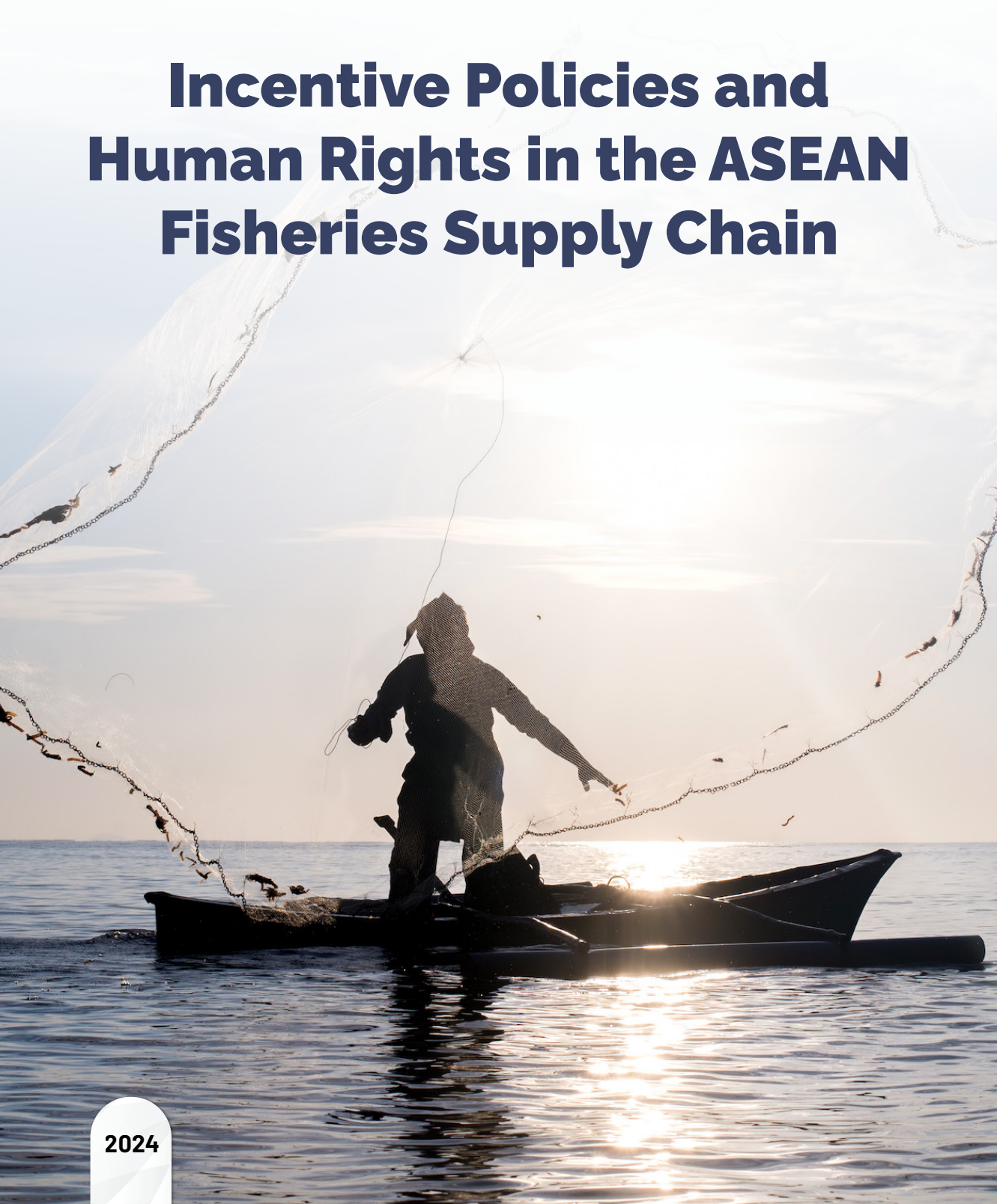




**PRAKARSA**  
Welfare Initiative for Better Societies

# **Incentive Policies and Human Rights in the ASEAN Fisheries Supply Chain**



**2024**

# Incentive Policies and Human Rights in the ASEAN Fisheries Supply Chain

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**P R A K A R S A**  
Welfare Initiative for Better Societies

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This paper was prepared based on research results "Incentive Policies and Human Rights in the ASEAN Fisheries Supply Chain". The report discusses findings in Indonesia, Vietnam and Thailand. The contents of the research report are the sole responsibility of the authors.



