

Sustainable Development and the Philippine Fisheries Code: A Critique

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In the Philippines, the fisheries sector hosts some of the worst environmental problems endangering the country. In view of this, the effort to attain a more sustainable form of development in this sector is critical.

Recently, an important law, the Philippine Fisheries Code (Republic Act 8550), was enacted to respond to this concern. The Code aims to develop, manage and conserve the fisheries and aquatic resources of the country. It also consolidates all previous laws affecting the fisheries sector as well as repeals and modifies past decrees which are inconsistent, making it the binding law in the sector.

Review of performance

For the past two decades now, the overall fisheries sector has been performing poorly in terms of production. Annual production growth rates for the period 1987-1997, for instance, were low especially in terms of volume (Table

1). And though the rates were positive, they posted a general decline from 1991 to 1995, after which they turned negative. The picture was much better in terms of value in view of the high prices of fish products.

Among the three subsectors in fisheries, namely, *municipal*, *commercial* and *aquaculture*, municipal fisheries registered the worst production performance both in terms of volume and value. Commercial fisheries fared a little better but just the same, its annual growth rates have been declining since 1990. It was the aquaculture subsector which performed the best but beginning in 1995, it, too, started to show negative growth rates, indicating that it is not devoid of problems.

Such weak production performance of the overall fisheries sector becomes glaring when compared to the gross national product (GNP) and crop agriculture (Table 2). Both GNP and crop agriculture production grew faster in the 1987-1997 period, bringing the share of fisheries production to GNP to an even smaller proportion. In fact,

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Table 1. Annual Growth Rates of Philippine Fish Production by Sector, 1988 -1997

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	Average
<i>Quantity (%)</i>											
All sectors	3.92	3.10	5.58	3.82	1.03	0.24	3.38	2.33	-0.54	-0.10	2.28
Commercial	1.49	6.17	9.98	8.45	5.94	2.42	4.24	3.95	-1.59	0.63	4.17
Municipal	0.72	3.38	2.47	1.32	-5.44	-6.49	-2.11	-2.07	-6.46	1.68	-1.30
Aquaculture	6.88	4.97	6.64	3.17	6.35	7.77	9.51	5.75	6.73	-2.40	5.54
<i>Value (%)</i>											
All sectors	12.77	7.06	15.71	15.06	9.01	7.29	14.21	3.57	0.10	-2.88	8.19
Commercial	4.58	7.43	12.48	22.84	10.21	7.26	14.94	21.00	-2.03	5.62	10.43
Municipal	3.26	10.55	4.96	14.68	2.37	-2.76	11.09	8.13	-4.12	7.96	5.61
Aquaculture	33.20	3.02	30.59	10.70	14.70	16.06	16.12	-4.27	-0.94	-17.45	10.17

Source: Bureau of Agricultural Statistics (various years).

The Fisheries Code and sustainable development

It is clear from the above that the problems affecting the fisheries sector call for answers that will not simply help raise output but also make sure that the improvement in production output is done in a more sustainable and equitable manner.

by 1997, fisheries production comprised only 3.2 percent of GNP, down from a high of 5.6 percent in 1987.

What's bugging the sector

To determine whether the Fisheries Code can provide a halt to the decline of the fisheries sector, it will be useful to first see what the problems are. There are three major interrelated and intertwining problems, to wit:

Increasing resource depletion and environmental degradation. The fish stocks of the country, particularly in coastal waters, are seriously depleted due to overfishing and destructive fishing. A large portion of marine water resources is also seriously damaged.

Poor production. Low productivity is due to many factors, among them, high input costs, low technology, natural calamities and underexploitation of rich offshore areas. Post-harvest losses due to improper handling, processing and poor facilities are also a problem.

Worsening poverty. The sad economic plight of artisanal fishermen is well known. A 1994 estimate puts some 270,000 fishing households along coastal villages as among the poorest of the poor.

In this regard, the Fisheries Code is laudable because it categorically declares that the sustainable development, management and conservation of fishery and aquatic resources are both a policy and an objective of the state.

But is the Code enough? Below, let us look into some of the key areas which the Code focuses on in an effort to respond to the need for sustainable development in the fisheries sector. Wherever appropriate, the shortcomings/gaps will be indicated.

The price is not always right: Correcting resource pricing through more accurate user fees

Government, through a system of user fees, has the power to correct resource pricing in the fisheries sector. Low user fees usually lead to inefficiency among users since they do not reflect the real value of resource rents. In the fisheries sector, users of its finite resources have had the advantage of paying—if at all—low user fees for years.

To correct the market, government must therefore raise user fees to more accurately reflect the real value of resource rents. This will lead to a more competitive industry with higher outputs at lower effort levels, thereby reducing overfishing without sacrificing production. Commercial fisheries and aquaculture are two subsectors

where resource rents are potentially high.

The Code's provisions on correct resource pricing are reflected in Section 6 which stipulates that rental for government-owned fishponds and licenses for commercial fishing boats should reflect resource rent, and in Section 7 which requires that the number of licenses and permits be based on maximum sustainable yield with preference given to users residing in the local communities. These are significant steps in ensuring the optimal use of depletable marine resources. The Bureau of Fisheries and Aquatic Resources (BFAR) should now calculate true resource rents and maximum sustainable yields and implement the correct resource pricing in commercial fisheries and aquaculture.

