

U4 Expert Answer



Dealing with petty corruption in fishing and small-scale farming

Query

Do you know of any experiences or approaches to tackle corruption in natural resource management effectively on a local level? What options exist to support anti-corruption effectively on the local level without putting relations with existing government structures at risk?

Purpose

Working on an environment and rural development programme in the Philippines we are challenged daily with corruption on a very local level. Small-scale farmer and fisher-folk households often have to pay illegal permits or acceleration fees to local government officials. Such schemes are backed by the officials' superiors. Although the amounts are not high, the impact on household incomes is devastating. We aim to integrate anti-corruption into the programme's implementation in order to ensure we can achieve our objectives and indicators: *to increase household incomes of poor farm and fisher-folk households*. Most existing studies and approaches on corruption in the natural resource management sector focus on large-scale corruption or extractive industries. It would be useful to have some advice on local level anti-corruption approaches.

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Summary

As is the case with other resource sectors, the most effective way of combating petty corruption in farming and fisheries appears to be through strengthening transparency and accountability. At the local level, this can be achieved through greater public disclosure of official documents, changes to the governance structures of the sectors and the use of e-governance. Improving working conditions of local government institutions, raising salaries and developing a culture of ethical integrity are also important steps in removing the opportunity and need for local level corruption.

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Increased citizen participation in decisions regarding licenses and permits, as well as stronger monitoring and reporting mechanisms are essential to reduce the opportunities for local level corruption. Village committees, social auditing and innovative reporting and complaint mechanisms can help develop the demand side for anti-corruption and good governance measures. In terms of transparency, e-commerce can work to minimise intermediation, enabling farmers and fisher-folk to negotiate better prices for their products.

To make more effective existing anti-corruption policy at the local level, there is a need to strengthen local government structures, enhance sanctions for corruption, raise societal awareness of anti-corruption policies currently in place, and work more closely with civil society.

1 Overview of petty corruption in fishing and small-scale farming in the Philippines

In comparison with other natural resource sectors, corruption in fisheries and small-scale farming has yet to gain the same level of attention from researchers, civil society organisations, and the international donor community. That is not to say corruption is not present in these sectors. According to Transparency International's 2009 Global Corruption Barometer, which surveys people's experiences and perceptions of corruption, 12 per cent of Filipinos reported paying a bribe to access registry/permit services, often used by fisher folk to obtain the licenses required to fish off the country's waters. Moreover, 17 per cent of Filipinos that sought attention from related public authorities reported paying a bribe for land services, such as those typically used by farmers. Among the 1000 people surveyed, 48 per cent of respondents considered the paying of bribes to land authorities in order to obtain favourable decisions a 'very serious problem'.¹

Petty corruption directly impacts individuals, particularly the poor and vulnerable. Illegal payments may be made to avoid compliance with regulations, to secure rights and permits, or to gain access to resources that should be automatic. It is not only those who are able that are asked to pay, but also those who are thought to have no other option.

¹ A Global Corruption Barometer was produced for 2010 but it did not include a separate set of land questions as in 2009.

Empirical studies demonstrate that it is frequently the poor who give up the largest proportion of their income to bribes. A study commissioned to Transparency International by the UNDP shows that lower income households in Peru spend at least twice as much as wealthier households on bribes, while in Colombia the poorest sector loses an average 14 per cent of their income to the payment of bribes (Mayerhöffer, 2006). Those willing or able to give bribes, even if they do so reluctantly, may gain a competitive advantage over those who cannot afford or refuse to pay them. This further adds to their financial burden. Unless addressed, local level corruption will continue to hamper development in the communities that rely on these sectors.

Fishing

In South-East Asia, small-scale fisheries contribute to domestic food security, provide employment and generate export income. In the Philippines, nearly 15 per cent of the population depends on fishing as a significant source of income. The Philippines has approximately 1-2 million fishers, who fully or partially fish for income or food, and possibly a similar number of people who directly derive their livelihood and income through the processing and trading of fish (which is often done by women). The value to the national economy typically hovers around 5 per cent of the country's gross domestic product (GDP). Approximately 80 per cent of small-scale fishers in the Philippines live below poverty thresholds (Mulekom, 2008).

