

## Bad custodian of the sea

**The rush by the government of India to grant licences for joint ventures to fish in the country's deep seas is laden with danger**

As strikes go, this one was particularly memorable. On 23 and 24 November 1994, the marine fishing industry of India, spread across nine maritime states and covering a coastline of over 7,500 km. came to a virtual standstill.

During these two days, nearly one million persons struck work. They stayed away from their work at sea, in processing plants and markets. This was a symbolic act of protest against government policies permitting joint ventures almost free access to the fish in the Indian Exclusive Economic Zone (EEZ).

In India, this is an industry dominated largely by motivations of livelihood and subsistence. What happened on these two days, therefore, was no mean achievement. Importantly, a great many fish consumers—estimated at nearly 300 million—also consciously chose a fish-free diet on those days.

The credit for the success of the strike goes to the National Fisheries Action Committee Against Joint Ventures (NFACAJV), spearheaded by the National Fishworkers' Forum (NFF), which is the federation of small-scale, artisanal fishworkers' unions of the various maritime states in India.

Ironically enough, the NFACAJV was actually a consortium of strange bedfellows—traditional enemies, so to speak. Owners of the small mechanized trawlers, along with operators of export processing facilities, joined the artisanal fishermen in this protest.

The first two groups have traditionally been at loggerheads with the artisanal fishermen, especially during the monsoon months, over the question of regulating

the operations of shrimp trawlers. All along the coastline, their clashes have led to grave law-and-order problems.

But, on this occasion, they drowned their differences and stood side by side to confront a bigger, common foe—the newly arriving, larger fishing vessels from foreign waters, who have been given a 'blank cheque' to the fishery resources of India.

As part of the post-1992 liberal economic policies of the government of India, monitored by the IMF-World Bank, the country's EEZ has been opened up to joint ventures between foreign and Indian companies. The economic rationale is that since these ventures are 100 per cent export-oriented, they will augment the foreign exchange earnings on the current account.

To date, about 170 licences, involving around 800 vessels, are said to have been issued. It is not known how many have actually begun operations. After the strike call by the NFACAJV, the authorities became very tight-lipped on this matter. However, considering that the move to allow such joint ventures was taken at the country's highest political decision-making level, there seems to be little chance of an easy reversal of commitments.

However, in such a hostile environment, a few of the foreign enterprises who have received licences may fight shy of actual investments on joint ventures.

### Political compulsions

At the political level, joint ventures are made out to be a *fait accompli*. But, given the state of the resources in the waters of India and its brief history of deep-sea fishing using large fishing vessels, it is

worth pondering over the impact of these new joint ventures on the country's fish economy. Estimating the living marine wealth of the country has not been a major preoccupation of its fishery scientists.

**T**he estimates being officially quoted with biblical authority today are based on an article by three scientists, which appeared in 1977 in a nonprofessional publication. According to this, the maximum sustainable yield (MSY) of the 2.02 million sq. km. Indian EEZ was placed at 4.47 million tonnes.

Of this, 2.26 million tonnes (50 per cent) was located in the inshore zone, between the coast and the 50 m. isobath.

New estimates of 1988, however, placed the MSY at only 3.921 million tonnes but indicate the potential in the inshore zone to be 2.28 million tonnes (58 per cent) and in the offshore zone (50 to over 500 in.) at 1.641 million tonnes.

Such estimates of relative abundance are, however, no substitute for knowledge about their spatial and seasonal concentrations. On the whole, the resources have a rather low density. This makes them mostly unsuited to large-scale commercial exploitation. Considering the area of these zones and their MSYs, the density of the fishery

resource per sq. km. is about 70 per cent higher in the inshore zone (11 tonnes) than the offshore (6.5 tonnes). Based on these official resource estimates and informed industry sources, the market value of the unexploited resources in the offshore zone—theoretically, the realm of operations of joint ventures—were also recently calculated.

As much as 48 per cent of the resource (0.54 million tonnes) is valued as 'low' (i.e. between US \$500-1000 per tonne) and 38 per cent (0.43 million tonnes) as 'very low' (i.e. below US \$500 per tonne). The real commercial resources—those assessed at over US \$1,000 per tonne—account for 0.164 million tonnes. Of this, 60 per cent are on the west coast.

Big business' involvement in Indian fishing is not really new. There was a phase when the Indian subsidiaries of well-known multinational corporations like Unilever and Union Carbide made forays into the sea. This phase did not last very long.

#### **Too many regulations**

One reason was the labyrinth of regulations in the country's erstwhile industrial licensing policies. The other was the organized opposition to 'big, bad, MNC' capital by 'small, nationalist' capital. This played an important role in curbing and finally phasing out the involvement of big business in Indian fishing.

