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Fish for Thought

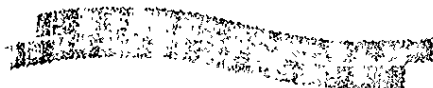
Fisheries, International Trade
and Sustainable Development

Initial issues for consideration
by a multi-stakeholder policy dialogue,
research and information-exchange process



*Natural Resources, International Trade,
and Sustainable Development Series*

No. **1**



This paper was written by Caroline Dommen, drawing on research carried out by Carolyn Deere for *Net Gains: Linking Fisheries Management, International Trade and Sustainable Development*, IUCN Washington DC (1999), and consultations with a broad range of experts.

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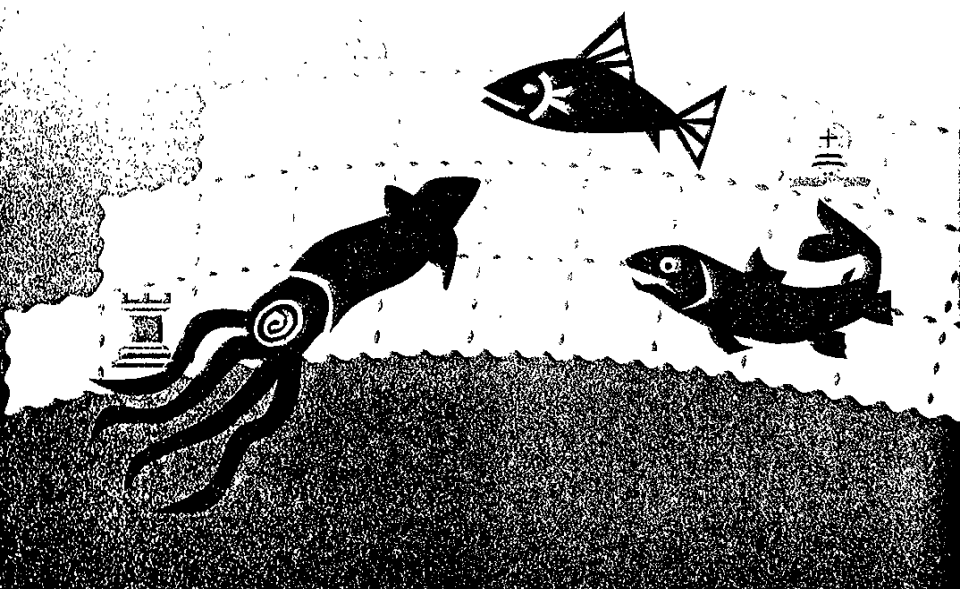
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Fishing is a key economic activity, but the world's marine fish stocks are under threat from human activities and are being harvested beyond sustainable levels. Hundreds of millions of people worldwide depend on fisheries for their livelihood or income. Trade in fish, fish products, and fish services is a major source of income for many developing countries. 40 percent of fish and fish products enter international trade which suggests that trade can play a role in the fisheries crisis. Whilst empirical knowledge about how trade does or can play a role in the fisheries crisis is scant, the fisheries and trade debate is alive in a number of national and international fora including the World Trade Organisation and the UN Food and Agriculture Organisation.

Fish for Thought seeks to highlight some of the key considerations at the intersection of trade, fisheries, and sustainable development. It highlights key issues, sets out questions for initial consideration, and draws attention to areas needing further research and elaboration.

Fish for Thought is provided as the first product of an OECD-UNEP programme on fisheries, international trade and sustainable development. It aims to inject both the conservation and the sustainable development perspectives into the debate on trade and fisheries and ultimately seeks to facilitate policy outcomes that ensure that international trade in fisheries is supportive of sustainable development.

The programme's main activity will be to link processes and actors by convening and supporting a process of policy dialogues, research, publications, and information exchange on fisheries, international trade, and sustainable development. This process will bring together all the relevant actors, including policy-makers working on international trade-related issues, on development policy, and on international environmental questions, as well as industry representatives, fisheries managers, representatives of the environmental community, and fishworkers organisations.