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# FOREWORD

The Southeast Asian region has a large water area and has a high potential for natural resources. Southeast Asian countries are also the world's top producers of fish and fishery products, accounting for about one-fifth of the world's fisheries production. The ASEAN Secretariat (2023) states that marine resources in the Southeast Asian region account for 5% of the global economy, with an estimated market value of 2.5 trillion USD per year. Southeast Asia is also a global biodiversity centre for coral reef fish, molluscs and crustaceans.

However, as has been the case with agricultural commodities since the colonial era, countries in the region have often been mere producers. The benefits that local people should derive from the abundance of these resources are not optimal, and there are still frequent cases of human rights violations due to the exploitation of natural resources in the region. This process had already begun with the entry of colonialism into Southeast Asia in the 1500-1600s until the *global commodities booming* around 1700-1900s. Throughout the centuries, technological advancements that have supported increased production from the utilisation of natural resources have yet to bring prosperity to the bottom of the supply chain pyramid.

Furthermore, the poverty rate of people living in the fisheries sector is still relatively high. Even FAO in 2017 in its report wrote that around 76% of the total poor households came from coastal communities (fishers) and workers in the fishing industry. In 2022, PRAKARSA's research also showed that this poverty condition was also caused by capture fishers not having the ability to calculate their harvest and catch due to low education and low financial literacy. This is often used by wholesalers and retailers to exploit them and, in some cases, lead to prolonged debt bondage.

PRAKARSA works with partner Oxfam on the Fair for ALL project on inclusive and responsible business in ASEAN, to promote Business and Human Rights (BHAM). The implementation of inclusive business principles in ASEAN covers how human rights can be applied in business practices. Of course, in the context of social justice and economic justice, that how they are the biggest actors at the *bottom of the pyramid* in the supply chain in any business context, especially business contexts related to the livelihood of many people get justice from where they work and the contribution they have made to the sector, in this case the fisheries sector.

Two years earlier, PRAKARSA also conducted research that looked at how the global value chain in the four largest commodities in ASEAN, namely fisheries, rice, coffee, and palm oil. The study also looked at how actors at the *bottom of the pyramid*, like fishers, farmers and

workers have their rights fulfilled, which is also one of the references for our current study.

The research we have completed is further used to provide evidence that the actors at the bottom of the supply chain are always the most marginalised, in many cases contributing only sweat and misery. In the context of the fisheries sector, we see that human rights violations still occur in the supply chain process. This research also looks at tax and other incentives provided by the government and whether or not these incentives have an impact in encouraging companies to be more responsible and prosperous for the actors at the bottom of the supply chain.

PRAKARSA together with ASEAN colleagues in the ASEAN Inclusive Business forum also called for businesses to see and ensure that all actors are included in responsible business processes in the production chains of commodities that are most widely produced in ASEAN member countries.

I would like to thank the research team from PRAKARSA and the parties involved in the process of preparing this report. We hope that this report will enrich existing knowledge and provide impetus to policy makers to fully commit to more responsible business to create equity for all actors involved in the business value chain process in the Southeast Asia Region.

Jakarta, Februari 2024

**Ah Maftuchan**

**Direktur Eksekutif The PRAKARSA**

# EXECUTIVE SUMMARY

This study examines incentive policies and Human Rights in the ASEAN Fisheries supply chain, revealing the complexities that exist between increasing fisheries production and protecting human rights in this vital industry. As ASEAN becomes a global concern in fish production and exports, this rapid growth presents two sides of the coin: a significant contribution to the regional economy and major challenges in sustainability and Human Rights Compliance.

Government incentive policies in fisheries exporting countries such as Indonesia, Vietnam, and Thailand have been instrumental in facilitating the expansion of the fishing industry. However, this study found that the dominance of incentives that focus on capacity building without adequate consideration of sustainability has the potential to exacerbate the problem of overfishing and human rights violations. Issues such as forced labour, human trafficking, and inhumane working conditions have become a problem for many, requiring more comprehensive and sustainable action.

This study reveals the importance of ratification and implementation of international conventions related to human rights in an effort to strengthen the protection framework in the fisheries sector. While Thailand has made strides with its national action plan on business and human rights, there are still significant gaps in policies that specifically address business and human rights in the fisheries sector in other ASEAN countries.

