

Next steps towards implementation

An economist's perspective on Valuing Marine Ecosystems

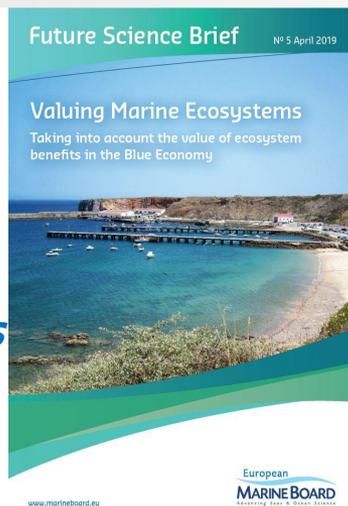
Conference on 'Valuing Marine Ecosystem Service – Taking into account the values of ecosystem benefits of the Blue Economy'

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An economist's approach I

- focus on how to increase human well-being through a better use of the marine ecosystems

- Tragedy of the commons
 - Race to the bottom
 - Ecosystem services are public goods – no market exists for public goods/bads
 - Risk that Blue Growth might not be sustainable
- Regulation is a must
 - Externalities related to marine ecosystems are not internalized
 - Therefore, public intervention and targeted regulation are needed
 - A serious problem is to reveal the true trade-offs
 - **Rule:** marginal net benefit of regulation should be equal across ecosystems

An economist's approach II

- focus on how to increase human well-being through a better use of the marine ecosystems

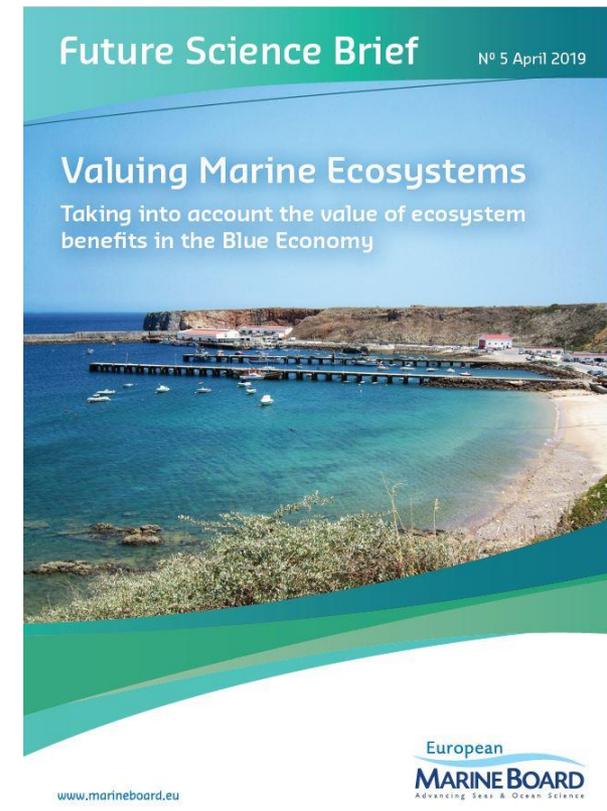
- Optimal level of protection of marine ecosystems
 - To obtain optimality we need "hard core" biological and economic data
- Cost efficient protection of marine ecosystems
 - To meet political specific ecosystem qualities, it is important to have cost efficient regulations, and the data needs are less demanding than to obtain optimality – cost information is easier to get than benefit information
- Is no number better than a bad number?
 - No! As long as you know the sign of the bias you are better off
- Irreversibility (the tipping point issue) – an insurance approach
 - The precautionary principle
- The value of a strong focus on ecosystem benefits and the cost of providing these benefits
 - **Rule:** The marginal principle - marginal benefit equal marginal cost

Answers to specific Questions

- The main contributions from marine ecosystem valuation studies and their effects for current and future generations
 - Strengthen focus on trade-offs
 - A need for doing proper Cost Benefit Analyses and broader analyses
 - No ecosystem valuation – no consistent priorities can be made!
- Your views on the quality and availability of monetary and non-monetary valuation data and how this should be improved for future use
 - Room for significant improvements
 - Data collection and interdisciplinary research
- Which biggest obstacles need to be removed to advance Marine ecosystem valuation further
 - Lack of mutual understanding between researchers for the need of interdisciplinary research
 - Lack of funding for data collection and interdisciplinary research
- How interaction with policymakers and inclusion of valuation data and results in marine management decisions could be improved
 - An increased use of empirical case studies as part of the political decisions

Conclusions

- Regulations are needed – to avoid the tragedy
- Focus on data and interdisciplinary research
- Focus on cost efficient regulation to meet political specific ecosystem quality targets
- More use of empirical case studies as part of the political decisions



Reference: Frost, H., L. Ravensbeck, A. Hoff and P. Andersen. The Economics of Ecosystem-Based Fisheries. Pp. 157-207 in **Environmental Management of Marine Ecosystems** (Eds. Md. Nazrul Islam and Sven Erik Jørgensen. CRC Press, 2018.