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Workshop on Policy Coherence for Development in Fisheries

POLICY COHERENCE: TRADE AND DEVELOPING COUNTRIES

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This paper has been prepared by Mr. Gerardo E. Nieto, Under Secretary for Fisheries of Buenos Aires, Argentina.

It is submitted as a keynote paper for discussion preceding Session I of the Workshop Programme.

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POLICY COHERENCE: TRADE AND DEVELOPING COUNTRIES¹

Reference points

1. The aim of this work is not to set an extensive discussion about trade and fisheries management policy coherence. As a matter of fact, from our point of view this would be just impossible.

2. There are already many contributions from experts, who have thoroughly analysed the issue from different perspectives. Fortunately, some of these contributions keep a holistic and synthesizing approach.

3. We would like to contribute to this forum with some ideas about the difficulties of keeping coherence on a national basis, taking into account that the term “coherence” presents ambiguities as well as contradictions within the international framework. In order to reach a mutual understanding, our work would be close to Forester and Stokke’s definition:

“Coherence may be defined as a policy whose objectives, within a given policy framework, are internally consistent and attuned to objectives pursued within other policy frameworks of the system - as a minimum, these objectives should be not conflicting; where strategies and mechanisms are attuned to the objectives, they should, as a minimum not conflict with the objectives or with the intentions and motives on which these are based; and where the outcome is corresponding to the intentions and objectives, it should, as a minimum not conflict with these”.

4. Even though we may partly agree on this definition, “coherence” as a concept comes from a fisheries development paradigm. This single paradigm is actually applied to two very different situations: that of developed countries, on one side, and that of developing countries, on the other side. Interestingly enough, most of the developing countries are located in the Southern Hemisphere, the so called “Oceanic Hemisphere”

5. We would like to suggest a comprehensive approach to fishing activity around the world by pointing out some issues of concern:

- 1) According to available information, there are significant differences between countries, preventing us from assuming the existence of a steady development of the fishing activity. Even by applying the most advanced assessments and management methodologies, among the developed countries, the collapse of some fisheries due to an obvious depletion of the stocks could not be avoided. Meanwhile, thanks to appropriate technical advice and the corresponding management measures, a sustainable development of the fisheries was accomplished, without necessarily having reached the Maximum Sustainable Yield (MSY).

On the other hand, among the developing countries, we can see different situations:

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- Those in which the dramatic increase of fishing fleets leading up to the fisheries collapse;
- Those which, after overcoming a critical period, reached sustainable catches;

Those which have been able to sustain their fisheries, which, in most cases constitute the only source of protein for the population- due to a harmonic relationship with nature over centuries; this has been based on a type of knowledge completely alien to that supporting the fisheries sustainability paradigm in the developed countries.

- 2) According to available information on international trade, developing countries are commodities exporters, which provide the developed countries with raw materials. In many cases, this raw material guarantees employment in those countries.
- 3) For the world community the rising oil price will make it more profitable to transport value added goods rather than raw materials.
- 4) The global development of fisheries should not be based on an understanding of developing countries as providers of raw materials but rather as users of this raw material in the development of local seafood industries, as well as other linked industries.
- 5) In recent decades there has been an increasing awareness of the importance of fishing resources due to its increased world demand. The coastal states access to these resources has been extensively discussed at international fora since the establishment of EEZs (UNCLOS). The question at hand is how and who should manage high seas resources.
- 6) We meet in many international fora, trying to apprehend the behaviour of such a complex activity as fisheries. We face problems, study concept over concept, assuming that there should be an only approach, an only way to solve up problems that may also be understood in a specific and particular way.

6. In a globalised world, the basic concept is on the increase of the economic relationships throughout the frontiers. The rapid increase not only of the international trade but also of capital transfers, productive towards the developing countries should become benefits in the way of economic development and poverty reduction, even assuming the associated adjustment costs. In this framework, the concept of comparative advantage turns younger and valuable for the system.

7. The fact that Argentina has fishing resources and not foreign direct investments barriers (FDI) at all, did not drive this country to the development of an industry of final goods.

8. In fact, it is not the fishing sector the one that offers important benefits to the consumers of the developed countries, as well as to the producers of developing countries. Many of the fishing countries that take part in the most important markets for the production of developing countries do not seem, in many cases, to be willing to accept the structural adjustment costs that the economic model demands. On the other hand, the protectionist mechanisms seem to go on working on a non-despicable way. And we do not refer to the adjustment by the reduction of the catch capacity, linked to the sustainability of the fishing resources and the decrease of the catch possibilities, as some approaches may consider.

9. Consequently, we face:

- ***Tariff barriers.***
 - There are many differences between the tariffs to imports on processed fishing products and the ones of less added value (tariff escalation). According to the market, the items preserved

and salted, dried and in brine are the most protected ones. This is particularly so in the European Community, Japan and Korea.

