



Small Vulnerable Economies and Fisheries Subsidies Disciplines: Issues, Debates and Alliances

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Presentation Outline

1. Impacts of Subsidies on Small Vulnerable Economy Fisheries
2. Implications for SVEs of Fisheries Subsidies Disciplines at the WTO
3. Strengthening SVE Alliances on Fisheries Subsidies Disciplines



1. Impacts of Subsidies on Small Vulnerable Economy Fisheries

Negative

Competitors' subsidies are *directly* 'kicking away the ladder' of SVEs fisheries development

And *indirectly* through complex trade regimes

Not as simple as 'developed' vs. 'developing'

Large developing countries can afford to subsidise distant water fleets in and around SVEs waters

→ Case of Chinese fleets and impact on Pacific SVEs



1. Impacts of Subsidies on Small Vulnerable Economy Fisheries

Positive

SVEs use subsidies to support fisheries-related employment, improve food security, and access markets for fish products

Some SVEs benefit directly and indirectly from foreign subsidies:

1. access fees
2. provision of goods & services
3. onshore processing
4. crewing



2. Implications for SVEs of Fisheries Subsidies Disciplines at the WTO

Offensive interests

Reduce subsidies available to other countries' fleets that are targeting *overfished* fish populations of long-term importance to SVEs

But this will do nothing to stop them subsidising boats catching other species

A potentially easy win that gains SVEs political capital (and moral high ground)?



2. Implications for SVEs of Fisheries Subsidies Disciplines at the WTO

Defensive interests

Transparency requirement risks a disproportionate reporting burden for SVEs

Identifying an 'overfished' stock is more difficult than it might seem

Possible indicators of IUU fishing may be problematic



2. Implications for SVEs of Fisheries Subsidies Disciplines at the WTO

Some practical implications of a ban on subsidies boats catching 'overfished' stocks

Foreign boats that catch 'overfished' species as bycatch may be effected

Foreign boats that target overfished species will go out of business or cut costs elsewhere

Domestic-flagging of fleets with discounted licences may be deemed a subsidy



3. Strengthening SVE Alliances on Fisheries Subsidies Disciplines

- **SVEs fisheries interests aren't all the same**
- **Capacity-enhancing vs. operating-cost subsidies** – SVEs unlikely to influence former; but could position on the latter.
- **On S&DT the SVEs are caught in a paradox:** risk supporting limited SDT and lose a mechanism of industrial and social policy, or face competition from developing countries that *are* able to heavily subsidize their fleets.
- **Differentiation** – obvious but politically intractable. Requires creative and objective approaches (e.g. *de minimis*/ production thresholds).
- **Transparency** – wide agreement on disproportionate burden of transparency requirements.
- **'Overfished'** – EU language of 'targeted species' might work for SVEs
- **Subsistence/ Artisanal** – propose an alternate simple measure to the EU's 10m that encapsulates SVEs interests OR argue that it is an issue beyond MC11?
- **Fisheries access payments** – state-to-state payments not at issue, but SVEs need to keep an eye on maintaining carve out for onward transfer to fishing fleets

Questions?

