

# Harmful subsidies are made for inequality and unsustainability

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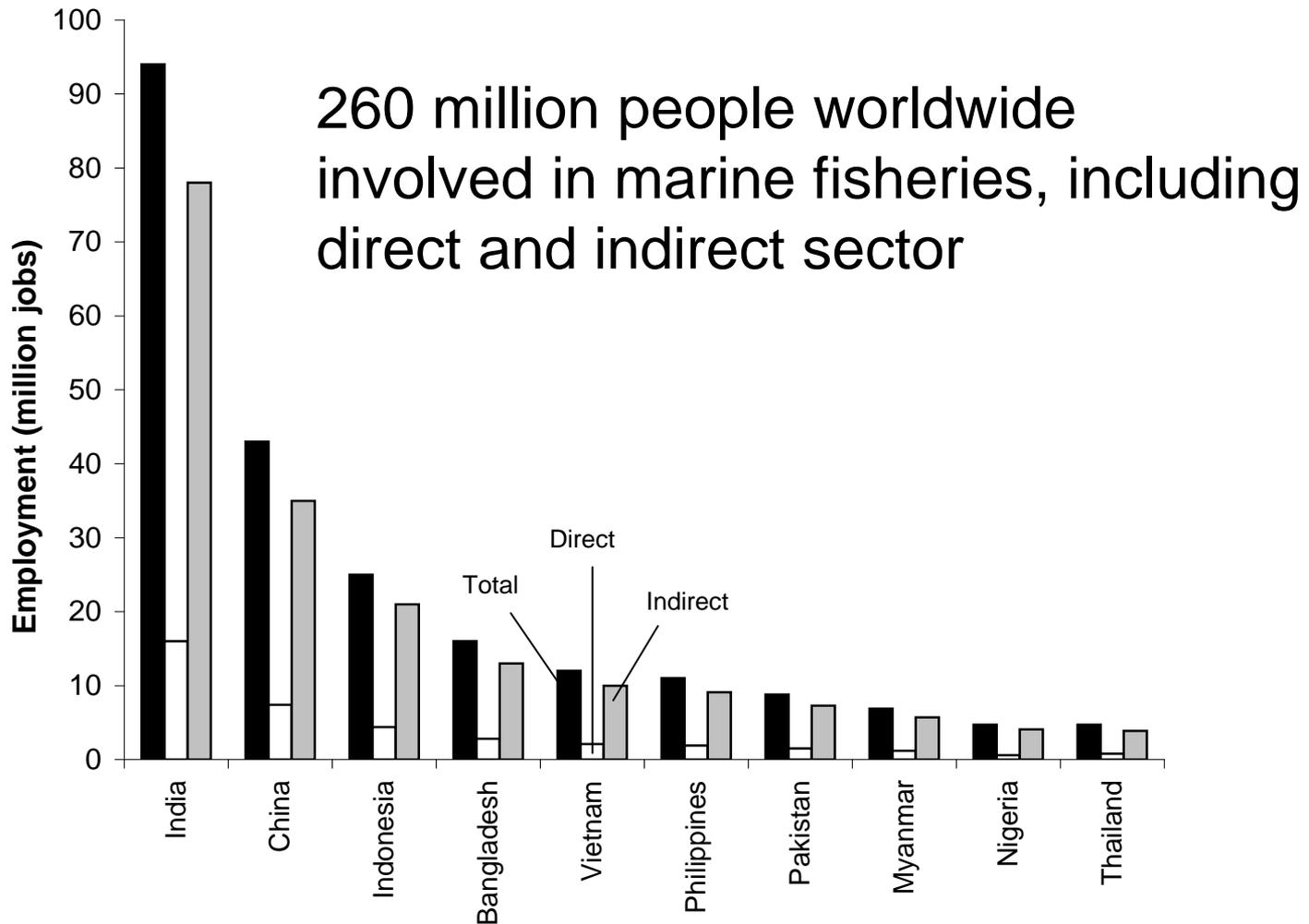
# Outline of talk

- Why care about sustaining wild fisheries:
  - They are important to people worldwide;
  - They are under various threats.
- A key threat – ‘Bad’ public policies:
  - Ineffective management;
  - Fisheries subsidies.
- Reforming fisheries subsidies.