Objective of the *Fisheries, International Trade, and Sustainable Development* programme

The *Fisheries, International Trade, and Sustainable Development* programme aims to inject both the sustainable development and natural resource management perspectives into the debate on trade and fisheries. The ultimate objective of the programme is to make international trade in fisheries supportive of sustainable development.

The programme's main activity will be to convene a series of policy dialogues on fisheries, international trade, and sustainable development which will link processes and actors, and bring together all the different stakeholders' perspectives. Initially the programme aims to facilitate a process in which each stakeholder can move beyond the constraints inherent in his or her position, to enable all participants to step back from particular debates and stand-offs regarding fisheries, trade, and sustainable development-related issues such as subsidies, ecolabelling, or conservation measures. The dialogues, research, and information exchange process will seek to build common understanding and a baseline of shared information, and pave the way for participating stakeholders to seek solutions compatible with the aims of sustainable development by exploring ways to improve resource management while safeguarding the livelihoods of those who depend on fisheries, and ensuring economic growth for developing countries.

In order to support its policy dialogue process, the *Fisheries, International Trade, and Sustainable Development* programme will commission and publish a series of background and discussion papers which will flag issues at the intersection of fisheries, international trade, and sustainable development. These publications will be issued from time to time to present illustrative case studies, to highlight key issues for discussion, or to make available relevant empirical evidence.

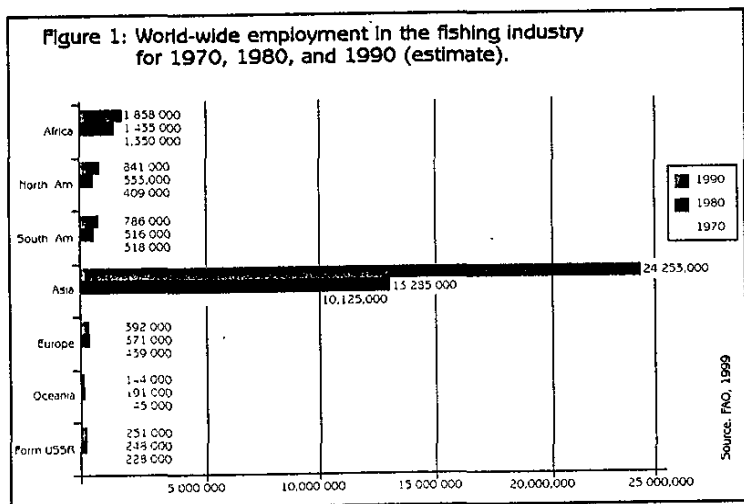
As the first publication in this series, *Fish for Thought* sets out the context in which ICTSD and IUCN have conceived and launched the *Fisheries, International Trade, and Sustainable Development* dialogues process. *Fish for Thought* should also serve as a map, albeit a "map-in-progress" to help focus thinking on some initial key questions at the intersection of fisheries, international trade, and sustainable development. It does not aim to be exhaustive, or to suggest policy options – that is the role of the stakeholders and the policy dialogues process – but rather aims to identify some initial key sustainable development concerns in fisheries trade.



Some Facts and Gaps About Fish and Trade...

Worldwide, people eat more fish than any other type of animal protein: fish is the primary source of protein for 950 million people and is an important part of the diet of many more. Fisheries are also a source of work and money for millions of people around the globe. Approximately 95 five percent of those earning a living from fisheries are in developing countries.


There is general consensus that an overall decline in world fish stocks has taken place in the past few decades. But despite conflicts among nations over the control of increasingly depleted fish resources, world marine fisheries production has increased from 20 million tonnes in 1950 to over 120 million tonnes in 1997.



