

Geopolitics of Fishery in the South China Sea

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IUU Fishing and Fishery Incidents in the South China Sea

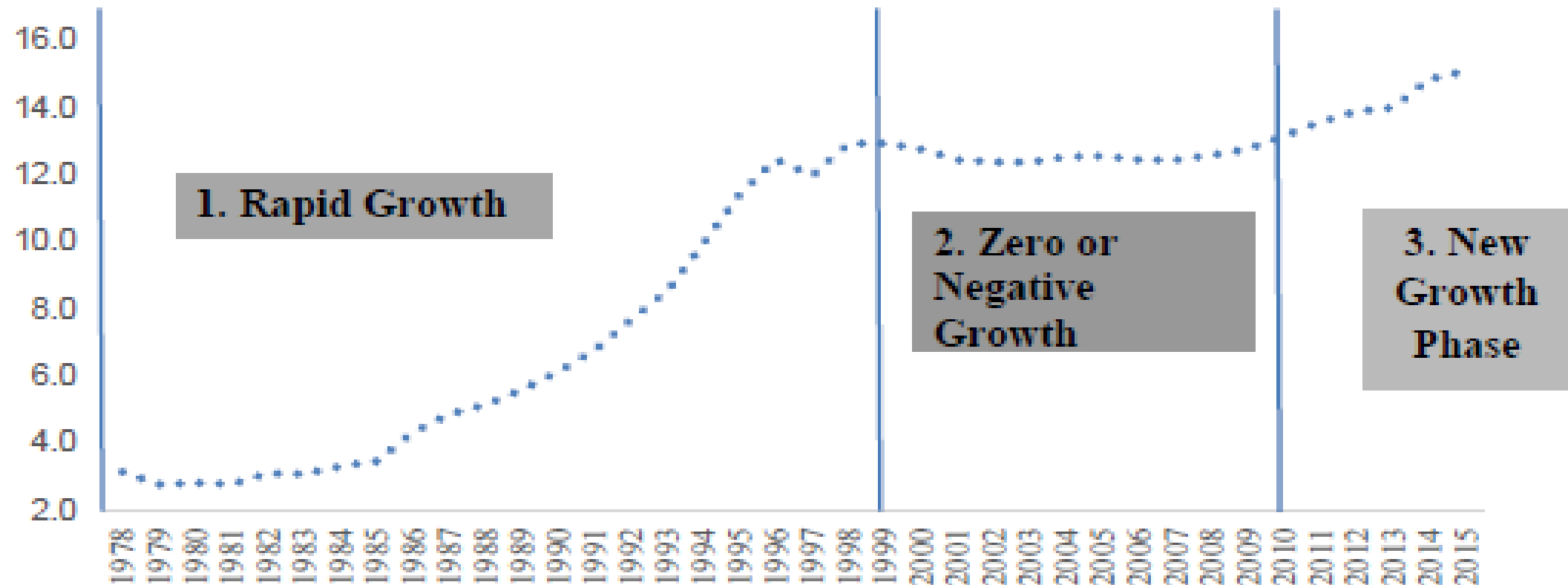
- IUU Fishing as top maritime threat to regional countries
- With growing number of fishing incidents, fishing has been heavily politicized and politicized
 - Some of these fishing incidents have become triggers for diplomatic and security tensions between (Scarborough Shoal fishing incident in 2012; In March 2016, fishing incident between Indonesia)
- Underlying causes : strategic and military motivations(?)---China is militarising its fishermen to defend its maritime interests in the disputed water
 - South China Sea Claimants, particularly China, Vietnam and the Philippines have long considered fishermen important tool in asserting their claims in the South China Sea
 - Weaknesses of the maritime militia narrative: fishing conflicts is regional phenomenal; China's fishery subsidies are not about South China Sea disputes; neglecting the role of sub-state-actors, particularly fishermen and local government; etc

Revisiting the fishing militia narrative

- Rising fishing incidents as a result of the outward expansion of Chinese marine fishery sector
 - which is reflected by three major structural shifts: from inshore to offshore fishing, and expanding of distant water fishing and poaching of high valued but endangered species, from subsistence fishing to commercial fishing
- Outward expansion is owing to:
 - Depletion of fish stocks in China's coastal and inshore waters, over fishing, bilateral fishery agreements, and pollution and land reclamation
 - Excess capacity: Over capacity nearly 50%, for China to remain at the sustainable level, 50% of the current fishing fleet needs to be downsized.
 - Maximum sustainable yield in Chinese waters is around 8-9 million tonnes, yet, current catch out exceeded 13 million tonnes (which could be underreported)