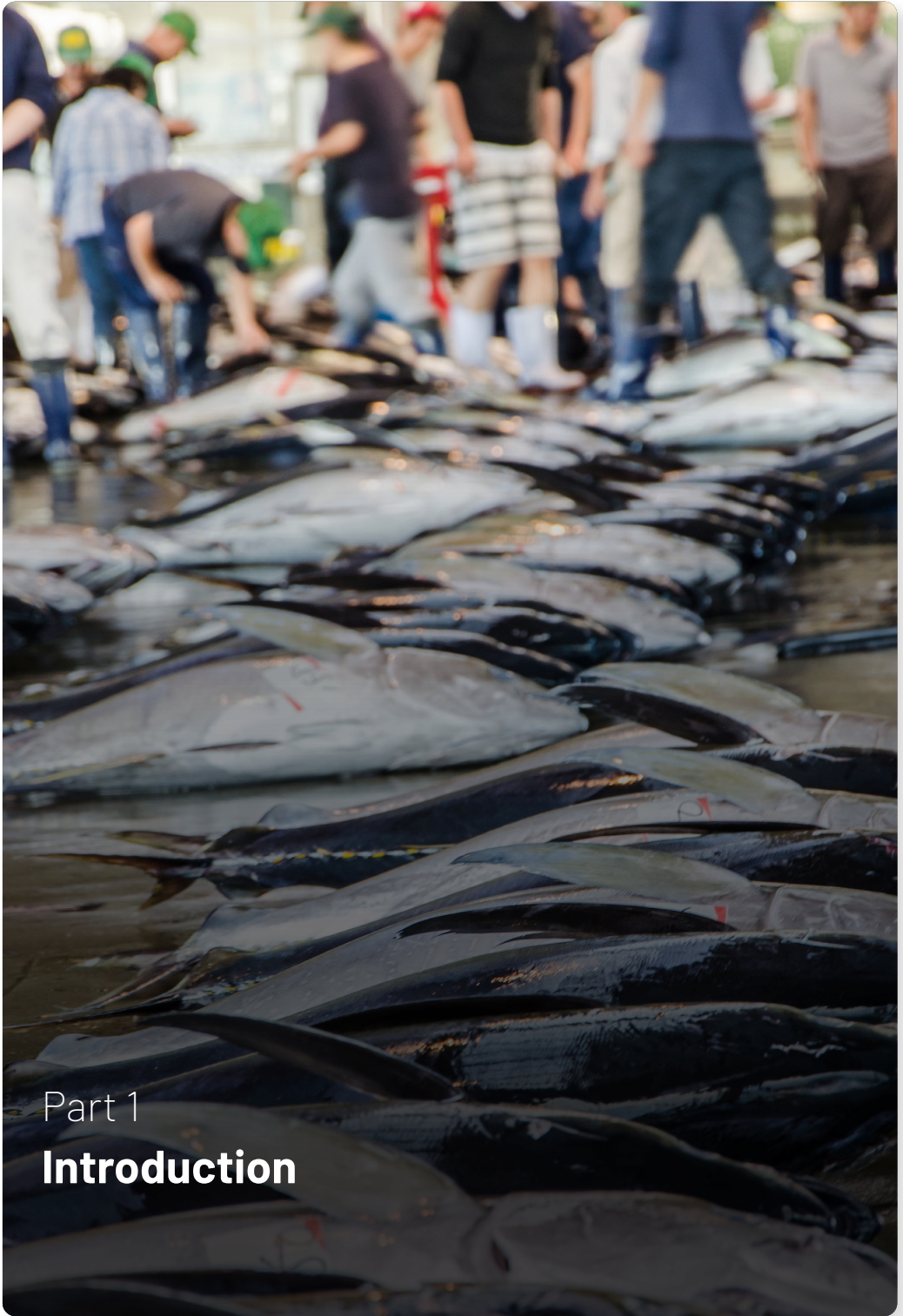
Using a qualitative approach, the study focuses on the impact of incentive policies on the fulfilment of human rights in fisheries supply chains, considering aspects such as forced labour and exploitative working conditions and other aspects adopted from *The Social Responsibility Assessment* (SRA). Through case studies and interactions with informants who experience the labour process in fisheries, this research aims to identify ways in which incentive policies can be aligned with the fulfilment of human rights and ecological sustainability.

The results show an urgent need to integrate human rights aspects in the creation and implementation of incentive policies, encourage the implementation of human rights due diligence by companies in the supply chain, and strengthen regulatory frameworks. In particular, the ratification and implementation of international human rights conventions was identified as a key step to ensure that incentive policies not only support economic growth but also protect workers and communities from exploitation.

