

# Globalization, subsidies, illegal fishing and developing countries

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# Outline of talk

- Globalization & fish trade;
- Fishing access to developing country EEZs as fisheries subsidies;
- Illegal fishing;
- How to support developing country coastal communities, and protect fish stocks.

# Globalization

- A process characterized by the trade of goods and services leading to a less parochial world (Ellwood, 2001);
- Key elements of globalization include the increasing flows of
  - Money; material; information; and people across national boundaries (Vincent, Marsden and Sumaila, in press).
- “... the removal of barriers to free trade and closer integration of national economies ..” (Stiglitz, 2002).

# **The positive side of globalization**

- Comparative advantage & specialization;
- Increasing wealth implies more spending on the environment;
- Global organizations can help, e.g., the WTO & subsidies disciplines;
- Diffusion of environmentally friendly technologies & practices;
- Positive use of modern communication technology.

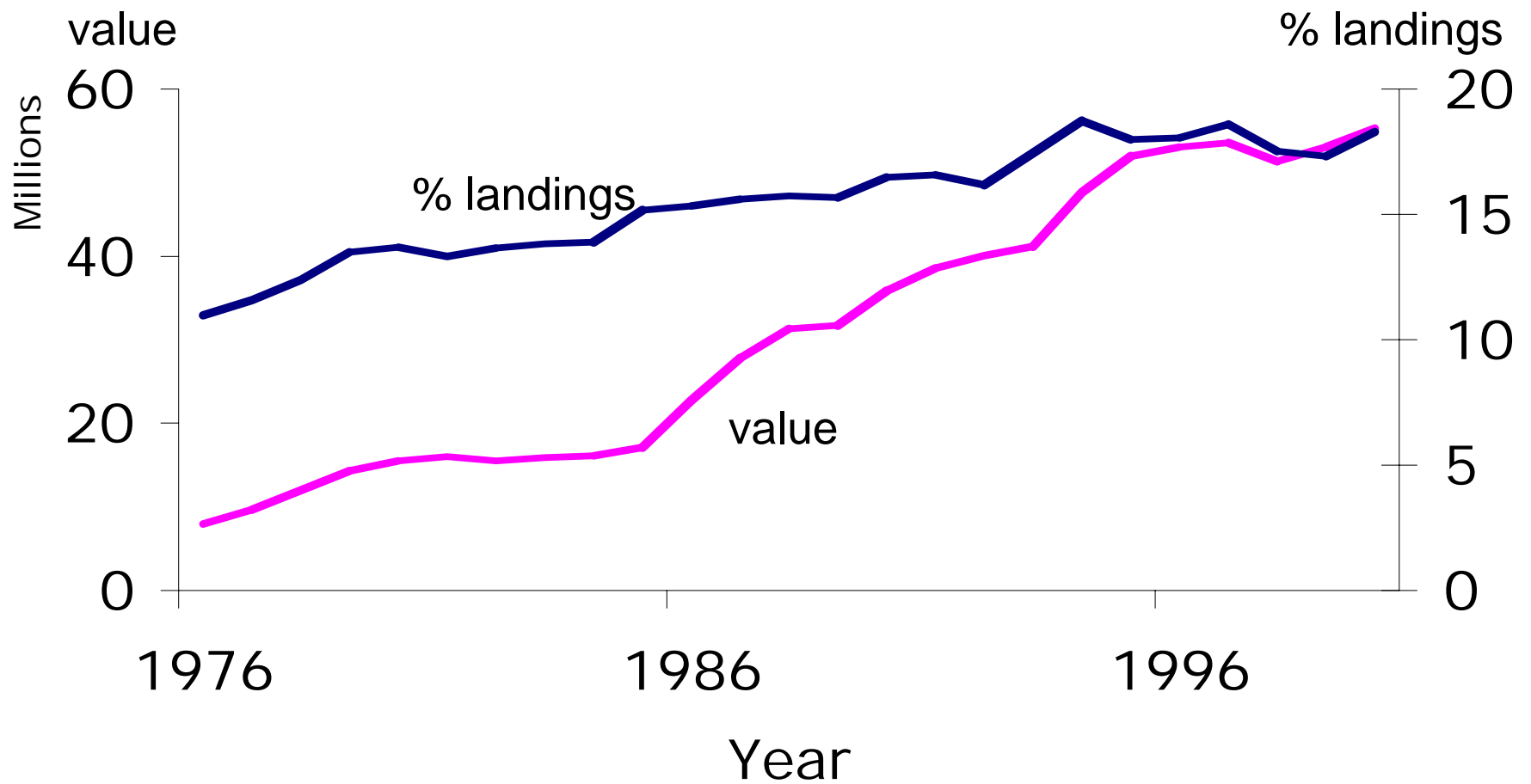
# **The negative side of globalization**

- High production & consumption, implies depletion of natural resources when management is ineffective;
- “Race to the bottom” phenomena;
- Full cost of trade is not internalized;
- Weak bargaining power:
  - between developed and developing countries;
  - within developing countries.

# **Global trade in fish & fish products**

- ~ 40% of fish produced are exported;
- ~ 20% wheat & 5% of rice are exported;
- Exports in 2000 : 26 million tonnes of product worth 55 million USD;
- Imports : 27 million tonnes worth 61 million USD.

