Why socio-economics matters in the marine and coastal environment

nef
economics as if people and the planet mattered

Chris.williams@neweconomics.org

Marine Socio Economics Project Coordinator

economics
real wealth means well-being

environment
lifestyles must become sustainable

society
communities need power and influence

nef
economics as if people and the planet mattered

3 things:

1. Re-think economics
2. Challenge current thinking & assumptions
3. Change is possible, desirable & necessary

Presentation:

- ✓ About NEF
- ✓ NEFs work on EU fisheries & our fisheries model (BEMEF)
- ✓ The Marine Socio-Economics Project & The Blue New Deal

nef
economics as if people and the planet mattered

NEF (New Economics Foundation - 1986)

Working towards an economy which delivers:

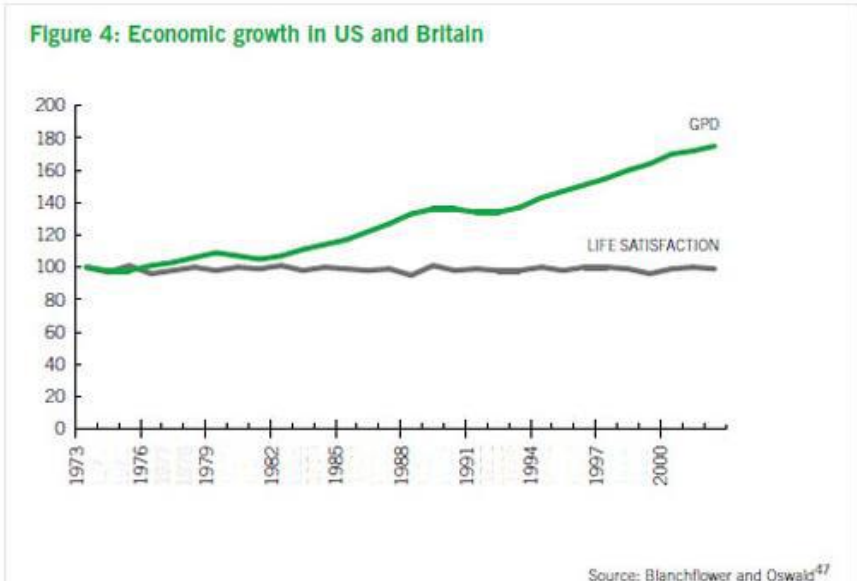
high **well-being** and **social justice** within **ecological limits**

Why new economics?

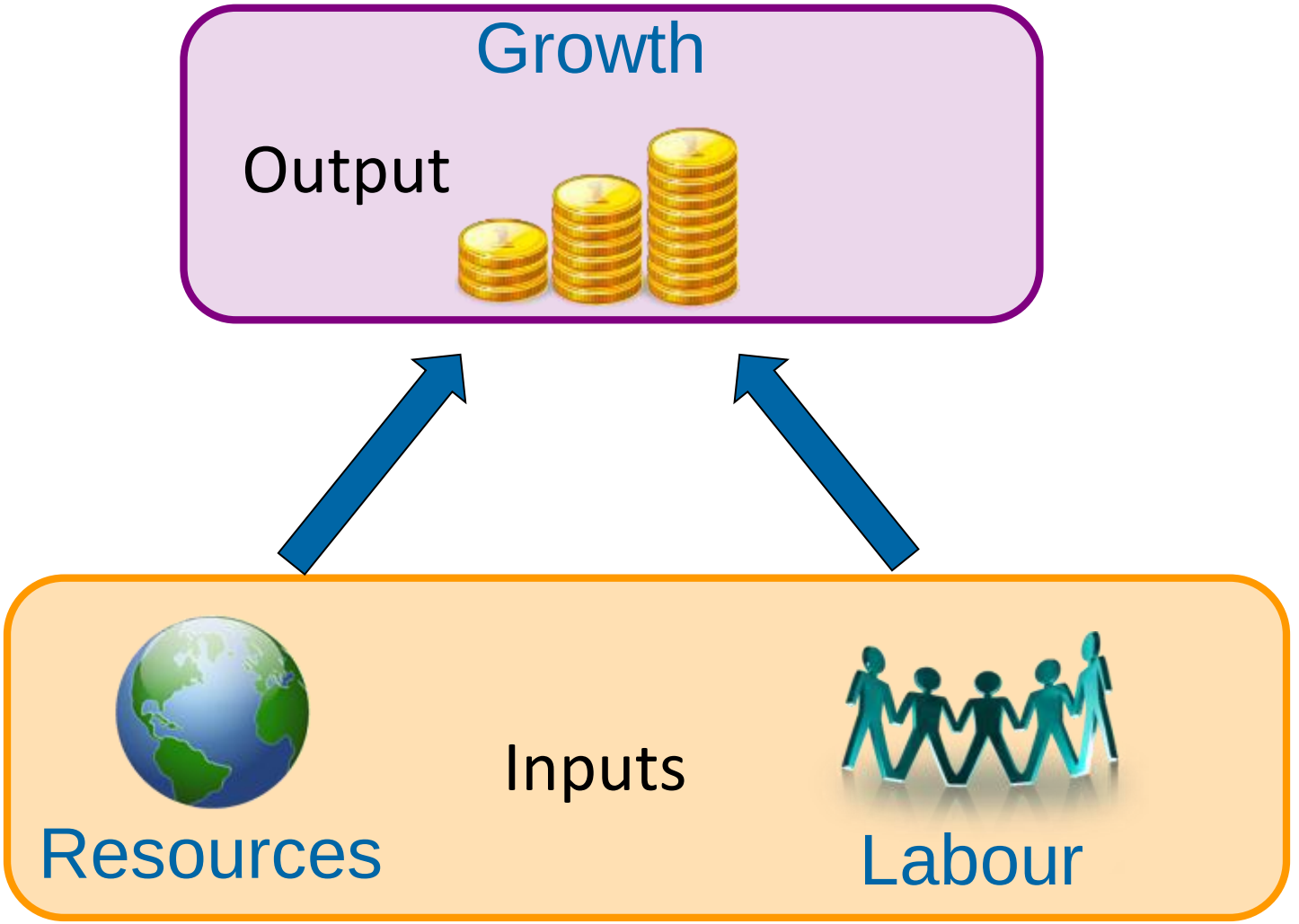
nef
economics as if people and the planet mattered

