

## Comment

# A fish by any other name...

The issue of ecolabels, especially for marine products, is turning out to be quite a pretty kettle of fish. Take the case of the Marine Stewardship Council (MSC), a baby born of two mighty parents, Unilever and the World Wide Fund for Nature (WWF). Though it began its accreditation scheme last year, it is yet to demonstrate its clout in the markets of Europe and the US. Nonetheless, both Northern and Southern fish exporting countries are concerned about its potentially adverse impacts.

Developing countries, in particular, are keen that ecolabels do not become yet another barrier of entry into the lucrative fish markets of the North. But they can not make up their minds on whether FAO or WTO is indeed the appropriate forum to discuss technical guidelines for ecolabelling. While some countries are inclined towards an inclusive consultation within the FAO, several others would prefer to use the WTO forum. Countries like the US would like such matters to be left to the private sector.

For all the fears expressed, it is, however, difficult to imagine that access to Northern markets would be seriously affected by ecolabelling schemes. There are good economic opportunities for developing countries to cater to markets for ecolabelled fish, especially for fish caught by selective gear and practices, as well as for fish that originate from healthy stocks. Ecolabelling would only create a differentiated market where the labelled products would fetch a premium, compared to unlabelled products,

The North depends on the South for fish such as tuna, shrimp, lobster, cuttlefish and squid. Their markets can not turn too restrictive because, unlike in agriculture and forestry, the South boasts of a resource which the North can not easily substitute with its own products.

However, even if only a small fraction of the exports are sold under ecolabels, the revenue from such niche markets could enhance foreign exchange earnings and lead to better living standards in fishing villages. The artisanal and small-scale fishworkers who use selective gear and practices are likely to benefit most from ecolabelling schemes since their fishing methods are regarded to be the most environment-friendly.

For these reasons, developing countries should get actively involved in developing appropriate criteria for ecolabels. But whether WTO or FAO is the more appropriate forum to discuss ecolabelling is an important issue. FAO seems to be better placed for several reasons. First, unlike WTO, it is competent in fisheries matters. Second, it enjoys the trust of developing countries and seems to be still dominated by their interests. And third, unlike WTO, it could provide a better meeting ground for producing and consuming countries as well as other stakeholders in fisheries.

Even if countries would like to keep their options open to challenge unacceptable ecolabels, it may be difficult to question private ecolabelling initiatives at WTO, if these comply with the provisions of multilateral instruments in fisheries. This is because the Agreement on Technical Barriers to Trade (TBT) may not find the application of such multilateral instruments an act of discrimination. Moreover, the ruling of an earlier GATT arbitral panel which upheld the dolphin-safe tuna labelling scheme in the US indicates that voluntary private ecolabelling schemes are unlikely to be challengeable at WTO, as long as they do not discriminate between domestic and foreign products. If unilateral private initiatives, where governments and producers have little say, are already imminent, and can not be easily influenced, wouldn't it be wiser to initiate an inclusive process to develop guidelines for ecolabels? Countries could ensure that their concerns are taken into account while developing the criteria for ecolabels. If this opportunity to set the agenda were to be missed, the net result would perhaps be a forced compliance with private, exclusive ecolabelling standards. That may not be in the best interests of developing countries in the long run.