# Marine fish exports

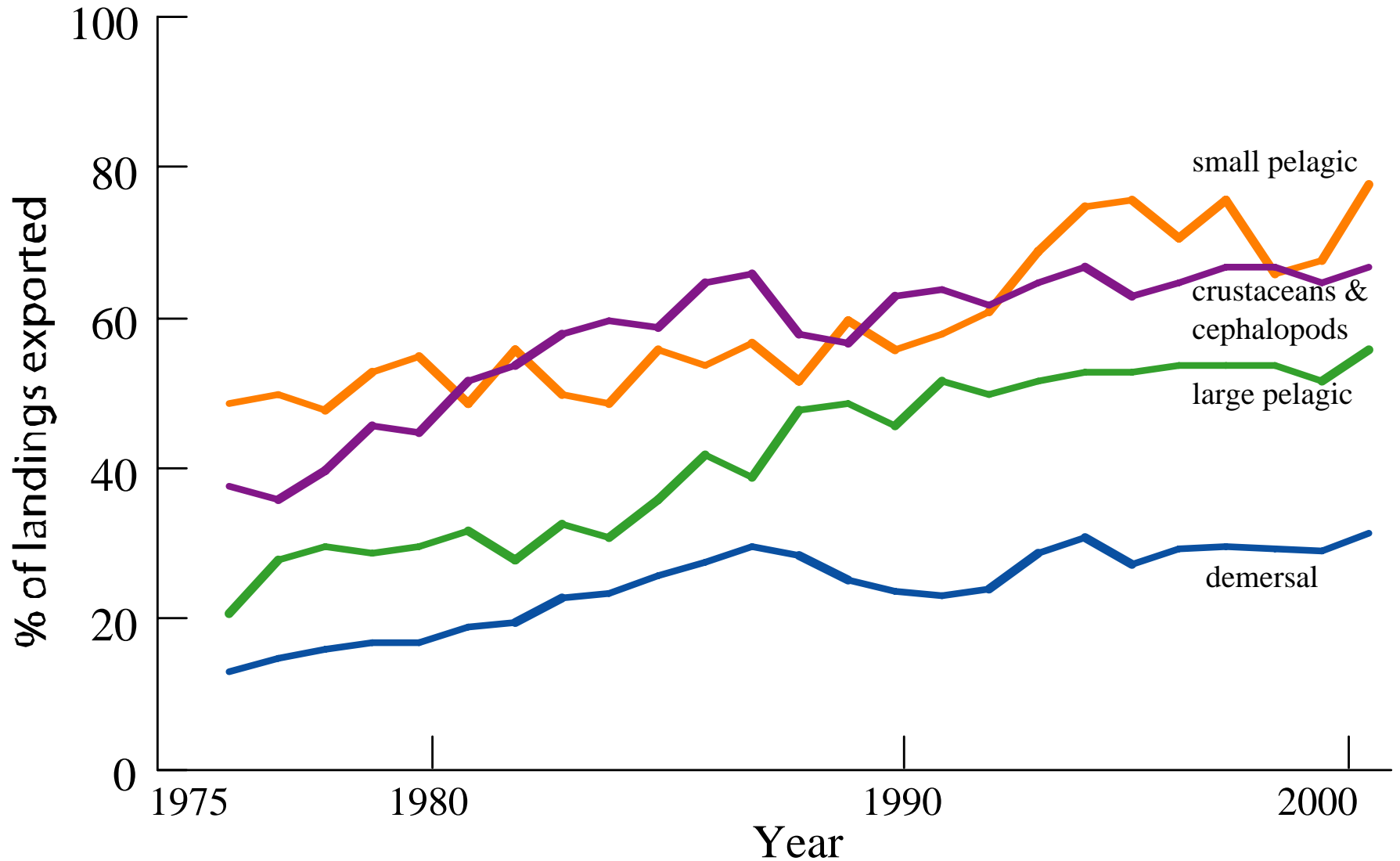


# Marine capture fish trade

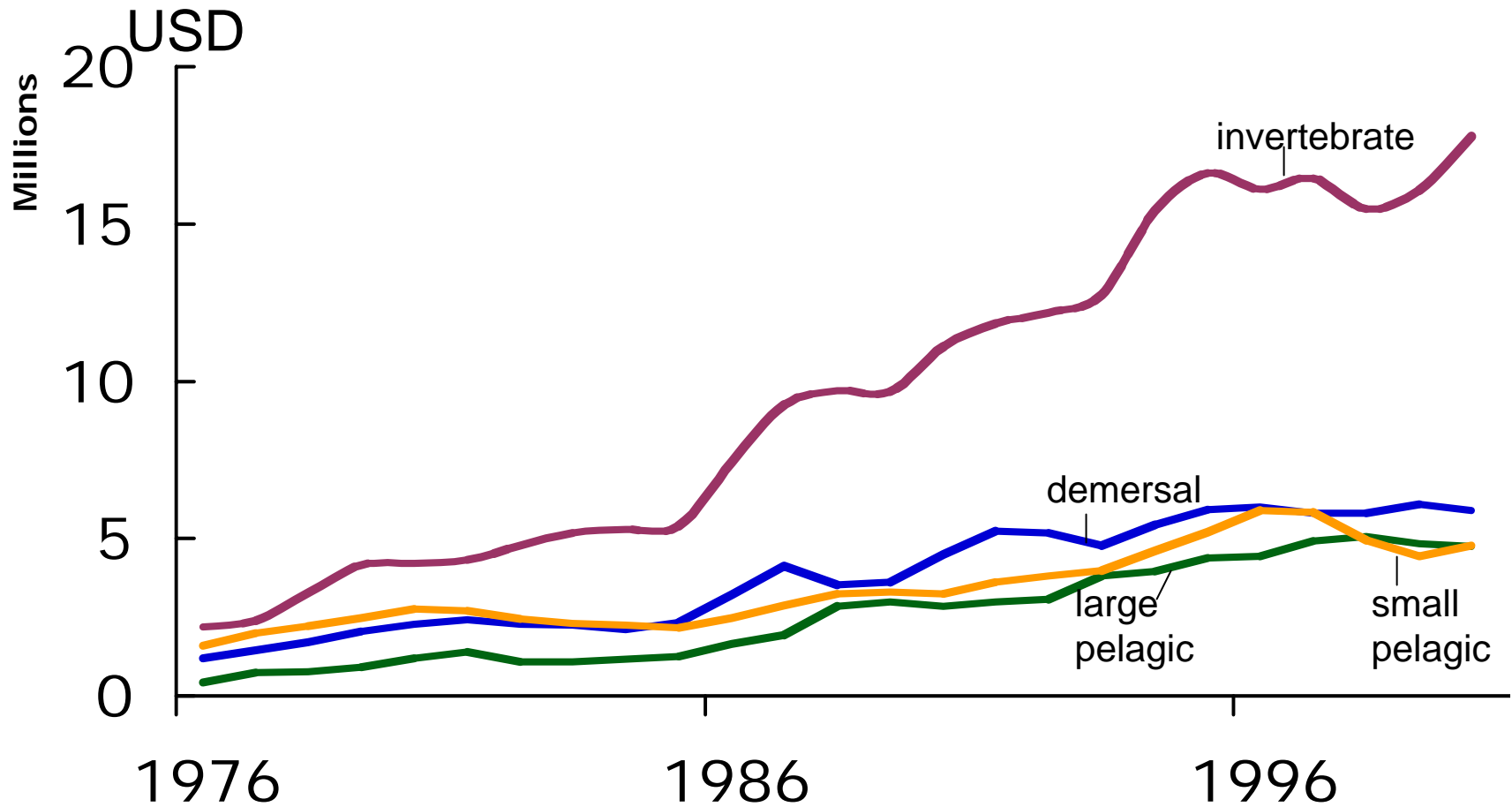
- Demersal - “whitefish”;
- Large pelagic - “tuna”;
- Small pelagic - fishmeal, fish oil and cheap protein;
- Invertebrate - crustaceans\* and cephalopods.

