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Changing the narrative on fisheries subsidies reform: Enabling transitions to achieve SDG 14.6 and beyond

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A B S T R A C T

The World Trade Organization (WTO) is in the final stages of negotiating an agreement to prohibit harmful fisheries subsidies, thereby achieving UN Sustainable Development Goal (SDG) 14.6. An effective agreement should be viewed as an opportunity for nations to proactively transition towards sustainable and equitable fisheries and pave the path for other SDGs. Supporting fishers does not require harmful subsidies, and we provide evidence-based options for reform that highlight equity needs while reducing environmental harm. Subsidy reforms need clear goals, co-design, transparency, and fair implementation. An agreement on SDG 14.6 could be a turning point for the oceans and for the well-being of those that depend on the oceans for livelihoods and nutrition. Responsible seafood production will require international cooperation not only at WTO, but among governments, fisher organizations, civil society, and the wider public.

1. A global agreement to end harmful fisheries subsidies

The international community is in the final stages of negotiations to achieve a target of the UN Sustainable Development Goals (SDG 14.6), namely, ending harmful fisheries subsidies [1]. The original deadline of June 2020 is currently delayed due to global responses to the Covid-19 pandemic, but an agreement is expected to be reached once normal activities resume. This has raised some concerns regarding the ability to support fishing sectors, but an effective agreement should be viewed as a proactive policy allowing for carefully designed transitions that, per the UN Sustainable Development Agenda, leave no one behind. Sustainable and equitable fisheries are essential for enabling additional SDGs including reducing poverty (SDG 1), providing nutritious food (SDG 2), and securing livelihoods (SDG 8) [2], and failure to achieve an agreement would reduce confidence in our ability to advance the UN Sustainable Development Agenda. There are still important gaps in reaching consensus on a comprehensive and just agreement within the World Trade Organization (WTO) mandate [3], but negotiators are actively engaged in discussions and need more attention from governments, fisher organizations, and civil society. The following aims to inform negotiations towards an effective agreement by providing evidence-based options for reform that highlight equity needs while reducing environmental harm [4].

2. Harmful subsidies undermine the SDGs: why a global agreement is necessary

Subsidies—financial transfers from public entities to benefit private...
actors—are important for national policy but have the potential to distort markets and contribute to unfair trade practices. The WTO is tasked with addressing such issues, including in fisheries, through multilateral agreements [5]. Subsidies were integral to the expansion of fisheries in the last century [6], and ~US$35 billion per year continue to be granted to fishing fleets, a holdover now mostly intended to lower fishing costs to offset declining catches [7]. Fisheries subsidies are broadly classified as beneficial (e.g., management), ambiguous (e.g., infrastructure), and the capacity-enhancing or ‘harmful’ (e.g., fuel, vessels) considered in SDG 14.6.

The effects of harmful fisheries subsidies are well-documented. Overcapacity (the existence of more fishing power than needed to take the maximum sustainable yield) leads to overfishing where management is lacking and to economic waste in any case. This lost potential value due to overcapacity is estimated at ~ US$83 billion per year [8], and declines in fish stocks can cause collapses and cascading effects on ecosystems and economies that are difficult to recover from (e.g., Atlantic cod in North America). This issue is critical for regions that depend on seafood to reduce chronic malnourishment [9,10] (e.g., Atlantic cod in North America). This issue is critical for regions that depend on seafood to reduce chronic malnourishment [9,10] (e.g., Africa’s nutrition action plan to build ‘grey matter infrastructure’).

Subsidization of illegal fishing activity is especially worrisome given documented linkages with illicit trade and organized crime [11,12] and can also create conflicts with legal fishers who see little benefit in abiding by the rules [13].

Current harmful fisheries subsidies can worsen inequities between fleets, communities, and nations [3,14]. The top-five subsidizing nations provide four times as much as the lower-income nations of the world combined [7]. In the Indian Ocean, the proportion of tuna catch that is subsidized by different countries ranges from 10% to over 100%, yet quota allocations are based on historical catch [15]. Most large-scale fishing effort within the waters of developing coastal states is by distant-water fleets [16], which may not share an interest in conserving local ecosystems and can negatively impact local communities that lack capacity to access these fish or enforce their boundaries. Over half of high seas fishing grounds would not be profitable without subsidies [17] and reducing capacity-enhancing subsidies could bolster food security and employment in coastal fisheries and level the playing field within seafood markets and trade [3,18].

Within nations, the nature of harmful fisheries subsidies also creates unfair competition, mainly between large- and small-scale fisheries (SSF), in contradiction of the FAO SSF Guidelines [19] and SDG 14.b (providing access for SSF to marine resources) [1]. SSF support an estimated 90% of global fisheries employment yet receive only 16% of fisheries subsidies [20]. There is an overarching lack of transparency and accountability in subsidy programs, which are rarely based on long-term goals for coastal regions or incentives for sound management [21]. Subsidies are usually granted to vessel or license owners, who are not always fishers and are mostly men, worsening gender inequities [22] (SDG 5.a).

