

Philippines



UK seafood industry imports from the Philippines 2018

Fish Type	Value, £	Weight, tonnes
Tuna	55,758,842	15231
Other fish	342,234	96
Warm water shrimps & prawns	674,275	82
Ornamental	353,505	41
Sardines	47,581	30
Prepared and preserved shrimps and prawns	63,585	16
Mackerel	7,581	3
Other shellfish	4,293	0
Aquatic invertebrates	4,670	0
Caviar	11,717	0

*Source: Her Majesty's Revenue and Customs (HMRC).

Introduction

This report is part of a series of country risk profiles that are designed to provide an understanding of the social risks associated with source countries that play a key role in the UK's seafood industry. Each report covers risks related to the production and processing of wild catch and aquaculture seafood products.

This report covers issues such as forced and child labour, working conditions, and impacts of the industry on local communities, and the mitigation efforts and regulatory frameworks put in place to address these issues.

This country risk profile has been compiled by Verisk Maplecroft on behalf of Seafish. Information on issues has been collated from publicly available sources, varying from international rankings and ratings, research by academics and other organisations, through to media articles. It has been prepared for general information only. You should not rely solely on its contents; always verify information from your own suppliers in your own supply chain. References for all information sources are provided.

Overview

The Philippines is regarded as one of the world's third most coral-rich countries after Australia and Indonesia. Over the last 20 years, that bounty has suffered drastically due to human destruction, leading to a loss of a third of its coral due to human destruction. As a result, Philippine fishery production has declined. Despite this, fishing is an important industry in the Philippines – ranking next to farming and livestock production in terms of meeting the food requirements of the population. Major seafood exports from the Philippines to the UK include skipjack tuna, miscellaneous tunas and other marine fish.

Social risks

There is substantial evidence of forced labour in the country's tuna industry. Media and NGO reports have found widespread evidence of Filipino fishermen forced by subcontracting boat owners into fishing illegally in Indonesian waters.¹ Employers reportedly deceive workers across maritime borders, leaving them no opportunity to offer their consent.² More than 600 Filipino fishermen have reportedly been arrested and imprisoned in Indonesia, with subcontracting employers denying assistance in repatriating them.

In addition, workers in both handline and purse seine tuna fishing were found to work under conditions of debt bondage.³ Fishermen reportedly took cash loans or received products such as food or medicine at inflated prices, subsequently finding themselves in a position where they were effectively unpaid for their work. Workers in fresh frozen processing and canning were also reported to be indebted to employers and paying off their debt through salary deductions.⁴ Companies sourcing from the Philippines fishing industry are likely to continue to encounter labour rights violations, including debt bondage in their supply chains, in the foreseeable future. This is particularly due to the widespread frequency of such cases, and the lack of adequate enforcement of labour rights in the sector.

Human rights and conservation groups have criticised leading certification schemes as ineffective in identifying, preventing or protecting workers from violations. New certification requirements for on-shore seafood operators, issued by the Marine Stewardship Council (MSC) in March 2019, were assessed by leading rights groups as weak and inadequate in tackling forced and child labour in seafood supply chains.⁵ Stakeholders from labour, human rights and environmental groups claim that the standards by which seafood operators were assessed were inadequate, with those in countries deemed as 'low risk' exempt from the labour requirements for the certification. In addition, operators from countries identified as 'high risk' are required to undergo third-party labour audit programmes that stakeholders claim have proven to be ineffective in other supply chain sectors such as palm oil and cocoa.⁶

The absence of formal contractual arrangements put workers in a position where they are vulnerable to exploitative working conditions. This is prevalent throughout the supply chain, from fishing, processing and canning, with workers subject to excessive working hours, a lack of social security protections and sudden changes to working terms, including earnings received. Such informal arrangements make enforcement of labour standards difficult. The prevalence of indirect employment in canning, where workers lack direct relationships with canning companies, mean that they are not allowed to join unions and therefore lack access to grievance mechanisms.⁷ The lack of worker agency hinders traceability in global supply chains, increasing the risk of workers being exposed to poor working conditions and in some cases, conditions of forced labour – this presents heightened reputational and legal risks to companies sourcing from the Philippines.

A Supreme Court ruling holding a large tuna producing company accountable for labour rights violations on outsourced fishing vessels demonstrates the risks of using third party labour suppliers. In March 2017, a final verdict was issued holding Citra Mina responsible for the termination of the contracts of 32 workers without compensation, who were hired through a recruitment agency.⁸ The Mindanao-based company is the second largest tuna exporter in the Philippines and exports its products to international markets, including Europe.⁹

Human Rights groups have reported that labour rights abuses by Citra Mina have been persistent and systematic, including cases of slave-like working conditions, forced labour and alleged human trafficking.¹⁰ The 2017 Supreme Court ruling indicates increasing pressure on the industry to tackle labour rights violations in their supply chains. International companies found to source from Citra Mina, or other suppliers with similar supply chain violations, face potential reputational consequences, particularly if reports of forced labour gain media traction.