Using FAO's Commodities Database

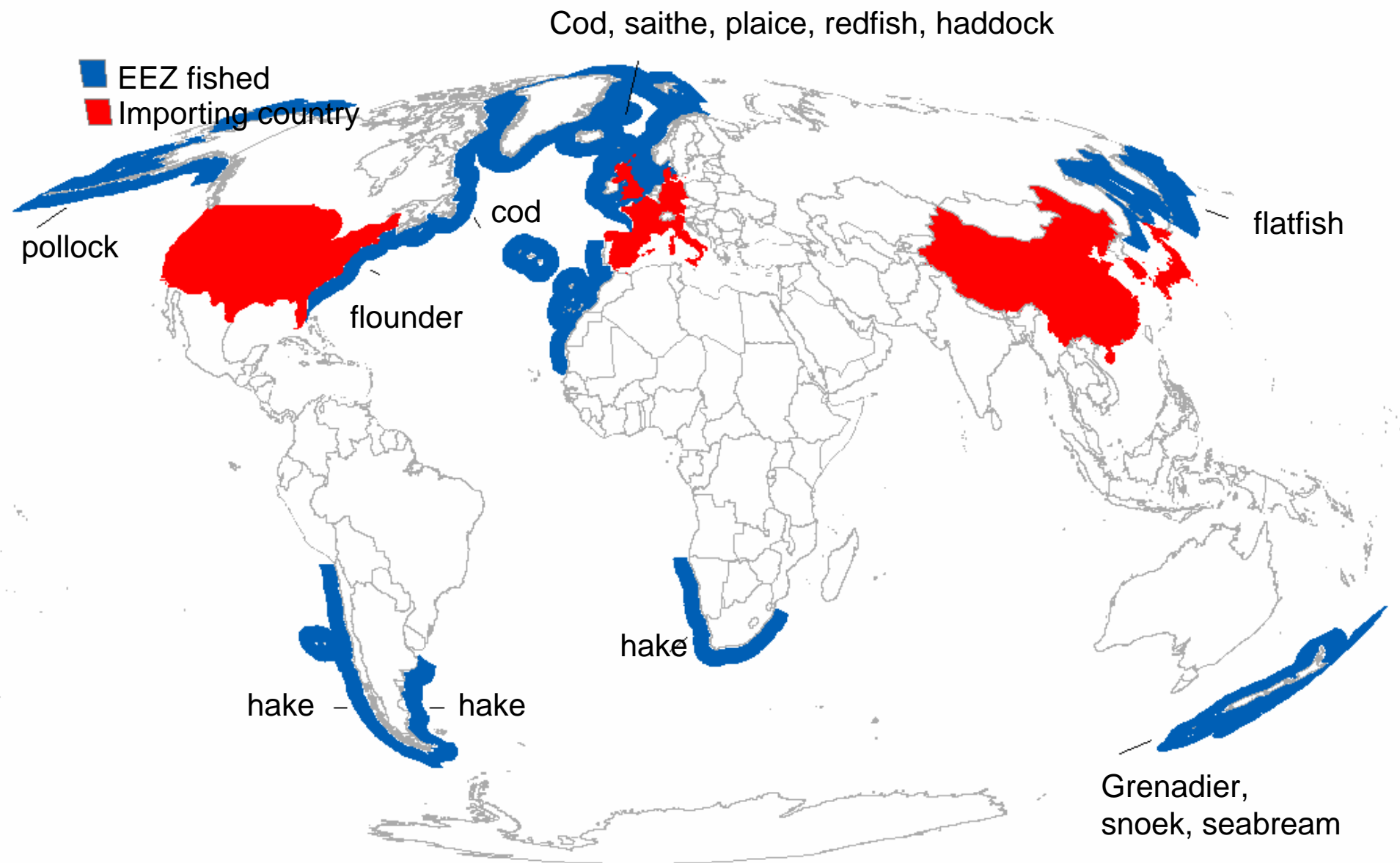
# Exports in % of landings



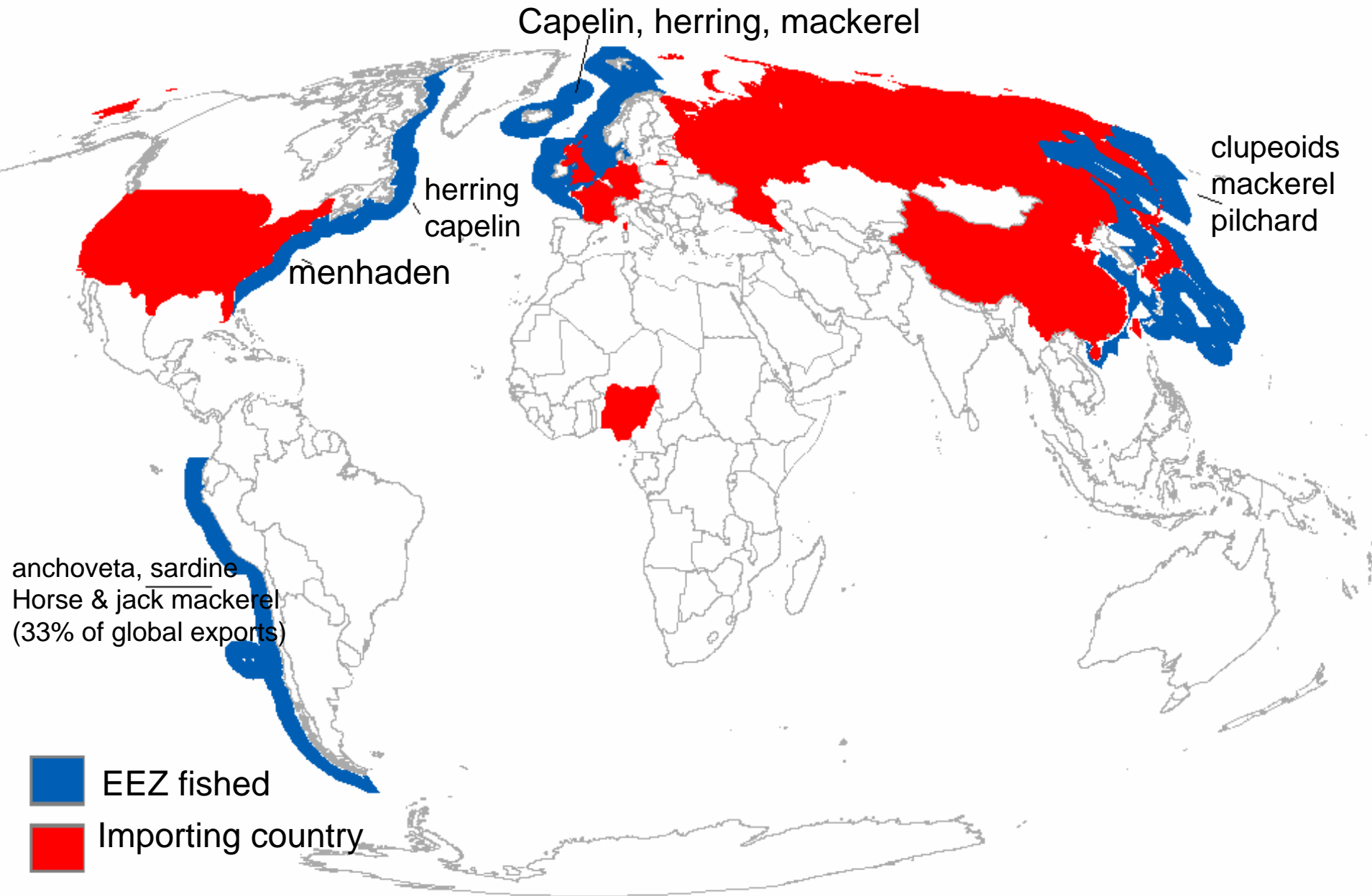
# Exports in value



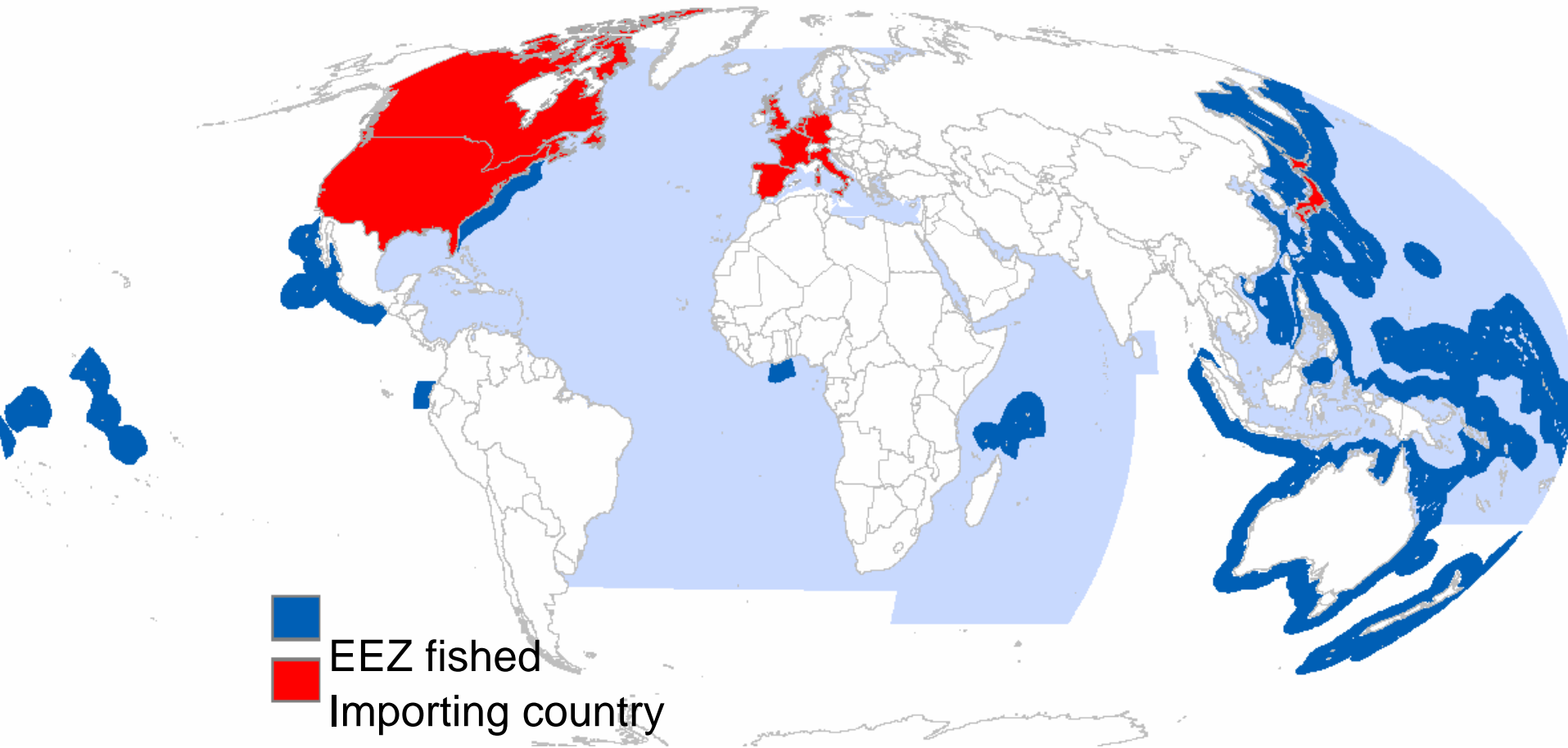
# Exporters and importers of demersal fish (83% of exports)



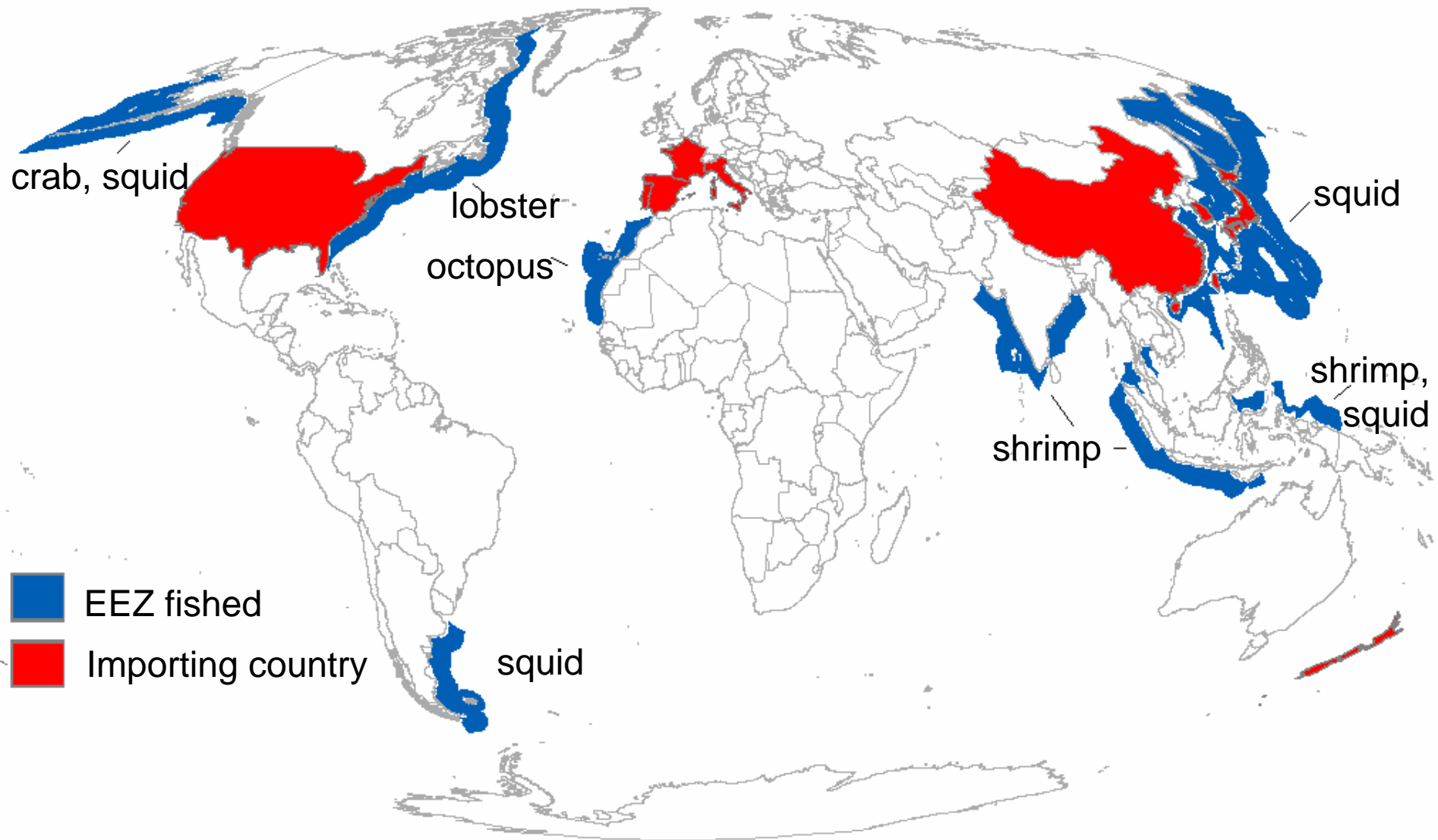
# Exporters and importers of small pelagic fish (92% of exports)



## Exporters and importers of large pelagic fish (62% of exports)



## Exporters and importers of invertebrates (62% of exports)



# Bottom line

- Fish is imported from countries in South to countries in the North;
- Is this good or bad?

# Definition of fisheries subsidies

Fishery subsidies are financial payments from public entities to the fishing sector, which helps the sector make more profit than it would otherwise.