4 ‘U’s of our current economic system

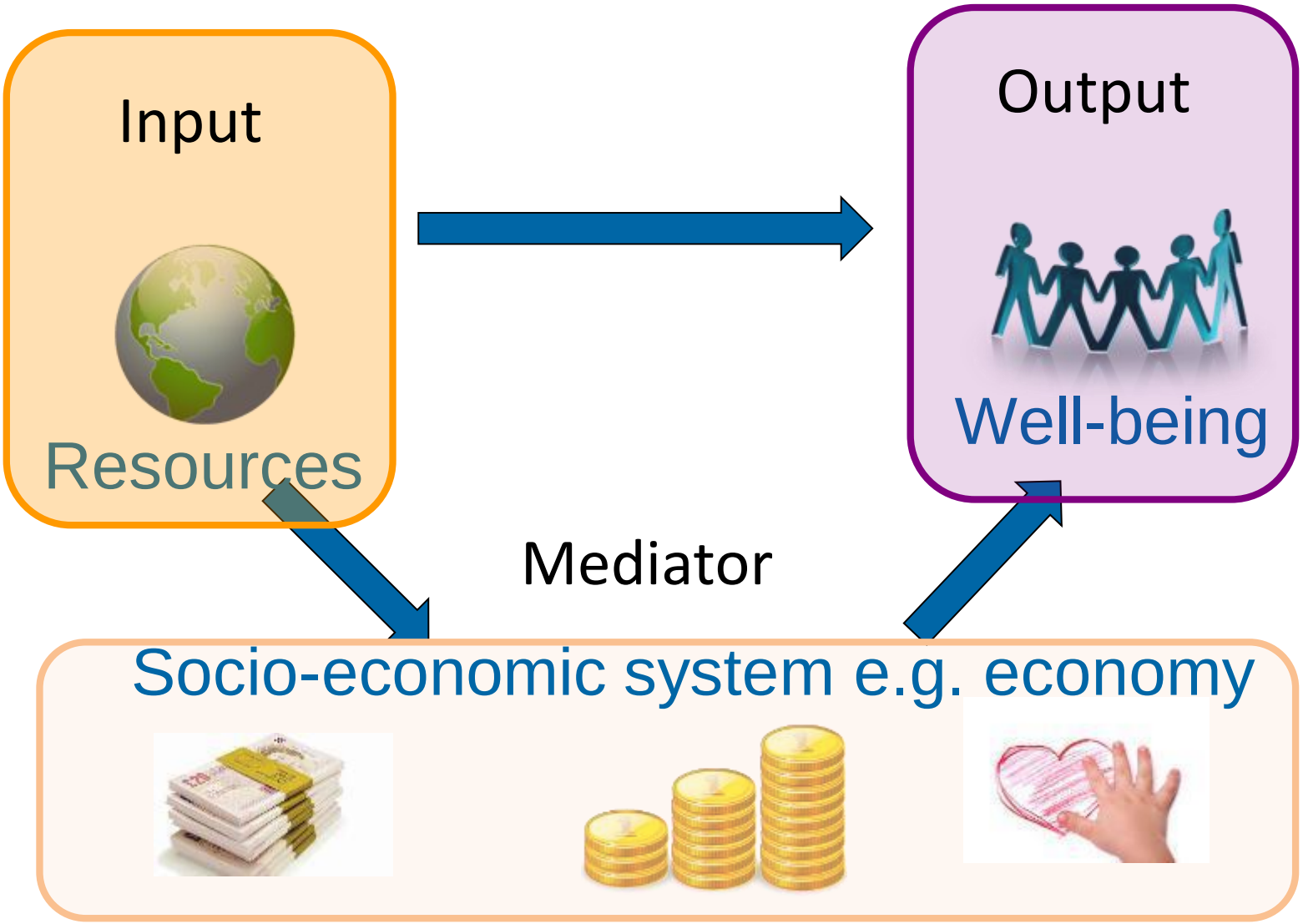
- Unsustainable
- Unstable
- Unfair
- Unhappy



Current thinking– ‘progress?’



New thinking - Progress



Trust facts, not economic mythology…

- Infinite growth?
- Natural capital = “substitutable”?
- People = rational?
- Information = perfect?
- Future generations = richer?
- Markets = fair and efficient?
- Wealth trickles down rich → poor?
- Future discounted?
- Natural wealth loss = gains in GDP?

