

ECONOMICS OF STOCK RECOVERY

IDEALS AND ILLUSIONS

**Inter-RAC seminar,
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SETTING THE SCENE

1. CFP is about managing people.
2. 'Tragedy of the commons' remains the unresolved basic problem.
3. Fishermen are entrepreneurs and fishing is an economic activity.
4. The society as a whole is entitled to benefit from a common resource.
5. Efficient, profitable and accountable fishing industry is a 'sine qua non' for restoration of healthy fish stock.

PRESENTATION

1. Intentions of FIFG and EFF to mitigate ‘socio-economic’ consequences of restructuring
2. Impact Assessment of the ‘Revised measures for the recovery of cod’
3. Ideals and illusions of fisheries management
4. Road to pro-active fisheries management

STOCK RECOVERY AND LONG TERM MANAGEMENT PLANS

- 10 plans (SRPs) are being implemented or in preparation, starting in 2004.
- Legislation does not mention economics.
- Socio-economic consequences left to the Member States to deal with through FIFG (2000-2006) and EFF (2007-2013).

INTENTIONS OF FIFG AND EFF

FIFG

- Fleet adjustment, renewal and modernization
- Socio-economic measures: retirement, cessation, retraining, aid for young fishermen

EFF

- Fleet adaptation
 - permanent and temporary cessation
 - investments on board and selectivity
 - favorable conditions for small scale fishing
 - socio-economic compensation
- Sustainable development of fisheries areas

EFFECTIVENESS?

FIFG

Unclear, latest evaluations in 2006, final evaluation in 2009, but not related to SRPs.

EFF

3.8 bln Euro EFF + approx. 3.3 bln Euro in national public funding.

About 27% to priority axis 1 and 12% to axis 4.

Relation to specific SRPs is not direct.

Conclusion: We do not know!

IMPACT ASSESSMENT OF COD RECOVERY

Economic conclusion

Fishing 150-250.000 t is more attractive than 25.000 t.

Policy / conservation conclusion

Reduce fishing mortality = effort.

But

Quality of the scientific (=biological) data is too low to guide the plan, and

Speed of stock recovery cannot be forecasted.

COD RECOVERY - PROBLEMS OF ECONOMIC ANALYSIS

- 1. Past (2004-2007) effects not evaluated.**
- 2. Recovery paths not analyzed – essential to reconcile short and long term interests**
- 3. Economic behavior disregarded**

Resources allocated to economic analysis are fundamentally insufficient.

CONCLUSIONS ON SOCIO-ECONOMIC ASPECTS OF SRPs

‘Socio-economic aspects’ are still seen as a **CONSEQUENCE** of ‘fisheries management’

instead of

as a structural **CAUSE** of poor state of stocks.

IDEALS AND ILLUSIONS

1. **Scientific data offers sound basis for policy.**
2. **Command and control policies will solve the ‘tragedy of the commons’.**
3. **Time is not a limiting factor.**
4. **Financial support is necessary.**
5. **Fishing industry plays an important role in many coastal regions.**
6. **Large stocks are necessary to create ‘rent’.**
7. **Technological ‘creep’ should be prevented.**
8. **Fisheries sector is ‘different’.**

BACK TO BASICS

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2. **'Tragedy of the commons' remains the unresolved basic problem.**
3. **Fishermen are entrepreneurs and fishing is an economic activity.**
4. **The society as a whole is entitled to benefit from a common resource.**
5. **Efficient, profitable and accountable fishing industry is a 'sine qua non' for restoration of healthy fish stock.**

TOWARDS PRO-ACTIVE CFP



- 1. Differentiate between coastal and off-shore fleets.**
- 2. Introduce substantial access fees and cost recovery.**
- 3. Phase out all financial support.**
- 4. Design co-operative rules.**
- 5. Define ‘environmental indicators’ directly related to accountability of individual producers.**
- 6. Create conditions for small, modern and efficient European fishing industry: flexibility to exploit available fishing opportunities.**