

In Search of an Elusive Convergence

As the debate over “convergence” on fisheries subsidies issues continues, it is perhaps time to focus instead on better fisheries-management measures at all levels

Speaking at the University of the West Indies, Jamaica, on 18 January 2016, Roberto Azevêdo, Director-General of the World Trade Organization (WTO), drew attention to “some convergence” on the outstanding Doha issues, such as fisheries subsidies at the 10th Ministerial Conference of WTO in Nairobi. This is a wee bit of an improvement over “too little convergence” on the technical issues of fisheries subsidies and “virtually none” on the core substantive issues, as observed by the Chair, Negotiating Group on Rules in WTO, in a report, nearly five years before Nairobi.

During the 15 years that had elapsed between Doha and Nairobi, what indeed are the areas of convergence that have been achieved at WTO on fisheries subsidies? Precious little, we are afraid. For some Members like Argentina, Iceland, New Zealand, Norway and Peru, an ambitious agenda for fisheries subsidies reform, especially to prohibit a broad latitude of fisheries subsidies that contribute to overfishing and overcapacity, has now got whittled down to just prohibiting subsidies on activities that affected overfished stocks, and prohibiting subsidies to any fishing vessel engaged in illegal, unreported and unregulated (IUU) fishing. Even this whittled-down proposal is raising more debate than convergence.

The European Union (EU) reiterated the need for transparency and, in this context, highlighted the importance of improved notification to WTO of fisheries subsidies above a certain threshold. It even worked out a model template for this purpose, which was not agreeable to some other Members due to their poor capacity issues. The EU was game for prohibiting the most harmful subsidies, particularly vessel subsidies in IUU fishing. It has doubts, however, if a consensus could emerge on what the most harmful subsidies indeed are, and about enforceability of this discipline. Peru further made a standalone proposal seeking flexible treatment for sustainable artisanal fisheries for its contribution to food security, poverty reduction and the development of local communities. The African, Caribbean and the Pacific countries reiterated in Nairobi, as in the Doha Work Programme 2005, special and differential treatment for developing countries, including for the least developed countries and small and vulnerable economies.

There are lingering doubts regarding practicalities. How do you, for example, prohibit subsidies for activities affecting overfished fish stocks, while permitting subsidies for activities targeting underexploited stocks,

especially in tropical waters where these disparate stocks share common marine space? There are also doubts regarding, for example, stern treatment of fuel subsidies at a time when fuel prices are plummeting southward. Cheaper fuel, in the absence of fisheries management, is bound to act as an incentive to build new fishing vessels.

The protracted debate on fisheries subsidies has exposed the complexity of fisheries-management issues in both the developed and developing world, and has also raised questions about the competence

of WTO in dealing with fisheries subsidies issues. The sovereign rights regime for exploration, exploitation, conservation and management of marine fishery resources at the national level is unable to sync with trade regimes, especially in countries with poor capacity for fisheries management.

What has happened to fishing capacity and fish stocks since the Doha Round? Things have not moved from bad to worse in spite of no WTO fisheries subsidies discipline. According to the FAO State of World Fisheries and Aquaculture 2014, there is a reduction in motorized fishing fleet by number in China, Japan, EU-15, Iceland, Norway and the Republic of Korea, for example. Fishing capacity seems to be better managed than ever before by the fisheries authorities, as well as by the regional fisheries management organizations (a claim that some might disagree with). The state of the world’s fisheries also has somewhat improved since the Doha Round.

The share of fish stocks fished at unsustainable levels has fallen from 33 per cent in 2008 to 29 per cent in 2011. Also, fully fished stocks accounted for 61 per cent in 2011. The yield from these stocks, under effective management measures, can sustain food security, livelihood security and poverty reduction. Let us, in any case, wait for the latest FAO estimates, which will be published in July this year.

If fishing capacity can reduce and fish stocks can recover without WTO fisheries subsidies disciplines, why not then focus all energy on better fisheries-management measures at all levels? Rather than waiting for some elusive convergence, we propose that the outstanding Doha issues be dealt with minus fisheries subsidies. Azevêdo should advice the WTO Members to do so. It is high time to remove the dead fishery subsidies canary from the trade mine shaft; the ploy has not worked.