News › Politics › David Cameron

theguardian.com has a new look coming soon preview it now

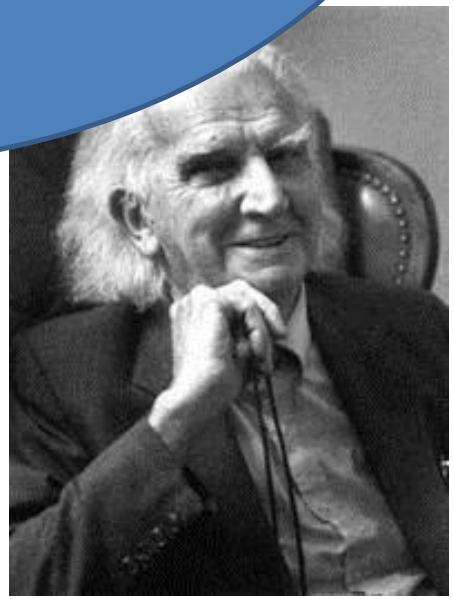
David Cameron aims to make happiness the new GDP

Prime minister acts on pledge to find out what ma
content

Allegra Stratton, political correspondent
The Guardian, Sunday 14 November 2010

Smile please: happiness is the new GDP. David Cameron launches wellbeing

"*Wellbeing can't be measured by money or traded in markets. It's about the beauty of our surroundings, the quality of our culture and, above all, the strength of our relationships. Improving our society's sense of wellbeing is, I believe, the central political challenge of our times.*" *(2010)*



….and we are not the only people talking about it.

nef
economics as if people and the planet mattered

A snapshot of NEFs work…..

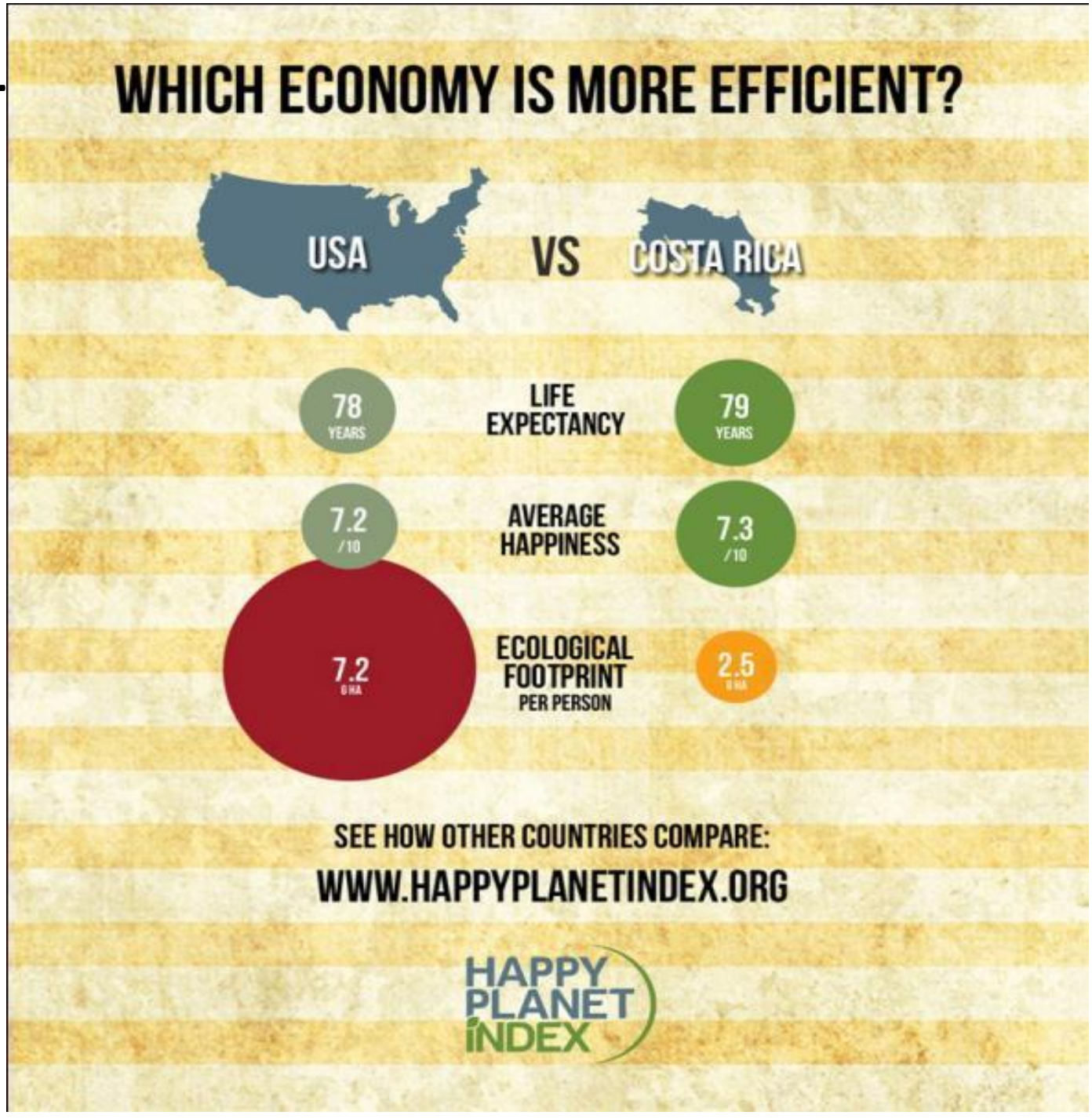
- Redefining ‘efficiency’
- Monetary reform
- Understanding systems
- Influencing policy (fisheries)

