

TAKING THE FISH

TRADE JUSTICE
CAMPAIGN

-fishing communities
lose out to big
trawlers in Pakistan

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Siddique Malah, local fisherman

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Summary

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Siddique Malah, local fisherman, Pakistan

New research warns that hundreds of local fishing communities in Pakistan are being pushed into poverty and going hungry under pressure from big trawlers from the far east.

Traditional local fishing grounds are being encroached upon under Pakistan’s policy of opening up its waters to transnational fleets.

Poor coastal communities say their rights to fish and earn a living are being violated and that thousands of people are being forced out of their traditional livelihoods.

As a result of industrial fishing and giant trawler nets, local communities say they report lower catches and are facing hunger and struggling to survive.

Worldwide, three quarters of the world’s fish stocks are now either already fully exploited (53%), over-exploited (16%) or depleted (8%).

This case from Pakistan serves as a warning of the dangers to poor communities of unfair trade liberalisation at a time when new moves to further liberalise the global fish trade are advancing in the current round of WTO trade talks in Geneva.

Going bust

Pakistan joined the World Trade Organization (WTO) in 1995, and since the late nineties has independently pursued a significantly more liberalised fish trade regime.

Transnational trawlers are now granted access to the bulk of Pakistan’s 200-mile waters, much of which is designated a sovereign ‘exclusive economic zone’.

While industrial trawlers encroach upon local fishing grounds and use giant fishing nets, local communities are being pushed into poverty and going hungry.



Warrick Page/Panos Pictures/ActionAid

“Now all the fish are caught by trawlers and I’m in such poverty that I had to pull my 15-year-old son out of school.”

Siddique Malah, local fisherman

“I can’t give good food to my family or the other basic needs of life.”

Hassan Dablo, local fisherman

“The people are starving, they don’t have bread to eat.”

Tahira Ali, Pakistan Fisherfolk Forum

“The trawlers have eaten away all the fish,” says Siddique Malah, a local fisherman from Kaka Pir seaside village near Karachi in Pakistan, who reports a continuing decline in his weekly fish catch.

“Fish was in abundance near the shore before the deep-sea trawlers came. Now all the fish are caught by big trawlers and I’m in such poverty that I had to pull my 15-year-old son out of school.”

Complaints such as Siddique’s are now growing widespread amongst hundreds of Pakistan’s local fishing communities.

Fishing groups – such as the advocacy group the Pakistan Fisherfolk Forum (PFF) – say trawlers from China, Japan, Korea and Taiwan¹ indiscriminately catch and then dump large quantities of young, unwanted or dead fish at sea – leaving less fish for locals to catch – and also encroach on Pakistan's previously exclusive 35-mile traditional coastal fishing grounds.

"The trawlers use harmful nets, and now there's no fish in the sea," says Hassan Dablo, a fisherman from Rehri fishing village in Sindh province, who struggles to feed his two children after he recently sold his fishing boat due to mounting debt and declining catches at sea.

"I can't give good food to my family or the other basic needs of life," he says.²

"The people are starving," says Tahira Ali, the deputy general secretary of the Pakistan Fisherfolk Forum in Karachi. "They don't have bread to eat and they weep when they come home without fish at night and see their children without food."³

Marine buoy

With an estimated 400,000 people dependant on the fisheries sector in Pakistan overall,⁵ marine fishing is a key source of food and livelihood for 184,000 people along the 1000-km Arabian Sea coast in Sindh and Balochistan provinces.⁶

Local communities fish close to the coast with wooden and largely un-mechanised boats and go after a wide variety of species including catfish, grouper, ribbon fish, shark, sardine and snapper.

According to the UN Food and Agriculture Organization (FAO), Pakistan is endowed with an 'immense wealth' of marine resources⁷ such as mackerel, squid, shrimp and tuna. But recent moves by the government to liberalise and further exploit the fisheries sector are now having significant effects on local communities.

1 Pakistan Fisherfolk Forum, *Globalization & Fisheries Livelihoods in Pakistan* (forthcoming).

2 *ibid*

3 Interview with ActionAid 27 March 2006

4 Interview with ActionAid 27 March 2006

5 Government of Pakistan (2006), *Economic Survey 2005-06*.
See: <http://www.finance.gov.pk/survey/chapters/02-agriculture.pdf>

6 FAO (2003), *Information on fisheries management in the Islamic Republic of Pakistan*.
See: <http://www.fao.org/fi/fcp/en/PAK/body.htm>

7 *ibid*

Giant trawler nets

Various types of fishing gear are now used off the coast of Pakistan, including shrimp trawl nets, gill nets, purse seine, cast nets and bottom-set long-lines.

