

# Where is the wealth of the UK's fisheries?

Marine Theme Objective: Economic and Social Research in the Marine Environment

## What's the problem?

Resource rent is a key economic concept in fisheries exploitation and management and can represent a large part of potential fisheries *wealth* (in other words, fisheries as a natural asset are a source of benefits for society). It represents the amount left over when all exploitation costs, including a normal return on labour and capital, have been deducted from revenues. Resource rent determines the potential economic and social benefits to be derived from well-managed fisheries.

Fisheries management has typically ignored resource rent (as the 'driving force' of overexploitation) - the major reason for the widespread failure of fisheries management systems worldwide. Where resource rent is not dealt with explicitly, the incentive is for each fisher to race to catch fish before others do. This leads to economic overexploitation because resource rents will be dissipated, and if economic conditions allow, will also lead to biological overexploitation (overfishing).

## What are the aims of the project?

The principal aim of the project is to two-fold:

1. To provide a high-level yet robust estimate that quantifies the potential resource rent that could be captured by UK fisheries as a whole, and provide a comparison with the actual resource rent being captured today.
2. To provide a more detailed analysis of the potential resource rents from a number of sea area case studies, and provide a comparison with the current situation. Suggested stocks/areas are: nephrops in Area VII, mixed demersals in area IV and mackerel in area VI.

Important subsidiary outputs will include a discussion of the most important policy implications and requirements of moving towards wealth-based fishery management.

The project will engage with policy makers, industry stakeholders and science providers throughout the UK in deriving its findings and conclusion on next steps. Wherever possible, the study will draw from international best practice in informing the responses on the above points and make comparisons with similar studies across the EU.



Figure 1: Newlyn Harbour (Source: IDDDRA)

## Which policy areas will the research inform?

The project informs fisheries managers about how to ensure that the resource wealth inherent in fisheries is put to productive use rather than driving overexploitation. It will contribute to changing the vision of UK fisheries, giving practical body to the Fisheries 2027 vision and helping to identify the Common Fisheries Policy reform needed, to achieve this vision.



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## What are the results from the project and how will they be used?

The project began in June 2009 and will produce the following deliverables by the end of March 2010:

- An overall estimate of potential and actual UK fish resource rents
- Three detailed case studies
- A report discussing the key policy implications
- A range of communication outputs
- Enhanced awareness by industry and stakeholders of reform opportunities for profitable and equitable fisheries
- A paper in preparation for a peer-reviewed journal

Over and above the reports and estimates, the work will contribute to changing the vision of UK fisheries, giving practical body to Fisheries 2027 and helping to identify the reforms needed to achieve this. It will also inform the CFP reform process.

The work will draw on current information but will use this in a different way. One key problem in fisheries management around the world is that information on fisheries is generally organised in ways that (a) reflect outdated management objectives such as maximising physical production and (b) focus on resource conservation as the goal of management rather than the constraint.

A focus on *wealth* in general, and *resource rents* in particular, provides a way of generating a more policy-coherent organisation of the information available about fisheries. It also provides a means of identifying gaps in knowledge.

In this way, the work will contribute to developing a framework of policy-relevant indicators that can be used to guide reform towards the Fisheries 2027 vision and wider UK policy development.

The work will also raise the key issue of sharing resource wealth between different stakeholders, which presents alternative ways of using fish resources to benefit different communities, other than simply giving them some kind of

special status as fishers.

Finally, the study will highlight significant management issues for the UK.

The project is seen as an international public goods programme and as such has received strong support from DfID. There are important opportunities for cross learning with international agencies and programmes engaged in similar activities including working with China and African interests on effective fisheries management.

The empirical evidence generated by the study will enable Defra to make a difference to the way that EU fisheries in general are managed and exploited, or at least the vision underpinning them. It will further ensure that Defra becomes a thought leader on policy reform relevant to more effective fisheries management.



Figure 2: Local fish stall. Source: IDDRA

- What is resource rent?  
<http://www.odi.org.uk/resources/download/2286.pdf>
- Partnership for African Fisheries:  
[www.africanfisheries.org](http://www.africanfisheries.org)
- Sustainable Development Dialogue, China:  
<http://www.defra.gov.uk/sustainable/government/international/dialogues/china.htm>

Alternatively, please contact the Marine and Fisheries Science Unit: [marinescience@defra.gsi.gov.uk](mailto:marinescience@defra.gsi.gov.uk)

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