HPI -

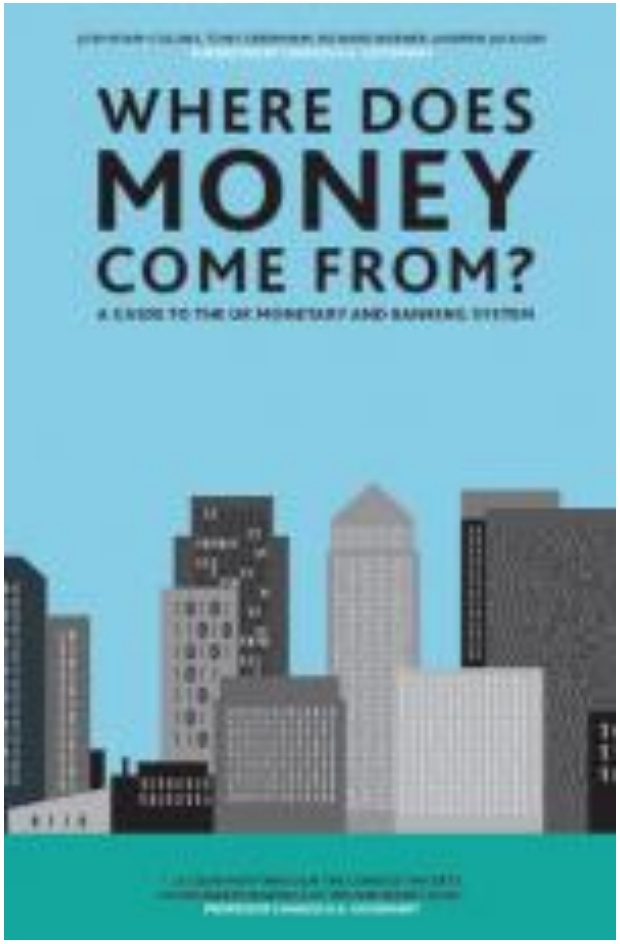
What is the measure of economic success?

Long and happy lives that don't cost the earth

3 components
Life expectancy
Life satisfaction
Ecological footprint



Monetary Reform



- **Banks create new money** (bank deposits) when they lend (97% !!!)

Home ›› News ›› Poll: three quarters of MPs don't understand how money is made

Poll: three quarters of MPs don't understand how money is made

Tuesday, August 19th, 2014 By Tom Revell

Share Tweet Email Share Like 139 8+1

Some 80% of MPs lack basic understanding of where the UK's money comes from, according to a new poll.

The survey, commissioned by the reform campaign group Positive Money, found that 71% of MPs believe that only the government has the power to create money. A further 9% said they didn't know who creates the nations money.

However, most new money is now created when commercial banks give out loans. The government only creates coins and notes, which make up around 3% of all the money in the economy.

In response to the statement *"New money is created when banks make loans, and existing money is*

"Most money in the modern economy is in the form of bank deposits, which are created by commercial banks themselves… When a bank makes a loan to one of its customers it simply credits the customer's account with a higher deposit balance. At that instant, new money is created…" (BoE, 2014)

Understanding systems

THE TIMES

Environment

News | Opinion | Business | Money | Sport | Life | Arts | Puzzles | Papers

Welcome to your preview of The Times

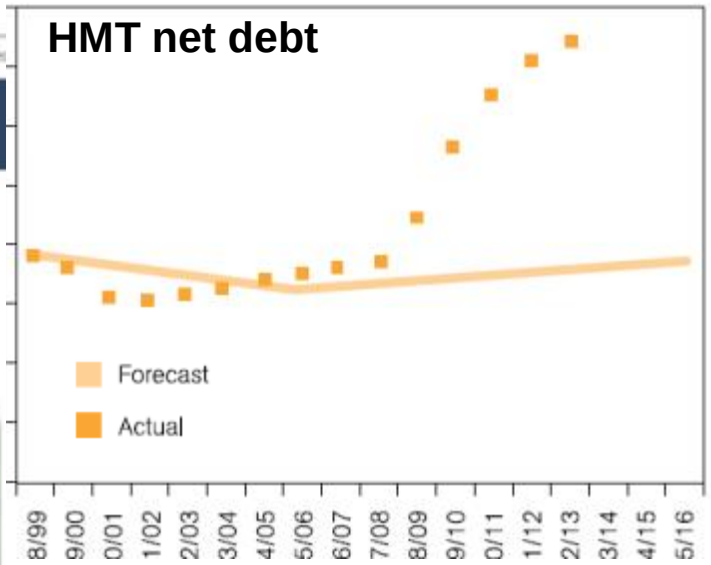
'The more we know of climate change, the murkier it all gets'

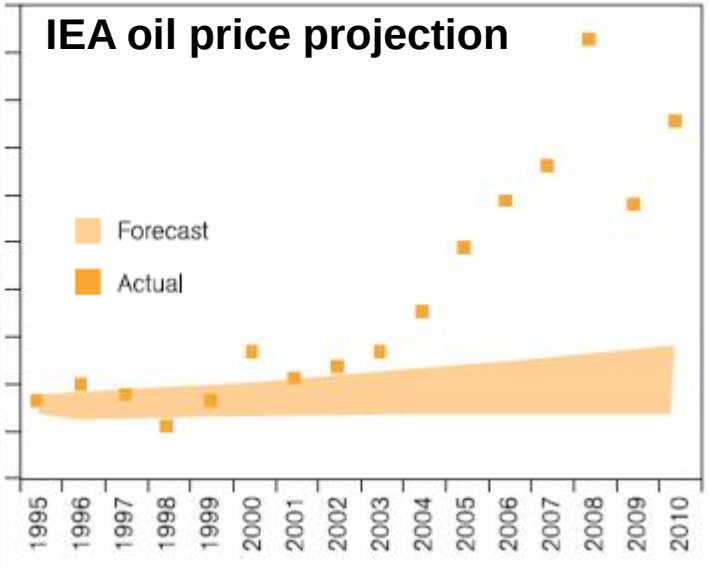
Article | Cheltenham tweets

Tom Whipple, Science Correspondent and Oliver Moody
Last updated at 12:01AM, June 14 2012

The more we know about climate change the more uncertain our

The Mekong River in Laos: forecasts of its flow in the future range from a fall of 16% to a





✓ Influencing the EU Common Fisheries Policy (CFP)

nef
economics as if people and the planet mattered

nef
economics as if people and the planet mattered

Key message from NEFs work on EU fisheries:

"Restoring fish stocks is good for employment & the economy"

Jobs lost at sea (2012)

nef
economics as if people and the planet mattered

Compared the performance of 43 (of 150) EU fish stocks with their potential if at Maximum Sustainable Yield (MSY).