The role of international trade in the fisheries sector is significant. In 1996, some 40 percent of the total world production of fish and fish products - worth over US\$52 billion - entered international trade, and this percentage is growing. Fish products are valuable exports for both developed and developing countries. While revenues from fish trade can generate significant benefits, such trade can also generate social and environmental problems. Increased foreign demand for fish products can for instance exacerbate pressure to harvest fish unsustainably, or lead to excessive investment in fishing capacity, which in turn can lead to overfishing and depletion of the

resources on which coastal communities in developing countries depend for their nutrition and livelihood

However even before beginning to explore the issues at the intersection of fisheries, international trade, and sustainable development, we must acknowledge that we lack empirical evidence as to the effects of international trade in fish, fish products, and fisheries services on fish stocks and on marine ecosystems. There is also a lack of knowledge as to the effect on fisheries and marine ecosystems of applying certain trade rules and measures to the fisheries sector. For instance, would proposals under the Accelerated Tariff Liberalisation initiative (ATL – which essentially calls for early conclusion of World Trade Organisation negotiations in a number of sectors including forest and fishery products) contribute to sustainable fisheries?



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Despite the knowledge gaps, the fisheries and trade debate is very much alive today in a number of international fora, most notably the UN Food and Agriculture Organisation (FAO) and the World Trade Organisation (WTO). Yet until now it has been difficult to muster the political support necessary to move the debate forward.



...Which Led to *Fisheries, International Trade, and Sustainable Development*

Based on this consideration, ICTSD and IUCN are launching a dialogues, research and information exchange process which recognises that.

- there is a need to ensure that sustainable development concerns are taken into account in the fisheries and international trade debate,
- many countries remain sceptical of attempts to harmonise environmental, trade and sustainable fisheries objectives, harbouring strong concerns about market access, competitiveness and protectionism,
- there is an urgent need to shift the parameters of the current debate from a win-lose perspective into a win-win mindset. The process to achieve this should be conducted at the global level and with the involvement of all interested players,
- at present, there is no specific forum for ongoing discussion of fisheries, international trade, and sustainable development issues that brings together different stakeholders from diverse geographical and professional backgrounds and perspectives. In other words, the absence of a multi-stakeholder, non-threatening environment for discussions may be a factor constraining policy progress on these issues.

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Moreover, there is a recognised need for more systematic, applied and sophisticated analyses of international norms, and national rights and obligations, as well as of environmental, social and cultural concerns as they relate to trade rules. A sectoral approach is helpful as a start to such an analysis. Besides the fact that the crisis in world fisheries and the urgency of developing responses to the crisis make the fisheries sector a prime candidate for immediate and focused attention, the fisheries sector incorporates key outstanding issues – including trade, environmental protection,

national and community development, imperfect science, complex social system interactions, international commons, and property issues – and thus provides a particularly good lens through which to look at trade and environment issues. It is also an attractive sector to focus on because there is already some common ground developing between the trade and environment communities –

particularly on the need to reduce trade-distorting subsidies that lead to overfishing. As such, there is a small but significant momentum that advocates of sustainable development should be able to capitalise upon to move toward a broader common understanding and goals.

To date, discussion of trade issues in the fisheries sector has focussed on:

- market access for developing countries;
- the distributional impacts of international trade, such as impacts on food security,
- the effects of subsidies on fisheries;
- concerns that trade-related environmental measures may constitute disguised protectionism;
- how the mismanagement of fishery resources can lead to trade distortions; and
- fears that trade rules may interfere with or impose constraints on environmental management or conservation efforts relating to fisheries.

Discussion of the sustainability aspects of the international trade and fisheries debate is also constrained by

- insufficient awareness in the fisheries and conservation communities of the impacts of potential trade flows, and of trade law and policy;
- insufficient awareness of fisheries and related natural resource management issues in the trade community;
- reluctance on behalf of governments to discuss conservation efforts that may affect domestic fishing communities, domestic industry competitiveness or access of their products to foreign markets;

**discussion
of sustainability
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of the word
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different purposes**

- inadequate analysis of the conservation and sustainable development aspects of the trade-fisheries nexus;
- lack of empirical evidence of the effects of trade flows in fish, fish products, and fish services on sustainable fisheries and marine ecosystems;
- lack of empirical evidence of the effect on fisheries and marine ecosystems of the potential application of trade rules and measures, such as tariff or subsidies reductions, and
- lack of knowledge about the structure of fisheries markets, and of the links between market structures, prices, trade liberalisation and sustainability issues.