Local fishermen's nets are small-scale, selective and are considered sustainable, but the Pakistan Fisherfolk Forum says the giant industrial nets used by foreign trawlers scrape coral, damage the seabed and indiscriminately scoop up huge quantities of fish, destroying the livelihoods of local communities.

"The stern trawlers have nets 1-3 km in length, and the mouth of the net is equal to three American 'Statues of Liberties'," says Mohammad Ali Shah, a fisherman from Ibrahim Hydri village near Karachi and chair of the PFF. "When they're trawling they catch all types of fish and then when they sort them out, 90% is discarded as they are already dead."⁴

Pakistan's total marine fleet of 22,000 vessels – which includes local motor-cum-sail boats, mid-sized locally flagged trawlers and large foreign trawlers – took an estimated total catch of 400,500 tonnes in 2003-04.⁸

About 90,225 metric tonnes of fish and fishery products were exported to Japan, US, UK, Germany, the Middle East, Sri Lanka and China in 2003-4.⁹

While fisheries contribute less than 1% of Pakistan's gross domestic product, global exports of marine fish and fishery products are highly lucrative and were valued at \$132 million in 2005.¹⁰ A third of Pakistan's exports go to the EU, US and Japan, and they command valuable foreign earnings.

While the government receives money from royalties and licences from foreign trawlers, the PFF argue that local fishing communities lose out and currently derive few benefits from the export trade.

Too liberal?

Transnational trawlers are now granted access to the bulk of Pakistan's 200-mile waters, much of which is designated a sovereign 'exclusive economic zone'.

Deep-sea trawlers can fish waters 35-200 nautical miles from the shoreline, and mid-size trawlers can also exploit a 'buffer zone' 13-35 miles out.

Locals have exclusive rights to fish a 12-mile coastal strip, but they say recently they used to have rights to fish waters up to 35 miles to sea, and are angry that the disputed 'buffer zone' is being encroached upon by rogue trawlers (many of which they claim are actually joint or foreign-owned vessels which are deliberately 're-flagged' and registered as local boats).

According to the latest government figures, some 19 mid-sized and 13 transnational trawler licences were issued by the government in 2002,¹¹ although critics such as the PFF say official figures underestimate the true number of mid-sized and deep-sea trawlers fishing the area and claim that as many as 200 may be operating.

⁸ Government of Pakistan (2006), *Economic Survey 2005-06*.
See: <http://www.finance.gov.pk/survey/chapters/02-agriculture.pdf>

⁹ *ibid*

¹⁰ *ibid*

¹¹ *ibid*

¹² Interview with ActionAid on 27 March 2006

Lower catches

Abdul Majeed Motani, 52, a fisherman and father of six from Ibrahim Hydri near Karachi has seen his catch drop drastically.

In the past he used to take a small wooden boat out four times over a 15-day period with six to eight villagers onboard, and they used to come back from each trip with some 1,200-1,500 kg of fish, or about 6,000kg in total, including local species such as soho fish, baplet, surmai and lobster.

Now he goes out only once in a 15-day period with 10 locals onboard and they are lucky to come back with 1,500kg of fish during this time. "Now that boat in 15 days brings just 1,500 kgs but before it was bringing 6,000 kgs," Motani says. "The overall fish stock has declined 70-80% due to deep-sea trawlers."¹²

The combination of illegal, unreported or unregulated fishing, plus weak surveillance and policing of catch sizes, by-catch and discarded fish, and little sanction against unsustainable industrial fishing, is now devastating local fishing communities.

Fisherfolk say they now catch much less and have lost their rights to access fishing resources and are losing their livelihoods, falling into debt, and going hungry.

“We are always worrying that we will be able to get food each day,” says Muhammad Yousif, a fisherman and father of eight from Khada village who reports a reduced income and a slide in his family fortunes. “All the small and poor fishermen have been badly affected.”¹³

Low returns

“My boat just came last night. It was nine days in the sea with 11 people. They brought 76kg of fish – surmai fish – and the price of the fish is 16,100 rupees but expenses were 18,700 rupees, so the whole trip was a loss. Eleven people for nine days – they haven’t earned anything,” says Mohd Hussain Laso, a local fisherman from Ibrahim Hydri.¹⁴

Fisher women

The Pakistan Fisherfolk Forum says women fisherfolk are particularly vulnerable to the negative effects of liberalisation. They say women have been marginalised and do not work or go fishing as much as before.¹⁵

Their traditional basket and net making and local fish marketing skills are required less because of lower catches and the introduction of trawlers and commercial nylon nets.