1) Catches

2) Revenues

3) Employment

With every passing year that EU stocks remain overfished we are losing out on **2.7 billion pounds** and the potential to support **100,000 jobs**.

EU Common fisheries policy reform

OCEAN2012
Transforming
European Fisheries

'Therefore, the Union should improve the CFP by adapting exploitation rates so as to ensure that, within a reasonable time-frame, ***the exploitation of marine biological resources restores and maintains populations of harvested stocks above levels that can produce the maximum sustainable yield. The exploitation rates should be achieved by 2015.'***

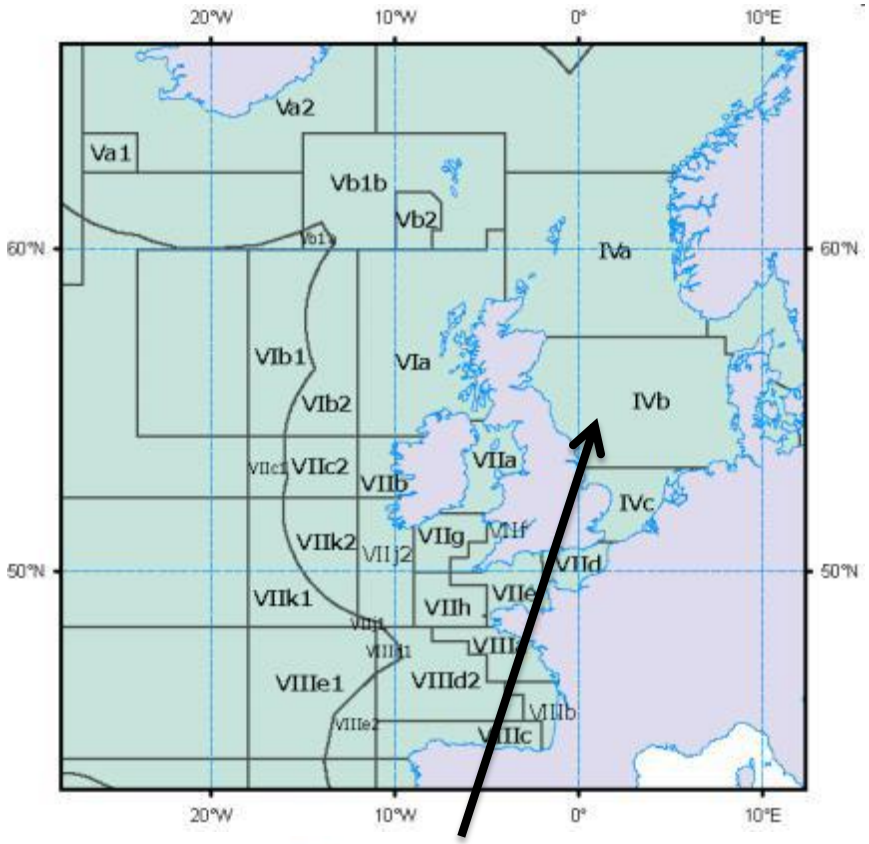
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:354:0022:0061:EN:PDF

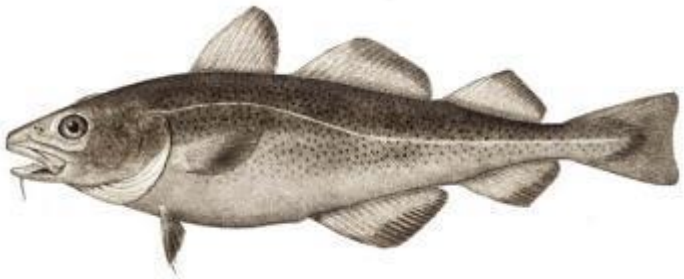
We have choices about how we fish…

How can we allocate resources to those that create best value to society?

Value Slipping Through the Net
Managing fish stocks for public benefit

Case study: North Sea Cod





Good value

- Viable / profitable
- Low subsidy dependence
- Jobs
- Low impact on seabed
- Low discards
- Low C emissions
- Low by-catch
- Etc

Bad value

- The opposite

Looking at trawling vs gillnets:

Who creates **value**?
Who gets the **quota**?
Who gets the **subsidies**?

- For every tonne of cod landed, trawlers delivered negative value ranging from -£116 for the smallest trawlers to almost -£2,000 for the largest.
- Gillnets, on the other hand, generated a net +£865 of value.
- Trawlers landed almost 6,000 tonnes of cod, while gillnets landed less than 3 per cent of this – just 163 tonnes.
- The largest trawlers received direct subsidies of £219/tonne of cod landed while gillnets received £38.

