5. What do the findings tell us about ‘Responsible Business’ in the aquaculture sector?

At present, there is little to no awareness of RBC among stakeholders in the shrimp and seaweed sector. International RBC and sustainability-related requirements have not yet been cascaded to the sector. The farming segments of the sector sell their products to traders, who then consolidate the harvests of many small farmers and sell the consolidated harvests to processors. The processors perform additional processing of the product then either sell locally or to foreign buyers. Out of all the segments in the supply chain, the farming segments remain largely informal with significant decent work deficits and are unprepared for the implementation of RBC.

Extensive shrimp farm owners in Sasmuan, Pampanga are only required to comply with product quality-related standards, such as size and freshness, that are imposed on them by the consignacion. The farm owners are unaware of any sustainability-related requirements for the aquaculture sector in the countries that their shrimps are sold to. They only deal with the consignacions, and the consignacions have not imposed any sustainability-related requirements. The farm owners themselves do not impose any sustainability-related requirements on their suppliers.

> *“Alam ko sa Japan, maselan e. Sa fishpond, halimbawa, ina-ano nila kung saan galing yun e. Gusto nila yung quality. Hindi katulad sa ibang lugar. Malinis ba yung lugar na pinanggalingan, ganyan. Ganun ang Japan e. Nasa YouTube e.” (shrimp farm owner)*
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> *I know the Japanese are particular [with their food]. For example, they want to know which fishpond it [the shrimp] comes from. They want quality, not like other places. They want [the food] to come from a clean place. The Japanese are like that. I saw it on YouTube.*

Workers in the processing plants are well-aware of product quality and safety requirements that they need to follow but did not mention any sustainability-related requirements.

Responses of government agency representatives regarding RBC were highly dependent on their agency’s mandate. Almost all questions related to labour, labour conditions, or market requirements related to labour were referred to DOLE, as anything labour was outside of their mandate.

> *“Pero hindi naman sinasabi na wala kami pakialam. Hindi lang namin mandate na tignan ang situation ng aquaculture.” (DTI Export Management Bureau)*
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> *We’re not saying that we don’t care. It’s just not our mandate to look at the [labour] situation in aquaculture.”*

While DTI’s mandate does not involve labour conditions, its commercial posts abroad monitor market requirements related to responsible business conduct (RBC). DTI-EMB relays this to BFAR, who informs exporters and producers to ensure compliance with any new regulations. DTI-EMB also noted that some countries are gradually adopting requirements for Good Aquaculture Practices (GAqP), though none of these are the Philippines’ major markets for shrimp and seaweed. They also noted that once one country requires GAqP, the rest soon follow.

However, GAqP focuses on product quality and safety rather than labour standards. This means that there is still gap in the inclusion of labour conditions in the development and implementation of sustainability requirements.

This is an issue because existing foreign trade agreements such as the US and EU General Systems of Preference (GSP), the Indo-Pacific Economic Framework (IPEF) for prosperity with the US, and the Philippines-Japan Economic Partnership Agreement (PJEPA) include provisions on labour and human rights.

However, the presence of international RBC standards and export requirements may be a weak incentive for producers of P. vannamei as they do not rely heavily on exports. According to BFAR, the local farmgate price for P. vannamei shrimp is higher than the export price. DTI also noted that the local market has effectively absorbed the demand for P. vannamei, further reducing the industry's reliance on international markets and the associated incentives for complying with international standards.

> *"Right now, our farms are selling locally because the price is very, very high compared to the international price. Like if the international price is Php 120 (2.05 USD) per kg, our farmgate is PhP 200 (3.42 USD) per kg – then why are we going to sell it for export? And besides, we cannot compete with the export volume of China, of India, even Vietnam. Once they harvest, the international price of shrimp goes down." (BFAR FPED)*

DOLE-BWC generally considers aquaculture to be "uninspectionable" due to high levels of informality. While they do conduct labour inspections, these are limited to formal establishments only, such as intensive shrimp farms. This reveals a gap in the capacity of the agency considered responsible for monitoring labour conditions in aquaculture. This is also an opportunity for DOLE-BWC to develop aquaculture-specific labour standards in partnership with BFAR.

The regional offices of DTI in Regions VII and IX are generally unaware of RBC requirements for aquaculture, noting that this has yet to be cascaded to them from the national office. DTI Region VII noted that some importers, such as the EU, include sustainability requirements (e.g., prohibitions on child labour, recycling initiatives, etc.) in their foreign trade agreements or preferential trade agreements. While DTI Region VII has made efforts to educate the sector on these requirements, they cannot confirm the rate of compliance in the region.

BFAR FPED's oversight of export market requirements centres on biosecurity, traceability, and the registration of farms in the Philippines, not labour conditions. While large carrageenan processors can generally meet these requirements, seaweed farmers face greater challenges in compliance.

While labour groups believe that RBC requirements can enhance labour conditions, they emphasize that the primary benefit of these requirements should be improving labour conditions, rather than focusing on their impact on trade. They also criticize the concept of RBC for using language that "deodorizes" employer practices, suggesting that adherence to RBC should be seen as standard legal compliance rather than a commendable achievement.

> *"Yung responsible business conduct kasi its more of employers' language yan eh. Parang deodorizing yan eh. They just don't want to call [it] corporate social responsibility, [so] now they call [it] RBC. Pero if you use that language, parang you are rewarding an enterprise for being "good" when they are doing just what they are supposed to do kasi yun ang sinasabi sa batas. So merong disconnect, kaya better lahat i-raise to standards than simply responsible business conduct." (Labour group)*
>
> *"Responsible business conduct (RBC) is more of employers' language. It's like deodorizing. They just don't want to call it corporate social responsibility [so] now they call it RBC. But if you use that language, it's like you're rewarding an enterprise for being "good" when they are just doing what they are supposed to do according to the law. There's a disconnect, which is why it's better to raise it to standards rather than simply responsible business conduct." (Labour group)*