The small-scale fishing sector remains very poorly organised. As a result, it holds very limited political power. Illegal payments are common, with bribes frequently demanded to secure access to resources, for the allocation of permits, or to encourage officials to look the other way. This problem is not limited to the Philippines, and extends to other countries in the wider region. In Cambodia, the ban on fishing of the Tonle Sap Lake - one of South-East Asia's largest - is reportedly ignored by fishing companies who allegedly bribe officials to turn a blind eye to transgressions (UNDP, 2008). This leaves those who are unable to pay at a disadvantage.

Farming

In 2009, the agricultural sector (which includes fishing) accounted for 18 per cent of the Philippines' total GDP. It employs an estimated 12 million people, or 34 per

cent of the country's workforce (see [Bureau of Agricultural Statistics in the Philippines](#)).

Corruption issues affect small-scale farmers in areas such as land title and tenure, credit availability, quality of supplies and water allocation (Fink, 2002). As with the fishing industry, illegal payments are often demanded for access to resources, namely land and water. Product standards and certification constitute another source of corruption, as individual producers attempt to bribe produce inspectors to get the desired certification. In terms of supplies, the Philippine Center for Investigative Journalism have documented that farmers often receive low quality planting materials and unhealthy farm animals from the state (Sarimiento, 2000). Filipino farmers have also long suffered from the lack of market price information and have often been unable to get the best return on their products.

2 Experiences of improving transparency and governance in the sectors

Across all countries, corrupt behaviour tends to be unique to specific governance conditions. At the local level in the Philippines certain factors may help advance anti-corruption efforts:

- Agencies and departments are relatively small;
- Their mandates are narrow and well-defined;

In order to identify priorities for anti-corruption strategies, an investigation should be carried out to identify which transactions in small-scale fishing and farming are most vulnerable to different kinds of corruption.

Existing research regarding governance of fisheries in Pacific islands has identified key areas of work essential to address local corruption (Clark, 2006). These areas include:

1. Improving the transparency of decision-making;
2. Changing the governance structure; and
3. Strengthening institutional quality.

Improving the transparency of decision-making

Increasing availability and accessibility of the information provided to fishing and farming communities would enable them to play an essential role in monitoring the implementation of regulations and procedures.

Disclosure of licensing processes

To ensure transparency in the licensing system and to reduce incidence of corruption, there must be greater public disclosure locally of licensing details. This would enable public scrutiny of the bases on which licenses are granted, and the terms and conditions of particular licenses. This could be achieved through the introduction of a public information office or desk (von Einsiedel, 2006). The same procedure could be used for permits and product certification in the case of agriculture.

In the Philippines, the case for increased transparency has been put forward by a fisher-folk organisation, the Tambuyog Development Centre (www.tambuyog.org). This organisation has pointed to the importance of involving fisher-folk in the registration and licensing process in order to better manage coastal resources and ensure that communities benefit from their livelihood.

Establishment of pacts and agreements

The establishment of a citizens' charter could also be an option. This would require a government agency to specify and publish each step of procedures to obtain a permit or product certificate. This information would include the maximum length of time to conclude the process as well as procedures to file complaints (Bhargava, 1999).

The Indian state of Kerala has already developed a citizens' charter on fisheries (see [Kerala Department of Fisheries](#)). It outlines commitments that the government must meet, including price stabilisation and simplified rules and procedures. The charter also states the services the state is to provide, benchmarks to monitor compliance and a hotline to wage complaints. Moreover, the implementation of the charter is to be done "with integrity, transparency, and accountability".

E-governance

In the Philippines, the government has already shown commitment to e-governance as an attempt to increase transparency and to address corruption in face-to-face interactions with public officials (see [Business Anti-Corruption Portal](#)).

An example from the Rep. of Korea is Seoul's Online Procedures Enhancement for Civil Applications (OPEN), which allows citizens to monitor applications for permits or approvals where corruption is most likely to occur, and to raise questions in the event that irregularities are detected. Examples of civil applications include requests for building permits and inspections as well as urban development proposals.