Property rights as an incentive to sustainable development

The proper delineation of property rights is another standard economic prescription for overfishing. When the long-term rights of fishermen are well defined, they have a greater incentive to care for the body of water assigned to them since they are secure in the thought that its bounty will accrue to them. Well-defined property rights are especially important to sustainable development in municipal fisheries.

The Local Government Code of 1991 has already dealt with overexploitation due to open access by giving local gov-

ernments considerable power to deal with the issue. The Fisheries Code goes a step further as it assigns to nongovernment organizations and other local organizations the power to manage coastal resources through Sections 20 and 22. Sections 17 and 21 also uphold the priority of resident fisherfolks and organizations in fishery rights as well as in exploiting demarcated fishery areas within their communities.

Section 18 of the Code, however, is controversial since it allows for some small- and medium-scale commercial fisheries operations in municipal waters within 10 and 15 kilometers offshore. This contradicts the Local Government Code provision that waters 15 kilometers off the shore are the sole domain of municipal fishermen.

Although commercial fishing in the 10- to 15-kilometer boundary will allow optimal fishing in areas where the limited gears of municipal fishermen are not suited, this may have a negative effect on municipal fisheries' stocks as the contested area serves as buffer zone for the coastal fisheries ecosystem. The BFAR should thus investigate the scientific merits of the issue.

More bite, less bark: Ensuring better monitoring and enforcement

Effective monitoring and enforcement are necessary for laws to have bite. The Fisheries Code gives both national and local governments and the general public respon-

Table 2. Gross National Product, Crop Agriculture Production and Fisheries Production in the Philippines, 1987-1997

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
<i>Value (P million)</i>											
GNP	665,443	782,069	905,459	1,071,433	1,254,562	1,374,838	1,500,287	1,736,382	1,958,932	2,261,339	2,526,891
Crop agriculture	107,473	125,313	144,407	153,925	164,312	172,710	177,472	199,327	230,396	270,015	276,826
Fisheries	37,349	42,118	45,094	52,177	60,033	65,444	70,216	80,192	83,057	83,139	80,745
<i>Ratios (%)</i>											
Fisheries/GNP	5.61	5.39	4.98	4.87	4.79	4.76	4.68	4.62	4.24	3.68	3.20
Fisheries/ Crop agriculture	34.75	33.61	31.23	33.90	36.54	37.89	39.56	40.23	36.05	30.79	29.17
Sources: National Statistical Coordination Board (1997), Bureau of Agricultural Statistics (various years)											

sibility for monitoring and enforcement. Section 14 in particular tasks the Department of Agriculture (DA) with creating a monitoring, control and surveillance system in coordination with relevant sectors to ensure fisheries management on a sustainable basis.

Meanwhile, Section 65 gives the BFAR the power to enforce the law governing the conservation of fishery resources, except in municipal waters. Sections 16, 73 and 77 require local governments and fisheries and aquatic resources management councils at lower levels to conduct or assist law enforcement in municipal waters.

While pertinent sections are abundant, the problem of limited means for monitoring and enforcement, however, has not been explicitly addressed by the law. It appears that the Code simply intends local governments to share the burden of monitoring and enforcement but the practicability of this approach needs to be further studied.

Command and control instruments

The use of command and control instruments has been a prevalent approach in environmental management and the Fisheries Code has reinforced this. In particular, Section 12 requires proponents of environmental fisheries projects to submit to the Department of Environment and Natural Resources environmental impact statements (EISs) and Section 13 requires environmental compliance certificates (ECCs) prior to the start of such projects. It is expected that Sections 12 and 13 will improve fisheries management by allowing the general application of the EIS and ECC requirements, both sparingly and selectively applied in the past.

Market-based instruments

When combined with command and control instruments, market-based instruments such as fees and permits have been found to work effectively in certain countries in achieving the goal of sustainable development in the fisheries sector.


The Fisheries Code precisely recognizes the importance of their use as gleaned in its Section 48 which re-

quires the DA to formulate incentives and disincentives such as effluent fees, user fees and negotiable permits to encourage compliance with environmental standards and promote sustainable management practices in aquaculture. The BFAR should start working on the development of these specific and appropriate market-based instruments for the aquaculture subsector. At the same time, it may be the right time to take a second look at this particular provision to reconsider the inclusion of the commercial fisheries subsector in the coverage.

Conclusion

The Fisheries Code aims to make substantial contributions to sustainable development. As such, early in the game and without wasting more time, the provisions of the Code should immediately be implemented by authorities. The most urgent of these are the formulation of correct resource pricing in commercial fisheries and aquaculture, requirement of environmental impact assessments and environmental compliance certificates for all projects, and the implementation of market-based instruments.

On the other hand, some contentious provisions of the Code should be reconsidered, including the provision granting access to commercial fishermen in municipal waters. The lawmakers must also address those instances where the law mandates the enforcement of environmentally-desirable public services yet provides little indication on how they will be funded.

A categorical judgment of the contributions of the Fisheries Code to the goal of sustainable development cannot, as yet, be done. It is an unfinished business. The final word depends on how well the executive branch of government is able to implement the provisions of the Code and how well the public adapts to these changes. 

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