# Fish & fisheries important to people

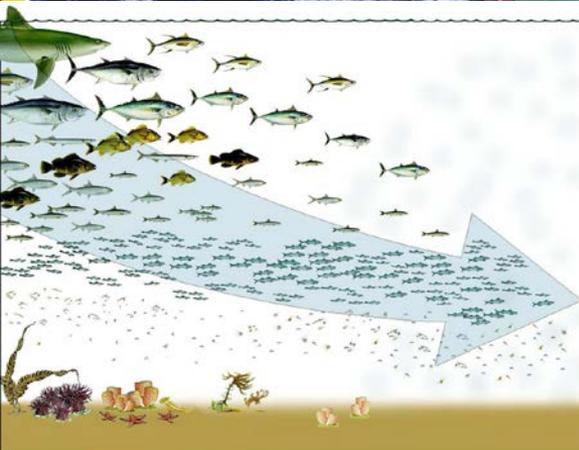
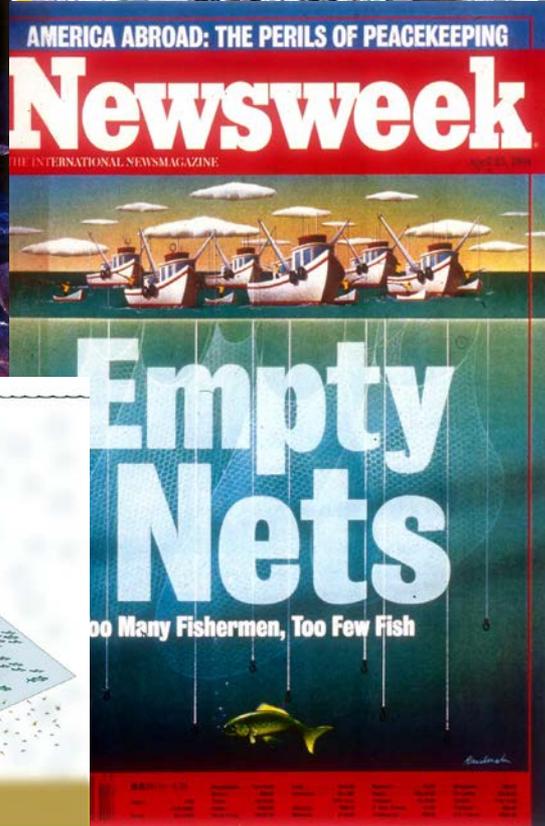
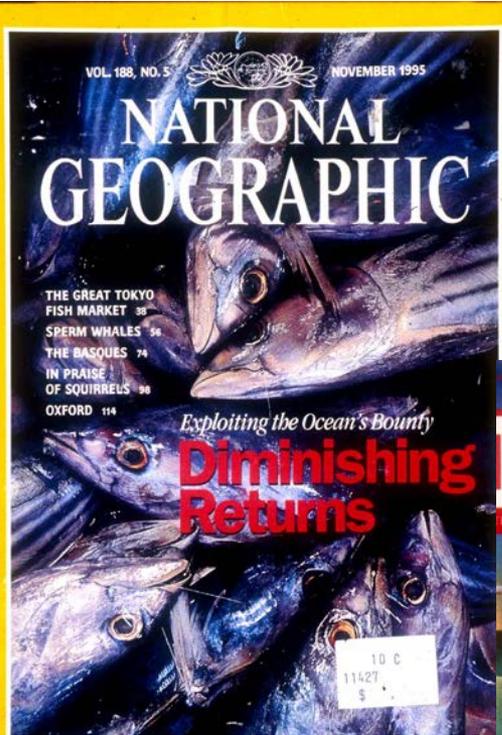
- Food and nutritional security:
  - catch of 120 million tonnes a year equivalent to 120 million mature cows a year.
- Economic security:
  - Generates \$120 billion revenues a year producing \$360 billion of economic impact.
- Job security:
  - Generate jobs for an estimated 260 million people globally.
- Recreational and cultural values;
- Ecosystem function and service.