Other labour rights violations cited by unions as sources of conflict include unfair mass dismissals, anti-union policies adopted by companies and the 'Cabo' subcontracting system that involves third party labour suppliers.¹¹

Regulations and risk mitigation

The government is undertaking efforts to reform fishery management policy and strengthen enforcement against illegal fishing. Government agencies have partnered with conservation groups in tightening the monitoring of illegal fishing in the Tanon Strait, between Cebu and Negros, the country's largest biodiversity conservation spot.¹² The Philippines Fisheries Bureau have also partnered with conservation group Environmental Defense Fund (EDF) to establish reforms for major commercial fisheries by 2022.¹³ Practices where fishermen have an ownership stake in fisheries in exchange for adhering to sustainable catch limits could reportedly quadruple fish populations by 2050.¹⁴ In November 2018, the government signed a joint memorandum banning bottom trawling in the municipal waters in the Philippines, showing increased attention to the protection of marine wildlife.¹⁵

However, continued corruption amongst local enforcement officers hinders the prohibition of illegal fishing on municipal waters. A study conducted by Marine Conservation Philippines stated that interviews with local fishermen revealed vested interest amongst political elites in protecting illegal fishing interests.¹⁶ Political ties reportedly influence the outcome of sanctions laid on to non-compliant fishery companies.¹⁷ Persistent graft will continue to pose significant operational, reputational and legal risks for companies sourcing from or operating in the country.

International conventions and rankings

The following tables indicate which international labour conventions the Philippines has ratified. The ratification of these conventions is a good indicator of a source country's commitment to enforcing internationally accepted best practices in the seafood industry when combined with thorough national legislation and well-resourced enforcement mechanisms.

International Labour Organization (ILO) Conventions	Ratification
Freedom of Association and Protection of the Right to Organise (No. 87)	Yes
Right to Organise and Collective Bargaining (No. 98)	Yes
Forced Labour (No. 29)	Yes
Abolition of Forced Labour (No. 105)	Yes
Equal Remuneration (No. 100)	Yes
Discrimination (Employment and Occupation) (No. 111)	Yes
Minimum Age (No. 138)	Yes
Worst Forms of Child Labour (No. 182)	Yes
Hours of Work (Industry) (No.1)	No
Weekly Rest (Industry) (No.14)	No
Protection of Wages (No. 95)	Yes
Minimum Wage Fixing (No.131)	Yes
Occupational Safety and Health (No. 155)	No
Occupational Health Services (No. 161)	No
Labour Inspection (No. 81)	No
Private Employment Agencies (No. 181)	No
Work in Fishing Convention (No. 188)	No
Maritime Labour Convention (No. 186)	Yes

United Nations (UN) Conventions	Ratification
Convention against Transnational Organized Crime and the Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children	Yes
Convention against Transnational Organized Crime	Yes
Convention for the Suppression of the Traffic in Persons and of the Exploitation and the Prostitution of Others	Yes
Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families	Yes
Convention to Suppress the Slave Trade and Slavery	Yes
Supplementary Convention on the Abolition of Slavery, Slave Trade and Institutions and Practices Similar to Slavery	Yes
Protocol against the Smuggling of Migrants by Land, Sea and Air	Yes

Other Conventions	Ratification
FAO Agreement on Port State Measures to Prevent, Deter and Eliminate Illegal, Unreported and Unregulated Fishing	No

Rankings in global indices

US Department of State Trafficking in Persons (TIP) Report

The TIP report is released annually by the US Department of State and offers a summary of the laws and enforcement efforts of various countries with respect to human trafficking. Specifically, it ranks countries based on a '3P paradigm' of prosecuting traffickers, protecting victims and preventing crime. Scoring on these elements is then collated to give each country a ranking. The rankings range from Tier 1 which indicates governments of countries that fully comply with the Trafficking Victims Prevention Act (TVPA) minimum standards for the elimination of trafficking to Tier 3 for the governments of countries that do not fully comply with the TVPA's minimum standards and are not making significant efforts to do so.

Rating: Tier 1

According to the US Department of State's 2019 Trafficking in Persons report, the Philippines meets the minimum standards for the elimination of trafficking. However, the report does state that, despite the governments prevention and enforcement efforts, forced labour remains prevalent in the fishing industry.¹⁸

Global Slavery Index

The 2018 Global Slavery Index measures the extent of modern slavery country by country, and the steps governments are taking to respond to this issue, to objectively measure progress toward ending modern slavery.

There are two rankings:

1. Rankings of countries by prevalence of the population in modern slavery. Rankings range from 1 to 167 - with 1 the worst and 167 the best, in terms of the prevalence of slavery.
2. Rank of countries in terms of Government response to the issue. This is an indication of how governments are tackling modern slavery. This ranking ranges from AAA at the top to D at the bottom, with AAA denoting the most effective and comprehensive Government response.

For prevalence the Philippines ranking is: 30/167 (where a ranking of 1 indicates highest risk).

Overall, the Philippines is one of the higher risk countries scored on the index. According to the special report on the fishing sector, it is considered a medium risk country for modern slavery in the industry.¹⁹

In terms of Government response the Philippines ranks BB. This indicates government has introduced a response to modern slavery that includes short-term victim support services, a criminal justice framework that criminalises some forms of modern slavery, a body to coordinate the response, and protection for those vulnerable to modern slavery. There may be evidence that some government policies and practices may criminalise and/or cause victims to be deported and/or facilitate slavery.

EU Illegal, Unreported and Unregulated Fishing Carding Process/Watch List

Under the IUU Regulation, non-EU countries identified as having inadequate measures in place to prevent and deter this activity may be issued with a formal warning (yellow card) to improve. If they fail to do so, they face having their fish banned from the EU market (red card) among other measures.

The Philippines was removed from the EU IUU watch list in 2015.²⁰

Endnotes

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For further information see the **Seafish ethics in Seafood** web page.
Available at: <https://www.seafish.org/article/ethics-in-seafood>