# Why the concern about subsidies?

- Subsidies are substantial and have to be paid by someone – the tax payer;
- Global estimates:
  - FAO estimate: US\$54 billion annually;
  - World Bank estimate by Milazzo in 1998 was US\$ 14-20 billion per year;
  - Re-estimated in this work to be between \$30-34 billion annually.

# Why the concern about subsidies?

- Subsidies have socio-economic, distributional and trade impacts on fishing communities, regions and countries;
- Fisheries subsidies recognized world wide as contributing to overfishing.



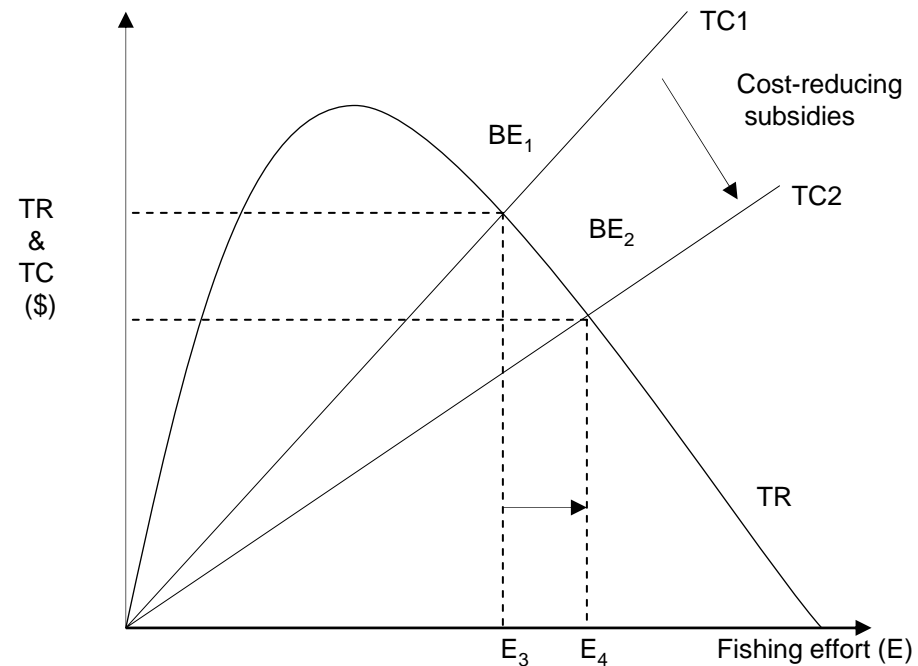
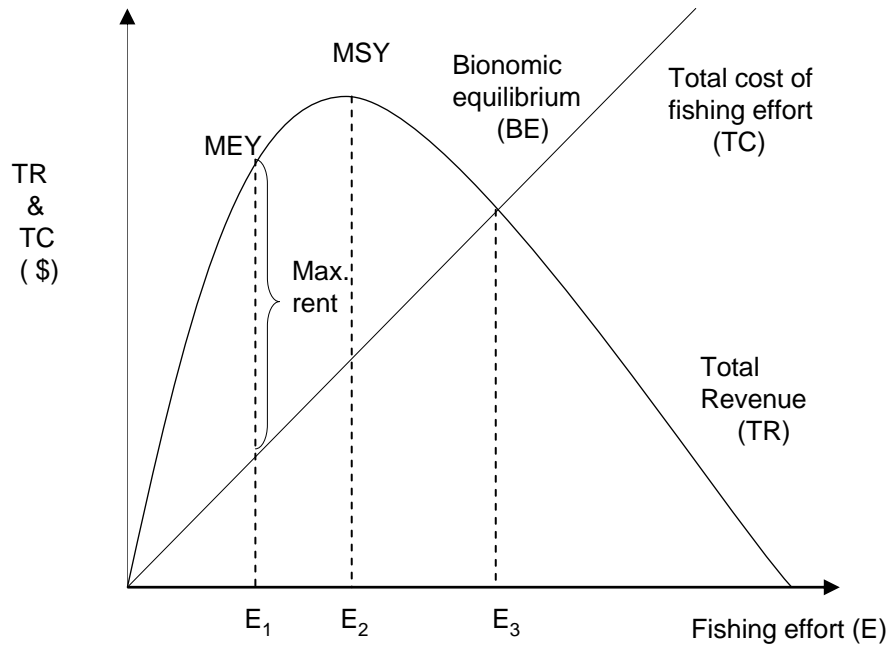
NOAA



