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Farming the waters for People and Food

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**Global Conference
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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



