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Farming the waters for People and Food

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**Global Conference
on
Aquaculture 2010**

**Plenary Lecture 2:
Sector Management and Governance
in Aquaculture: an Overview**

By Dr Neil Ridler

22–25 September 2010, Phuket, Thailand



Outline

- I. Improving aquaculture governance; what is the status and who is responsible for what?
- II. Aquaculture governance and socio-economic growth
- III. Aquaculture governance, and investment and risk management



I. Improving Governance

- Aquaculture “governance” is broader than “government” because it includes other stakeholders, and the process by which conflicting interests are reconciled.
- New stakeholders (communities, NGOs, producer associations) wish to be involved in managing the sector.



I. Improving Governance

- Goal of aquaculture governance is sustainability
- Effective governance enables and mitigates market failures (negative externalities, asymmetrical information, basic research)



I. Improving Governance

- Aquaculture growth has occurred (in certain countries) because of better governance (enabling policies such as economic stability, the rule of law, secure property rights, co-management), access to markets, BMPs etc).
- Policies to mitigate market failures policies not always in place / enforced.



Panel I on: Improving Aquaculture Governance: What is the Status and Who is Responsible for What?

- Examines types of aquaculture governance and the evolving roles of stakeholders
- The progress in governance since the Bangkok Declaration
- The challenges to governance in the future (off-shore, certification, climate change etc)



II. Aquaculture Governance and Socio-economic Growth.

- Aquaculture provides jobs and income, increases food security (usually by volume) and may generate foreign exchange.
- Yet data often missing to measure aquaculture's direct, indirect and induced contribution to the economy.



II. Aquaculture Governance and Socio-economic Growth.

- Governance is critical because of these multiple (conflicting) impacts:
 - Environmental: habitat, land and water, wild species, energy.
 - Economic: growth but conflicts
 - Social: jobs but vulnerable



II. Aquaculture Governance and Socio-economic Growth.

- Pro-poor aquaculture:
 - Small scale lack access to credit and expertise and economies of scale
 - Should pro-poor policies encourage low-value or high value species?
 - Pro-poor government policies



Panel II on: Aquaculture Governance and Socio-economic Growth.

- Objectives:
 - Review aquaculture's socioeconomic impacts
 - Discuss institutional factors that facilitate aquaculture's positive socio-economic impacts and / or mitigate negative impacts.



III. Aquaculture Investment and Risk Management.

- In spite of success the rate of growth of aquaculture output has slowed
- Growing shortage of land and water
- Need for investment, technological advances, and risk management



III. Aquaculture Investment and Risk Management.

- Risk (both production and market) can discourage investment to less than socially optimal levels
- Governments and farms can reduce risk
- Harder for small farms to reduce risk



Panel III on: Risk in Aquaculture

- Highlights studies by FAO since 2000 identifying policies to promote aquaculture investment, to extend insurance and to manage Risk
- Reviews recommendations for promoting investment in the Bangkok Declaration and Strategy.
- Considers recent trends and their implications for aquaculture investment
- Examines obstacles to investment particularly managing high risk and uncertainty



Conclusion

- 1. The importance of governance**
- 2. Private sector is driver of aquaculture growth**
- 3. The behaviour of entrepreneurs must be circumscribed**
- 4. Learn from Best Practices**



