Why Africa should be at the forefront of the fight to discipline subsidies @WTO

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B’cos people depend on nature
No fish, no fishers, no fish dollars

Marine Environment

Human well-being
B’cos we are ‘overtaking’ and ‘overpolluting’
Northwest Africa: Changes in key fisheries variables
B’cos declining oceans have serious human consequences
Enhance the state of fisheries by fixing the economics

• Remove the incentive to overfish:
  – Improve national fisheries management;
  – Push for regional cooperative management;
  – Make illegal fishing unprofitable;
  – Buy insurance by creating marine reserves;
  – **Remove and/or redirect harmful subsidies.**
Blue economy = people & the ocean living in harmony

Positive Feedback

Negative Feedback

Marine Conservation

e.g., Subsidies

People Wellbeing

Blue economy: eliminate -ve, promote +ve feedbacks
Fisheries subsidies

Fishery subsidies are financial payments, direct or indirect from public entities to the fishing sector, which reduces the cost of fishing and/or increases revenues.
Why should Africa be @ the forefront: 
B’cos subsidies ...

• are substantial – opportunity cost;
• have trade impacts;
• contribute to overcapacity, overfishing & IUU fishing;
• Makes climate change bite harder;
• They sabotage the SDGs.
How subsidies induce overfishing

Gordon Schaefer bioeconomic model
Categorizing & computing subsidies

• 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).

• Identified 13 subsidy types under the 3 categories above.

Sumaila & Pauly (2006); Khan et al. (2006); Sumaila et al. (2010, 2016; 2019)
Estimating magnitude of subsidies

• **Our purpose:**
  – Not to build a spaceship but to provide the most comprehensive global estimate of fisheries subsidies.

• **Methods for creating a global database**
  – Collected data from all available sources;
  – Developed a methodology to fill data gaps.

Sumaila & Pauly (2006); Khan *et al.* (2006); Sumaila *et al.* (2010, 2016; 2019)
Global subsidies by category

- Beneficial
- Capacity enhancing
- Ambiguous

Sumaila et al. (2019 in review)
Subsidies by region/continent

Sumaila et al. (2019 in review)
Subsidies by type

Sumaila et al. (2019 in review)
<table>
<thead>
<tr>
<th>Country</th>
<th>Beneficial (USD million)</th>
<th>Capacity enhancing (USD million)</th>
<th>Ambiguous (USD million)</th>
<th>Total (USD million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>87</td>
<td>5,516</td>
<td>348</td>
<td>5,952</td>
</tr>
<tr>
<td>USA</td>
<td>2,216</td>
<td>1,260</td>
<td>77</td>
<td>3,553</td>
</tr>
<tr>
<td>Korea Rep.</td>
<td>1,635</td>
<td>1,506</td>
<td>41</td>
<td>3,182</td>
</tr>
<tr>
<td>Japan</td>
<td>534</td>
<td>2,123</td>
<td>161</td>
<td>2,817</td>
</tr>
<tr>
<td>Mauritius</td>
<td>4.7</td>
<td>1.4</td>
<td>~0</td>
<td>6.1</td>
</tr>
<tr>
<td>EU</td>
<td>1,527</td>
<td>2,050</td>
<td>237</td>
<td>3,814</td>
</tr>
<tr>
<td>Africa</td>
<td>598</td>
<td>1,740</td>
<td>112</td>
<td>2,451</td>
</tr>
<tr>
<td>ACP</td>
<td>1,446</td>
<td>727</td>
<td>81</td>
<td>2,252</td>
</tr>
<tr>
<td>Latin American</td>
<td>800</td>
<td>1,370</td>
<td>134</td>
<td>2,304</td>
</tr>
<tr>
<td>LDC</td>
<td>348</td>
<td>913</td>
<td>58</td>
<td>1,319</td>
</tr>
</tbody>
</table>

Sumaila et al. (2019 in review)
Capacity-enhancing subsidies sabotage the SDGs

- Undermines the viability of SSF;
- Fuels gender inequality;
- May leave future generations with only jellyfish.

Schuhbauer, Sumaila et al. (2017) Marine Policy
Reduces food security & aggravates poverty

10 million t of fish lost implies lost of jobs & incomes

Srinivasan, Sumaila et al. (2010)
Disadvantages developing country fishers

Teh & Sumaila, 2011; Sumaila et al. (2013)
The depletion of fish stocks in the high seas can influence the availability of fish to coastal fleets.

Exclusive economic zones (light blue) and high seas (dark blue)
Subsidies fuel high seas fishing

- Profitability of bottom trawlers operating in the deep and high seas ~10% of gross revenues;
- Amount of subsidies received by these fleet estimated at ~25%.

Sumaila et al. (2010) Marine Policy
Subsidies & “slave labor” fuel high seas fishing

The economics of fishing the high seas

Enric Sala, Juan Mayorga, Christopher Costello, David Kroodsma, Maria L. D. Palomares, Daniel Pauly, U. Rashid Sumaila, Dirk Zeller
Close the High Seas to Fishing?

White & Costello (2014)

Sumaila et al. (2015)

Close high seas

High seas

EEZ
Mean percentage change in maximum catch potential (MCP) and revenues in the 2050s relative to current status under RCP 8.5 scenario

<table>
<thead>
<tr>
<th>% change in MCP</th>
<th>Mean</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-7.71</td>
<td>4.36</td>
</tr>
<tr>
<td>% change in revenues</td>
<td>-10.37</td>
<td>4.20</td>
</tr>
</tbody>
</table>

% change in revenues is 35% more than % change in MCP

Lam, Cheung, Reygondeau, Sumaila. (2016) Scientific Reports
Climate change is real: Implement the Paris Agreement

Sumaila et al. (2019) Science Advances
In conclusion:

A need to be innovative with public funds

In conclusion:

Africa seize the moral high ground on harmful subsidies @WTO

Thanks for your attention!

Thanks to WIOMSA!