# Social security through jobs



Top 10 countries providing marine employment

# Opportunities and challenges to global fisheries?



# Climate change impacts

## Physical/Chemical changes in the ocean

- ↑ Sea temperature;
- ↑ acidification;
- Δ ocean current pattern;
- Δ salinity;
- retreat of sea ice;
- ↑ coastal hypoxic & oxygen min. zone;
- ↑ sea level.



## Biological / ecological changes in the ocean

### INDIVIDUAL

- Physiology;
- Growth; &
- Body size.

### POPULATION

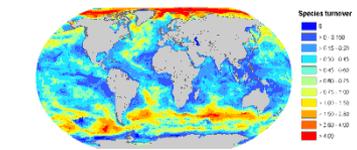
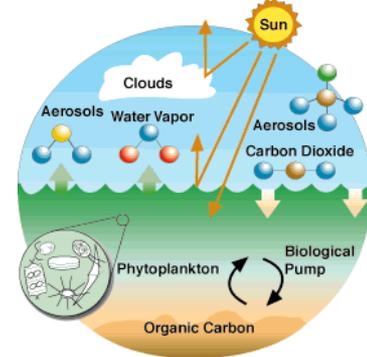
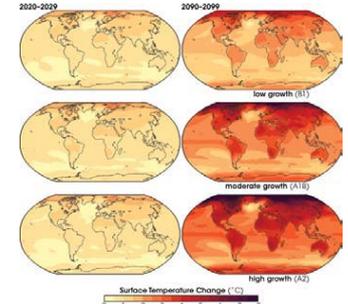
- Distribution;
- Abundance; &
- Recruitment.

### COMMUNITY

- Species composition;
- Invasion/extinction.

### ECOSYSTEM

- Productivity; &
- Species interaction.



# Economic justification for subsidies/taxes

- Externalities:
  - Positive externality → provide subsidies;
  - Negative externality → impose taxes.