“Women have completely been driven out from the sea and its resources,” says Ms Basran, a fisherperson from Baba island near Karachi who used to make a living drying fish and making small nets but who now has little work and struggles to support her three children.¹⁶

As a consequence, many women are now drawn into work in local textile factories or peeling prawns in the burgeoning shrimp export processing industry, where many complain of hazardous working conditions.

Mounting debt

“They [local fishermen] have become indebted to the grocery stores, to the ice stores, indebted by the diesel petrol pumps and several times people’s electricity and gas connections have been disconnected because they do not have money to pay. People have been put into jail for not paying their bills,” says Mohd Hussain Laso, a fisherman from Ibrahim Hydri.¹⁷

Global fish trade

Market liberalisation and the expansion of the global fish trade – such as the developments in Pakistan – have accelerated apace in the last 30 years.

The establishment of sovereignty over national waters through UN conventions,¹⁸ advances in fishing technology, large subsidies for industrial fishing fleets (the US, EU and Japan give the bulk of the estimated \$30-34 billion in subsidies each year),¹⁹ plus rising demand from Asia and the west has seen global marine fish production increase to 98 million tonnes in 2003.²⁰

¹³ Interview with ActionAid 27 March 2006

¹⁴ *ibid*

¹⁵ Pakistan Fisherfolk Forum, *Globalization & Fisheries Livelihoods in Pakistan* (forthcoming)

¹⁶ *ibid*

¹⁷ Interview with ActionAid 27 March 2006

¹⁸ For the UN Convention on the Law of the Sea, see: http://www.un.org/depts/los/convention_agreements/convention_overview_convention.htm

¹⁹ See: Sumaila UR, Pauly D (2006), *Catching more bait: a bottom-up re-estimation of global fisheries subsidies* University of British Columbia, Canada; OECD (2005) *Subsidies: a way towards sustainable fisheries?* OECD, Paris; WWF (2002), *Turning the Tide on fishing subsidies. Can the World Trade Organization play a positive role?* Washington DC

²⁰ FAO (2004) *State of world fisheries and aquaculture 2004*, FAO, Rome

fishing communities lose out to big trawlers in Pakistan

Total world trade in fish and fishery products were worth \$63 billion in 2003, with developing countries accounting for about half of global exports.²¹

Developing countries picked up net receipts of \$18 billion from this trade in 2003, which is greater than net exports of other agricultural commodities such as coffee, bananas, rice and tea combined.²²

While FAO estimates that 35 million people are directly engaged in fishing worldwide and another 100 million work in fisheries-related occupations, around 97% of all fishery workers live and work in developing countries.²³

About 90% of the 15 million people who work aboard fishing boats do so from small-scale, non-industrialised vessels.²⁴

Over 20% of full-time fishers earn less than \$1 a day, according to the World Bank,²⁵ and overall fish provides 2.6 billion people with at least 20% of their average per capita animal protein.²⁶

Trade impact

It is clear from numerous studies that the growth of industrial harvesting and trade in fish can undermine fish stocks, marine conservation and sustainable livelihoods, and also the rights of the poorest communities who depend on fragile eco-systems.²⁷

The UN special rapporteur on the right to food, Jean Ziegler, recently drew particular attention to the plight of poor local fishing communities – from Chile to South Africa – and urged governments to guarantee rights to access fishing resources and fulfil their wider obligations to respect, protect and fulfil the human right to adequate food.²⁸

21 Kurien J, (2005) *Responsible fish trade and food security*, FAO fisheries technical paper, No. 456. Rome

22 *ibid*

23 *ibid*

24 UNEP (2006), *Ecosystems and biodiversity in deep waters and high seas*, New York

25 World Bank (2004) *Saving fish and fishers – towards sustainable and equitable governance of the global fishing sector*, report no. 29090-GLB, World Bank; Washington DC

26 FAO (2004) *State of world fisheries and aquaculture 2004*, FAO, Rome

27 See: World Bank (2004) *Saving fish and fishers – towards sustainable and equitable governance of the global fishing sector*, report no. 29090-GLB, World Bank; Washington DC; UNEP (2006), *Ecosystems and biodiversity in deep waters and high seas*, New York; Ziegler J, *The Right to Food*, United Nations General Assembly, 59th session, 27 September 2004; Kurien J, (2005) *Responsible fish trade and food security*, FAO fisheries technical paper, No. 456. Rome; Environmental Justice Foundation (2005), *Pirates & Profiteers*, London; WWF & Traffic (2006), *Follow the leader*, Geneva.

