To Shri Parshottam Rupala, **Dated: July 18, 2023**
Hon'ble Minister,
Ministry of Fisheries, Animal Husbandry & Dairying
Government of India

LETTER FROM TRADE UNIONS & CSOs EXPLAINING WHY THE 2022 WTO AGREEMENT ON FISHERIES SUBSIDIES IS NOT IN THE INTERESTS OF INDIA'S FISHING COMMUNITIES

Submission to the Government of India
JULY 2023

Dear Minister Rupala,

We are writing to you from a wide network of civil society organisations, social movements, unions and individuals in India to express our deep concern pertaining to the WTO Agreement on Fisheries Subsidies and how it is not in the interests of India's fishing communities.

In June 2022, an Agreement on Fisheries Subsidies was concluded at the 12th Ministerial Conference (MC12) of the World Trade Organisation (WTO) in Geneva. The Government of India was a resolute opponent of such a trade agreement because of its implications for sovereign domestic policy making and potential impacts on the fisheries sector in the country. Despite steadfast opposition till the last moment of the MC12, India had to eventually agree due to immense pressure from the WTO Secretariat and developed countries. While a comprehensive agreement with additional provisions under Article 5 (Overcapacity and overfishing) is supposed to be negotiated over the next four years, the provisions of the current Agreement are expected to be in effect once countries formally accept the agreement. Meanwhile, new additional provisions to enhance the disciplines of the Agreement would be recommended at MC13 in Abu Dhabi in February 2024.

We note with concern that this agreement has been signed at a time when India's fishing communities are grappling with multiple crises – extreme climate events that have devastated their habitats and livelihoods, the adverse economic impacts from the COVID-19 pandemic, large infrastructure projects and recent policy developments at the domestic and international level such as the push for the blue economy framework.

The signatories to this document believe that the WTO Agreement on Fisheries is grossly unjust and inimical to the interests of the fishers in the developing and less developed countries, especially for small scale fishers. We note that this agreement will come into force when two-thirds of the WTO membership formally accepts the protocol of the Agreement. As of June 2023, only 11 out of 164 WTO members have formally indicated their acceptance of the agreement.

Since the fisheries negotiations began in 2001, developing countries have made concrete and substantive submissions to the WTO regarding their concerns but their concerns were largely ignored. Therefore the MC12 negotiations on fisheries subsidies in June 2022 and the final text arrived do not contain any text that is favourable to developing countries.

We assert that there is still time for India and other developing countries to unite to ensure that the agreement does not come into effect. We elaborate on our specific concerns below.

1. Developed countries have large industrial fishing fleets and have consistently pushed their agenda to increase market access in the developing world. A vast majority of the billions of dollars of fisheries subsidies across countries are provided to industrial fishing and only a minority to small-scale fishing. Historically, it is industrial fishing, in particular in Europe and North America, that is responsible for the current crisis such as depleting resources from overfishing. The developing countries have been asking for restrictions on large industrial fleets of developed countries but these have continued unabated. The text nowhere acknowledges the historical responsibility of the rich developed countries in the exploitation of marine resources.

2. India and other developing countries had argued that countries that do not engage in distant water fishing, that is fishing beyond the Exclusive Economic Zones (EEZs) should be exempt from subsidy prohibitions for a period of 25 years at least as their fishing sectors are still in the nascent phase. However, this legitimate demand did not find any space in the agreement. In fact the EU has been given a full reprieve through footnote 2. which pertains to Government-to-Government payments under fisheries access agreements. This is the main tool through which the EU subsidises its distant water fishing and it is kept out of the purview of the Agreement.

3. Under the Special and Differential Treatment (S&DT) provisions, Developing Countries and Least Developed Countries (LDCs) have been allowed a transition period of only two years from the date of entry into force of this Agreement. This puts developing countries and LDCs at a great disadvantage. Many of these countries do not have the capacity to register small-scale fisheries under these provisions and two years is a very short grace period at the expiry of which the subsidies provided by developing countries and LDCs, including those to small-scale and artisanal fishers, would be subjected to WTO rules. In fact, developed countries have obtained 'reverse S&DT', where they do not have to cut their subsidies if they can show these as sustainable and replenishing fish stocks.

4. Developing countries such as India have been asking for disciplines on non-specific fuel subsidies (these are not specific to the fishing sector but general fuel subsidies). These are rampantly used by the developed countries to subsidise their fishing fleets. However, this demand was also rejected in the negotiations.

5. Many developing countries have a very large fisher population. Accordingly, they had argued that the comparison of subsidies should be on the basis of per fisher subsidy. If we compare the figures of total subsidies and per fisher subsidies, there is a huge difference between the two. Many developing countries such as India, Indonesia and China may have a large amount of total subsidies but when it comes to per fisher subsidies, they are much below many developed countries in the list of subsidisers. However, the WTO agreement does not acknowledge this fact.

Under such a scenario, we urge the government to not ratify this unequal Agreement. Instead the Government should begin talks on the Comprehensive Agreement which is already mandated about disciplines for industrial fishing nations under Article 5 pertaining to overcapacity and overfishing. This should specifically target the infrastructural subsidies which are overwhelmingly provided by the developed countries and thus need to be disciplined. The negotiations so far failed to make a distinction between small subsidisers and large subsidisers. The latter are historically responsible for

the destruction of marine resources and their role should be recognised and addressed if we are to move forward on sustainable governance of marine resources. Currently on this front, it is a free-for-all situation and this is where the developing and less developed countries lose and developed countries continue with the status-quo.

