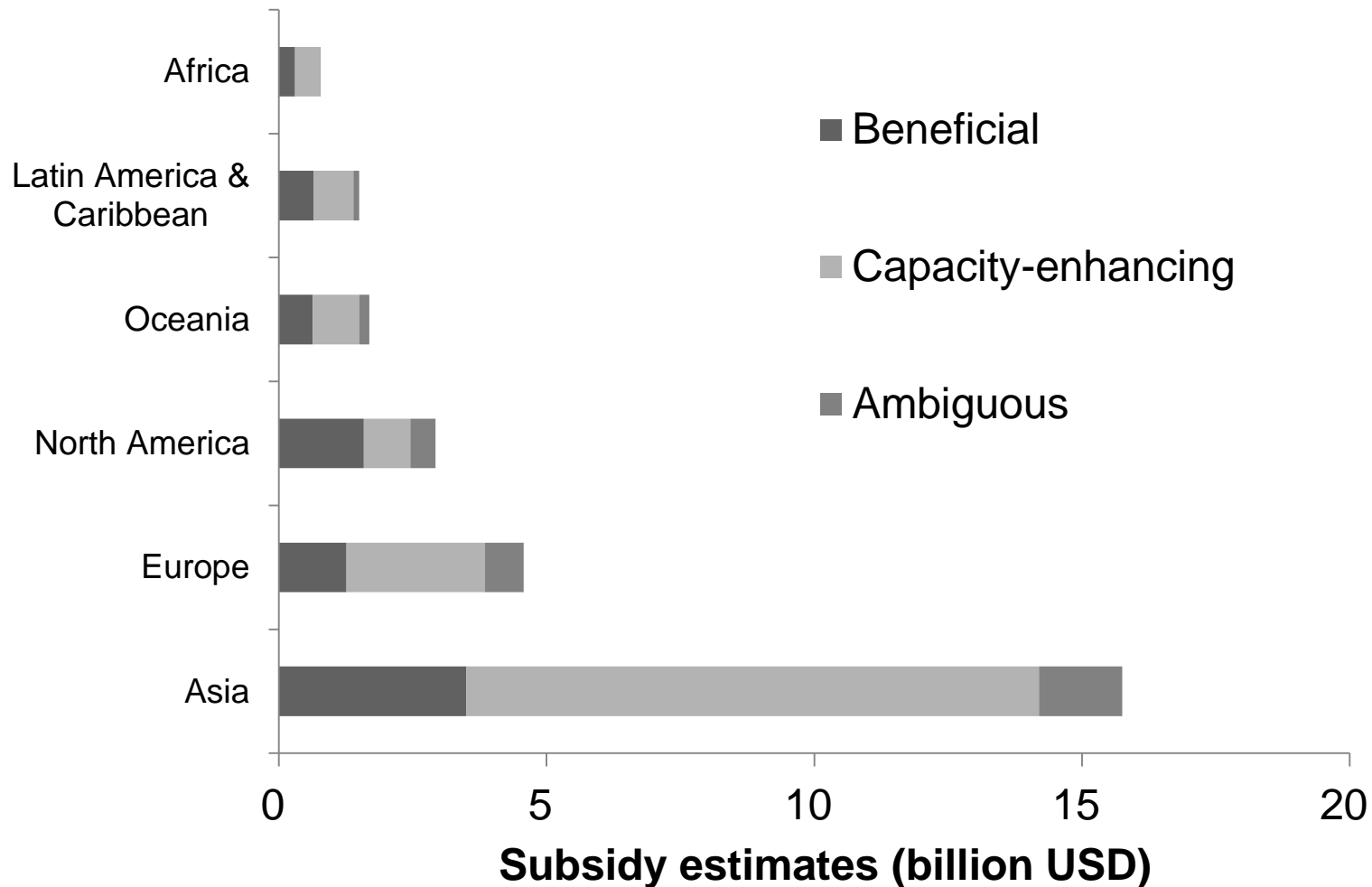
Subsidies by category

(Sumaila *et al.*, 2010)



Subsidies by geographical region

(Sumaila *et al.*, 2010)



Debunking the arguments for providing subsidies

- There are lots of fish in the ocean;
- Unlike before we need to go deeper and farther to catch fish;
- We want to fight poverty;
- We want to develop;
- Other countries are giving subsidies:
 - Sumaila (2012);
 - WTO involvement.

Financing through subsidies reform

- There is an estimated USD 16 – 19 billion of harmful subsidies that can be turned into beneficial subsidies;
- The beauty of the ‘harmful to beneficial subsidies’ proposal:
 - resources do not have to be taken out of the fishing communities;
 - all we need to do is to convert them so they can strengthen the resource base rather than undermine it.

From harmful to biodiversity-friendly subsidies

- Some interesting initiatives:
 - Fishing for plastic;
 - Fishers helping to collect scientific data;
 - Fishing families helping to monitor IUU fishing.
- Alternative livelihoods initiatives.

From harmful to biodiversity-friendly subsidies

- More long term efforts:
 - Educate and equip fishing communities, esp., in developing countries, to increase their options in terms of job opportunities.
- By turning harmful subsidies to beneficial ones in the manner described here, we will begin to tackle both short and long-term poverty and development issues in our fishing communities by sustaining the ecological (biodiversity) basis of our fisheries.

Thanks for your attention