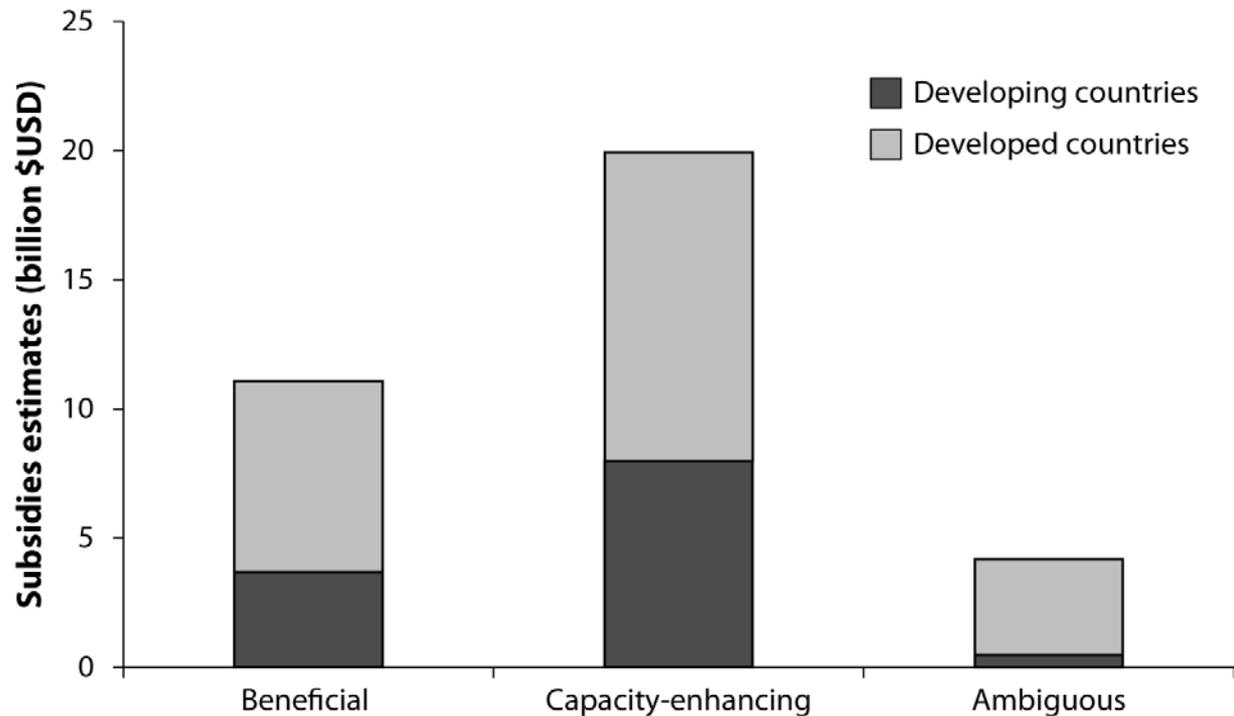
# Categorizing subsidies

- 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).

Khan *et al.* (2006); Sumaila *et al.* (2013)

# Subsidies are substantial

- Capacity-enhancing subsidies 57% of total USD 35 billion
- Subsidies to developed country fisheries at 65%.



