Title: Moving beyond financial value in seafood commodity chains

Authors: Michael Fabinyi\textsuperscript{a}, Wolfram Dressler\textsuperscript{b}, and Michael Pido\textsuperscript{c}.

a Corresponding author: University of Technology Sydney, 235 Jones st, NSW 2007. Email: michael.fabinyi@uts.edu.au. Phone: (+61 2) 9514 2308

b School of Geography, University of Melbourne, Parkville 3052, VIC, Australia. Email: wolfram.dressler@unimelb.edu.au. Phone: (+61) 402761208.

c Center for Strategic Policy and Governance, Palawan State University, Tiniguiban Heights, 5300 Puerto Princesa City, Palawan, Philippines. Email: m.pido@psu.palawan.edu.ph Phone: (+63 48) 434 0109

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Abstract

Emerging forms of governance and many academic analyses of seafood commodity chains currently have a strong focus on financial value, transmitted in a linear ‘vertical’ fashion from fisher, through traders to eventual consumers. This Brief Communication argues that the social dimensions of value must be given explicit attention in analysis if seafood commodity chains are to be made more equitable and sustainable in changing governance contexts. The paper draws on evidence from selected seafood commodity chains across the Philippines, demonstrating the range of co-produced social values that are of equal or greater significance than financial value. Fishers, traders and consumers, all generate multiple social values that shape the nature and outcomes of seafood commodity chains. In contrast to forms of fisheries governance that focus exclusively on financial or ecological values, the paper suggests that integrating multiple social values into the governance of seafood commodity chains, as well as at the site of production, should become a core focus of research and policy.

KEYWORDS: seafood trade; commodity chains; value chains; Philippines

1. Introduction

Increasing demand for seafood has converged with social and economic changes in coastal sites of production to dramatically intensify seafood trade. In response, a growing academic literature has tried to examine the causes, natures and consequences of expanding seafood trade [1-4], with a growing subset of this research analysing fisheries trade in terms of ‘value chains’ or ‘commodity chains’ [5-8]. Commodity chains are a distinct field of study, with a wide variety of perspectives, approaches and terminologies informed by different disciplinary and epistemological underpinnings [9-11]. However, the approach taken to analyse seafood
commodity chains has so far mostly followed a fairly narrow subset of commodity chain approaches. Such analyses have a strong focus on financial value, transmitted in a linear ‘vertical’ fashion from fisher, through traders, exporters and importers through to eventual consumers. The emphasis in such studies is frequently on understanding how financial value is distributed within the commodity chain, and on investigating opportunities for actors to upgrade their position in the commodity chain in order to obtain greater financial value. For example, a recent major project by the FAO on fishery and aquaculture value chains focused largely on economic upgrading and prices [12].

Environmental governance practices have also shifted from a conventional focus on place-based measures (quotas, gear restrictions, seasonal closures, protected areas etc.) to a focus on seafood trade and financial value through market-based tools such as certification and eco-labelling, catch documentation and traceability (CDT) [13]. However, prioritising value as financial in such analysis and governance practice has largely come at the expense of understanding the contextual, relational production of varied social values along seafood commodity chains. This has particular implications for the coastal poor who sit at the extractive end of commodity chains, and who are most vulnerable from changing governance approaches as well as dwindling fish stocks.

A growing field of social research has highlighted the importance of multiple values in small-scale fisheries. Literature on ‘interactive fisheries governance’ [14], for example, has shown how effective governance needs to acknowledge and incorporate multiple, often conflicting values among different groups. In particular, scholars have used the concept of wellbeing as a way to frame the multiple values affiliated with small-scale fisheries, arguing that wellbeing goes well beyond financial values to include material, subjective and relational dimensions [15-16]. However, while emerging social research on seafood commodity chains is expanding rapidly [e.g. 11, 17] there remains less emphasis on explicitly integrating the idea
of multiple values into work on seafood commodity chains. This Brief Communication therefore stresses that not only do multiple forms of value matter along seafood commodity chains over time, but that they are also produced in a relational manner and must be understood in this context. Emphasising the importance of historical and social perspectives on commodity chains, the paper argues that the relational dimensions of value must be given explicit attention in analysis if value chains are to be rendered more equitable and sustainable in changing governance contexts.

We argue that both commodity chain studies of fisheries and market-oriented governance practices could benefit from a broader and more contextual engagement with the idea of value. It specifically shows the significance of taking a broader view of ‘value’ and investigating how such values are changing in different contexts across scales and geographies. Rather than using the commodity chain as a formal tool with specific quantitative assessments, the paper uses the notion as a heuristic lens to more deeply contextualise and rethink the complex character of value production along the chain. The paper does so by drawing on notions of value from selected seafood commodity chains across the Philippines. The aim is to highlight how the commodity chain transmits not only financial value along the chain, but also expresses – as commodities move in and out of different social contexts, and across varied biophysical locations [18] – a range of other values (socio-cultural, political or otherwise) that are as significant as financial value but in different ways. Anthropologists, for example, have long argued that economic exchange practices are always intertwined within social relationships that give them meaning [19-20]. If, as Appadurai [20] noted, all commodities have ‘social lives’ intertwined with both capitalist and non-capitalist relations, meanings and practices, then because these vary over time and space, the production of value within and between things and peoples is contingent on specific histories, ecologies, peoples and places [21: 15]. The varied values of seafood in trade are therefore
‘produced and related to or embedded within the larger sets of social relations’ along value chains [22, 20: 15].

