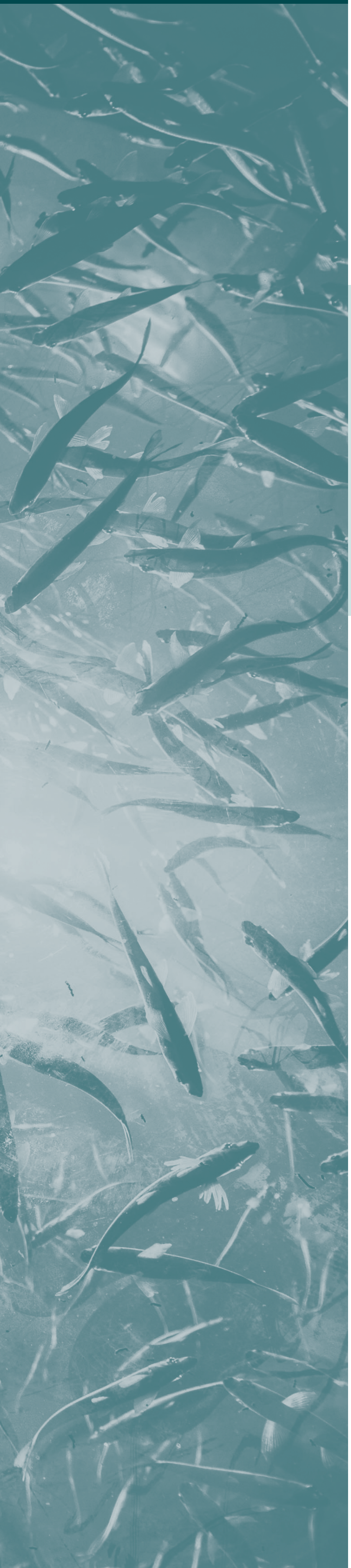
Future Fisheries Management Issue Brief



External Fleets, Subsidies, and the Perpetuation of Unfair Deals

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SUMMARY Industrial-scale global fishing, driven by technology, market demands, and fuel subsidies, have threatened the sustainability of fish stocks. Poor fisheries data and government fuel subsidies, especially for external fishing fleets, enables wealthy nations to exploit the waters of coastal countries with less stringent fisheries management. Relations between the European Union (EU) and West Africa exemplify imbalances, in which EU interests overshadow local sustainability, leading to long-term declines in local fish stocks. At present, poor data and opaque agreements will make positive change difficult. However, the WTO's 2022 Agreement on Fisheries Subsidies can be used to leverage positive change.

Decades of intensive[1] fishing in many regions have led to declines in the sustainability of many fishing operations globally. The recovery of many stocks remains highly uncertain,[2] particularly in light of climate change.[3] Fisheries overexploitation has been driven by technological advances[4] to increase fishing opportunities, increased market demands[5] for seafood, continued subsidization[6] of otherwise marginally profitable fishing operations, and ineffective fisheries management[7] practices. As wealthy fishing nations have grown hungrier for seafood for human consumption and for agri- and aqua-culture feeds, their search for fish has prompted increased investments in external fleets that operate on the high seas away from their own shores, commonly in the waters of distant coastal nations. The coastal nations that now host these external (and often wealthy) fleets are often incapable of maximizing returns from their own fisheries resources due to poor fisheries infrastructure and capacity. Therefore, to maximize their profits, they provide access to their fish stocks to more capable fishing nations. This access may be offered at a direct cost or in return for financial support and technical assistance to enhance their own fisheries management capacity.[8]

While these agreements would appear to be equitable for all parties involved—coastal nations recoup otherwise lost profits and external fleets benefit from additional fishing opportunities—they unfortunately serve to conceal much less attractive outcomes[9] that may hinder[10] rather than aid local development.

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POOR DATA MEANS POOR UNDERSTANDING AND POOR SUSTAINABILITY

Fisheries data in many of the host coastal nations is poor or even nonexistent, which exacerbates the problem of external fleet exploitation. Lack of data results in lack of understanding how much fish can be extracted from the waters of coastal nations without deleterious impacts. External fishing nations often assure host coastal nations that proposed catch levels will be of no detriment to the long-term sustainability of the local stocks, yet these assurances appear to be based on guesswork, since the data supporting this claim simply does not exist.

The most publicized example of a wealthy nation taking advantage of a less-developed coastal nation is that of the European Union[11] and West Africa.[12] Long ago, the European Commission negotiated access[13] based only on the demands of powerful EU fishing operators rather than taking account of the impacts on fish stocks and local African fishing communities. Today, the results from EU assessment and evaluations of historic fishing effort and host nation stock sustainability are difficult to find and hidden under layers of bureaucracy and jargon. To worsen matters, in some cases, the lure of EU payments in return for fish in addition to internal government corruption[14] within host nations means that agreements are signed irrespective of the potential detrimental impacts they may have on local ecosystems, economies, and social well-being—favoring the few and hindering the masses. In many cases, local coastal fishers report declines in catches that correlate[15] closely with increased activity of the external fleets. This happens on top of the age-old problem of shifting baselines,[16] which make it increasingly difficult to understand the magnitude of the ecosystem consequences of external fishing activity and what "normal" really is.