<http://www.terradaily.com>

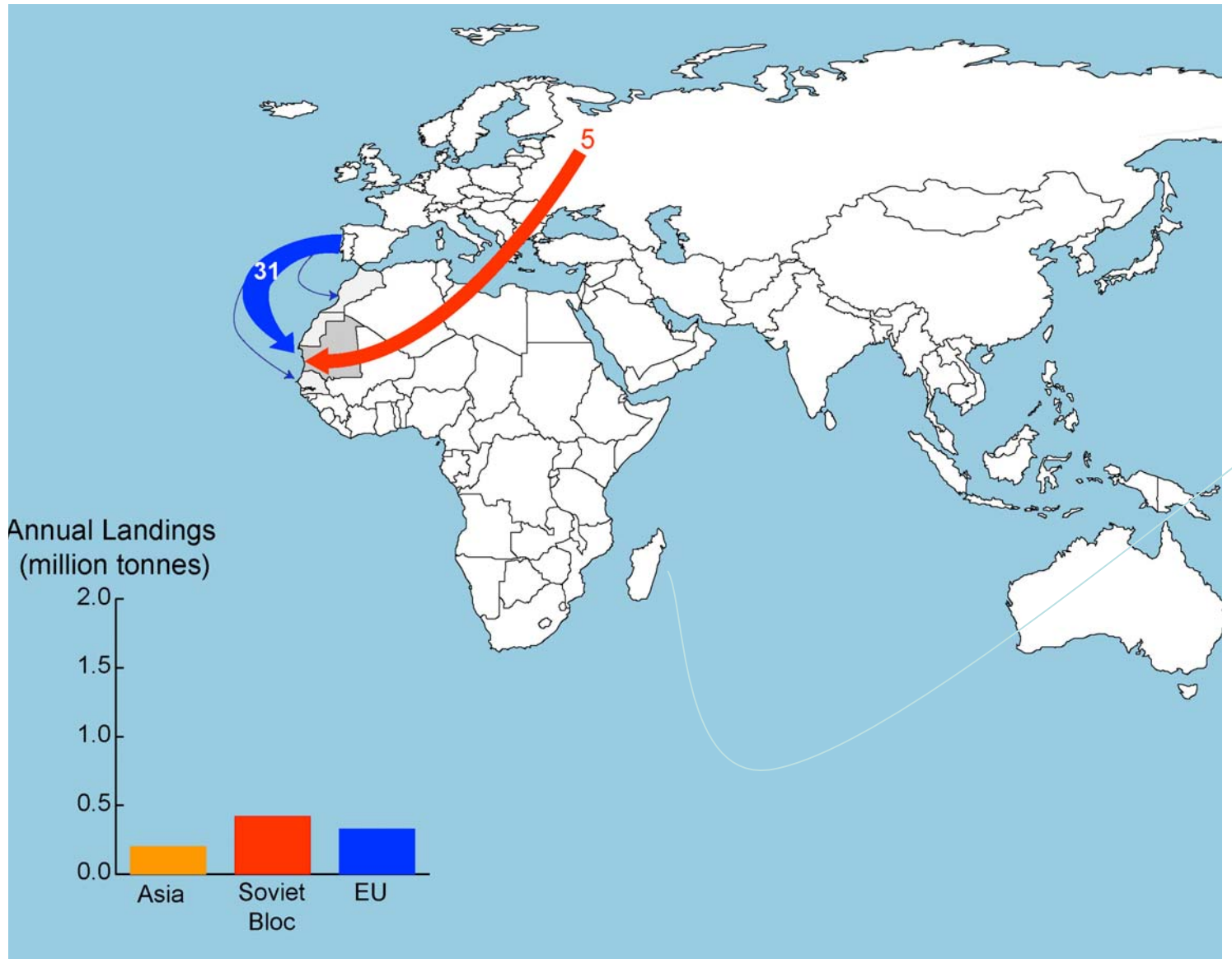


# How subsidies induce overfishing

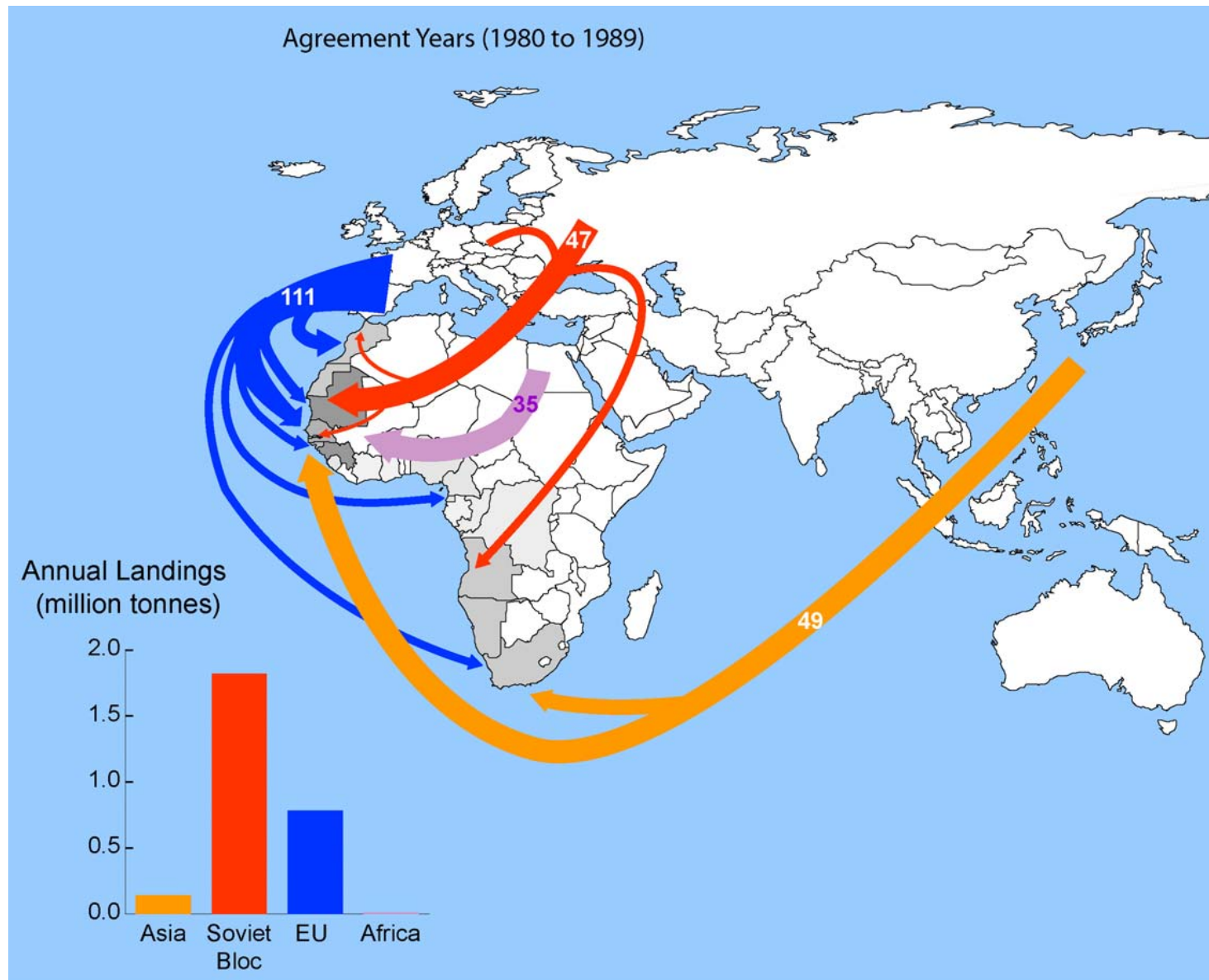


Gordon Schaefer bioeconomic model

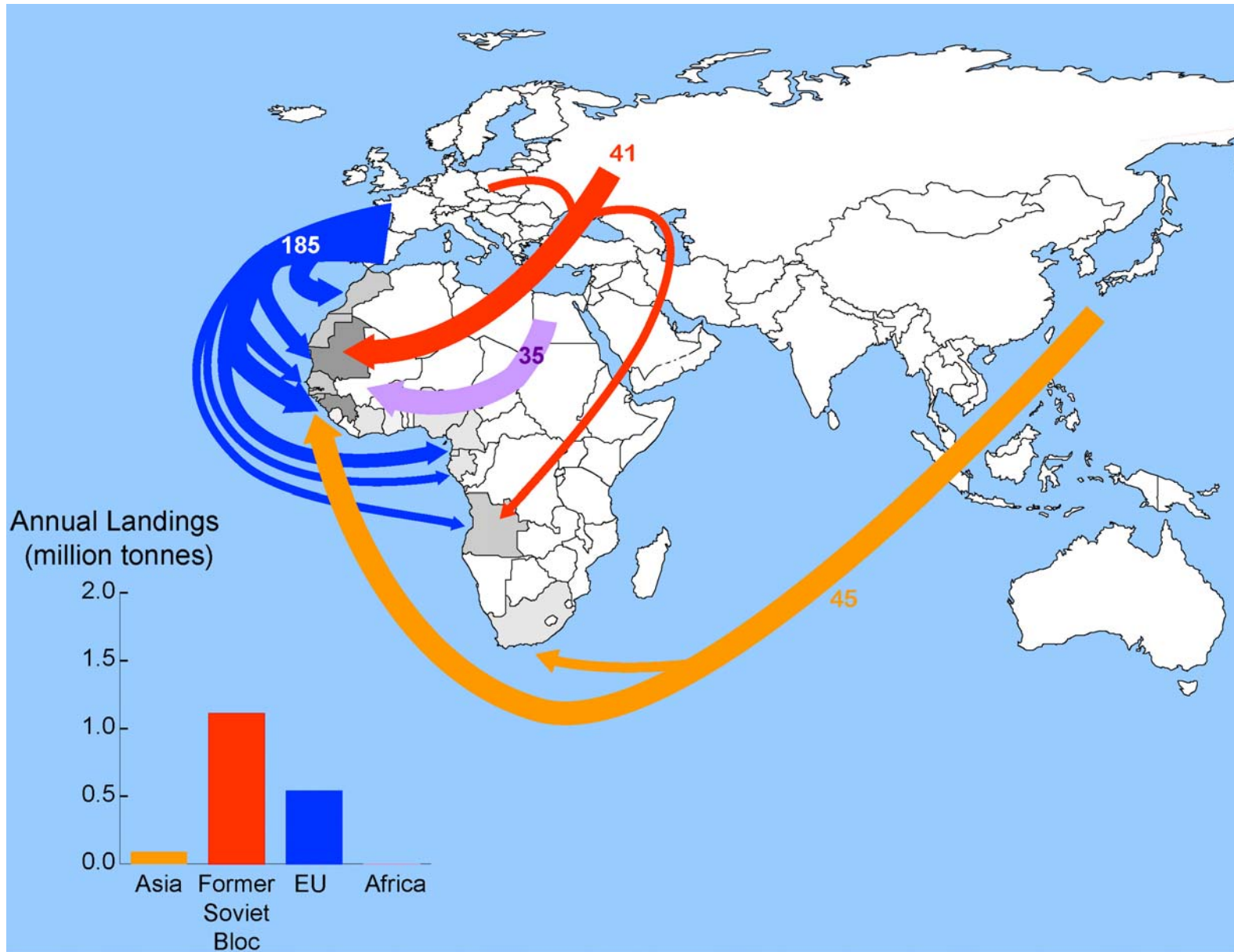
# DWF Access to West African Waters *Agreement Years (1960-1969)*



