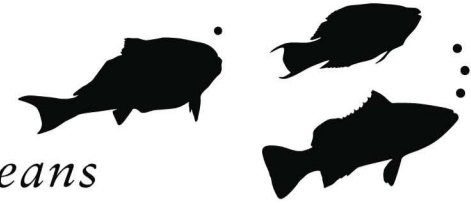


Fishing for Trouble

Governments subsidize plundering of oceans



BY LORRAINE CHAN

Can the World Trade Organization (WTO) put a stop to harmful fishing practices largely driven by government subsidies that top US\$35 billion each year?

That's the question UBC Fisheries Centre researcher Rashid Sumaila has put before the WTO. The 151-member organization is hammering out trade rules during its current Doha Trade Round of Negotiations, and by early 2008 will decide whether it will issue a multilateral ban on subsidies that drive overfishing.

"The WTO is the only global institution that has the mandate to enforce its agreements and therefore could contribute to healthy global fisheries," says Assoc. Prof. Sumaila.

He adds that perhaps the WTO can accomplish what the United Nations failed to do. Last fall, Sumaila presented a study that he and Prof. Daniel Pauly co-authored, calling for a moratorium on global subsidies of US\$152 million which "strip-mine" vulnerable fishery resources and ocean ecosystems.

However, last November, the UN General Assembly defeated a proposal to ban environmentally harmful deep-sea bottom-trawl fishing.

Putting forward another economic argument for sustainable fisheries, the most recent study by Sumaila and UBC researchers shows that between US\$20 and US\$26 billion annually contribute directly to overfishing.

Governments invest money to keep their fishing fleets competitive and as a result there are more than twice the number of boats than oceans can sustainably support. Currently, global fisheries catch between 80-90,000 tonnes of fish each