**H**aving achieved this, ventures by national capital, encouraged by the liberalization of the early 1980s, and with the backing of specialized credit agencies, began to dominate the scene. Post-1985, there was a rush into 'deep-sea fishing', with chartered vessels and newly purchased boats. The number of deep-sea fishing vessels in India rose from 68 in 1984 to 180 in 1991, taking the accumulated horsepower rating up from 28,700 HP to 81,200 HP.

All efforts were concentrated in the Bay of Bengal to harvest shrimp. In five years, most of the 180 vessels were toting up heavy losses. The credit institutions found themselves saddled with large white elephants at sea.

An FAO study for the Association of Indian Fishery Industries and the government of India examined what was needed to salvage and rehabilitate the fishery, and redeploy and upgrade the fleet. This study extensively analyzed the resources from biological and economic perspectives. It also comprehensively reviewed the history and problems faced by the existing deep-sea fishing fleet.

The study asserted that the critical situation did "not reside in the technologies applied, which are appropriate, nor in the shrimp market, which is still strong", but rather on six other reasons:

- competition from small-scale mechanized fishing boats
- over-capacity of the deep-sea fleet in the main shrimp fishery
- lack of attractive markets for the by-catch
- absence of commercially valuable alternative fish resources (other than shrimp)
- dearth of professional managers for the fleet
- poor stamina of the sea-going and shore personnel

What was needed, the report concluded, was to redeploy the existing fleet by

diversifying its activities and equipping it with better on-board technologies like winches, hydraulic long-line drums, etc. For this, managers, skippers and crew should be trained and motivated. The study foresaw some problems in adopting this approach, particularly "recent policies of the development of industrial fisheries in India, which rely excessively on foreign input and interference".

Given this status of offshore fishery resources and the history of deep-sea fishing in India after 1985, why should new foreign investors and their Indian counterparts vie for joint venture licences? Part of the answer lies in the present situation in global fisheries.

Global marine fish catch has stagnated around 85 million tonnes since 1989. According to FAO statistics, between 1970 and 1990, in nine of the areas for monitoring global marine catch, there has been a visible downward trend.

FAO estimates that the annual operating costs of the entire global fishing fleet in 1989 came to US \$22 billion—greater than total revenue, with no account being taken of capital costs.

Distant-water fishing vessels the world over are in particularly bad shape. Their capacities were built up with massive state subsidies which promoted easy entry. Unfortunately, once built, a fishing vessel has a fairly long economic life but precious little other use, except as scrap metal. For the owners, therefore, redeployment to other less exploited fishing areas is the only solution to remain in business.

#### **Russian vessels**

Moreover, much of the large distant-water fleet of the erstwhile Soviet Union is up for sale for a song. These vessels are, on average, very large. Many of them were basically constructed for the total onboard processing of any living sea resource. Consequently, second-hand vessels for new joint ventures—which is what the foreign partner brings in as contribution—are available much cheaper than ever before.

These vessels are ecologically inappropriate for multi-species tropical

waters. Further, more often than not, they are far beyond the required specifications. These issues, however, do not bother the investor.

**G**iven that the Indian Ocean is one of the least exploited oceans (though the least productive too), there is a general movement towards this region by distant-water fishing vessels in search of a fresh lease of life.

Thus, the liberal Indian offer seems to have come at the right time. All the tabs have been taken out of earlier norms for joint ventures.

The state has made the Indian EEZ one huge 'open-access regime' and the resource is up for grabs. In such a regime, there are no 'property rights'—it is 'possession' that is proof of property.

Hence, the scramble to get in quickly before too many join the fray. The rush is really not for any particular variety of commercially valuable fish.

It is for any fish resource which can be harvested quickly in order to grab a profit on the investment made in the joint ventures. The Indian government, on its part, has dangled every bait to attract foreign investment:

- subsidized fuel (cheaper than what the traditional fisherman

pays for his kerosene to run his outboard motor)

- 100 per cent export, with permission to trans-ship at sea, ensuring no check on the nature or quantum of the resource taken or the level of discards
- no compulsions to dock in an Indian port during operations (no forward linkages into the economy)
- permission to use any foreign port as base of operation for fishing in Indian EEZ (encouragement to involve in activities other than fishing, which may jeopardize national security)

#### Implications

What is likely to happen if those who have been awarded licences actually come to fish? The majority of these have been given for operations along the west coast of India. In quality and value terms, the potential resources in the offshore (beyond 50 m. isobath) of this region are the greatest in the Indian EEZ. Over 75 per cent of the resources considered commercially valuable and over half the resources regarded as 'low' and 'very low' are found here. The inshore sea of the west coast, particularly off the states of Goa, Karnataka and Kerala, are the most productive in the Indian EEZ.