# Fisheries subsidies

## Small versus large scale fisheries

—  
35 billion USD per year



16%

5.6 billion USD



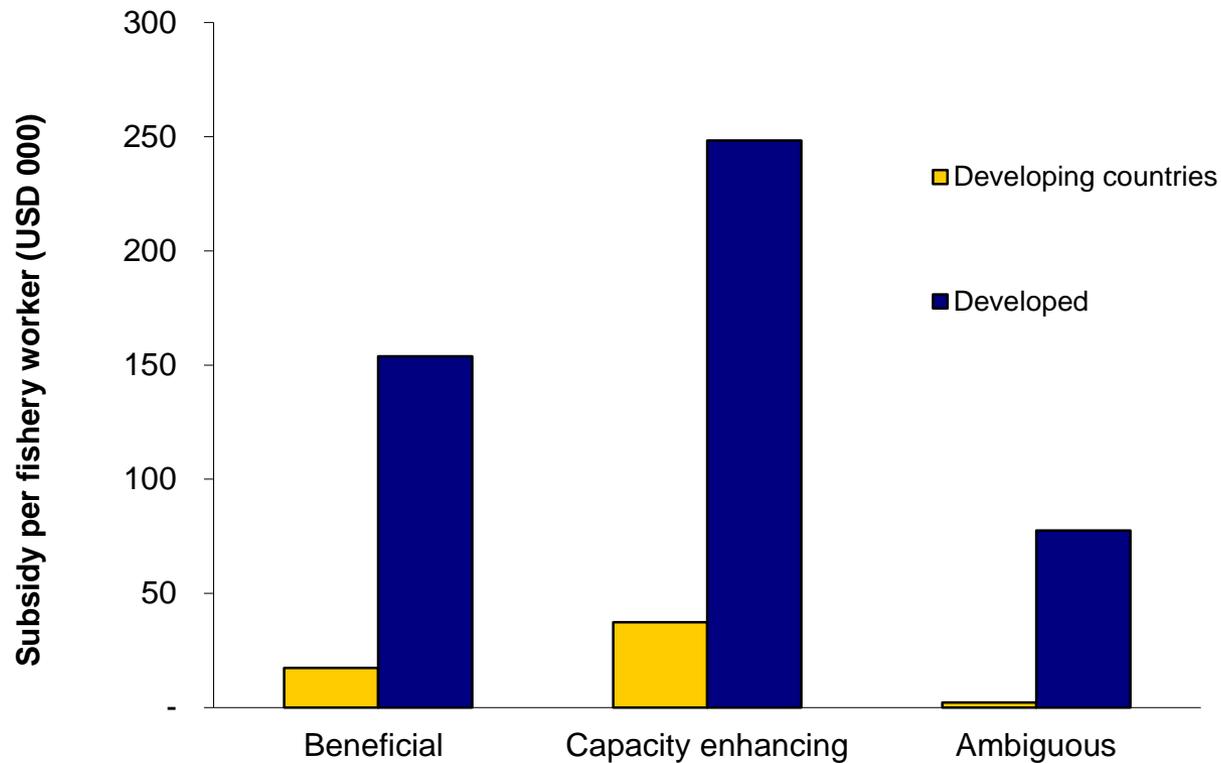
84%

29.4 billion USD



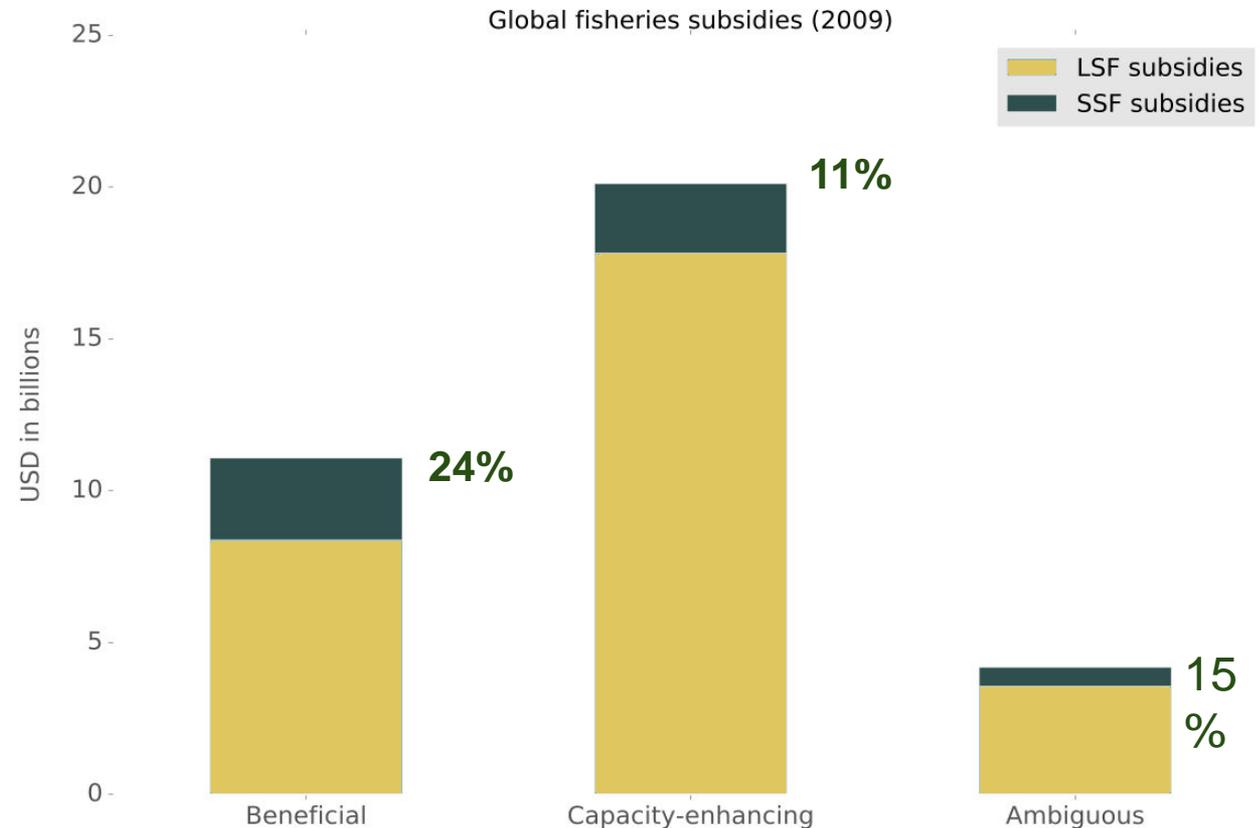
Sumaila *et al.* (2016); Schuhbauer & Sumaila (*in prep.*)

# Subsidies are made for inequality



# Fisheries subsidies by size by categories

Capacity-enhancing which are the largest fraction of total subsidies provide the smallest share to SSF.