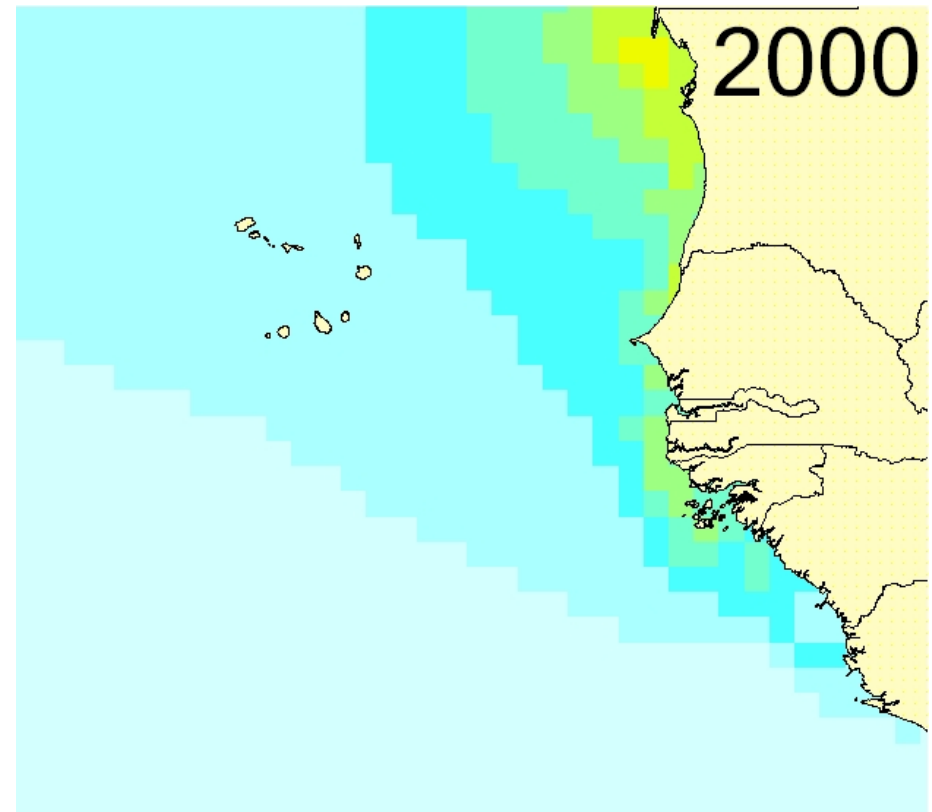
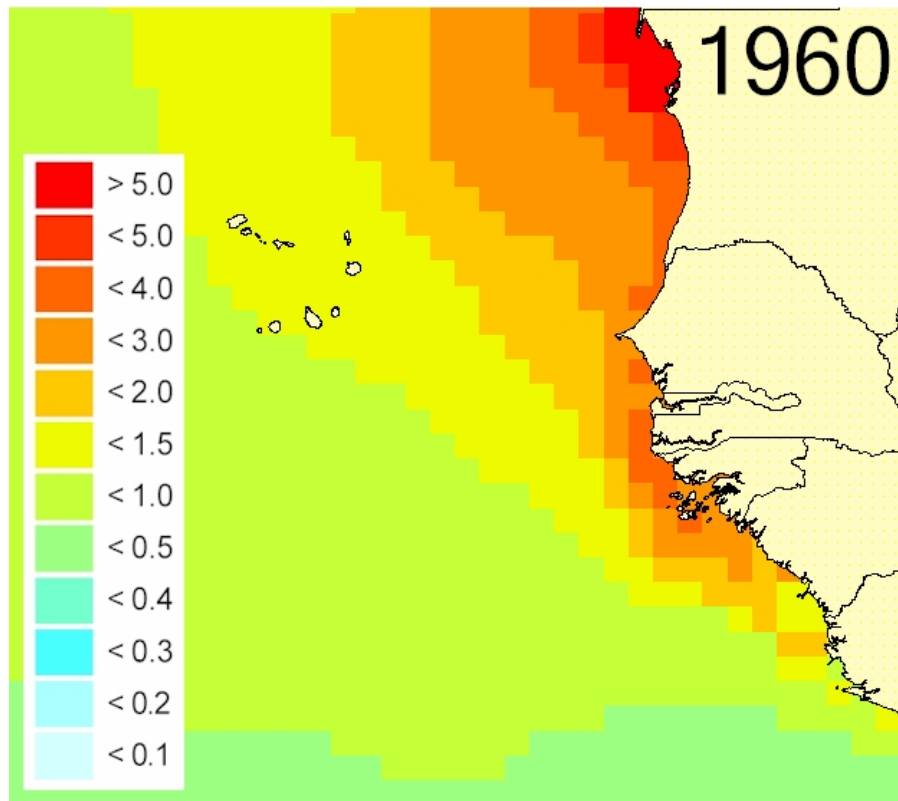
# Agreement Years (1980 – 1989)



