NEW PAPERS ON THE ECONOMICS OF THE U.S. FISHING INDUSTRY

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The U.S. fishing industry contributes nearly $90 billion annually to the economy and supports over one and a half million jobs. However, current policies do not capitalize on the full economic potential of U.S. fisheries, nor do they guarantee their ecological sustainability. Fortunately, in contrast to many contemporary environmental challenges, economic and environmental objectives in fisheries can, in principle, go hand in hand. Effective stewardship of wild fisheries can create a more prosperous fishing industry and a healthier ecosystem in our nation’s oceans.


*Authors:* The Hamilton Project

In this framing paper, The Hamilton Project highlights the economic significance of U.S. fisheries, describes the current landscape of the industry and typical management practices, and explains the “tragedy of the commons” challenge facing this natural resource. The Project also explores potential policy options for improving the economic and ecological sustainability of U.S. fisheries by establishing better-defined property rights as an alternative to traditional management systems.

2. **TOMORROW’S CATCH: A PROPOSAL TO STRENGTHEN THE ECONOMIC SUSTAINABILITY OF U.S. FISHERIES**

*Author:* Christopher Costello (University of California, Santa Barbara)

In this discussion paper, Christopher Costello proposes an amendment to the Magnuson-Stevens Fishery Conservation and Management Act, the federal law guiding the management of U.S. fisheries, to require that fisheries meeting certain criteria undertake a transparent comparison of the economic, social, and ecological tradeoffs between status quo management and alternative management structures. These alternative management systems would include, but not be limited to, a broad class of property rights-based approaches referred to as “catch shares.” Costello expects that this comparison will lead many fisheries to adopt a catch shares management approach. Additionally, Costello proposes that National Oceanic and Atmospheric Administration expand its support for the design and adoption of catch shares.

Drawing on a growing body of empirical evidence, Costello observes that catch share systems tend to eliminate the economically wasteful “race to fish,” which beleaguer other fishery management approaches. By dramatically lengthening the fishing season, catch shares can lead to gains in long-term employment, significant improvements in safety for fishermen, and improved availability of fresh fish for consumers. Finally, by allowing catch-share trade among fishermen, this property-rights approach would encourage the most efficient fishermen to participate in the market, leading to lower costs and higher profits for fishing communities.