

FTA, by any name, can be worse than a tsunami

GRAIN

If one happens to be at Phuket international airport in the south of Thailand these days, it's easy to get the impression that the province has completely moved on from the aftermath of the 2004 tsunami. Almost every hour throngs of tourists come and go. Flights are often fully booked. Come evening time, both the beach area and Phuket city vibrate with an endless stream of economic activities. Just over three years after the tsunami, Phuket is back in business with a vengeance.

Tourism, of course, is the central dynamo. A powerful one, in fact, with the swell of tourists rolling out to Phuket's adjacent province, Phang Nga. Of the six provinces in southern Thailand affected by the tsunami, Phang Nga was the worst hit, with 4,224 lives lost and 7,000 hectares of land devastated. Phang Nga is primarily an agricultural province, covering an area of 4,170 square kilometres with 240 kilometres of coastline and 105 islets. The most important cash crop is rubber, although food crops such as rice, vegetables and fruits are also produced. Fishing and farming are the main source of income for most local residents – the very livelihoods that were damaged by the 2004 tsunami. Many fisherfolk believe that it is only logical that rehabilitation efforts should take these activities as their starting point.

However, the Thai government sees it differently. They view Phuket as the model, and they want more income and more employment to come from tourism. In fact, to the dismay of many local residents, the government wants to convert Phang Nga bay into an "alternative Phuket". Indeed, these residents say that tourism development dominates the government's post-tsunami rehab agenda, not only in Phang Nga but for the rest of Southern Thailand. This, they believe, is leading to the increased marginalisation of small-scale farmers and fisherfolk as their food and livelihood systems get compromised in the process. Already many of them have been displaced or absorbed by the tourism industry. It is common to find a former fisherman working at a beach resort, or farmers who have become paid labourers in fish farms.

But in this shift towards tourism and

aquaculture, much more is at stake than a mere switch in jobs for local residents. In Bang Phat village, for instance, as part of the government's rehabilitation programme, fisherfolk were asked to raise snakehead and coral fish to supply neighbouring Phuket and other parts of Thailand. But the scheme hasn't worked out: the snakeheads have grown big and the villagers are finding it hard to feed them, much less sell them. Small fishes that could have been the family's meal end up being fed to the snakeheads. And there is no ready market to sell the fish either locally or in the rest of Thailand. Thailand's fishing industry was liberalised under the banner of free trade, with all kinds of promises made about the increased income that would result. Yet these poor residents of Bang Phat cannot sell even a single snakehead because of the lack of a market!

In another area, in Phak Kao district, where shrimp paste is very much part of the food culture, a yacht club was established nearby and residents can no longer catch any of the local shrimp. Many consider shrimp paste to be essential to their diet, and making it is their main source of income. Further complicating the situation is that people have been encouraged through contract arrangements with Charoen Pokphand (CP), the largest industrial conglomerate in Thailand, to raise *Penaeus vannamei*, an alien species of shrimp from the Pacific coast of Latin America. This "white shrimp", as it is called, is known to be vulnerable to several viral diseases and other illnesses, which have on occasion wiped out the entire stock of the farmed shrimp. The species was banned in the Philippines until last year, when the country signed an economic framework agreement with China. As it grows very rapidly, this white shrimp is perfect for aquaculture and it is being increasingly farmed in Phak Kao and other parts of Phang Nga. But there is the very real danger that this species could escape into the open sea and wipe out the entire stock of every other shrimp species with which it breeds! The residents we spoke to were shocked at the idea, but at the same time, out of desperation perhaps, they use the alien species to make shrimp paste.

The local people in Phang Nga are wondering what is going on, with this flurry of new activities. Although the authorities have said little, they suspect that the initiatives are linked to the numerous free trade agreements that the Thai government has been signing with different countries. They seem to have grounds for their suspicions. For example, much of the development in Phang Nga bay is bankrolled by the EU. Might this not be linked to the EU-ASEAN FTA that is currently being negotiated, they are asking? Will the situation of farmers and fisherfolk get even worse as a result?

Elsewhere in Asia, more and more fisherfolk groups are becoming wary of these free trade agreements. Various groups in the Philippines have opposed the Japan-Philippines Economic Partnership Agreement, saying that one of the consequences will be that many Filipino fisherfolk will lose their livelihoods, as Japanese fleets will get free access to Philippine waters, particularly to tuna fishing. In Kerala in India fisherfolk groups are also worried that the EU-India trade and investment agreement will threaten local fishing communities. Under this agreement, it will become possible to import certain species of fish, such as sardines, mackerel, mullets, anchovies and flounder, under minimum tariffs, which will damage the livelihood of India's traditional fishworkers.

After years of talk and preparatory processes, the EU and ASEAN finally agreed in May 2007 to start negotiating an FTA. This FTA is poised to include several agreements that would put strong emphasis on structural reforms in investment, services and intellectual property in ASEAN countries, in exchange for improved market access for ASEAN exports into the EU. Fisheries are amongst the sectors that would be further liberalised under this FTA. Call it a partnership or cooperation or a framework agreement – which is how it's generally presented – an FTA is essentially about increasing business opportunities in a liberalised, privatised, deregulated environment, which is perfect for big TNCs. As always, big corporations will win while small folks will lose. 

