



Legal Reform, Collective Property Rights, and Household Welfare in Fiji

Terra Lawson-Remer

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BACKGROUND

Project Overview

- Study examines institutional reforms to strengthen collective ownership rights over fisheries in Fiji.
- Focuses specifically on the relationship between institutional reforms and livelihoods, putting aside the related issues of ecosystem conservation, because welfare improvements are the linchpin for the internal incentives that ensure collective ownership institutions succeed and endure.

Big Picture

- Globally, over 300 million members of an estimated 6000 indigenous groups hold land and other resources communally in accordance with 'customary law'.
- Interaction between formal state law and informal social norms in a given political context is central to institutional reform efforts.
- Insights from this project relevant to poverty reduction, environmental sustainability, and prevention of violent conflict.

Fiji: Inshore Fishing Areas

- Ethnic Fijians hold traditional, clan-based rights over 411 demarcated inshore reef fishing grounds, called qoliqolis.
- ‘Customary’ qoliqoli rights formally established by Fisheries Act (1941).
- Although recognized by formal state law, like communally owned forests and fields the world over, qoliqolis are ruled by the governance mechanisms internal to the resource-holding clan.

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MOTIVATING QUESTIONS



Collective ownership is not the absence of property rights. 3 different types of property rights regimes:

- **Private property** vests residual control in a single owner.
- **Open access** is equivalent to a “no-property” regime, where no one has superior rights to a resource than anyone else.
- **Collective ownership** is characterized by clearly defined boundaries, community-level collective choice arrangements to determine resource use rules, and internal monitoring of rule compliance and enforcement of rule violations by and against community members.

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- Extensive previous work has analyzed the internal dynamics of collective ownership institutions, arguing that such institutions can better govern common pool resources under some conditions than private or State ownership.
 - However, empirical research regarding the actual impact of stronger collective ownership rights on household welfare has to date been very limited.
 - Because welfare improvements enjoyed by group members from stronger collective ownership institutions are fundamental to the coherence of commons theory and policy, this project aimed to fill that research gap.

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- Collective ownership institutions for governing common pool resources are dependent on both internal informal governance mechanisms and the external institutional context.
 - This project also examines how multiple normative orders are constituted in reciprocal relation, with particular attention to how legal norms and political power jointly determine possibilities for reforms.

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- Stronger collective ownership rights over customary fishing grounds (called qoliqolis) could improve household welfare through two potential pathways: either **an efficiency pathway** or a **transfer pathway**.
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 - On the other hand, state legal reforms designed to strengthen collective fishery ownership rights could actually generate no improvements in household welfare.

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RESEARCH DESIGN

Qualitative Case Study

- Key informant interviews: political leaders, villagers, NGO workers
- Ethnographic case study of the village of Nukutabua (Yanuca Island)
- Secondary sources

Quantitative Impact Assessment

- In 2003, Macuata province, at the behest of outside environmental NGOs and national ethnic Fijian leaders, strengthened village-level collective ownership rights over *qoliqolis*.
- This study conducted 6 years after reforms.
- Compares three neighboring villages:
 - In Macuata: Kavewa and Druadrua
 - In Bua (unaffected by reforms): Galoa
 - Villages 60 miles from one another but on different sides of provincial boundary line.

Quantitative Impact Assessment

$$Y_h = \alpha + \beta_1 C_h + \beta_2 N_h + \beta_3 X_h + \epsilon_h$$

- Y_h : HH income; rate fresh fish or canned food consumption
- C_h : collective ownership dummy
- N_h : dummy for NGO presence
- X_h : vector of covariates



FINDINGS

Constrained Terrain of Policy Reform

- The *de facto* institutional environment produced by the intersection of formal law and informal social norms in a given political context simultaneously creates and limits the terrain of possible policy reform.

Constrained Terrain of Policy Reform

- The principal goal of main foreign and national level proponents of strengthening collective governance of fisheries is environmental conservation, despite the unconfirmed environmental benefits.
- So why has this been the institutional reform strategy?

Constrained Terrain of Policy Reform

- *Dialogic between informal norms and the possibilities for formal legal reform:*
 - Reforms aimed to strengthen existing customary collective ownership fisheries claims, not replace them.
 - The concept of marine protected areas fits well with the longstanding customary Fijian practice of prohibiting fishing within specific demarcated sections of the reef.

