

[Home](#) / [Blog](#) / Ask Dr. Pauly: Why are we giving subsidies to the fishing industry?

FEBRUARY 7, 2023

Ask Dr. Pauly: Why are we giving subsidies to the fishing industry?

BY: [DANIEL PAULY](#)

Dr. Daniel Pauly is the founder and principal investigator of the Sea Around Us project at the University of British Columbia's Institute

Subsidies are government funds or other benefits, such as lower taxes, awarded to certain economic sectors or industries. Subsidies to fisheries are nothing new.

From the 17th-19th centuries, the sail-driven navies of leading European powers — notably England, France, and the Netherlands — required huge numbers of experienced sailors for their all-too-frequent wars. The fishing industries of the time trained and employed thousands of sailors, and thus these countries have a well-documented history of subsidizing their fishing fleets.¹ The idea was to prevent the fishing fleets from shedding sailors during periods of fish scarcities, and thus, for the navies to become unable to crew their man-o-wars.



for the Oceans and Fisheries, as well as an
Oceana Board Member.

Nowadays, we don't have this excuse (if it ever was one)
for fishing subsidies, which are now one of the major
drivers of global overfishing. This can be readily

explained: Fishing reduces abundance, and overfishing even more. At some point, revenue from
fishing no longer covers its costs. This is a clear signal that fish populations should be allowed to
rebuild.

Subsidies, however, keep the fishing industry from hearing the clear message that nature sends.
These subsidies substitute for the abundance that nature provides; indeed, they decouple fishing
operations from the state of the fish populations that are being exploited. In the worst cases, the
fishing industry gets paid to keep fishing even when there are no fish to catch. Currently, annual
subsidies to global marine fisheries amount to about \$35 billion USD, representing about 30% of
the first sale value of all fish caught. \$22 billion USD of these subsidies are "capacity-enhancing".²

Because they are a major driver of overfishing, and because they distort the "proper functioning
of markets" (which is a thing, though probably a rare one), the opposition to fisheries subsidies
ranges from neo-liberal economists to the ocean conservation community. Thus, the hope of
many groups was that the World Trade Organization (WTO)'s recent negotiations.³

Ten years ago, I
was at the WTO,
as part of
Oceana's effort
to convince the
delegates of
multiple
countries to see
subsidies as what
they are: a drain
on their financial
resources leading
to a destruction
of their fisheries
resources. But
we failed, mainly
because
objections by a
few heavy subsidizers of trawl fisheries prevented the consensus necessary to reach a subsidies
phaseout agreement.



Subsidies are a major driver of global overfishing and can keep the fishing industry afloat even
when there are no fish to catch. © Oceana/Carlos Minguell



This time an agreement was reached, but sadly, a close examination of its terms suggests it is a hollow outcome full of loopholes.

So, although we are almost back to square one, we must continue the fight against subsidies, because they destroy marine life, they drive overfishing, and they increase the already substantial carbon footprint of industrial fisheries. Also, subsidies exacerbate equity issues within the fishing sector because they are overwhelmingly allocated to industrial fisheries and mostly bypass artisanal fisheries. If fisheries are to be subsidized, it is the artisanal fisheries that need help — improving the quality and marketing of their catch, which can increase fishers' income without any additional fishing pressure.

This article originally appeared in the [Winter 2022 issue](#) of Oceana Magazine.

¹ See Janžekovič, I. (2020). The rise of state navies in the early seventeenth century: a historiographical study. *Journal for Maritime Research*, 22(1-2), 183-208; Poulsen, B. (2008). *Dutch herring: an environmental history, c. 1600-1860* (Vol. 3). Amsterdam University Press.

² Sumaila, U.R., N. Ebrahim, A. Schuhbauer, D. Skerrett, Y. Li, H.S. Kim, T. Mallory, V.W.Y. Lam and D. Pauly. 2019. Updated estimates and analysis of global fisheries subsidies. *Marine Policy*. 109; 103695.

³ Sumaila R, Skerrett DJ, Schuhbauer A, Villasante S, Cisneros-Montemayor AM, et al. The WTO must ban harmful fisheries subsidies. *Science*. 2021; 374:544.

UP NEXT:

[VICTORY: Peru will now prosecute illegal wildlife trafficking as a form of organized crime](#)



FEATURED CAMPAIGN

Save the Oceans, Feed the World

We are restoring the world's wild fish populations to **serve as a sustainable source** of protein for people.

[Learn More](#)

MORE CAMPAIGNS

[Protect Habitat >](#)[Bycatch >](#)[Plastics >](#)[View All >](#)

SHOW YOUR SUPPORT WITH A DONATION

We have already protected nearly 4 million square miles of ocean and innumerable sea life - but there is still more to be done.

[Donate Here](#)

BECOME A WAVEMAKER

Sign up today to get weekly updates and action alerts from Oceana.

[JOIN US](#)

Shop
Press Center
Employment Opportunities
Contact
Financials
Privacy Policy
Terms of Use

REGIONAL SITES :

United States
Europe
Chile
Canada
Belize
Philippines
Brazil
Peru
Mexico

FIND OCEANA



TWEET TO SHARE OUR MESSAGE

A great way to get involved in protecting [#oceans](#): Join Oceana as a Wavemaker & sound off on important issues! <https://bit.ly/30iztqY>