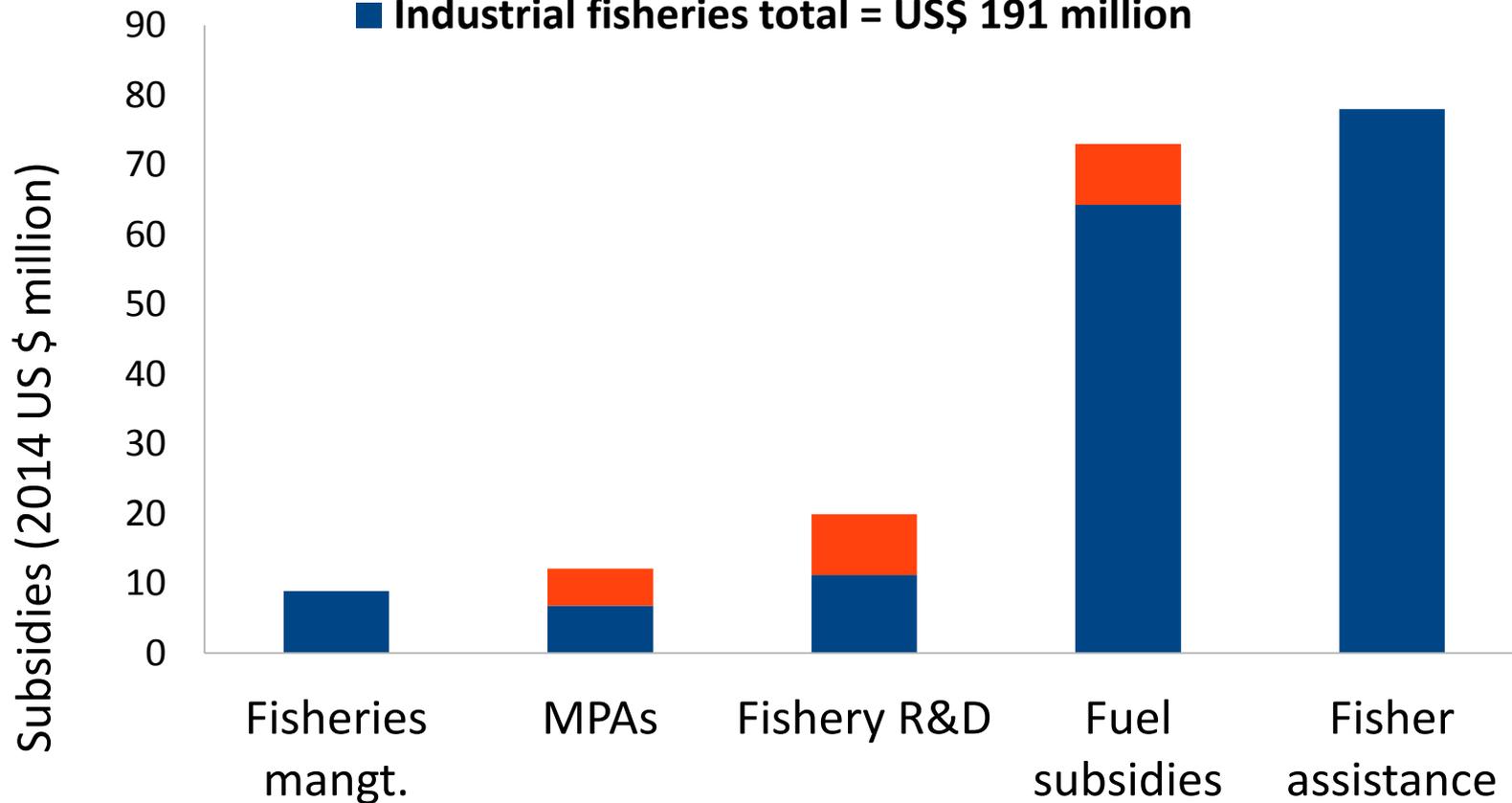
Sumaila *et al.* (2016); Schuhbauer & Sumaila (*in prep.*)