EU Common fisheries policy reform

Article 17:

Criteria for the allocation of fishing opportunities by Member States

When allocating the fishing opportunities available to them, as referred to in Article 16, Member States shall use transparent and objective criteria including those of an environmental, social and economic nature.

http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:354:0022:0061:EN:PDF

Fish dependence day calendar 2014

JAN		1	2	3	4	5	6	7	8	**9** SLOVAKIA	10	11	12	13	14	15	16	**17** AUSTRIA	18	19	20	21	22	23	24	25	26	27	28	29	30	31
FEB		1	2	3	4	5	6	7	8	9	10	11	12	13	**14** ROMANIA	15	**16** BELGIUM	17	18	19	20	21	22	**23** SLOVENIA	**24** LITHUANIA	25	26	27	28				
MAR		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
APR		1	2	3	4	5	**6** GERMANY	7	8	9	10	11	12	**13** ITALY	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	
MAY		**1** PORTUGAL	2	3	4	5	6	**7** CYPRUS	8	9	10	11	**12** POLAND	**13** CZECH REPUBLIC	14	15	16	17	18	**19** FRANCE	20	21	22	23	24	25	26	27	28	29	30	31
JUN		**1** MALTA	2	3	4	5	6	7	8	9	10	**11** SPAIN	12	13	14	15	**16** BULGARIA	17	18	19	20	21	22	23	24	25	26	27	28	29	30		
JUL		1	2	3	4	5	6	7	8	**9** HUNGARY	10	**11** EU27	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
AUG		1	2	3	4	5	6	7	8	9	10	11	12	13	14	**15** NETHERLANDS	16	17	18	19	20	21	22	23	24	25	26	27	28	29	**30** LATVIA	31
SEP		1	2	3	4	5	6	7	8	9	10	11	**12** UK	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	
OCT		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	**23** FINLAND	24	25	26	27	28	29	30	31
NOV		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	**29** SWEDEN	30	31
DEC		1	2	3	4	5	6	7	**8** GREECE	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	**29** DENMARK	30	31

NOVEMBER 19, 2013

Deep trouble

Deep-sea bottom trawling causes significant environmental damage - and for little economic return.

More ›

OCTOBER 31, 2014

Landing the blame: overfishing in the Baltic Sea

Uncovering the countries most responsible for overfishing in EU waters

More ›

JULY 3, 2013

Paying for overfishing

Why subsidising new vessel construction is bad news for EU taxpayers and our oceans

More ›

nef
economics as if people and the planet mattered

The Bio-Economic Model of European Fleets

(BEMEF)

What is the BEMEF?

- …a tool designed to **visualise the economic impacts of fish stock restoration and quota re-allocation**.

- …for fleets where adequate data is available, BEMEF **calculates current and future economic outputs including profitability, wages, and jobs.**

- **Feb 2015 + report www.fisheriesmodel.org / .eu**

- Countries / fleets within countries
- Fish price elasticity / fuel prices / jobs est.
- Change quota allocation: historic / jobs / effort / fuel
- Landings / earnings/ VA / Profit / jobs / wages / Carbon

- ✓ The Marine Socio-Economics Project (MSEP)

  & The Blue New Deal

The Marine Socio-Economics Project (MSEP)

Building the Socio-Economic Capacity of Marine NGOs

Coordinated by NEF. Four NGO partners.

economics
real wealth
means well-being

environment
lifestyles must
become sustainable

society
communities need
power and influence

nef
economics as if people and the planet mattered

Started in 2012.

Two key outcomes:

- NGOs with increased economic capacity
- NGOs working together effectively

Project activities

Workshops*

- Impact Assessment workshops - 2012
  - MSFD (Including Defra economist)
  - MCZs (Including Natural England economists)

- Theory of Change – 2013 (outputs > outcomes).

- Valuation – 2013 (focus on economic tools and techniques)

- Nature & Progress seminar – July 2014 – **upcoming paper: ‘’Devaluing Nature?!’’

- EMFF workshop: Poole, Nov 2014. Including Defra, IFCAs fishermen, aquaculture businesses and FARNET / FLAGs

***all presentations online – www.mseproject.net**

Project outputs

- www.mseproject.net

- project website and newsletter

- Economics Briefings and marine case studies

→

http://www.neweconomics.org/publications/entry/economics-in-policy-making

[Briefing 1 - An overview of economics]

[Briefing 2 - How economics is used in government decision-making]

[Briefing 3 - Valuing the environment in economic terms]

[Briefing 4 - Social cost-benefit analysis and social return on investment]

[Briefing 5 - Discounting and time preferences]

[Briefing 6 - Multi-criteria analysis]

[Briefing 7 - Beyond GDP: Valuing what matters and measuring natural capital]

[Briefing 8 - Markets, market failure and regulation]