The Philippines is a site of particular significance for the study of seafood commodity chains for several reasons, including: its heavy reliance on fisheries for the livelihoods of millions of coastal poor; its role as a globally significant producer of fishery products [23]; the high number of governance arrangements pioneered and implemented in the country [24]; the exceptionally high marine biodiversity [25]; and the strong threats to the marine environment [26]. Examples are drawn from specific value chains in the published literature.

2. Fishers

At the extractive end of commodity chains in the Philippines, poor coastal fishers’ ‘transactional’ engagement is most often represented by a figure of financial value, such as the beach price obtained by the fisher [7], or to the proportion of overall financial value obtained by the fisher [27]. From this perspective, fishers become closely identified with the financial aspects of seafood trade, and can be labelled as ‘price-takers’ [8]. These depictions are not inaccurate – fishers at the extractive end of value chains across the country face a range of significant challenges to generate income, many of which are site and region specific. A lack of adequate post-harvest facilities, for example, means fishers struggle to add financial value to their products and remain subject to the prices offered by traders.

However, such a focus on direct financial value reduces the complexity of different roles, values and ideas involved in the act of fishing. At a broader level, for example, poor fishers at the ‘extractive end’ see fishing not simply in terms of ‘Peso value’ but also relative to the idea of livelihood (hanapbuhay) and food – indirectly through sales of fish but also through
the ‘use-value’ of fish in terms of direct consumption by fishers. Often fishers will trade the
best-quality fish for income and rice, and eat the cheaper, smaller varieties [28]. From a
socio-cultural perspective, the value of fisheries production can also be valued through its
linkages to reciprocity and sharing, such as how it can mediate relationships between fishers
and other community members [29]. Russell and Alexander [30], for example, highlight the
pressure on commercial fishers to give away portions of their catch among different members
of the community. Giving away fish can be emblematic of other values such as masculinity,
as in many fishing communities generosity and fishing ability are significant markers of a
gendered social status [31]. Fishing can also be valued in other non-economic ways: fishers
have a variety of socio-cultural motives for fishing, such as independence [32].

Fishers also experience changing values that affect how they participate in seafood
commodity chains. The mobulid ray (Mobulidae) fishery in the Bohol Sea, for example, has
changed dramatically over the course of several decades. Originally, this fishery was based
around the capture of rays, for the local consumption of meat. Since the 1980s, however, the
mobulid fishery has transformed to one based around the export of gill plates, ultimately to
China. It has therefore shifted from a local fishery commodity chain where the relative
emphasis was on the use value of food consumption for local households, to one where the
relative emphasis is almost completely now focused on a much more discrete exchange value,
for the correspondingly discrete gill plates [33].

Issues of gender (and other social relations such as ethnicity) also factor into and strongly
inform the production of social value at the extractive end of the commodity chain. In the
fisheries sector, women’s significant roles in the pre- and post- harvest sectors have been
well-established, as well as their role in gleaning [34-35]. Many of women’s and children’s
labour contributions (e.g. gutting/cleaning/drying of fish, net mending, marketing) are
relatively neglected in decision-making processes, and do not entitle them to the same rights as male fishers [36]. Crucially, the capitalist relations of production and exchange that underpin commodity chains often also render invisible and unvalued the unpaid female labour of reproduction, child care and other domestic chores that allow male fishers to go out to sea.

3. Labour and trading

Beyond the extraction of fish, individual roles and working conditions are changing, and can intensify along the chain. Small-scale capture fisheries, with smaller capital and crews, tend to operate as petty commodity producers, with kin relations playing significant roles in employment and also in terms of understandings of how fishing success is valued [37]. By contrast, the large-scale commercial fisheries that developed in the Philippines through the twentieth century [38] tend to operate on principles of firms or corporations, with contracts, wages and non-personalised crew recruitment [30]. Similarly, as large-scale aquaculture becomes more prominent across the Philippines (e.g. for milkfish, tilapia and prawns), fishers who transition to this work tend to become more subject to the broader financial goals and values of the company. The transition from capture fisheries to aquaculture also has potentially negative consequences for nutritional values of fish for consumers [39].

