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**THE CONTRIBUTION OF THE MANGO INDUSTRY
TO THE LOCAL ECONOMY OF GUIMARAS, PHILIPPINES**

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Abstract:

Guimaras, an island-province in Western Visayas, is well known throughout the country for its fresh mangoes. Considerable political and scientific attention has been accorded to the local mango industry, and its production and marketing systems are already well-studied (e.g. Hardman 1994; FRLD 1994; GUARD 1995; Catelo 1997). Yet little is known about the industry's contribution to the local economy. This study is designed to do just that.

There are no statistics or any reliable set of figures on the employment generated by mango production and its allied industries. In lieu of these indicators, the local economic contribution of the industry was measured using income multipliers. The research process was facilitated primarily by income accrual analysis – a simple and partial analytical tool.

The findings suggest that mango production creates more income linkage than leakage to the local economy. Net returns from production dominated the industry's multiplier effects. This is a positive contribution to the province's development goal of household income augmentation. Wages for permanent and part-time or contractual labor constitutes another income linkage, albeit the latter dominates the labor structure of the industry.

On top of wages, commercial production of mangoes benefits the local economy as a whole through land rent and payment of fees and taxes (assuming the proprietors perform this civil duty).

Area income leakage took the form of purchases of imported capital inputs (e.g., fertilizers, pesticides, flower inducers). These are routinely sourced from urban centers like Iloilo, Cebu, Manila, and Davao. Material inputs such as farm tools and equipment, as well as packaging materials, are included in this category. Still the total income leakage that they create is offset by the high net returns of the industry, notwithstanding the high costs of capital inputs. The net income accrual, therefore, is still in favor of area income linkage.

It is in the area of employment generation that the mango industry falls short of substantial local economic contribution. Although hard data on industry employment are non-existent as of this writing, available data on labor generated by commercial mango production indicate that the number of regular jobs that the industry creates is minimal compared to the production assets it uses. The widest latitude in multiplier effects that the industry can offer in terms of employment is the creation of contractual labor.

The study recommends the enhancement of income multiplier effects from the mango industry. One of the suggested measures is to diversify agricultural input sources to cut down on production costs without jeopardizing agricultural productivity. The corresponding activities can range from coordinating bulk purchases of agricultural inputs among growers, a more intensive campaign on the use of alternative technology (an ongoing yet poorly supported concern of local government institutions).

A complementary and more far-reaching measure is to systematically promote production linkage based on mango productivity. The development of ancillary industries such as packaging materials and farm implement manufacturing as backward linkages, and mango processing as a forward linkage among others, can cash in on the island's specialization on fresh mangoes and its proximity to major mango-producing areas such as Iloilo, Cebu, and some parts of Mindanao. The multiplier effects would not only mean an increase in household incomes but also expanded opportunities for off-farm employment. The net area benefits may extend to reducing the incidence of unemployment, underemployment, and outmigration.