Constrained Terrain of Policy Reform

- *Political Power Imperatives:*
 - Strengthening collective ownership rights over qoliqolis is central to the political agendas of powerful ethnic Fijian elites.
 - Only ethnic Fijians can hold rights to customary fishing grounds, so strengthening these customary rights necessarily benefits ethnic Fijians at the direct expense of Indo-Fijians (more than 40% of the Fijian population).

Household Welfare

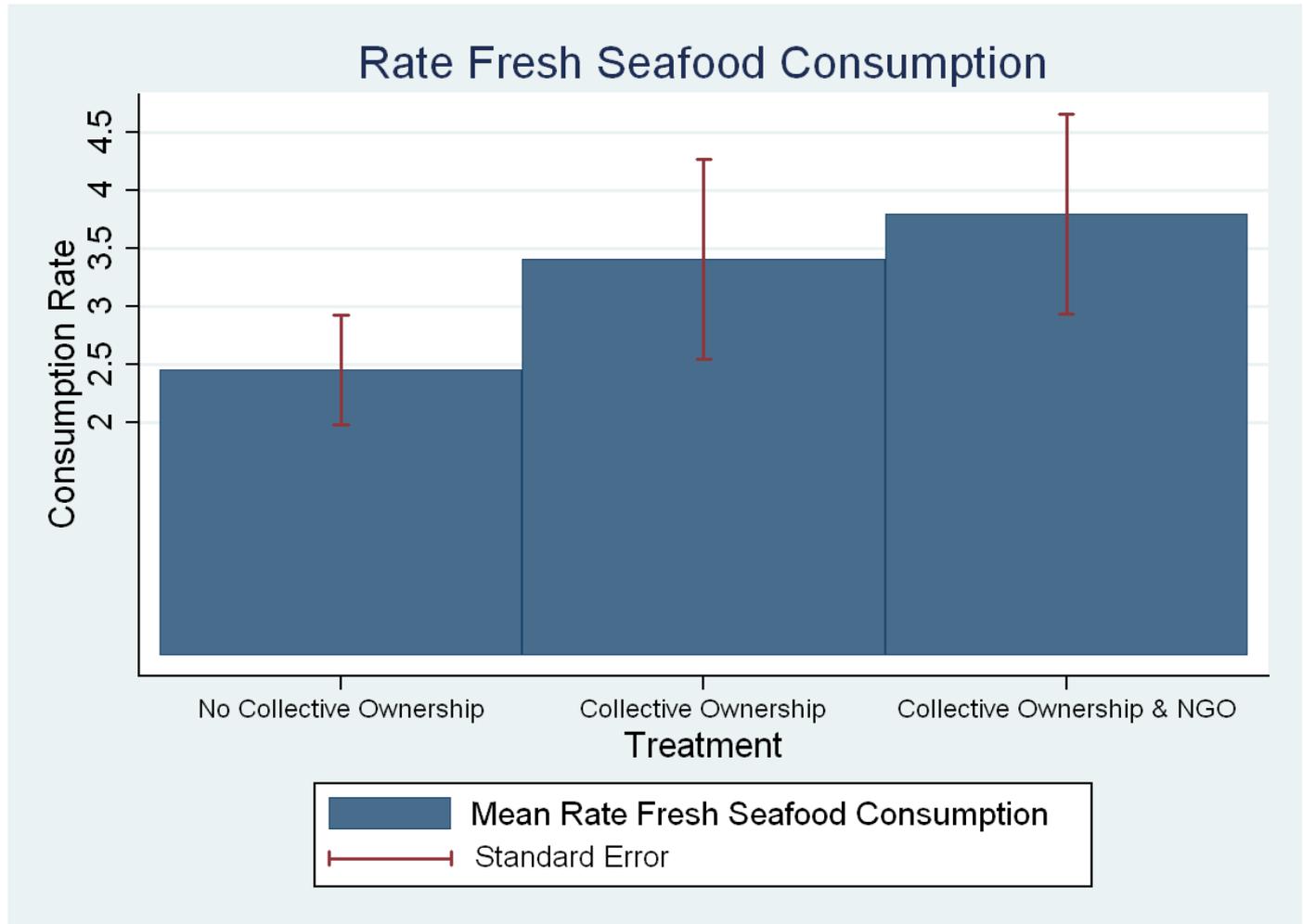
- Controlling for other variables, strengthening collective ownership rights in Fiji through stronger state protection:
 - increased the consumption of fresh seafood and reduced the consumption of inferior canned food substitutes;
 - Had no impact on household monetary income without simultaneous implementation support from outside NGOs.