Multiple values in seafood commodity chains are also expressed through the diverse roles of traders. Traders are often emphasised to be the actors who extract the largest portions of financial value in fisheries commodity chains [7,27,40] and are sometimes consequently labelled as exploitative. Traders do indeed obtain greater proportions of financial value in many seafood commodity chains, and incidents of extreme exploitation have been well-documented, for example in the notorious muro-ami fishery of the 1980s [38], as well as more recent concerns over forced labour [41]. Yet the role of traders also generates
significant value for the broader livelihoods of poor fishers. In particular, they frequently provide credit to fishers in an environment where other forms of credit (e.g. from the government or private banking institutions) are inaccessible because of stringent lending requirements, or are only offered at very high interest rates. For many fishers, the credit offered by traders is an important means to begin a new fishing enterprise. In the rural Philippines, such relationships are typically not confined to the provision of credit for fishing, but can extend as a social safety net during periods of financial hardship. For example, fishers in the live reef fish trade in Palawan frequently request loans from their buyers for rice and other essential purchases if there is bad weather [42]. Importantly, the relationships between fishers and traders in the Philippines are also embedded in local cultural values such as pity (maawa) for the poor, a ‘right to survive’ [43], pakikisama (the ability to get along with people) and utang na loob (debt of gratitude).

4. Consumption

At the point of consumption, different social values in varied geographies also heavily influence the nature of the chain. Increasingly, consumer preferences for sustainably managed fish in locations such as Europe influence the ways in which fish for some export markets must be caught, subsequently informing the development of fisheries regulations in source countries such as the Philippines [44]. However, such values vary significantly among end markets – in China, for example, live groupers are valued not in terms of their environmental sustainability, but by their signification of social status and ‘face’ (mianzi) for guests at banquets [45]. These Chinese social values have meant that fishers in the Philippines target fish of particular size and colour, and has meant that trade has expanded rapidly with limited regulations for environmental sustainability [42]. The preference is usually for a plate-size red coral grouper, which is a sub-adult or has not yet spawned. Such
qualitatively different values about the consumption of fish therefore fundamentally shape the ways in which many seafood commodity chains develop over time. From this perspective, value is not simply a financial quantity to be identified and measured, but one which is fundamentally relational, and meaningful through its links with other ideas, processes and activities [16]. Seeing seafood commodity chains from this relational perspective has implications for how governance of value chains is perceived.

5. Governance

In recent decades, conservation and ecological values have become increasingly prominent for the governance of seafood commodity chains in the Philippines. While a plethora of governance tools exist that include both state and non-state actors, CDT and certification are two linked tools associated with commodity chains that are rapidly growing in uptake and significance [46]. These market-based tools are designed to work with fisheries trade rather than against it. Certification such as that of the Marine Stewardship Council aims to more effectively regulate fisheries stocks by linking market actors such as traders and fishers to the idea of sustainable seafood, which commands a price premium in many markets. CDT is a fundamental component of certification that helps ensure the fish are legally caught and properly labelled. In such a way, market actors are supposed to become incentivised to participate in environmentally sustainable value chains, and so financial value can be generated while maintaining the ecological integrity of the fish stocks.

While certification has so far mostly been limited to fisheries in developed countries, steps towards certification (such as through Fisheries Improvement Projects and CDT programmes) are increasingly being applied in developing countries such as the Philippines. However, the ways in which small-scale fishers will be able to access the financial value gains associated with such market-oriented mechanisms, and the ways in which rights and equity will be
valued, remain crucial questions [47]. Any approach to fisheries governance that focuses exclusively on generating financial and ecological values has the strong potential to subsequently ignore and impact upon the other types of values highlighted in this paper [48, 49,50].

6. Recognising social values in seafood commodity chains

In contrast, other emerging forms of fisheries governance and political approaches, which are not exclusively focused on financial and ecological value, have the potential to better account for multiple and changing values that reflect the context of people and places [49]. Firstly, research on wellbeing has strongly emphasised the need to understand multiple social values [16], and new methods elucidate ways to understand and incorporate the multiple values of fisheries along the commodity chain [51,52,53]. Secondly, human-rights approaches to fisheries governance are becoming more prominent, expressed through initiatives such as Fairtrade fisheries [54], the FAO Voluntary Guidelines for Small-Scale Fisheries [55], attention to gender mainstreaming in fisheries development projects, and calls for socially responsible seafood [56]. These human-rights based approaches that emphasise ‘social upgrading’ do not depend on states or markets alone, but instead involve greater roles for a wider range of actors including organised labour and civil society groups [57]. When coupled with each other, explicit attention to fishers’ entitlement to a better income and safety nets (e.g., education, health costs) that facilitate greater opportunities for well-being might emerge at the extractive end of commodity chains.

Well-designed and targeted subsidies for small-scale fishers [58] have the potential to ensure an overall rise in basic minimum income that aligns with and supports explicit social values and aspirations at the household level (e.g., educational opportunities) [59]. This is, in effect,
a ‘subsidy for social values’ at the poorest, most marginalized end of seafood commodity chains. From within and beyond the seafood industry, different income support plans can enable aspirational spaces for fishing households, with explicit insurance and gender provisions [59]. Such methods amount to bundling fisheries income subsidies and well-being concerns in order to create spaces that allow for the coastal poor to express and enact social values, needs and aspirations [60]. While any model of governance will involve simplifying local rural complexity in order to render technical solutions [61], how to ensure that approaches seeking to expand the capabilities of small-scale fishers should remain a core focus of both research and policy.

References