With a focus on human rights and sustainability, ASEAN can ensure that the fishing industry

develops in a fair and responsible manner, respecting human rights, safeguarding the welfare of communities, and the preservation of healthy marine ecosystems. This research offers recommendations to several stakeholders, including policymakers and industry players, to integrate international human rights standards into their business practices, encouraging a transition towards a more sustainable and equitable fishing industry.





Part 1  
**Introduction**

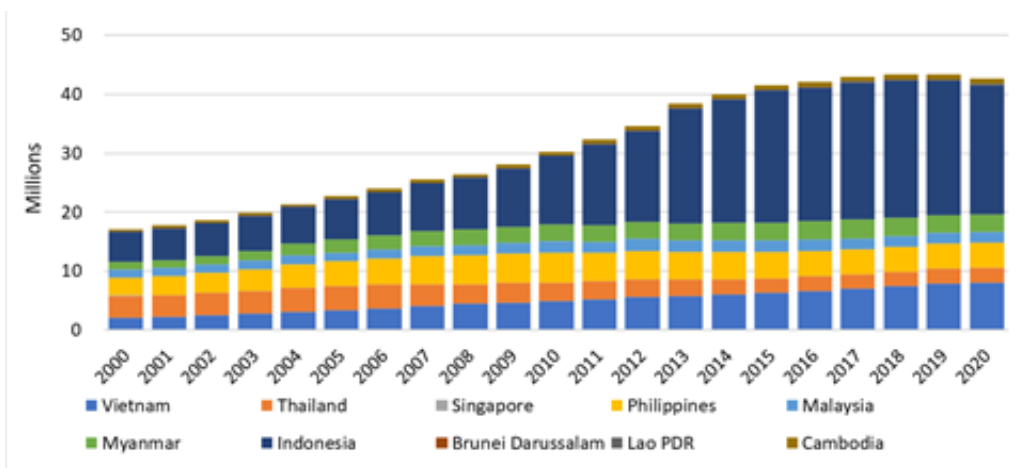


# Introduction

## 1.1 The state of ASEAN fisheries

Over the past few decades, the increasing demand for fish and fishery products internationally and regionally has led to continued production and export. Countries in the Southeast Asian region have become significant producers of Fish and other fishery products. Ten ASEAN countries account for a quarter of global fish production. In addition, four of the world’s ten largest fish producers come from ASEAN, including: Indonesia, Thailand, Vietnam, and the Philippines (Investasean, 2023). Six of the world’s fifteen largest producers of Marine Fisheries come from ASEAN, namely: Indonesia, Myanmar, the Philippines, Vietnam, Thailand, and Malaysia.

Figure 1. Total ASEAN fisheries production (metric tons) 2000 - 2020



Source: World Bank, 2023





The increased production in the last two decades compared to the previous decade has made Indonesia the second highest producer of marine capture fisheries in the world, with production of 5.40 million metric tonnes (MT) in 2012, an increase of about 27 per cent over the last decade (CDS, 2017).

The number of fishers in each country in ASEAN can vary greatly. The number of fishers is relatively high in countries such as Indonesia, the Philippines, and Vietnam, where fishing plays an important role in the economy and livelihoods. On the other hand, countries with smaller coastlines, such as Brunei and Singapore, may have fewer fishers. There is no current information on the official number of fishers in ASEAN countries. However, from several sources (Statista, 2021; Seafdec, 2022; Ethical Trading Initiative, n.d.), the fisheries sector employs about 15 million people, or more than 2 percent of ASEAN's population. In addition, the number of people employed in the fishing sector is expected to be much higher as the sector employs large numbers of non-formal and non-permanent workers as well as migrant workers.

## 1.2 ASEAN government support in fisheries sector

Fiscal policy plays an important role in fisheries in ASEAN. Fiscal policies related to the fishing industry can be categorized as subsidies and taxes. Currently, fisheries are highly dependent on subsidies through fiscal policies that provide benefits and incentives for fishery industry players. In the early 1990s, several governments in ASEAN began to provide some support to increase the productivity and economic value of the fisheries sector in their countries. The government provides subsidies for offshore fishing credit programs, fuel facilities, and basic infrastructure such as ports, fish auction sites, and roads. In Vietnam, a credit program was given to the fisheries sector amounting to 1,300 billion VND or about 94 million USD in 1997-2001 (WWF, 2009).