# Agreement Years (1990 – 1999)

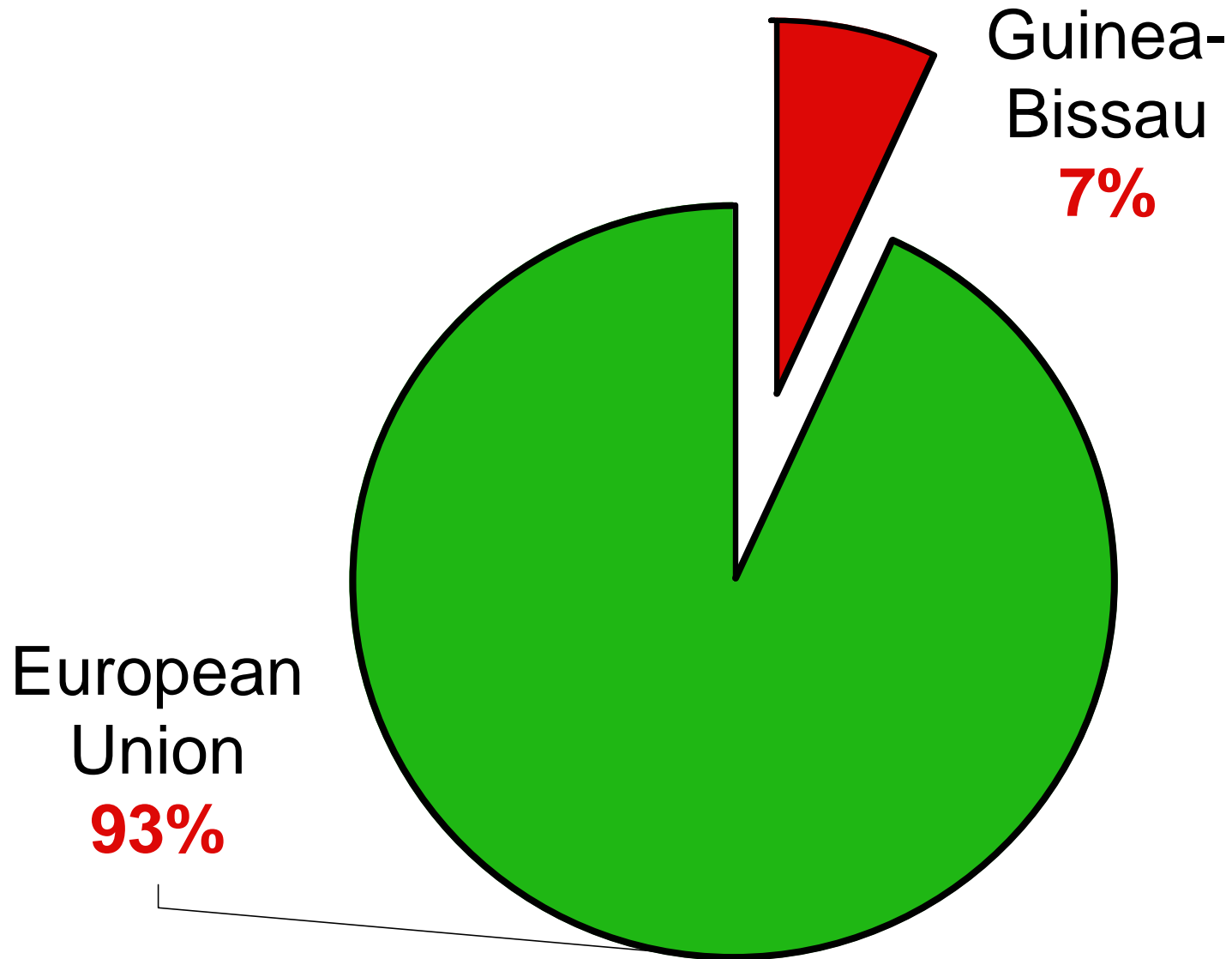


# Biomass

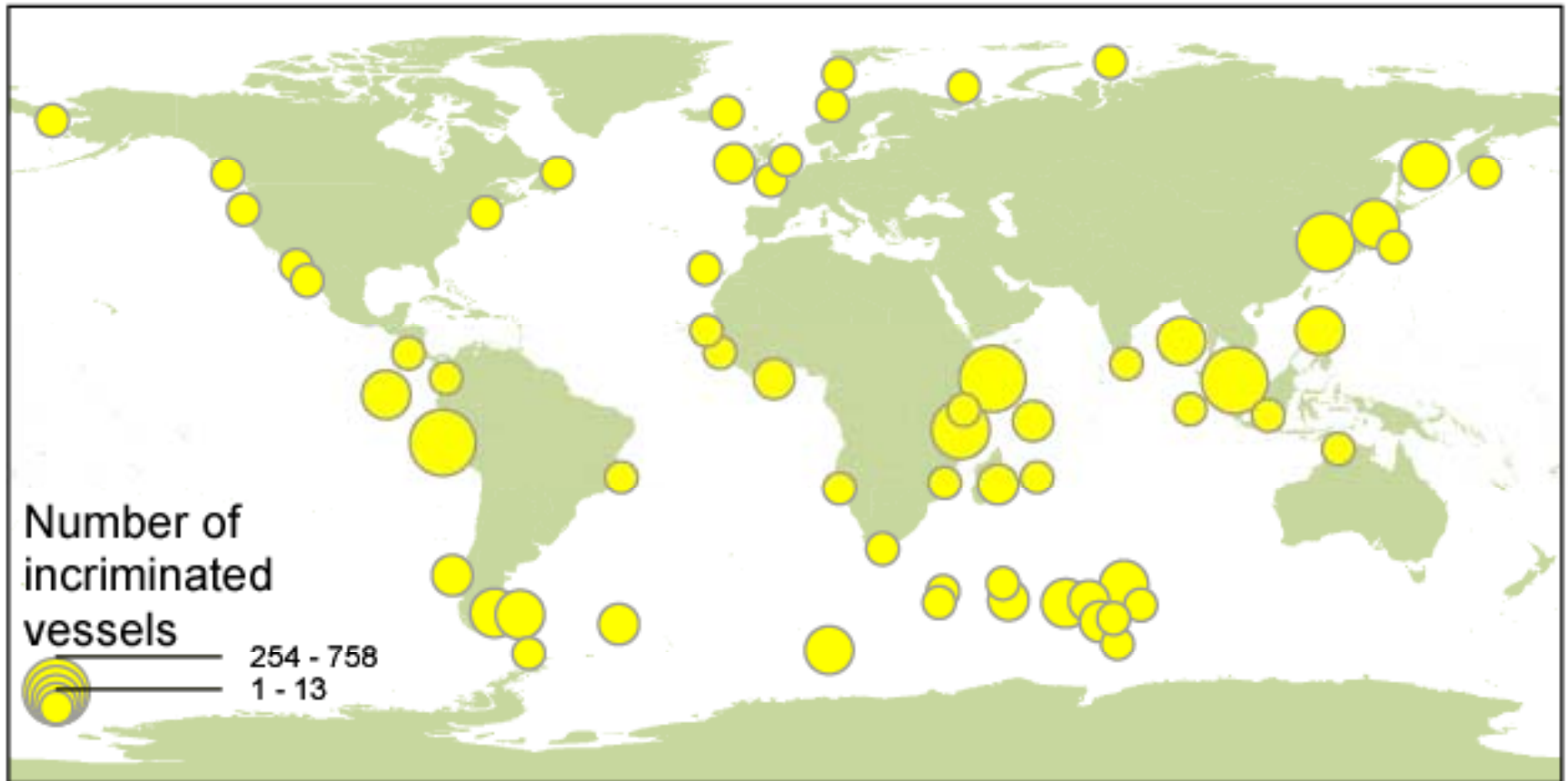


Christensen et al. (2002).  
Dakar Conference Proceedings

# Sharing the benefits of access agreements?



# A map of global illegal fishing incidence (Sumaila et al., 2004)



# Helping developing countries

- Improve management institutions;
  - Increase fisheries knowledge;
  - Put in place cost effective monitoring, control and surveillance (MCS) through joint efforts;
- Form regional bodies to help negotiate good deals with DWF nations;
- Work with coastal communities to set aside marine protected areas – an insurance!
- Education, education, education!

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Thanks for your attention

