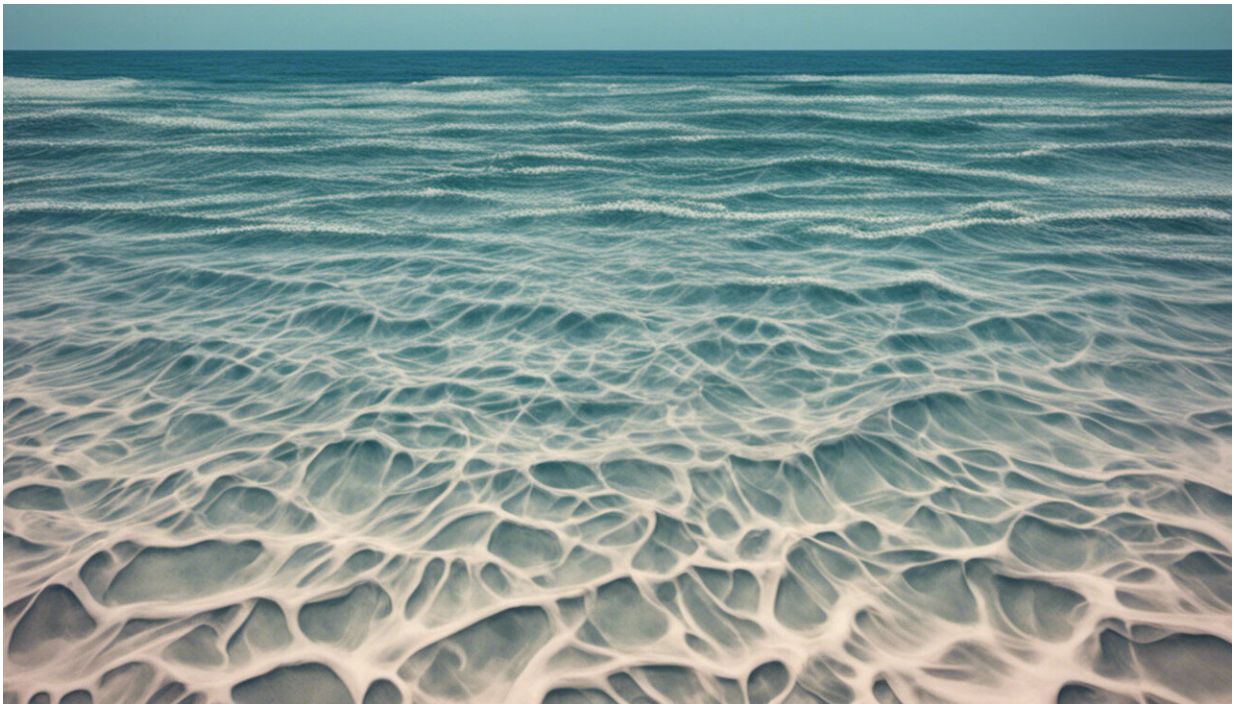


Putting an end to billions in fishing subsidies could improve fish stocks and ocean health

July 13 2021, by Daniel Skerritt



Credit: AI-generated image ([disclaimer](#))

Global fish catches are fluctuating near the [highest levels ever reported](#), [while the fraction of fish stocks that are sustainable has never been lower](#) . Nevertheless, governments spent [US\\$22 billion of public money on harmful fisheries subsidies in 2018](#).

These harmful subsidies fund the construction of new fishing vessels or reduce the cost of fuel, for example. They increase fishing capacity by reducing costs, which heightens the risk of overfishing. In short, they limit our ability to sustainably manage our fisheries.

Their scale and impact means that international reform of fishing subsidies is now a necessity, and may be the [single greatest global action we can take to ensure an abundant ocean](#). Later this month, the [World Trade Organization \(WTO\) will continue its negotiations on fisheries subsidies](#). These negotiations began in 2001, and are intended to incorporate the [United Nations' Sustainable Development Goals](#).

As a fisheries researcher I believe establishing international rules on fisheries subsidies would be a significant step towards rebuilding an abundant ocean. It would reduce inequity in international fish trade—and help stop overfishing.

Why do harmful fisheries subsidies exist?

Historically, subsidies were seen as good things that let governments implement new policies. Each [subsidy](#) was introduced for a specific reason, whether to benefit a subset of individuals or society as a whole.

Three broad arguments support subsidies: to address [social equity issues](#) and [conservation concerns](#), and to incentivize [economic growth](#).

Subsidies to support economic growth were once important for ensuring food security, and powered the [post-war expansion of fisheries](#) and the recent [industrialization of developing nations' fisheries](#).

However, fears of food shortages in many nations have largely receded, and [90 percent of global fish stocks are either fully exploited or overfished](#), meaning they have been fished to the maximum—or beyond.

As such, [economic growth arguments no longer exist](#), at least not for developed nations.