While still providing support with economic urgency, the government has recently gradually shifted to sustainability and environmental aspects. However, government policies and programs have not been the basis for providing social incentives and Human Rights (HAM). The absence of a human rights foundation in implementing government programs will incentivize program recipients, especially the private sector, and has implications for the absence of control over good practices in fisheries business processes. Sumaila et al. (2010, 2016) and the Danish Institute for Human Rights (2022), also confirmed that not all incentives in the fisheries sector can be categorized as having a positive impact. Fisheries incentives can be classified into three categories, namely beneficial or good, capacity-enhancing or bad/harmful, and ambiguous or ugly.

### 1.3 Human Rights and welfare issues in the ASEAN fisheries supply chain

Higher production growth should be able to reduce poverty levels, but welfare is still a central issue in the fisheries sector and coastal areas in ASEAN because the poverty rate of the fisheries sector is relatively high. Among poor households, 76% come from coastal communities (fishers) and fishing industry workers (FAO, 2017D). Then, the transformation of Fisheries has the potential to be a catalyst for transforming the economy more broadly and reducing overall poverty. However, the fishery sector actors who come from poor households will be less likely to get out of the condition of the fishery sector is declining dramatically. This is in line with the literature on the poverty trap, which suggests that communities experiencing poverty are unable to mobilize the resources necessary to cope with shocks or chronic low-income situations and as a result are likely to remain in poverty (Cinner et al., 2008).

Prakarsa research (2022) shows that capture fishermen do not yet have the ability to calculate crops and catches due to their low educational background and financial illiteracy. This creates opportunities for exploitation by mid – level wholesalers and retailers where those at the bottom of the chain have a weak bargaining position-in some of the worst cases, leading to debt.

While productivity and economic contribution have increased significantly, the issue of human rights due diligence in the ASEAN fisheries sector remains a challenge in member countries. The fisheries sector in ASEAN has long been associated with forced labor and human trafficking almost throughout its supply chain. Workers in the fishing sector, including those from neighboring countries, are synonymous with human trafficking and often face exploitative working conditions, debt bondage, confiscation of identity documents, and physical violence on fishing vessels.

The limited number of countries in ASEAN that have specific policies on business and human rights in fisheries is also one of the causes of cases in the field. Currently one of the governments that has focused on this issue is Thailand which has released the final draft of the National Action Plan on Business and Human Rights to address the problem of slavery in the fishing industry (Chong, 2019). Seeing this, concrete evidence is needed that can encourage the commitment of countries in ASEAN to translate and implement aspects of human rights due diligence in every Fisheries Policy and Program, one of which is the incentives provided.



## 1.4 Research Questions

1. What are the incentives given by the governments of Indonesia, Vietnam, and Thailand in the fisheries sector?
2. How is human rights fulfilled in fisheries supply chains in Indonesia, Vietnam, and Thailand?

## 1.5 Research Objectives

1. Identify incentives provided in Indonesia, Vietnam, and Thailand in the fisheries sector.
2. Presents information on the condition of human rights fulfilment in fisheries supply chains in Indonesia, Vietnam, and Thailand.



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Part 2

## Incentives and the Human Rights Framework



## Bagian 2

# Incentives and the Humans Rights Framework

### 2.1 Government's Role and Incentives for Economic Development

There are several important roles for the government in relation to economic development, such as providing public goods, correcting market failures, reducing inequalities in income and opportunities, and stabilising excessive economic fluctuations (Tabellini, 2004). The government, with its role, needs policies to achieve certain goals it wants to achieve. In general, incentives motivate a person to do something (Krugman, 2022). Tabellini (2004) examines the role of the state in economic development and emphasises the importance of government incentives in implementing effective policies to achieve economic success. Incentives are essential to the industrial and economic development strategies of developing countries. Incentives also play a role in promoting targeted activities, sectors, and investments, especially in specific geographical locations that bring positive impacts to the entire economy (Harrison and Rodríguez-Clare, 2010; OECD, 2022).

The incentives we discuss can be broadly categorised as “economic incentives” or “social norms” that influence behaviour, including norms driven by reputation and personal motivation. An economic incentive is a financial motivation for people to take certain actions (Krugman, 2022). Economic and reputation-based incentives tend to be influenced and promoted by external factors, such as government, industry, or consumers (Lepper et al., 1973; WRI, 2005B; Nyborg et al., 2016).