- There is a different treatment in the tariffs, and this depends on the fact that the fishing products are provided by countries with which the importer has fishing agreements or not. The same happens with the companies -settled in the exporter countries- that are owners of capitals provided by the importer countries, creating this way an advantage respect to other companies of the exporter country.
- Tariffs reductions are applied by periods according to the convenience of the importer country.
- ***Non tariff barriers***
 - Existence of import quotas. In some countries, the quota system is extremely complex, so it becomes difficult for the exporters to access to them and they offer more advantages to the companies with vessels authorized to operate in the exporter country.
 - Non- automatic import licenses, with complex and slow systems to obtain them.
- ***Technical measures:***
 - requirements related to labeling
 - requirements related to the information on the product
 - requirements related to packaging
 - requirements related to inspections or essays
- ***Sanitary barriers.***
 - With criteria arbitrarily different in relation to the ones applied to equivalent species
- ***Rules on ecolabeling.***
 - We do not oppose to the objective of ecolabeling systems. Nevertheless, the involved costs for the companies, as well as for the fishing administration, do not agree with the possibilities of the developing countries. On the other hand, we have not found evidences of the price differentials that are assured by ecolabeling, though we can see the clear possibility of a limitation on exports by not having it.
- ***Subsidies.***
 - Negotiations that take place in the WTO, show the irreducible positions of the most important fishing countries –that represent most of the demand in the international markets- to give up the complex system of subsidies throughout the productive chain in order to support the domestic industry. This implies a disadvantage for the import products and leads to buy raw materials instead of elaborated products.

10. Most of the restrictions to trade imply the real need of owning fish for the support of big processing industries in the hegemonic fishing countries.

11. The relationship between fisheries as productive sector and the defense of the environment is one of the topics that require us to have prudence and maximum coherence. The concept of ecosystemic management of fisheries can result on a useful tool aiming to sustainability, or could become a paralyzing item for any extractive activity. Undoubtedly, if the fishing activity was stopped for many years, the resources in particular and some aspects of the environment would profit. Is any country willing to do so?

Up to which extent could the requirements of governmental and non-governmental entities arrive without becoming absurd decisions and unable to comply with, having into account the benefits that derive from this productive activity for the countries?

12. These topics are developed in many fora and to accept every decision that is imposed by pre-arranged consensus would lead to a situation close to the stop of the fishing activity. This is so, particularly due to the costs that those decisions involve and that developing countries cannot afford. We say pre-arranged consensus because, in fact, it is only the developed countries that can have specialized staff to study the subjects of those forums and that can send many people to attend the different groups in which the many different topics are developed.

13. When mentioning the need to have good fishing administration systems, the situation of developing countries is mentioned, and their weaknesses are underlined, particularly in relation to the tools of distribution of catches and to the control and surveillance and many times with corruption.

14. However, these countries, through perseverance and in some cases with the support of developed countries, with more tools to reach appropriate administration systems (even when their efficacy is not proved in every case) have faced difficult situations in the state of their resources, as Namibia or Argentina. And this happened in such a short period of time that it would astonish many developed countries.

15. Together with the expansion of the extractive and exporter activity in the developing countries during the 1990's, a reduction of the state functions and a severe fiscal adjustment were observed, that left in many countries, as in the case of Argentina, weak fishing administrations, with a reduced staff and without the necessary qualification; difficulties to comply with the control tasks of the activity and to comply with the research requirements on the resources.

16. At present, we are working very hard to change that situation, and those are, in spite of the limitations, the priority aims and every available alternative is used to reach them. The state must assume the complete responsibility to get the best technical-scientific information, the best basic data, and the most reliable statistics; in sum, the best information for the most appropriate take of decisions.

17. Moreover, using the best tools, it should have an efficient control system on the activity of the local and foreign vessels. (In the last 2 years, Argentina has sanctioned 14 vessels of many flags fishing in an illegal way in its EEZ) and is now on the way to the approval of the PAN IUU.

18. These responsibilities of the administration can neither be delegated nor transferred to the private sector.

19. We share the concept of the fisheries administration system through ITQ, and in the particular case of Argentina, it is legally in the framework, but we should understand that it is only a tool of the fisheries management and not the panacea of the sustainable management of the resources.

20. In fact, experience shows us that globalization is a tool and so, it can be used well or not. The same way is the universalisation of the criteria of "good administration"; they should attend the particularity of each country in its application. On the contrary, if they are not well used, they are in the way to failure.

21. The concept "Good administration" comprises High Seas. Having such strong pieces as UNCLOS, the Code of Conduct for Responsible Fisheries, the Agreement to Promote Compliance with International Conservation and Management Measures by Fishing Vessels on the High Seas, the capacity

and IUU fishing IPOAs, we are assisting the possibility of creating new institutions that determine who, how and where it is allowed to fish.

22. In this respect, we share the priority of deeply discussing the subject, but we understand that it should be stated in the adequate place, without taking into account the will of leadership of some countries whose proposals are understandable but can be not accepted by others. The leadership condition should not be imposed. To be hegemonic does not imply to be leader, and in this regard, we think that the countries that assume leadership must think deeply about its sustenance bases and the involved obligations and responsibilities.

Conclusions

23. Finally, it is imperative to look for a coherence paradigm that allows us to comprise the problems of every country, developed or not.

24. We consider that a way to approach to it is to take differences into account and to understand needs. It is necessary to understand that we should look for the equilibrium of markets in such a way that the developing countries can face poverty, and can surpass it step by step. Coherence should not be imposed; imposition will demand more energy than the effort for the necessary consensus in which diversity is to be accepted and the aim of development of every country is to be respected.