Some conservation-focused subsidies may still be beneficial. For example, subsidies may be used to restore depleted stocks by releasing cultured fish or to finance the adoption of more benign fishing methods.

But research has provided a greater understanding of the overall impact and effectiveness of fisheries subsidies. Most are now considered to be harmful, and the majority exist for political reasons: to lower fishing costs and delay the [inevitable economic and social impacts of overfishing](#).

How do fisheries subsidies relate to other SDGs?

Concerns over fisheries subsidies are not new. In 1776, Adam Smith wrote about [British herring fishing subsidies that were provided proportionally to the length of vessels](#). Their intention was to promote exports. Instead they led to larger vessels, raised local food prices and decimated Scottish small-scale fisheries.

Little has changed in 250 years. The [largest vessels still receive the greatest share of the spoils](#). Many of these vessels originate from rich countries but fish in the waters of poorer countries, transferring the risk of overfishing to those that can least afford it. Our latest study estimates that [a third of the subsidies provided by the largest fishing nations go towards fishing in other countries' waters](#).

The UN SDGs were set up to address many of these global issues and achieve a more sustainable future. But fisheries subsidies makes the [SDGs on ocean sustainability, poverty and hunger](#), difficult, if not impossible, to achieve.

Harmful fisheries subsidies damage fish stocks, [undermine the economic viability of small-scale producers](#) and jeopardize the livelihoods and [food security](#) of coastal communities. It is vital that the WTO negotiations succeed.

What's the state of play of the WTO negotiations?

The negotiations began in 2001, with vague aims of "[clarifying and improving](#)" existing rules on subsidies. However, no meaningful progress was made—except on [defining fisheries subsidies](#)—until efforts were reinvigorated in 2015, when the SDGs specifically targeted the elimination of harmful subsidies, through the conclusion of the WTO negotiations.

Six years later, [encouraged by the new WTO Director General Ngozi Okonjo-Iweala](#), an agreement is within reach. On May 11, 2021, [a draft agreement](#) was made public—the first since 2007. However, the text remains negotiable and must be agreed to by all 164 ministers at talks on July 15.

What are the key points of draft text and upcoming talks?

The draft essentially proposes three categories of prohibited subsidies, those that support illegal, unreported and unregulated (IUU) fishing (Article 3.1); affect overfished stocks (Article 4.1); or lead to overcapacity and overfishing (Article 5.1).

This may sound simple. But the diverse political, economic, cultural and practical complexities pose real challenges. How are harmful practices determined, and who determines them?

The article addressing IUU lacks impact. IUU activities are secretive and obscure. Removing subsidies to known IUU fishers would eliminate only a small portion of the total and [will likely have no impact on sustainability](#).

The article dealing with overfished stocks may have a greater impact, but debates continue over who decides if a [stock](#) is overfished. The status of surprisingly few stocks is known—in the central Mediterranean, for example, [less than two percent of landings come from assessed stocks](#). Stock assessments are technically demanding and costly.

The article covering overcapacity and overfishing could truly end harmful fisheries subsidies. It is, however, the least developed. In its current state it includes a promising list of subsidy types to be prohibited.

But it also includes a loophole that allows subsidies if measures are in place to keep stocks sustainable. It is unclear what measures would qualify or where the burden of proof would lie. This loophole could remove the teeth from the only rule that might bite!

What are the possible outcomes?

The WTO talks require a precarious balance between appeasing the diverse interests of members and ensuring rules are effective and practical. I am cautiously optimistic an agreement will be reached, particularly for the articles on IUU and overfished stocks. I remain concerned, however, that loopholes will render the article on overcapacity and overfishing ineffective. We require all three articles to achieve sustainable fisheries globally.

While we do not want to see the inclusion of blanket loopholes, any agreement will contain special treatment for developing nations.

This issue is sensitive and complex. I believe that long-term sustainability is only achievable if all nations have autonomy over their resources. Currently many developing nations [enter unfavourable agreements](#) where rich nations catch fish that host nations are unable to. Subsidies may be necessary for some nations to develop their fisheries.

However, such exemptions must not be perpetual or extended to include industrial fisheries. And as [even small subsidies can be harmful](#), developing nations must [fund fleet development in ways that don't undermine sustainability](#).

The reality of history, however, suggests that no final outcome will be achieved in July. Further talks will be required to finalize Article 5, and therefore the agreement itself.

Is any agreement better than no agreement?

Any agreement is a positive outcome if it reduces the global provision of harmful fisheries subsidies. Even a watered-down agreement provides a platform for more progressive future rules. Research shows that reducing fishing capacity inline with resource availability could lead to [more fish, support more jobs and lift millions of people from hunger](#).

Yet adherence to new rules must be monitored and enforced, particularly as subsidies are highly complex and [their reporting often vague or green-washed](#). Future battles will revolve around issues of transparent reporting and the measured effectiveness of the agreement.

What is important is that the WTO is able to reach consensus and we can take an important step—no matter how small—towards rebuilding fish stocks for the communities that rely on them.

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