Incentives can reinforce behaviors that allow actors or individuals to act in their personal interests and align their behavior with the goals of the community or larger society. Positive incentives (*carrot* approach) are generally considered to be more powerful and long-lasting than negative incentives (*stick* approach). Personally motivated incentives tend to be driven by belief in what the individual thinks is “right” (Deci et al., 1999). This incentive can also be motivated by the desire to be seen positively and maintain a certain reputation among peers or oneself. Of course, what is considered “desirable” can be subject to social norms (WRI, 2005B; Nyborg et al., 2016).





## 2.2. Incentives Policy Instruments in the Fisheries Sector

The fisheries sector requires a variety of interventions to address issues at different scales. The government uses four main policy instruments to manage fisheries: law-based instruments, direct government action, and fiscal and monetary policy. The impact can be felt directly or indirectly. This study focuses on the fiscal instruments that governments use to influence economic decisions on government spending and raising revenue through taxation (Porrás, 2019).

Table 2.1. Types of fiscal incentives available to the fisheries sector

Categories	Purpose
Good infrastructure club	Develop infrastructure especially for the benefit of those involved in the fishing industry to improve product quality and access higher value markets
Community support	Recognising the importance of empowering local communities to actively participate in decision-making and improve livelihoods
Income support	Provide financial assistance and stability to all stakeholders in the fishing industry and ensure their livelihoods from economic challenges and uncertainties
Marketing and promotion	Increase the visibility, desirability, and marketability of fishery products
Output-based support	Tie the level of support directly to the quantity or quality of produce, encouraging increased production, efficiency and sustainable practices in the fisheries sector
Good public infrastructure	Create and improve shared facilities, resources and services that benefit the entire fisheries sector as well as wider communities and ecosystems
Reduced productive capacity	Improve overall well-being and provide necessary support for the transition out of the workforce
Resource management	Ensure the sustainability of utilization and conservation and maintain long-term survival
Support variable-based input costs	Provide financial assistance to fishery businesses based on variable costs by subsidizing costs associated with fishery operations and reducing the economic burden
Fixed cost input based support	Invest in specific technologies and modernizations to provide financial relief

Source: OECD, 2016



Through the formulation of policies related to government spending and taxation, the government can create fiscal incentives for actors in this industry. In general, fiscal policies related to the fishing industry can be categorized as subsidies and taxes. The World Trade Organisation (WTO) defines a subsidy as a 'financial contribution' from the government of a WTO Member that benefits its enterprises, industries or groups. This 'financial contribution' can take the form of direct payments; concessional credits; tax breaks; or government-provided goods and services, including policy changes that implicitly impact industry (The Danish Institute for Human Rights, 2022).

Subsidies in direct cash payments or indirect incentives such as tax breaks and duty-free access, are used as powerful tools by small and large countries in various sectors, including fisheries. These subsidies act as positive incentives for individuals and industries involved in the value chain, aiming to promote behavior aligned with specific policy objectives. In the fisheries sector, many inputs and activities are heavily subsidised (Porrás, 2019). Evidence suggests that most high seas fishing operations would be largely unprofitable were it not for the subsidies that sustain them, particularly fuel subsidies (Sumaila, 2019).

Tax policy in the fisheries sector is largely related to tax exemptions. Tax incentives are often accompanied by eligibility conditions that link tax support to certain taxpayer characteristics, certain types of income or expenditure or certain economic activities. General eligibility conditions for targeting investments in individual sectors or activities or where investments occur in specific locations such as Special Economic Zones (SEZs) or less developed areas. Tax relief policy, which is a tax policy that contradicts its purpose, which is to increase state revenue, is often categorised as a subsidy. Therefore, to simplify the discussion, fiscal policies that benefit actors in this sector can be categorised as fiscal incentives.

### **2.3. Incentives and Human Rights in the Fisheries Sector**

The weakness of incentives in the fisheries sector reinforces the urgency of the state as the main responsible party and other relevant stakeholders in understanding their impact through a typology of incentives in the fisheries sector, although there is no single criteria in categorising them. Fisheries incentives were previously classified into three categories, namely 'favourable' or 'good', 'capacity enhancing' or 'bad/harmful', and 'ambiguous' or 'bad', determining based on the impact of the incentive on maximum sustainable yield or biologically sustainable yield (Sumaila et al., 2010, 2016; Danish Human Rights Institute, 2022). Favourable incentives are one category of incentives that lead to investment in natural capital assets (Sumaila et al., 2010, 2016). According to Sumaila et al (2010), favourable incentives can include fisheries management programmes and services, fisheries research and development, and marine protected areas. The following is a breakdown of the fisheries incentive categories.