# Mexican fisheries subsidies



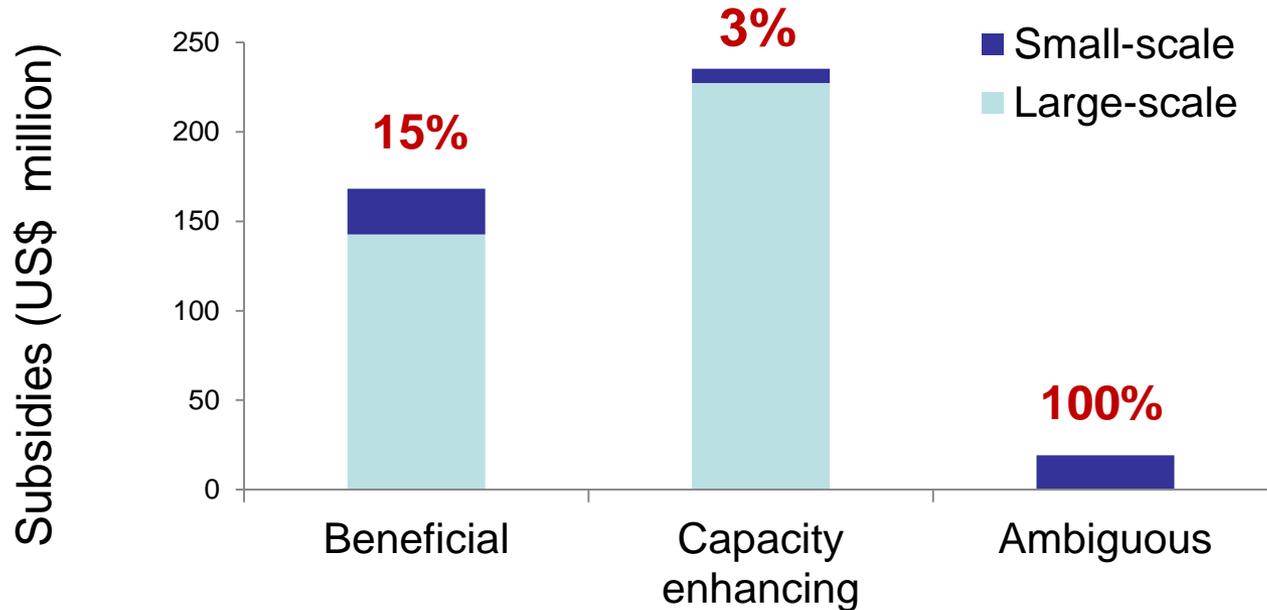
■ Small-scale fisheries total = US\$ 22 million