We also submit the following domestic policy recommendations to the Government, which can be used to engage with the fishing communities and address their concerns -

1. A more targeted approach needs to be designed whereby policies are adopted that support small scale sustainable categories of fishing activity.

2. The Union Government created a Ministry of Fisheries only in 2019. While this is a welcome step, it also means that fisheries policies are still being formulated in terms of centre and state. In India, given the fluid nature of fisheries, fish workers unions should be central to decision making processes with the centre and states providing necessary support and facilitation.

3. The government can reorient subsidies so that they are ecologically and economically more sustainable and also create a more equitable and self-reliant fisheries sector. Examples of some such subsidies are as follows:

    - **Rebuilding fish stocks**: Subsidies for this purpose can have a direct effect on sustainability while also being supportive of fish workers.

    - **Downscaling**: Over time, as fisheries have become open-access, this has resulted in overcapacity and has created losses for all players. Such a problem can be solved by subsidising downscaling. For example, there can be buy-back arrangements for trawlers and large fishing boats for reduction of capacity. Such subsidies do not run afoul of any WTO agreement. The Government can also consider other methods such as establishing a horsepower quota for given districts.

    - **Multiple energy use**: Several possibilities exist to increase the use of alternative sources of energy in fishing operations. For instance, some boats in the tourism sector already use electric outboard engines. With the increase in use of alternative fuel, the demand for kerosene subsidies will also decline. However, the provision of appropriate supporting infrastructure is also important – such as charging stations for electric engines.

    - **Better facilities** to improve quality of fish: Such subsidies are urgently needed and can in particular be beneficial to women who work in this sector. They include improving facilities and markets in the domestic realm, which also has knock-on effects for sustainable exports..

    - **Promotion and diversification** of value added fish products especially by capacity building of women fish workers.

    - **Parametric Insurance** measures for compensation for weather-related unemployment: In 2021 alone, fishers in Kerala were not permitted to go out to sea due to weather-related conditions for 70 days. The number of days in a year that are unviable for fishing has been increasing in recent years. A compensation scheme for weather-related unemployment can be worked out wherein the government, along with insurance agencies and the Indian

Meteorological Department, determines parameters for insurance payment on days of unemployment. Parameters can be along the lines of wind speed, wave height, and rainfall.

- **Training** for improving fisheries-specific human capabilities of fishers: India can cater to the burgeoning demand for skilled fishworkers. Subsidies can be provided for skilling, for instance, for reading maps, in meteorological issues, fishery codes, human rights, as well as in languages.

4. There is also the need to improve data reporting practices. This includes the adoption of a uniform reporting format across all agencies, and the timely release of data from all relevant public institutions. There is a need to update data assessing fish stocks in order to help improve fisheries management.

Signatories:

1. National Fishworkers Forum (NFF)
2. National Platform for Small Scale Fish Workers (NPSSFW)
3. All India Fishers and Fisheries Workers' Federation (AIFFWF)
4. All India Peoples Science Network (AIPSN)
5. Focus on the Global South -India
6. TWN Trust India
7. All India Union of Forest Working People (AIUFWP)
8. All India Kisan Sabha (AIKS)
9. Mercy Mathew, Social worker affiliated with Kerala Swatantra Matsya Thozhilali Federation (KSMTF)
10. Srudeeb, Fish cutter, Kerala
11. Dinesh Abrol, Academic, Delhi
12. Vanaja Mercima Soundra bai, Social worker, Tamil Nadu
13. Biswajit Dhar, Distinguished Professor, Council for Social Development, Delhi
14. Bharat Patel, General Secretary, Machimar Adhikar Sangharsh Samiti (MASS), Gujarat
15. Smitha Francis, Researcher, Delhi
16. Sr. Joyce, Religious Missionary/ICM, Cebu City
17. Prafulla Samantara, Lok Shakti Abhiyan, Odisha
18. Tara Murali, Tamil Nadu
19. Ashok Choudhary, AIUFWP, Uttar Pradesh
20. Ram Wangkheirakpam, All Loktak Lake Areas Fishers Union, Manipur
21. Kamala Menon, Delhi Science Forum
22. Pranab Doley, Assam
23. Rosamma Thomas, Journalist, Kerala
24. Vijoo Krishnan, General Secretary, All India Kisan Sabha
25. Ashish Kothari, Researcher-activist, Pune
26. Rahiman, Traditional Fish Workers Union, NFF, Andhra Pradesh
27. K.Lakshmi, Traditional Fish Workers Union, Andhra Pradesh
28. Pandurang Hegde, Activist, Karnataka
29. Yolanda Florentino, Social Worker, Guatemala City
30. Sujit Sinha, Kolkata
31. Simone Sergeant, Retired/ Sister, Missionaries Sisters of the Immaculate Heart of Mary, ICM, Belgium
32. Pradeep, Bangalore
33. Ch. Ram, Secretary, Traditional Fish Workers Union, Andhra Pradesh
34. Priya Dharshini, Delhi

35. Uma Shankari, Hyderabad
36. Siddharth K J, Independent Researcher, Karnataka
37. Rajeev Choudhury, Journalist, Delhi
38. Linda Chhakchhuak, Meghalaya
39. Henri Tiphagne, People's Watch, Tamil Nadu
40. Joe Athialy, Centre for Financial Accountability, Delhi
41. Sridhar, Tamil Nadu
42. Friends of the Earth, India
43. Dr. S.G.Vombatkere, Karnataka

Cc to:

- Dr. L Murugan, Hon'ble Minister of State (Fisheries)
- Dr. Abhilaksh Likhi, Secretary (Fisheries)

Mail to:

- Shri Piyush Goyal, Hon’ble Minister of Commerce and Industry, Government of India