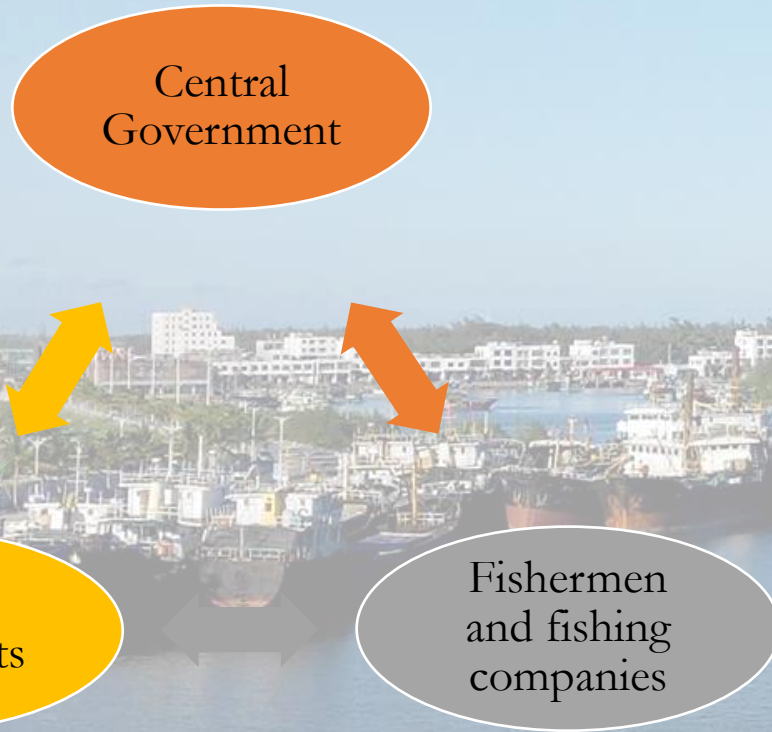
Review of China's Marine Fishery Development

Fig.3. China's Annual Marine Catch Production



Fishery Actors and Policy Objectives

Key Fishing Actors



Food Security as the Primary Driver

- Rising fishing incidents as a result of the outward expansion of Chinese marine fishery sector
 - Food security: fishery products as important contributor to China's food security
 - China's per capita consumption of fishery products:

Year	KG/year
1980	2
2010	21.1
2020	29
2035	41

Countries	Per Caipita Supply	Fish/Animal Protein %	Fish/Total Proteins%
Cambodia	41.4	68.6	17
China	37.9	22.4	9.1
Taiwan, ROC	33.5	20	9.6
Indonesia	31.8	55.2	16.4
Malaysia	54	37.7	21.3
Philippines	30.2	36	14.8
Laos	19.8	40.5	8.6
Thailand	26.1	34	13.9
Vietnam	34.8	29	11.2
Myanmar	60.7	46.5	19.8
Brunei	47	20.5	13.3
Singapore	46.9	21.6	14.1

- Aquaculture as a solution or problem for overfishing?

Economic Factors Are Equally Important

Rising fishing incidents as a result of the outward expansion of Chinese marine fishery sector

- Economic pillars for many coastal cities-
 - **Foreign reserve earning:** China's fishery exports in 2014 valued USD 20 billion
 - **Employment:** 14 million fishing working force, over 20 million fishing population, over 30 million depend on fishing sector to make a living
- Largest fishery processing country in the world
 - Excess capability, 70% Utilization rate
- Ship building industry
 - A stronger marine fishery sector is considered key to absorb the country's excess capacity in the ship building sector

Top Exporters of Fishery Products in the world, 2014, FAO

Ranking	country	USD million
1	China	20,980
3	Viet Nam	8,029
4	Thailand	6,565



Case: Rise and Demise (?) of the Giant Clam sector

- Demand side:
 - Religious reasons: red coral and giant clam are seven treasures or seven kinds of gems in Buddhism
 - Speculations: too much liquidity in the market, very limited investment opportunity
- Supply side:
 - Fishermen
 - Local government
 - Central Government
- Regional Practice:
 - Filipino fishermen, Vietnamese fishermen and Malaysian fishermen
 - Informal trade at “Half Moon Shoal”
 - Smuggling via Sino-Vietnamese Border
- Crackdown in early 2017
 - Over 1000 shops were closed



Fishery as a Tension Diffusor in SCS

- As fishery incidents have emerged as top conflicts triggers or at least conflict multipliers in the South China Sea, better management of the fishery in the SCS has thus become imperative
- Given the complicated nature of the South China Sea disputes resolving the disputes in the foreseeable future remains highly unlikely, functional cooperation in fishing could diffuse tensions in the SCS.
- Nevertheless, for fishery cooperation to be feasible, tripartite Objectives need to be achieved
 - Meeting the food security and economic development
 - Ensuring Sustainable fishery and protecting marine environment
 - Preventing fishing tensions and frictions

Evaluating the Options And Recommendations

- Existing proposals (Marine Protection Areas, Joint fishery development, Regional Fishery Management Mechanism, Aquaculture) to advance fishery cooperation in the SCS might not be effective or feasible
- No single solution can meet all the three key objectives, instead, need a mix of policy to promote fishery cooperation in the South China Sea
 - Think out of the “South China Sea Box”, to manage the fishery disputes and promote fishery cooperation (Sustainable Aquaculture, Fish Processing Sector, Fish labor cooperation---the Taiwan experience?)
 - Onshore measures as important as actions taken offshore: Demand side measures could be more effective: curbing the demand for endangered species and “too much fish consumption”?
 - Targeting the ‘low-hanging fruit’: fishery trade, education and research, search and rescue, bilateral and multilateral agreement on fishery law enforcement