3. Supporting fishers (not fishing) does not require harmful subsidies

Nations must be able to support fishers and fishing sectors when necessary, and there are many alternatives to harmful subsidy programs. Based on past examples from fisheries and other sectors [21], strategies with best results reorient subsidies away from capacity-enhancement and towards co-management, and/or condition them on clearly enforced, sustainable actions. Decoupling subsidies from fishing (e.g., cash transfers) can be very useful but requires careful design and implementation. Buybacks to reduce fishing capacity tend to fail due to seapage back into harmful practices or capture by unintended actors [21].

Fundamental principles for any beneficial subsidy program include clear short- and long-term goals, co-design with fishers and other stakeholders, transparent design and implementation, and political will that recognizes long-term community needs and honors national and international commitments [21]. The specific mechanisms of new fisheries support programs will depend on local contexts, but it is essential that subsidies aim to support fishers, not just fishing per se. Receiving cheaper fuel or better gear requires fishers to fish more, when they could instead choose to use financial support towards livelihood improvements such as households, nutrition, education, etc., that enhance well-being in the long-run. Such programs can be more cost-effective than common harmful subsidies such as fuel, which can increase fisher income by less than 10 cents for every dollar spent [23].

Reforms can take a portfolio approach with a diversity of programs. For example, conditional cash transfer programs could be used in the short-term to incentivize participants (e.g., vessel owners, license holders, and fish workers) to undertake actions aligned with broader societal goals. This can include payments for monitoring or restoration initiatives that help enhance coastal resilience or rebuild fish stocks (SDG 13.1 and 14.2). At longer time scales, subsidies could support desired transitions across seafood-related industries (e.g., improved management systems, reduction of post-harvest loss, value-added processing) or into new activities [21]. Countries subsidizing distant-water fleets could shift to supporting fisheries management in other nations to enable their participation in markets, with the same outcome of sourcing seafood while increasing incomes of local fishers, provided exports do not reduce local accessibility of seafood and associated micronutrients for coastal populations [9,24]. Such ‘onshoring’ of foreign fishing could also reduce transshipping and contribute to enhanced monitoring, transparency, and management.

Many fisheries subsidy programs are a legacy of top-down development approaches, and reforms must be co-designed with communities and key stakeholders so that their needs and values are appropriately represented. An effective agreement to end harmful fisheries subsidies is an added opportunity to address important challenges in supporting fishing economies. For example, downstream fish workers have historically not received subsidies directly but must be included in sectoral reforms. Governance of high seas fisheries is also a controversial issue including large differences in monitoring and management effectiveness across species and regions [25,26], which have led to calls to close the high seas to fishing [27]. Subsidies that result in overcapacity can undermine the conservation mandate of Regional Fisheries Management Organizations (RFMOs) within their convention areas. Thus, while subsidies may be seen as a domestic issue for nations, they are not a trivial contributor to non-cooperation, and improved efforts towards transparency and accountability must be extended towards subsidies as well.

4. A turning point for fisheries, Fishers, and fish

Attention to social equity and sustainability in fisheries and oceans is rapidly increasing, including the inclusion of the Oceans Goal in the SDGs, the upcoming UN Decade of Ocean Science, and the ongoing publication of the ‘Blue Papers’ by the international High-Level Panel for a Sustainable Ocean Economy [4]. An agreement on harmful fisheries subsidies at the WTO is a crucial opportunity to build on current momentum to achieve what has not yet been possible, a binding multilateral commitment to improving ocean equity and sustainability. The implementation of the example reforms above will be complex and requires a great deal of cooperation and oversight. Governments, fisher associations, multilateral institutions (e.g., RFMOs), civil society organizations (CSOs), and the public, must be engaged on this issue.

Negotiators at the WTO are committed to fulfilling their duty to reach an effective and ambitious agreement and must avoid delays to meet their deadline. Their ministries, who will ultimately ratify the agreement, must show similar commitment, seeking out and giving voice to the perspectives of fisher organizations—particularly underrepresented SSFs and fish workers—to help rectify inequalities and create avenues for more meaningful support. CSOs also have an
important role in facilitating productive conversations between stakeholders and turning the attention of the wider public onto this issue. Ending harmful fisheries subsidies signals a turning point for our relationship with the oceans over the past century, an affirmation that the oceans are shared and not inexhaustible, and that more powerful boats can no longer help us catch more fish. The WTO and its member states have been specifically entrusted to reach an agreement to achieve UN SDG 14.6, contributing to equitable and sustainable fisheries and easing the challenging path towards other SDGs while leaving no one behind.

CRediT authorship contribution statement

Andrés M. Cisneros-Montemayor: Conceptualization, Writing - original draft, Writing - review & editing. Yoshitaka Ota: Conceptualization, Writing - review & editing. Megan Bailey: Writing - review & editing. Christina C. Hicks: Writing - review & editing. Ahmed S. Khan: Writing - review & editing. Anthony Rogers: Writing - review & editing. U. Rashid Sumaila: Writing - review & editing. John Virdin: Writing - review & editing. Kevin K. He: Conceptualization, Writing - original draft, Writing - review & editing.

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Appendix A. Supplementary data

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