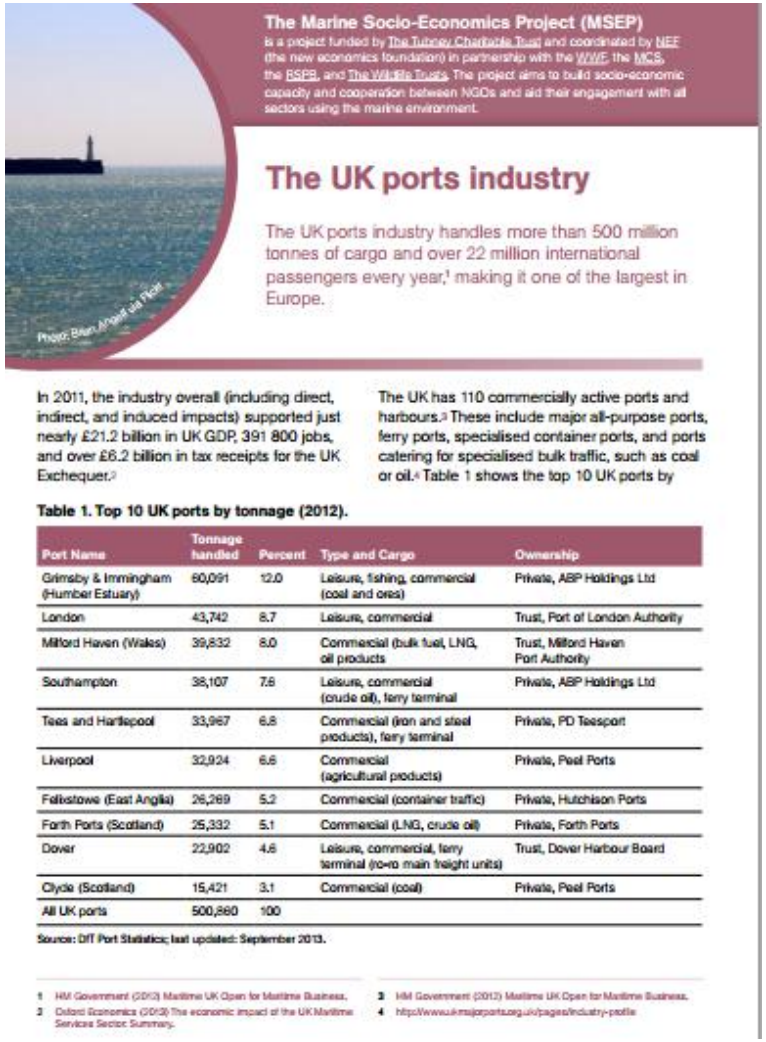
[Briefing 9a - Finance and money: the basics]

[Briefing 9b - What's wrong with our financial system?]

[Briefing 10 - Property rights and ownership models]

[Briefing 11 - Behavioural economics - dispelling the myths]

- Facts and Figures ↓



The Marine Socio-Economics Project (MSEP)
is a project funded by The Tubney Charitable Trust and coordinated by NEF (the new economics foundation) in partnership with the WWF, the MCS, the RSPB, and The Wildlife Trusts. The project aims to build socio-economic capacity and cooperation between NGOs and aid their engagement with all sectors using the marine environment.

The UK ports industry

The UK ports industry handles more than 500 million tonnes of cargo and over 22 million international passengers every year,[1] making it one of the largest in Europe.

In 2011, the industry overall (including direct, indirect, and induced impacts) supported just nearly £21.2 billion in UK GDP, 391 800 jobs, and over £6.2 billion in tax receipts for the UK Exchequer.[2]

The UK has 110 commercially active ports and harbours.[3] These include major all-purpose ports, ferry ports, specialised container ports, and ports catering for specialised bulk traffic, such as coal or oil.[4] Table 1 shows the top 10 UK ports by

Table 1. Top 10 UK ports by tonnage (2012).

Port Name	Tonnage handled	Percent	Type and Cargo	Ownership
Grimsby & Immingham (Humber Estuary)	60,091	12.0	Leisure, fishing, commercial (coal and ores)	Private, ABP Holdings Ltd
London	43,742	8.7	Leisure, commercial	Trust, Port of London Authority
Milford Haven (Wales)	39,832	8.0	Commercial (bulk fuel, LNG, oil products	Trust, Milford Haven Port Authority
Southampton	38,107	7.6	Leisure, commercial (crude oil), ferry terminal	Private, ABP Holdings Ltd
Tees and Hartlepool	33,967	6.8	Commercial (iron and steel products), ferry terminal	Private, PD Teesport
Liverpool	32,924	6.6	Commercial (agricultural products)	Private, Peel Ports
Felixstowe (East Anglia)	26,269	5.2	Commercial (container traffic)	Private, Hutchison Ports
Forth Ports (Scotland)	25,332	5.1	Commercial (LNG, crude oil)	Private, Forth Ports
Dover	22,902	4.6	Leisure, commercial, ferry terminal (ro-ro main freight units)	Trust, Dover Harbour Board
Clyde (Scotland)	15,421	3.1	Commercial (coal)	Private, Peel Ports
All UK ports	500,860	100		

Source: DfT Port Statistics; last updated: September 2013.

1 HM Government (2012) Maritime UK Open for Maritime Business.
2 Oxford Economics (2012) The economic impact of the UK Maritime Services Sector: Summary.
3 HM Government (2012) Maritime UK Open for Maritime Business.
4 http://www.ukmajorports.org.uk/pages/industry-profile