Most fishery access agreements are bilateral, yet the stocks upon which many fisheries rely are highly migratory, moving in and out of the waters of different coastal nations and in some cases across the high seas. The connectivity that exists between the marine systems of coastal nations means that the environmental impacts of fishery access agreements are potentially broad-scale, and that an agreement allowing one country's external fleet access to another country's coastal waters may affect the fisheries of other countries not signatory to the agreement.

AGREEMENTS CANNOT BE ENFORCED

Monitoring, control, and surveillance (MCS) systems that would allow coastal host nations to monitor the activity of the external fleets exploiting their waters are often poor[17] at best. This leaves coastal nations open to illegal, unreported, and unregulated (IUU) fishing both from their own fleets[18] and from those of visiting external vessels[19]—activity that often appears disguised as legal, reported, and regulated.

While some of the wealthy nations advertise their collaborations with host nations as exercises in development, it is also apparent that the amount of investments received and change realized is meager compared[20] to the profits taken by external fleets from the shores of coastal nations. It is also clear that investments made are often insufficient to bring the fisheries of coastal nations to a level of self-sufficiency needed to properly audit the activity of external fleets and to crack down on IUU fishing operations.

SUBSIDIES SUPPORT UNFAIRNESS

The negative consequences from this top-down "transplant overfishing" in which wealthy external nations overexploit the stocks of coastal nations through unfair deals are heavily supported by fuel subsidies. The fuel costs associated with external fleets travelling great distances to the external fishing grounds hosted are considerable and would render many operations economically unviable without the support of subsidy provisions from external governments. While a detailed analysis of coastal external fishing operations and their respective agreements does not appear to have ever been carried out, the economics of high-seas fishing in which external fleets fish in the open ocean, huge distances from their own waters, have been studied. Analyses show that the bulk of high-seas bottom-trawl fisheries would be unviable[21] without government fuel subsidies that stand at approximately $152 million per year. Similarly, 54 percent of high-seas fishing grounds would be unprofitable[22] at current fishing rates.

DOES THE WTO HAVE A ROLE TO PLAY?

External fleets that travel a long way from their home ports to fish on the high seas and in the waters of distant nations would not be able to do so without economic support in the form of fuel subsidies that largely come from their governments. By extension, therefore, the actions of the WTO and the 2022[23] Agreement on Fisheries Subsidies will have a significant bearing on the future of the fisheries agreements between external fleets and coastal nations. The agreement on fisheries subsidies is the first multilateral trade agreement focusing on sustainability.[24] Importantly, it includes, among other things, a prohibition on subsidies to IUU fishing and operations targeting vulnerable fish stocks. It will also address the practice of reflagging of vessels to other jurisdictions, used by rogue operators to avoid sanctions and continue operations even after they have been implicated in unfair or illegal activity. If the WTO agreement is really implemented and enforced, many of the ostensibly legal fishery operations of external fleets will need careful review. On paper this all seems logical and will likely result in a reduction in the fisheries agreements that do not pass the WTO's bar(s) regarding subsidy provision. The big problem, however, comes back to poor data, poor information, and ultimately poor understanding.

OPACITY WILL CONTINUE TO BREED PROBLEMS

Many of the inner workings of fisheries agreements, the stories of their development and the impacts of their use, are heavily cloaked in mystery. It will therefore be difficult for the WTO or other authorities to comprehensively audit and evaluate the organizations, entities, standards, and requirements that are laid out in these agreements. Without this ability, it is likely that these agreements and their associated operations will continue, even with stricter WTO measures in place.

An important step forward will be to better understand the full landscape and state of the art of fishery access agreements globally. It is likely, however, that this landscape will be laden with opacity. But coming up against opacity should not signal the end of efforts; rather, it should mark the start. Where opacity exists, governments and the fishing operators with whom they collaborate need to be called upon to provide the information necessary for the WTO to decide on the fuel subsidy provision of a given country that uses external fisheries agreements. In cases where such requests are refused or where information is "not available," the WTO must step in and give an ultimatum: either the necessary data is collected and shared or a prohibition is placed on fuel subsidies for both the external fleet and the collaborating coastal nation partner.

The WTO can exercise further leverage through its international trade policies. For example, if a country known to be part of fishery agreements with coastal nations refuses to provide the required data and continues to use fuel subsidies, the WTO could sanction that country by restricting other international trade the country engages in. The incentive to cooperate with the WTO can therefore be significant: cooperate and maintain business practices as usual regarding international trade or feel the pinch in other trade areas. The incentive for the WTO to enforce such measures comes from the increasing pressure of the international community regarding fuel subsidies and unsustainable fisheries practices.

One thing the WTO will unlikely be able to do is provide comprehensive monitoring and enforcement capacity to ensure data regarding fishery agreements is up to date and reliable. It is most likely that this gap will be filled via other international bodies such as regional fishery management organizations (RFMOs) in conjunction with those maritime nations who are on board with the effort to reduce fishery subsidies, particularly those that are associated with unsustainable and unfair fishing practices.

Positive change is possible, but huge leaps in international fisheries transparency will be necessary. The WTO is one of the only organizations that has the power to leverage such change. If it does not flex its muscles hard enough, the WTO will miss a critical opportunity to help the plight of many developing coastal nations and penalize those who take advantage of the opacity of marine operations and bureaucratic processes that lead to inefficient economies and degraded environments, and leave deserving livelihoods hanging in the balance.

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ABOUT THE SERIES

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NOTES

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