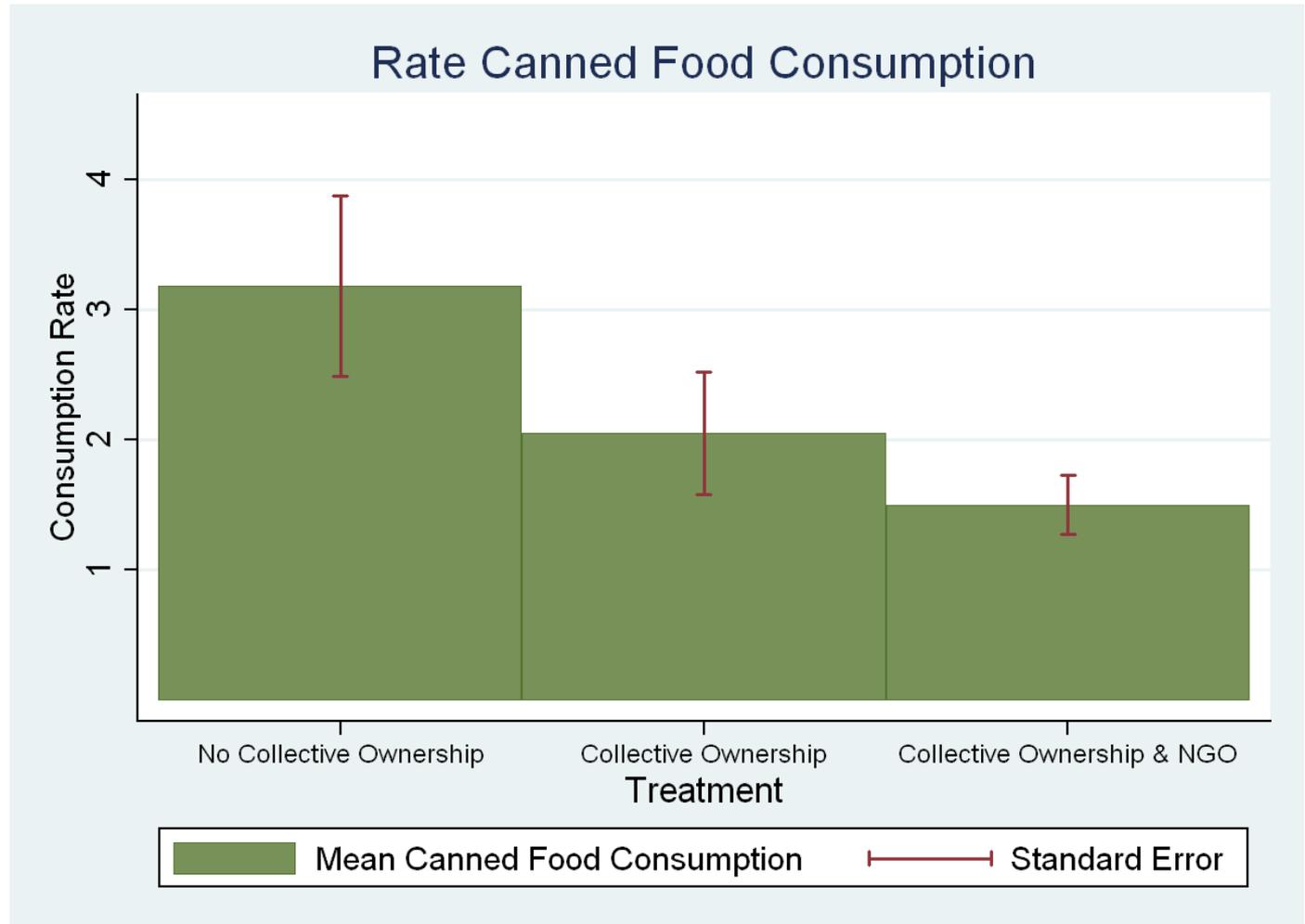
Household Welfare

- See tables (handout)