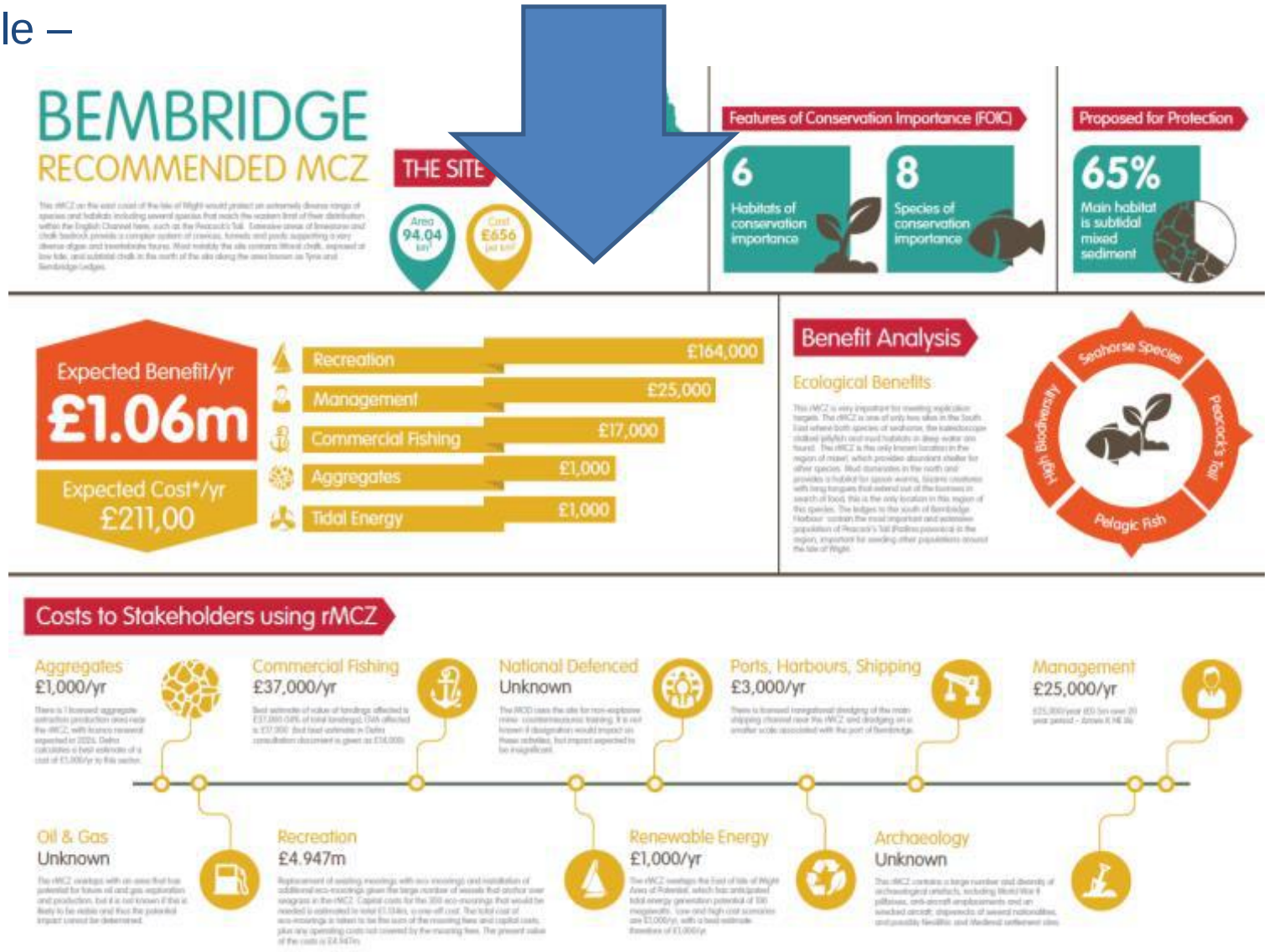
Briefings:

- Capture fisheries
- UK marine infrastructure
- Marine Energy
- Marine Recreation
- Flows & aquaculture

Developing an Improved Impact Assessment (IIA) for MCZs

Using best available evidence in a visual way

Example –



BLUE NEW DEAL

nef
economics as if people and the planet mattered

- Numerous challenges for coastal communities….
- Re-frame the marine conservation debate…
- …opportunities through the marine environment.

'Blue New Deal'

A healthy marine environment can support:

- Good jobs;
- Providing sustainable food and energy;
- Increasing wellbeing;
- Delivering public goods cost-effectively;
- Building resilience.

- **Identifying solutions** – More UK examples…

- Contact: fernanda.balata@neweconomics.org

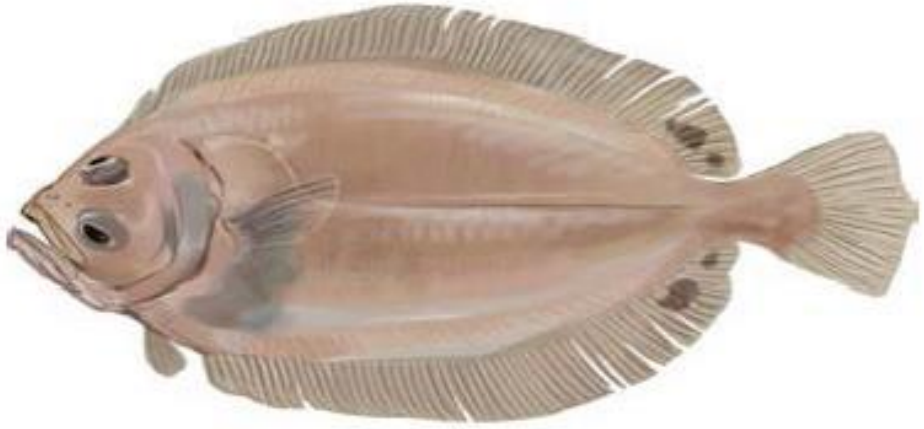
nef
economics as if people and the planet mattered

3 things:

1. Re-think economics
2. Challenge the current model & assumptions
3. Change is possible, desirable & necessary

nef
economics as if people and the planet mattered

THANK YOU



Reports available at: www.neweconomics.org

Email: Chris.williams@neweconomics.org

Follow us on twitter: @nef @MarineEconomics

Newsletter(s): NEF and MSEProject available online - the links are in the delegates notes.

Key Components of a new economy

1. Measure the right things
2. Reform finance
3. Live within environmental limits
4. Reduce inequality
5. Create Good Jobs
6. Move public policy and investment upstream/prevention
7. Reframe the role of markets and companies
8. Rethink work (paid and unpaid)
9. Build strong local economies
10. Empower people to be economic citizens