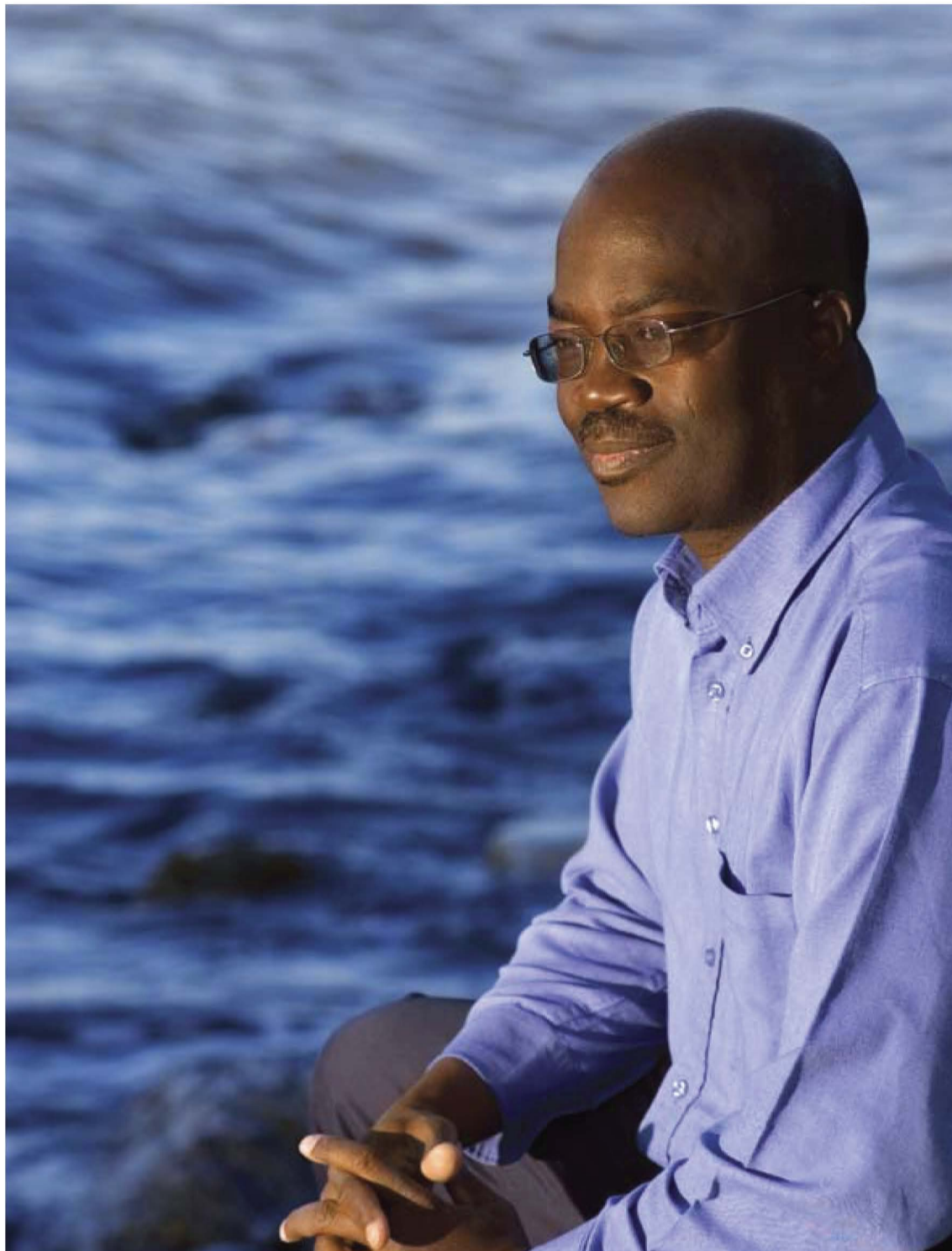


PHOTO: MARTIN DEE

Fisheries economist Rashid Sumaila categorizes subsidies as "the good, the bad and the ugly."

year, earning total gross revenues of about \$80 billion.

"The resource base is now too small for all fishing boats to make a profit, with too many stocks being fully or overexploited, says Sumaila, Director of the Fisheries

Economics Research Unit.

He says ecologists predict that world fisheries and seafood populations will collapse by 2048 if current trends in overfishing and habitat destruction continue. About one-fifth of the world's

population depends on fish as its main source of animal protein.

This spring in Geneva, Sumaila presented these findings to WTO Director General Pascal Lamy and delegations that included Australia, Japan, China, Canada,

the European Union, the U.S. and Pakistan.

"We've categorized government subsidies into the good, the bad and the ugly."

The study argues that while good subsidies help to monitor and rebuild fish stocks, bad subsidies don't make ecological or business sense. Governments increase the capacity of commercial fisheries by giving them money to buy new boats or via fuel subsidies that support destructive practices such as bottom trawling.

"Ugly" subsidies are less clear and could lead to a decline or increase in fishing effort depending on the program is designed and implemented. For example, a buy-back program to reduce the number of fishing vessels could backfire.

"If it's not done well, fishers could sell one boat and simply use that money to enhance the capacity of a second boat," explains Sumaila, "or increase their fleet if they find out beforehand there will be a buy-back program sometime in the future."

Sumaila estimates that Canada's annual "good," "bad," and "ugly" subsidies total US\$203, \$163 and \$267 million, respectively. He adds that so far, Canada appears to support a WTO ban on harmful subsidies.

He says that subsidies are a contentious issue because fish are a commonly held resource, swimming freely across human made borders. Thus, no nation wants to act unilaterally.

"A country doesn't want to give advantage to competing nations, thinking, 'The fish I leave, you catch.' And this is why we need multilateral action."

To date, two coalitions have emerged over the question of banning bad subsidies. Some countries such as the U.S. and New Zealand advocate a "top down" approach that essentially eliminates all government subsidies.

Others including the EU, Japan, Korea and Taiwan favour a "bottom up" approach that bans only specific subsidies such as money for modifying or purchasing boats. This camp wants to continue supporting vessel buyback programs and access agreements that richer nations pay developing countries to fish in their waters. **R**