Changing the governance structure

A U4 Issue paper from 2008 (Standing: 2008) notes that a possible outcome of some access agreements may be to encourage governments, or at least the officials responsible for fisheries, to operate in ways that are not transparent or sensitive to local communities, particularly to small-scale or subsistence fishers. This may be more evident in those countries where a large proportion of total government revenues is derived from access agreements and, in comparison, state funding in the form of taxes and levies from local fishermen is small or insignificant.

A 2006 OECD report states that the licensing processes most resilient to corruption and ministerial interference are those that mandate committee or board review of licensing decisions (Clark, 2006). Reform of the licensing system should *"involve legal and administrative reforms to codify and formalise licensing processes. This should include broadening the responsibilities for licensing and setting of fees and other conditions that involve agencies such as financial and legal authorities so that the responsibilities do not lie with a single Minister or senior official"* (Clark, 2006). The logic is that corrupting a committee or a board will be much harder than corrupting an individual. Some governments in the Pacific islands have recognised this and implemented measures to reform the fisheries licensing system. For example, Fiji and Papua New Guinea have both introduced sophisticated licensing arrangements that require multiple reviews and checks by committees (Tsamenyi and Hanich, 2008).

Strengthening institutional quality

The poor incentive framework governing the civil service in the Philippines is another major factor contributing to corruption (Bhargava, 1999). The Law Enforcement, Corruption and Fisheries Project of the IUCN (International Union for the Conservation of Nature), also titled PROFISH, states that many natural resource institutions are hamstrung by unworkable conditions for staff, low pay, poor political engagement, inadequate funding, limited career opportunities, and inadequate operational budgets. Increasing salaries of officials can reduce reliance on bribe payments. Professional standards of ethics, integrity, human resource management, administration and accountability can be improved by reviewing the institution's system of incentives.

In addition, improving limited administrative capacity must be addressed to allow greater monitoring and recording of payments made (such as for licenses) and effective book-keeping systems (such as for land titles).

3 Approaches to target the demand side of petty corruption

At present, small-scale fishing and farming communities generally have little political power. There is a need to increase citizens' influence in the management of the sectors and increase monitoring and enforcement of official legislation at the local level. Demand-side approaches ultimately seek to introduce mechanisms to transform individuals - especially those from social groups that are traditionally excluded from government decision-making processes - into engaged and organised citizens. The aim is to provide them with the knowledge and power to express demands and influence decisions that directly affect them by increasing their participation in governance processes (Chêne, 2008).

Some examples of mechanisms and tools to give a voice to the poor and other marginalised groups in order to demand that their local government better addresses corruption and governance issues include the following:

Complaints and feedback mechanisms

Community assessments

Citizen report cards, first used in communities in Bangalore (India) in 1993 and since replicated in more than twenty countries, allow personal stories about corruption to be scaled up into a powerful collective body of evidence. In Bangalore, report cards have helped to benchmark the performance of Bangalore's water board and other public utilities and produce significant improvements in service provision at the local level since the first round of surveys.

Community IT platforms

In terms of complaint mechanisms, there are various innovative IT tools that allow citizens to voice their frustration. Websites such as Ipaidabribe.com set up in India enable anonymous comments to be made without fear of retaliation. However, as many Filipinos do not have internet access, alternative mechanisms may also be useful.

In Indonesia, the Kecamatan Development Program (KDP), supported by the World Bank, developed a participatory community-led grievance and complaints resolution mechanism to enable communities to anonymously send their complaints to a post office box. A Complaints Handling Unit was established at the regional and national level to respond and follow up on the enquiries made. By empowering beneficiaries at the community level, KDP has proved successful in targeting and assisting the poorest in the region as well as improving local governance.

Community mobilisation

Apart from complaints and monitoring mechanisms, another option is to promote the engagement of communities in more general oversight of local issues. Transparency International Bangladesh (TI-B) has set up local watchdog bodies known as Committees of Concerned Citizens (CCCs), seeking to reduce corruption, demand reform and promote integrity in public service delivery. CCC members are selected from different professional groups including teachers, lawyers, public representatives, and women activists, among other groups. CCCs work independently with a plan of action drawn up by themselves. TI-B plays the

role of catalyst and provides technical and limited financial support (see [TI Bangladesh](#)).

