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Socio-economics and Long-term management plans

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Outline

1. Socio-economic impact assessment (IA)
 - > Rationale
 - > EU practice
 - > How can it help
2. Role of the RACs



IA - Rationale

- To assess impacts of policy options:
 - › Trade-offs between biological/economic/social aims
 - › Trade-offs over time
 - › Identify sectors/individuals impacted
 - › What incentives might evolve?
 - › Liaise with industry
 - › Identify best policy option



IA - Cases

- **North Sea cod**
 - › Edinburgh seminar, internal IA work → Formal IA report (EC web)
- **Northern hake, North Sea flatfish, Anchovy**
 - › STECF working group reports → No formal IA yet
- **West of Scotland herring, Horse mackerel**
 - › Small internal IA, stakeholder consultation → No formal IA yet
- **Baltic salmon (ongoing) and pelagics (2009)**
 - › External consultants



How can socio-economic IA help?



- Stock rebuilding is more than seeking maximum yield and minimising risk of collapse
-it is also about investments, revenues, costs, employment, etc.
- Economic view of stock rebuilding
 - ~ Investing in stocks
 - ~ Time path and intermediate goals
 - ~ Factors of success



Investing in stocks

- Look at stock rebuilding as an investment - invest in stock by cutting back on harvest now. Return to come over time
- Time Frame and Rate of Growth v. important
- What do you give up? What do you gain?
- Industry and market responses, incentives
- Value of catch now vs. value of catch later
- Benefit of getting out of risk area
- Maintain industry while stock grows



Time path and goals

- The bottom line is to select a path of desired fishing mortality rates that will obtain the target stock size within the time frame (e.g. MSY)
- **Then: How do we get there and stay there?**
- It is necessary to obtain a fleet size and operation level that will achieve the desired annual harvest level so as to get to the desired stock size in the selected time frame



Factors of success?

- Cost of producing fish
- Profits of industry
- Incentives for current and future production
- Distribution of gains
- Ability to meet social objectives

- **Ultimately**, what is the best policy choice?
 - › Will it achieve harvest goal and other goals?
 - › What sort of incentives does it provide for industry?



Role of the RACs

- **Not** to produce socio-economic IA
- Collaboration is key for many IA
 - › Early engagement in TOR preparation
 - › Participation during work (e.g. NS flatfish)
 - › Facilitate with missing information/data
 - › Provide opinion on draft IA report
 - › EC will need to set up a timely procedure for this
- But, some IA may need a different approach (due to political will, immediate biological risk, etc.)