Despite global conservation and management measures – including the FAO Code of Conduct for Responsible Fisheries²⁹ – which put sustainable use and the rights of local fishing communities at the heart of marine stewardship – the Pakistan government, for example, has not conducted a national fish stock survey since the 1980s and is only now finalising a national fisheries policy with poverty reduction and food security as two of its three key goals.

WTO threat

Serious new threats to further liberalise fishing trade in developing countries and open up fisheries services sectors to foreign competition are emerging in the current WTO global trade talks.

WTO negotiations underway on subsidies and non-agricultural market access (or NAMA) could:

- (i) completely eliminate all tariffs in the fish and fish products sector (as has been proposed by Canada, Iceland, New Zealand, Norway, Singapore and Thailand)³⁰
- (ii) significantly reduce tariffs in all sectors, including fish and fish products, if an aggressive tariff-cutting 'Swiss formula' is applied to all industrial and natural resource sectors (the extent of such cuts is currently the focus of negotiations within the WTO)
- (iii) discipline fishing subsidies in poor countries through on-going talks in the WTO Negotiating Group on Rules.³¹

While the NAMA and subsidies negotiations have been highlighted,³² new moves to effectively 'lock in' essentially irreversible commitments to liberalise 'services incidental to fishing' are now also being made in the current WTO GATS³³ negotiations.

28 Ziegler J (2004), *The right to food*, United Nations General Assembly, 59th session, A/59/385, 27 September 2004. See: <http://daccessdds.un.org/doc/UNDOC/GEN/N04/525/17/PDF/N0452517.pdf?OpenElement>

29 For FAO Code of Conduct for Responsible Fisheries, see: http://www.fao.org/documents/show_cdr.asp?url_file=/DOCREP/005/v9878e/v9878e00.htm

30 WTO document TN/MA/W/63, 18 October 2005

31 See: Kleih U et al (2006) *Sustainability impact assessment of proposed WTO negotiations, mid term report for the fisheries sector study*, University of Greenwich, Natural Resources Institute, United Kingdom

32 For example, see: Greenpeace (2007), *Trading away our oceans, why trade liberalisation of fisheries must be abandoned*, Netherlands; WWF (2002), *Turning the Tide on fishing subsidies. Can the World Trade Organization play a positive role?* Washington DC

33 'GATS' stands for the General Agreement on Trade in Services

What is GATS?

Most WTO agreements concern the trade in goods and products. The General Agreement on Trade in Services (GATS) extends WTO rules to service sectors, which are grouped under 163 sub-sectors, from banking to rubbish collecting, tourism to education, health to transport, water delivery to retail stores.

The aim of GATS is liberalisation and to progressively remove any restrictions that are considered 'barriers to trade' in such services. The GATS rules address the extent to which governments may or may not intervene in the market.

Amongst others, this could include the right of governments to discriminate between local and foreign companies and the use of domestic regulation to ensure foreign companies benefit local economies.

Alongside a set of generally applied disciplines, GATS includes more specific rules on liberalisation that apply only once and to the extent a country has 'listed' a service sub-sector and mode of supply under GATS. This is referred to as the 'positive listing' approach.

'Positive listing' approach

Once nominated, the rules of 'market access' and 'national treatment' apply and commitments are considered 'bound' – they are effectively 'locked in', or irreversible.

- **Market access:** these rules give foreign companies the right to enter the local market and, amongst others, restrict the ability of governments to put limits on the foreign ownership of local companies and the number of suppliers in a given service sector, both local and foreign
- **National treatment:** ensures that foreign companies are treated at least as well as domestic firms in the delivery of a service.

Governments can choose not to include a service sector for 'specific commitments' or take only partial commitments if they wish, although other WTO members can apply pressure in negotiations or formally 'request' that sectors are liberalised under a 'request-and-offer' process at the WTO.

To date, collective 'plurilateral' requests have been made by groups of developed countries in the following service sectors: air transport, architecture and engineering, audio visual, computers, construction, distribution, education, energy, environmental services, finance, maritime transport, online entertainment, legal, logistics and telecommunications.

According to the WTO, 33 WTO members have undertaken commitments to liberalise 'services incidental to fishing' to date, including the developing countries Burundi, Central African Republic, China, Colombia, Congo, Dominican Republic, Nicaragua, Panama, Sierra Leone and South Africa (a number of these 33 countries have limited the commitment to consulting and advisory activities in relation to fishing).³⁴

Five countries have made 'offers' to liberalise aspects of their fishing services sectors (mainly limited to consultancy), including Brazil, India and Macao.³⁵

Recently Argentina and Brazil made a collective 'request' to liberalise services incidental to fishing through a request categorised under 'agriculture' to Australia, Canada, the EU, Iceland, Japan, New Zealand, Norway, Switzerland and US.