Similar community engagement initiatives are already underway in the Philippines that could serve as an entry point for further work. These link-up some of the areas mentioned above. For example, Bantay Kurapsyon (Corruption Watch) is an award-winning community radio programme that tackles issues concerning graft and corruption in the Philippine government. It exposes corrupt practices by directly soliciting public complaints and evidence through SMS and MMS formats. It then publicly cites the names of those involved. The programme is also available online, and has an E-newsletter and a Facebook account to reach a wider audience. Major successes include eradicating corrupt practices in the issuance of transport permits in the Community Environment and Natural Resources Office and exposing and ending the victimisation of small market vendors by the police (see [World Bank blog](#)).

Access to information

Providing a community with greater access to information can allow them to play a greater role in the management of fishing and farming.

In Kompong Thom, Cambodia, the community and the provincial Department of Fisheries have made fishing maps available to citizens showing lot boundaries and public access areas. The community now undertakes patrols to enforce the regulations. They have also argued for the right to arrest and fine wrongdoers, citing delays in the response of authorities (Fisheries Action Coalition Team, online).

E-Commerce

Farmers in the Philippines have long suffered from the lack of market price information and have often been unable to get the best return for their products.

In the Philippines, a project run by [b2bpricenow](#) has created a free electronic bulletin board and marketplace designed to bring relevant market information directly to farmers, primarily through their cooperatives. The website, active since 2002, enables the farmers to improve their negotiations through increasing awareness of prevailing market prices for their products. By minimising the intermediation of middlemen (and their fees), farmers can reap the gains

of lower costs and broader market reach (see [World Bank](#)).

Other solutions that draw on information and communication technologies (ICT) include the use of cell phones and other mobile devices to share information. In India, for example, a USAID project worked with 550 farmers from the Nandani Cooperative Society to use mobile technology to link them up with commercial supply chains. Participating farmers are provided with automated voice messages in local languages via their cell phones. They also receive voice messages that provide technical (such as weather reports) and market information. A helpline number has also been disseminated, which connects farmers with field experts who speak the local languages. These farmers are currently producing for leading retailers, earning between 15 and 20 per cent more, and better managing their harvests (USAID, 2009).

4 Options to support existing local anti-corruption policies

According to a national study of corruption and integrity in the Philippines, corruption remains prevalent in the country despite numerous anti-corruption initiatives (TI, 2006). The country is still perceived as highly corrupt: among citizens surveyed as part of the TI Global Corruption Barometer (2010), 69 per cent responded that the level of corruption has increased in the country over the last three years (TI, 2010).

Findings from the national study signal that this may be due to a lack of compliance and implementation on the part of government. This can be seen in the scant number of prosecutions and convictions by the Philippine authorities (TI, 2006).

Other assessments support this view, signalling that corruption occurs at all levels of government in the Philippines. It is reportedly common for civil servants to attempt to supplement their relatively low salaries by extracting bribes, facilitated by the country's complex, sometimes contradictory regulatory regime. Due to a lack of transparency and accountability in the decentralisation process, local officials have been given additional authority which has increased their opportunity for personal enrichment ([Business Anti-corruption Portal](#)). As local officials have direct personal contact with citizens, it can increase the potential for bribes to be offered or demanded for more efficient, favourable or speedy services.

The scope for local level corruption can be compounded by a relative absence of effective checks and balances, with local government activities normally subject to less monitoring from audit agencies and the media (Evans, 2009).

To address these problems, the following areas have been highlighted as entry points to support existing anti-corruption efforts at the local level.

Involve citizens in designing and monitoring anti-corruption policies

Local officials often do not consider themselves accountable to local communities, tending to be more concerned with how national level leaders view them (Evans, 2009). Measures to increase the information made available to the general public have special importance because they let citizens know what officials are accountable for and how to judge their performance against those standards.

To assist the government on implementing and monitoring its anti-corruption strategy, one recommendation would be to organise a multi-sectoral advisory group of national and international experts. This group should include prominent Filipino citizens who represent civil society efforts to address corruption (Bhargava, 1999).

