

# Subsidies threaten high seas fisheries

*Subsidised fisheries economically and environmentally infeasible*

by **Brandon Adams**  
NEWS EDITOR

It's hard to imagine governments supporting an industry that is neither economically nor environmentally viable, yet according to a report by University of British Columbia researchers, governments are pouring millions of dollars into high seas fishing, despite losses and overfishing.

The report, titled "Catching More Bait," examines the subsidies provided by many governments to their fishing industries subsidies, which are estimated to total around US \$30-34 billion per year worldwide. One specific area of focus for this study was how the fishing industry and its subsidies affect the fisheries in the high seas.

Rashid Sumaila, director of the UBC Fisheries Centre's Fisheries Economic Research Unit, said that the fish found within the high seas are unique and more sensitive to fishing than coastal fisheries.

"They are very special in that they normally live very long [lives], they grow very slowly, and combining those kind of features with economics is usually a dangerous combination," he said.

And yet despite their sensitivity, high seas fisheries are the target of large subsidies from many countries including Russia, Japan, South Korea, Spain, and Australia. Worldwide subsidies for high seas fishing, explained Sumaila, total more than US \$150 million per year.

"Without subsidies many of these fleets would not be able to go fishing, economically," said Sumaila, "But now with the subsidies we just open the floodgates, they're still able to go out [and fish]."

Interest rates also play a large role in how regions are fished, explained Sumaila. "If you are going to get a higher interest rate in the bank compared to the growth rate of a fish type, then you are better off emptying the ocean and turning all the fish into money in the bank because it will grow faster."



**FOOLISH FISHERY:** A UBC study has drawn connections between subsidies for high seas fishing and over harvesting. **PHOTO COURTESY OF PHILLIP CAPPER**

"Even for normal fish—by that I mean fish that grow very fast—[it] is a challenge to beat the market interest rate. If you look at deep sea stocks, they grow so slowly it's almost impossible [to beat the interest rate]. You really have to fish them very carefully if you want them to be sustainably fished, not emptied."

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Fisheries Economic Research Unit

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With the pressure of interest rates and the extra revenue for trawlers provided by subsidies, high seas fisheries are under an immense amount of pressure, stated Sumaila.

UBC Department of Economics professor Brian Copeland echoed Sumaila's concerns about fishing subsidies.

"The problem with fisheries subsidies is the more you fish, the more you decrease the stock. Other subsidies could potentially keep uncompetitive industries viable for a long time," explained Copeland. "But, in some sense with fisheries, the more successful the subsidy program is in keeping people fishing, the more likely it is you're going to 'kill the golden goose.'"

While subsidies can be beneficial by allowing governments to maintain jobs and output in industries where they are internationally uncompetitive, explained Copeland, they could actually damage a natural resource based industry like fishing.

"In a lot of cases the reason why you have employment problems in fisheries is that the stocks are depleted. You've got this ecological problem which you're trying to counteract with subsidies but it's only going to be a short term, and in fact the subsidies are only going to make the ecological viability of the industry even worse." @