Information & Analysis in Support of Fisheries Allocation Decisions

Presentation to:

Fisheries Leadership & Sustainability Forum
Stanford University

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September 2010

The Need for Allocation

- Formal allocations
  - need driven by scarcity
  - reduces business uncertainty
  - can reduce fighting among competing interests
- Formal allocation also can enhance
  - environmental sustainability
  - economic viability
  - social performance
- Allocation closely aligned with economics discipline
  - economics : "the study of the allocation of scarce resources"
  - 2 necessary conditions for efficiency: 1) defined shares
2) shares transferable

Allocation Parameters

- What are the allocation goals? roles of fairness & equity? constituency of interests?
- What is type of allocation?
  - international e.g. treaties between nations
  - intersectoral e.g. commercial vs recreational
  - intrasectoral e.g. net vs hook & line within commercial
  - individual e.g. ITQs or catch shares
- What is the allocation currency?
  - catch (does it include discard mortality?)
  - effort
  - space
    -
    -
- What is the licence fee/economic rent policy?

Allocation Methods

- Auctions
- Lotteries
- Granting privileges based on:
  - past participation/catch (which years?)
  - vessel length/size/capacity/capital investment
    or
  - equal shares
    or
  - negotiation
    or
  - arbitration/independent panels
    or
    •
    •
    •

The Need for Information & Analysis to Support Allocation

- Initial allocation decisions
  - who is eligible?
  - how much do they get?
  - implications i.e., who benefits, who loses, …
  - baseline against which to assess future performance
- Monitoring allocation performance
  - tracking transfers & catch
  - assessing environmental, economic & social performance
  - identifying needed program adjustments
  - are goals being achieved?
- Broad interest groups impacted by allocation
  - people
  - business
  - communities

Types of Information Needed – Past, Current & Ongoing

Annual

- participation
  - licenced entities
  - active entities
- catch & effort & revenues
  - by sector, gear type, etc.
  - by individual
- labour
  - jobs/positions
  - duration of jobs
  - wages
- segmentation of above
  - by region/community
  - by type of activity

Periodic

- markets & products
- financial performance
  - Income Statements
  - Balance Sheets
  - viability, EBITDA, ROI
  - taxes/royalties
- non-financial parameters
  - consumer/angler surplus
  - opportunity cost : labour
    : capital

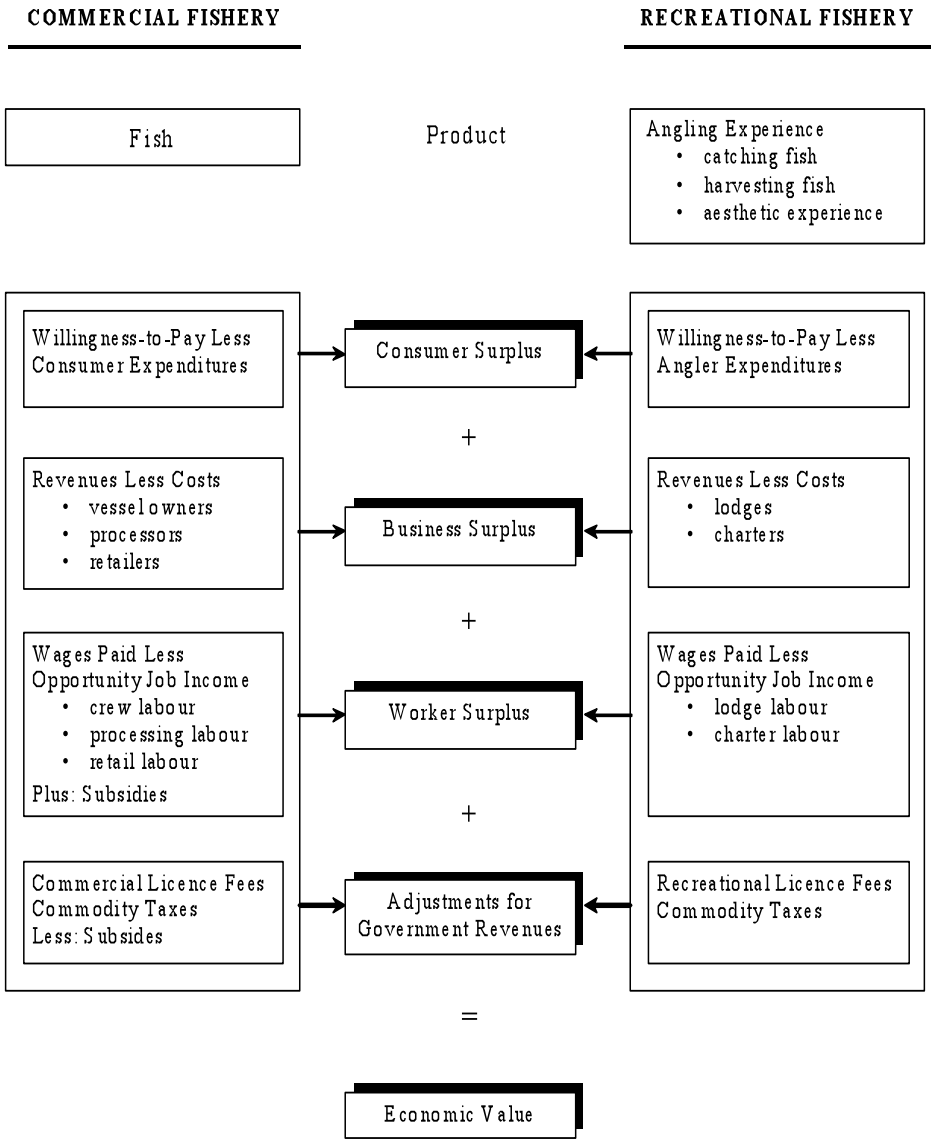
Information Sources

- Administrative data e.g., participation, catch
- Research/reports e.g., benefits transfer, case studies, industry profiles
- Primary surveys e.g., financial, effort response, contingent valuation
- Other primary research/interviews e.g., fishermen, industry organizations

Analysis Tools

- Environmental impact analysis
  - impacts on resource/sustainability
  - ability to adhere to TAC
- Economic impact analysis e.g., input-output analysis
  - traces changes in expenditures through economy
  - GDP, wages, employment
  - no account for alternative uses in economy
- Economic value analysis
  - net benefits i.e., benefits less opportunity costs
  - tangible/financial plus intangible
  - accounts for alternative uses in economy
- Social impact analysis
  - impacts on people & communities, particular subgroups e.g., natives

Economic Value Framework



Conclusions

1. Need to assess environmental, economic & social repercussions.

2. Need to communicate results in "Plain English".

3. Rigorous & transparent catch monitoring data are needed.

4. Information to support allocation decisions are formidable & often not available. This deficiency is chronic to fisheries policy analysis.

5. Collect information now to support the policy decisions of tomorrow.