The WTO GATS agreement defines four 'modes' of supplying services

Mode 1: Cross border supply

This type of trade involves services crossing national frontiers ie processing insurance claims or laboratory test results, or any service provided over the internet (data processing, accounting, software programming, sales services).

Mode 2: Consumption abroad

Services supplied to a citizen of one WTO member in another WTO member country ie foreign tourism or education.

Mode 3: Commercial presence

Services supplied by a company (or its subsidiary) of one WTO member, through a commercial presence in the territory of any other member ie foreign banks established overseas.

Mode 4: Movement of natural persons

Services supplied by citizens of one WTO member working in the services sector of another WTO member ie an engineer working abroad to supervise work overseas.

³⁴ Communication with WTO, April 2006

³⁵ Communication with WTO, April 2006



Research for OECD argues that liberalising fishing services would produce clear winners and losers – it says it is likely to lead to ‘re-flagging’ of vessels, amongst others – and warns that an essential pre-condition before these sectors are liberalised is effective management of national fisheries – a condition lacking in many developing countries.⁴⁰

Although developing countries – including Pakistan – may not yet have been aggressively targeted to liberalise fishing services at the WTO, the threat is emerging and the architecture is in place to lock in what are essentially irreversible policies.

Moreover, a recent sustainability impact assessment for the EU by the Natural Resources Institute on proposals at the WTO to cut fisheries tariffs and subsidies indicates that ‘a significant number’ of fisherfolk

communities could go out of business and that unemployment, poverty and environmental damage is likely to increase.⁴¹

The combined effect of these proposed moves – plus moves on services liberalisation – could seriously impact on the rights and sustainable livelihoods of millions of small-scale fishers worldwide.

Classified under ‘business services’ under GATS, ‘support services to forestry, fishing and aquaculture’ are codified for the WTO in broad and unspecified terms under a central products classifications code (CPC) at the UN Statistics Division.³⁶

The CPC defines support services to fishing as carrying out part of the fishing operation on a fee or contract basis, and includes marine fishing and ‘activities of vessels engaged both in fishing and in processing and preserving of fish’.³⁷

Analysis for the Organisation for Economic Co-operation and Development (OECD) suggests fishing services ‘can mean many things’, and interprets it as traded services for ‘arrangements where fishing vessels from country A catch country B’s fish’.³⁸

Academics say trade in fishing services can be categorised under fish harvesting, labour and capital, processing and marketing and policing services.³⁹

This issue is still under debate, but this could cover:

- a foreign vessel coming into port to use harbour services
- the composition of management and crews on fishing vessels
- joint ventures between local and transnational firms.

Foreign fishing agreements – such as fishing rights, quota allocations or individual transferable quotas – could also be affected by GATS too.

36 See UN Statistics Division Central Products Classifications Code (CPC) draft ISIC Rev.4 for ‘support services to forestry, fishing and aquaculture’ at: <http://unstats.un.org/unsd/cr/registry/docs/isic4-051231.pdf> and ISIC Rev.3 code 0500 for ‘services incidental to fishing’, at: <http://unstats.un.org/unsd/cr/registry/regcs.asp?Cl=2&Lg=1&Co=0500>

37 *ibid*

38 Hannesson R, (2001) *Effects of liberalizing trade in fish, fishing services and investment in fishing vessels*, OECD papers, Norwegian School of Economics and Business Administration, Norway. See: <http://www.oecd.org/dataoecd/1/11/1917250.pdf>

39 Cunningham S & Whitmarsh D (2001), *Trade in Fishing Services*, OECD papers. See: <http://www.oecd.org/dataoecd/1/11/1917250.pdf>

40 See OECD (2003), *Liberalising fisheries markets: scope and effect*, OECD, Paris; Hannesson R, (2001) *Effects of liberalizing trade in fish, fishing services and investment in fishing vessels*, OECD papers, Norwegian School of Economics and Business Administration, Norway

41 Kleih U et al (2006) *Sustainability impact assessment of proposed WTO negotiations, mid term report for the fisheries sector study*, University of Greenwich, Natural Resources Institute, United Kingdom

Recommendations

The Pakistan government should

- consider a complete ban on the use of destructive fishing nets and on deep-sea fishing trawlers
- institutionalise the FAO Code of Conduct for Responsible Fisheries in its fishing policy
- support local fishers to use appropriate technologies for sustainable deep-sea fishing
- support the organisation of fishing communities and urgently improve their access to basic services

Member countries at the WTO should

- not make any new services liberalisation requests or commitments until sectoral sustainability impact assessments have been made.

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