■ Industrial fisheries total = US\$ 191 million



Approximately **12%** of all fishing subsidies go to the small-scale sector

# Indonesian fisheries subsidies



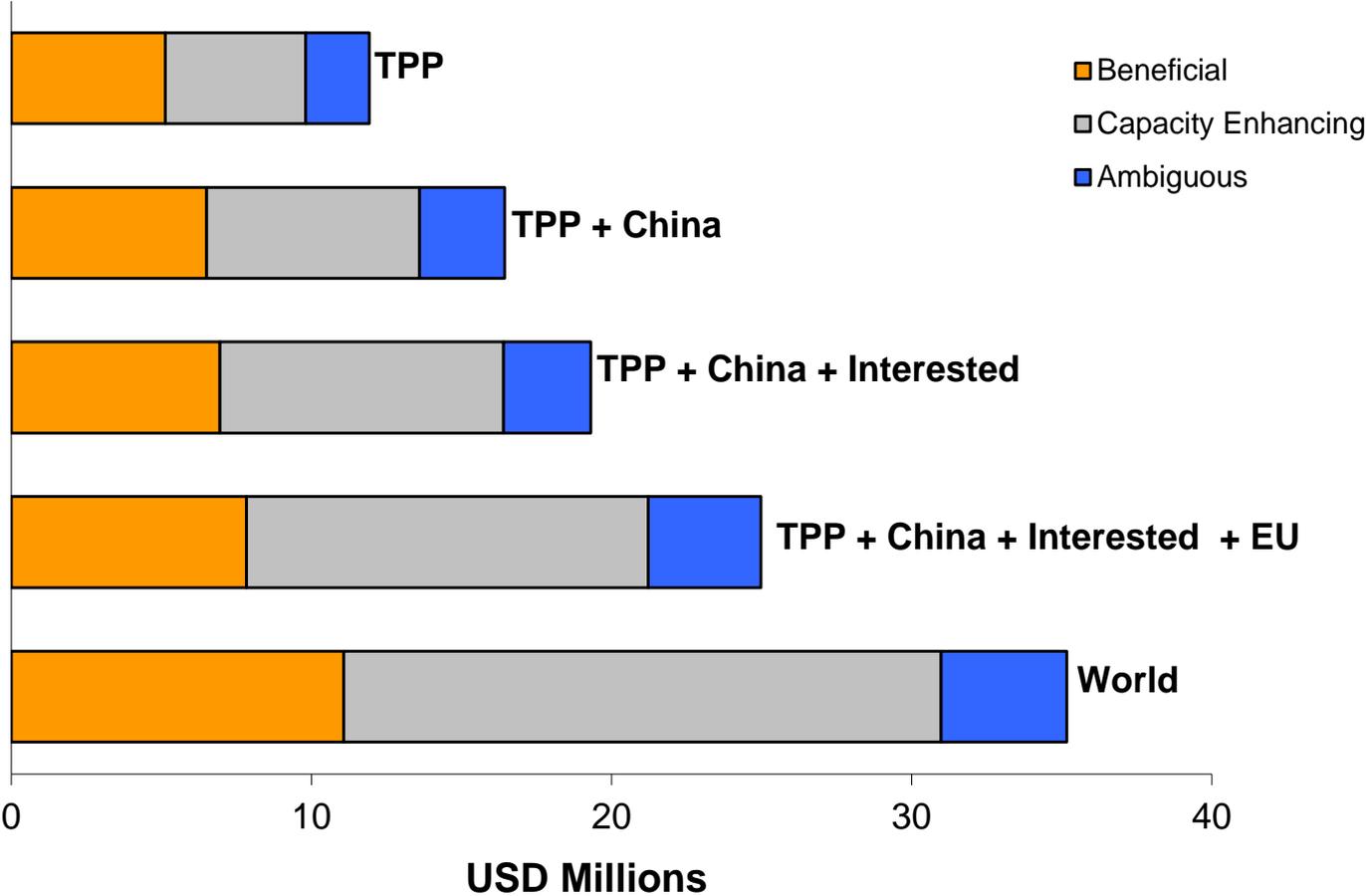
# Push reform

- Improve transparency around global fisheries subsidies;
- Build momentum towards a multilateral agreement on subsidy reform;
- Push reform at all levels:
  - National level;
  - Regional level;
  - Global level.

# Core group of countries adopts fisheries subsidies disciplines

- Examples:
  - TPP may include disciplines on subsidies to over-fished stocks and IUU vessels;
  - The ACP group of countries;
  - The TTIP countries (EU and USA);
  - The Benguela Commission Countries (Angola, Namibia and South Africa).

# An illustration: Group of countries taking initiative as a catalyst



Total subsidy amount (USD millions) for each country group, broken down by subsidy type (Sumaila et al. 2013).

**Yes, harmful subsidies are bad  
for sustainability & equity**

**Thanks for your attention**