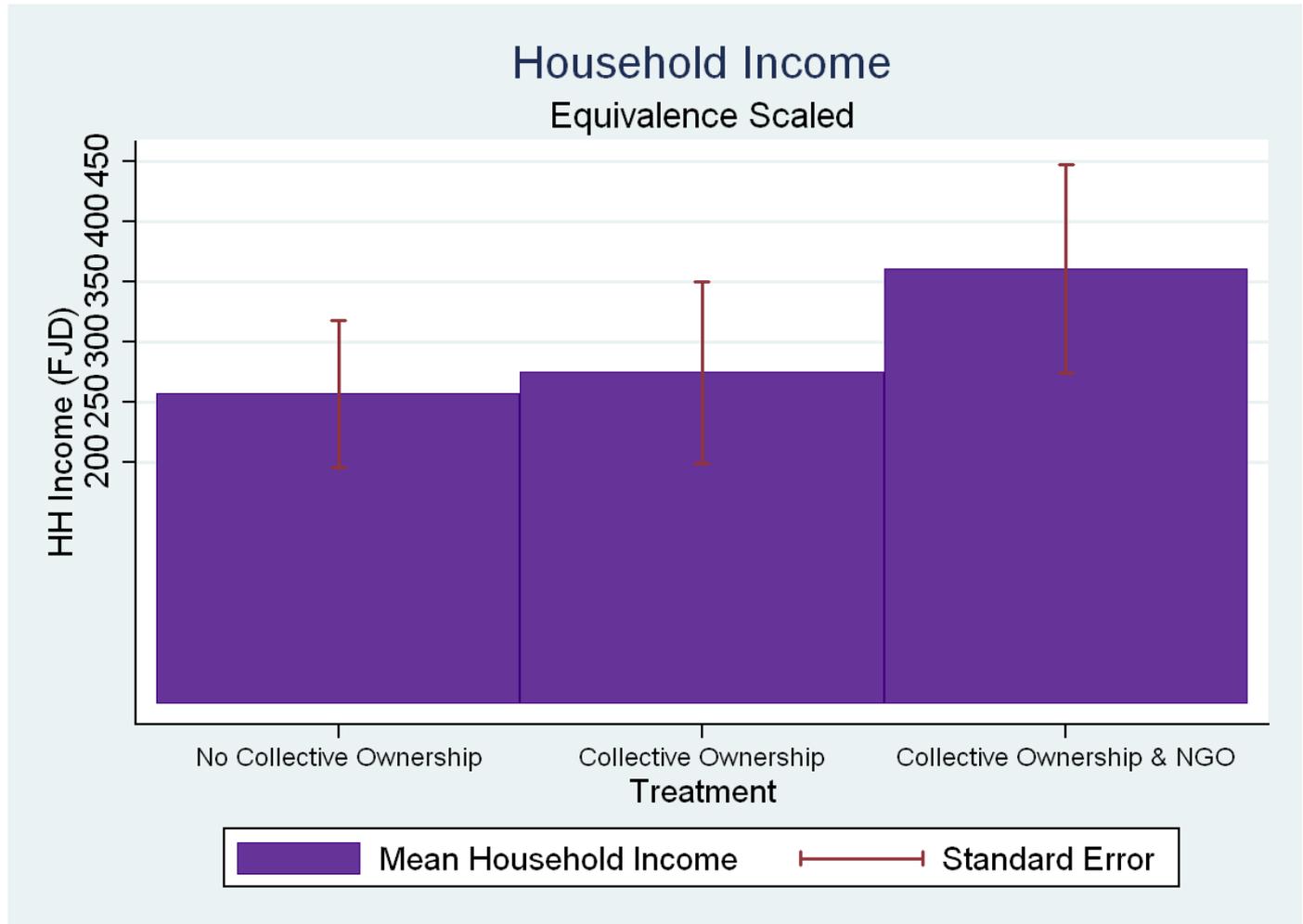
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CONCLUDING REMARKS

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- **Can we really demonstrate causality?**
 - **External validity?**
 - **Broader implications?**