However, this is also the region with the highest density of fishermen. They are also among the most skilled, fishing in small-scale vessels in waters far beyond the 50 m. isobath. Today, these fishermen are also the most militant and well-organized. They have provided the NFACAJV the main impetus to oppose the joint ventures. Thus, we have here the right recipe for bitter conflict.

**A** day before the national fish strike, the government proudly announced that the conflict potential would be reduced by a 'corridor' at sea, to be enforced by the coast guard. This plan only further reveals the total lack of understanding of policy-makers of socio-economic and ecological realities.

The compulsion for quick profits, along with the unchangeable nature of the resource distribution at sea, will combine to ruin the fishery resource. In a tropical sea ecosystem, the species interactions are highly complex and little studied. Even if the joint-venture vessels fish in the real 'deep sea', their impact on the rest of the ecosystem and the resource is bound to be damaging.

Many of the species are 'straddling stocks', which move in and out of the inshore, offshore and the deep sea at different points in their life-cycle. Consequently, just because resources are harvested in the offshore waters there is no guarantee that the valuable resource base in the inshore zone will be safe. Scientific knowledge and understanding of this subject is still limited. This lacuna warrants a more precautionary approach to the management of the fishery. Adding more investment into these waters—and indiscriminately at that—is far from desirable.

During the week of the strike, one joint-venture vessel (originally from the erstwhile USSR) called at the port of Cochin in Kerala. Its catch was composed 2,000 tonnes of large perches and snappers—the mainstay of the hook-and-line fishermen in the southern parts of Kerala and among the most relished varieties in local markets.

If joint ventures take hold, the prospects of less fish for local consumption are a

foregone conclusion. But urban consumers need not be dismayed. An advertisement appearing in a national newspaper at about the same time as the strike assures urban Indian fish eaters, who buy their fish from cold storages, that "Norwegian fish will be flying into India", as though to compensate for the loss of domestic perches to the joint ventures!

This honour of being able to eat Norwegian fish is also the flip side of the new liberalization policy which permits easy imports into India. The ruin of resources and the exploitation of workers on board the fishing vessels go hand in hand, particularly if the enterprise's aim is to get away with quick profits.

The majority of the crew and the deck hands on these new joint ventures are not likely to be Indian fishworkers. They will most likely be composed of the 'traditional' crew of such deep-sea vessels—Filipinos, Thais, Taiwanese, Mauritians and a few Indians.

Evidence suggests that the recruitment practices, employment terms and working conditions of these workers leave much to be desired. The implementation of relevant ILO conventions pertaining to fishermen is often flouted by asserting that the type of fishing vessels used takes them out of the purview of these conventions.

#### **Redeployment**

Such an open-door policy for joint ventures has globally proven to benefit only a handful of financiers and merchants. It promotes global redeployment at the cost of national redeployment. It thus fails to create independent and genuine national fisheries enterprises. Available evidence points to the fact that very few of the Indian counterparts in the newly licensed joint ventures have any demonstrated history of involvement in the fishing industry. Very few of them reportedly even belong to the Association of Indian Fishery Industries.

India is a country with a rich maritime fishing tradition. It has a highly skilled and enterprising fishing community along the whole coastline and a demonstrated national technological

capacity to make its own hardware for every sector of the fishing industry.

Allowing joint ventures free play is the surest way of sounding the death-knell of the national industry. A careful and selective choice of joint-venture collaborations, where the nature of investment made is based on national priorities and needs, by investors with a good track record, is what is needed. To achieve this, there should be an 'umbrella' body which represents the interests of all the stakeholders in the fishery, including the consumers. Such a body must guide and monitor joint-venture operations towards the larger social good, without depriving the genuine investors adequate and sustainable returns.

In a natural resource, when no explicit property right is defined within a country's territory, we regard the state to be its 'custodian', on behalf of present and future generations. In the context of the living resources of the Indian EEZ, at stake is more than just the 'benefit' of earning foreign exchange or the 'cost' of ruin of the resource. Today, in India, we are confronted with a situation where the artisanal fishworkers, the small mechanized boat operators and a section of the deep-sea fishing operators with some past involvement in fishing, are all up in arms against the present joint-venture policy of the government.

It is, therefore, reasonable to conclude that this new policy is led and fuelled by motivations and considerations obviously designed to favour a few but wrapped in the packaging of liberalization and free-market ideology, today being touted as the only path left to solve our problems.

#### **Inter-generational heritage**

To permit this new policy on joint ventures in fisheries to proceed is tantamount to allowing a handful of bureaucrats and politicians to usurp the custodianship role of the state and trade this inter-generational heritage of our marine resources to parties who are openly interested only in short-run profits. This is an affront on civil society at large. It must be opposed. ❧

A slightly different version of this article by John Kurien, a social scientist and Associate Fellow at the Centre for Development Studies, Trivandrum, appeared earlier in the Economic and Political Weekly, Bombay