This has been set up in India through the establishment of formal public hearings with communities. Mazdoor Kisan Shakti Sangathan (MKSS), a union of peasants and workers, works with rural communities across the state of Rajasthan to hold innovative public forums — also known as social audits. A formal report is prepared by the MKSS following each public hearing and sent to senior state government officials, the media, and other groups engaged in anti-corruption campaigns. The state government now requires that these hearings be held annually within each village to verify whether public works projects have been successful and whether corruption has occurred (Ramkumar and Krafchik, 2006).

Enhance sanctions against corruption

Anti-corruption efforts should focus on preventing and eliminating the root causes of corruption, but government's capacity to detect and sanction corruption should also be strengthened. The goal should be to change the current perception of corruption in the Philippines — from a “low-risk” activity to a “high-risk,

low-reward activity” (Bhargava, 1999). This could be achieved by fast-tracking a few high profile pending cases of alleged graft and corruption for successful prosecution. It can also be promoted by streamlining and simplifying the legislative and regulatory framework involving corruption and civil service codes of conduct.

In addition there should be increased support for whistleblowers in order to create an early warning system against corruption. The Philippines currently does not guarantee protection of whistleblowers in its legislation (see NIS 2006). Transparency International has developed recommended policies and legislative guidelines for enacting whistleblower protection, based on its work in 10 countries in the European Union (Transparency International, 2010). These are drawn from good practices in countries such as South Africa, the UK and the US (Transparency International, 2009).

Raise awareness of anti-corruption policy

There is a need to raise awareness of existing policy and demonstrate the importance of anti-corruption measures to improve implementation and monitoring. This can be achieved in a number of ways.

If a diagnostic sectoral assessment of corruption is carried out, the survey findings should be presented to the public (Winbourne, 2002). Furthermore, when anti-corruption initiatives meet with success the results should be made visible to communities. This will help to illustrate the direct link between transparency, integrity and improved service provision (Evans, 2009).

Effective advocacy initiatives have been used by some of TI’s national chapters. Transparency International Peru has launched a national anti-corruption school, which aims to train key social actors from every region in anti-corruption advocacy techniques and provide technical assistance to them for the implementation of local anti-corruption initiatives. More informally in Liberia, the local TI contact group has opted to set up ‘Integrity Clubs’ to publicise corruption issues with community members and solidify buy-in from local leaders.

Work more closely with civil society

Working with nongovernmental actors is a crucial component to broadening an anti-corruption coalition. At the same time, civil society organisations should not simply complain or criticise the government: they should make themselves part of pro-active and

concrete anti-corruption initiatives and programmes (Marcelo, 2004).

Civil society groups, such as NGOs, academic institutions, and research organisations, have proven themselves to be powerful partners in anti-corruption initiatives, whether in coalitions or as individual actors. The work and findings on anti-corruption by such groups can become the basis for investigation by government agencies, hearings by the legislative assembly, social mobilisation by NGOs, and may draw the spotlight of media coverage (Marcelo, 2004).

The Philippines has a strong civil society, vibrant media and active private sector all working to put corruption on the policy agenda. There is also a proliferation of good governance advocacy groups that keep a ‘watch’ on government and minimise the misuse of public resources, for example Procurement Watch and Textbook Watch. The Catholic Church has also been a strong advocate for transparency and accountability. TAG, a donor-supported project, investigates how, why and to what degree corruption exists in Filipino society. It takes a pro-active role in encouraging public debate on the issue of corruption and on ways to counter it. (http://www.tag.org.ph/about_tag/default.htm).

The Transparency and Accountability Network Foundation (TAN) is a civil society coalition formed in 2000 primarily for the purpose of exchanging information on developments and initiatives in transparency and accountability in the Philippines. TAN, from 2002-03, held workshops in 31 national government offices to assist government agencies in crafting their agency-specific anti-corruption plans by identifying corruption vulnerabilities and formulating strategic measures to address these. Subsequently, TAN facilitated the crafting of agency-specific Corruption Prevention Reform Measures for 10 key agencies, including the [Department of Environment and Natural Resources](#).

Finally, the national chapter of TI, TI Philippines, conducts orientation seminars and workshops to heighten awareness of anti-corruption programmes.

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