

## US and world fisheries in rapid decline

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Perverse Incentives to Over-Fish Are Creating Undersea Wasteland, Notes NCPA Scholar

American and world fisheries have entered a period of rapid and unprecedented decline, according to a brief analysis released today by the National Center for Policy Analysis (NCPA). To halt the slide, government should treat fish the same way it treats livestock -- as private property, says H. Sterling Burnett, senior fellow with the NCPA. Read the brief analysis here: <http://www.ncpa.org/pub/ba/ba581/>

"The privatization of marine resources has worked where it has been tried," said Burnett. "Creating tradable rights, or individual transferable quotas (ITQs), which entitle fishermen to a certain portion of the catch, has proven effective in eliminating the perverse incentives to over-fish."

In the 1960s, when studies found the world's marine resources were underutilized, the U.S government began to subsidize fishing in ways that encouraged over-fishing. The subsidies included:

• Tax breaks for investments in new equipment and below-market loans to buy bigger boats and state-of-the-art equipment.

• Grants to fish warehouses to purchase the latest equipment, and to fishing harbors to improve and expand the number of mooring spaces.

• Grants and below-market loans for larger, newer fish processing plants.

Numerous examples from around the world and in the U.S. show how privatization has allowed fish stocks to rebound. For example:

• After introducing ITOs to Iceland's herring fisheries, the number of fishing vessels fell from 200 in 1980 to 30 by 1995; catches have fallen to sustainable levels, even as their value has risen dramatically.

• In 1984, Australia's blue fin tuna fisheries were near collapse; today they are the most profitable tuna fisheries in the Pacific, and property rights are used to manage 15 species.

• The United States extended property rights to Atlantic blue fin tuna, mid-Atlantic surf clams, Alaskan halibut and sablefish, and South Atlantic wreckfish; all four fisheries now have smaller fishing fleets, higher incomes for fishermen and larger, healthier fish stocks.

"When fishermen no longer have perverse incentives to deplete fish stocks, experience shows fish populations should rebound," continued Burnett. "Fisheries must no longer be seen as a commons to be plundered in a "race to fish," but rather as property to be conserved, enhanced and protected."