Table 2.2. Fisheries Incentive Category

Categories	Types Of Incentives
Beneficial subsidies	<ul style="list-style-type: none"> <li>• Fishery research and development (R&amp;D)</li> <li>• Marine Protected Areas (MPA)</li> </ul>
Capacity-enhancing subsidies	<ul style="list-style-type: none"> <li>• Fuel subsidies</li> <li>• Boat construction, renewal and modernization programs</li> <li>• Fishing port construction and renovation programs</li> <li>• Price and marketing support, processing and storage infrastructure programs</li> <li>• Fishery development projects and support services</li> <li>• Foreign access agreements</li> </ul>
Ambiguous subsidies	<ul style="list-style-type: none"> <li>• Fisher assistance programs</li> <li>• Vessel buyback programs</li> <li>• Rural fishers' community development programs</li> </ul>

Source: Sumaila et al., 2010, 2016

On the other hand, capacity building incentives are the opposite of favourable incentives, leading to disinvestment in natural capital assets that may trigger overfishing or overexploitation, such as fuel subsidies, incentives for boat building, renewal and modernisation programmes (Sumaila et al., 2010, 2016). Ambiguous incentives, in this case, are positioned between beneficial and capacity-building incentives, which are associated with neither stimulating nor degrading fishery resources (Sumaila et al., 2010, 2016). Ambiguous incentives could potentially lead to investment in resource enhancement or disinvestment such as over-exploitation. Incentives in this category consist of controversial fisher assistance programmes, boat buyback programmes, and rural fishing community development programmes (Sumaila et al., 2010).

However, the description of the three categories of incentives based on Sumaila et al (2010) does not include potential human rights impacts. As such, a redefinition of each classification has been initiated by The Danish Institute for Human Rights (2022) by filling the gaps to the typology of fisheries incentives through enhancing human rights aspects. For example, beneficial incentives were redefined as incentives that can help governments strengthen and fulfil their human rights obligations by encouraging the private sector to implement business operations that place a premium on the protection of human rights. Harmful incentives hinder governments and the private sector from fulfilling their duties towards the protection of human rights. Meanwhile, ambiguous incentives remain between adverse and favourable incentives, which may affect the realisation of human rights positively and negatively (The Danish Institute for Human Rights, 2022).

## 2.4. Fishing Industry Supply Chain

Increasing levels of raw product processing have been a strong driver of market development and fish trade globally. There has been an undeniable change in the products offered, with a move away from traditional methods to more advanced and further processed products, which allows for greater value creation and results in higher market value. According to FAO, the proportion of frozen fishery products in developing countries increased from just 3 per cent in the 1960s to 8 per cent in the 1980s, to 31 per cent in 2018. The proportion of processed products is still relatively small, but has more than doubled from 4 per cent in the 1960s to as much as 9 per cent in 2018.

This research focuses on looking at the business processes of fish production companies as they are considered to be the highest value-added activities. Fish production is able to add value to fishery products by improving their quality, diversifying their forms, extending their shelf life, and fulfilling consumer demands for convenience and variety. These factors contribute to the higher prices and economic significance associated with processed fish products.

The main cause of the changing global trend towards increased fish production is the demographic development of society. As the world is experiencing a shift in consumption, they need fish products that are safe and can be easily prepared in the oven or microwave. It is also driving consumer awareness of sustainability, legality, safety, and quality issues surrounding the fish and fish products they consume, both in traditional and emerging markets. This in turn is fuelling demand for traceable and certified products. Fish producers and distributors are reacting to these evolving consumer preferences by adjusting and improving the production levels of their products.

Every seafood supply chain starts from the producer (fishermen) and ends with the end buyer, who sells to the consumer. End buyers include retail outlets (from locally-owned fish markets to national supermarket chains), restaurants, and food service establishments such as hotels, hospitals, and schools. In artisanal fisheries, it is not uncommon for fishers to bypass the supply chain completely and sell their catch directly to consumers on the beach or door-to-door in the community. However, for seafood sold to more traditional markets, the supply chain may consist of any number or combination of mid-chain players (e.g., gatherers, large processors, traders, wholesalers, dealers, small processors, distributors, retailers) that transform, package, and move the product from the point of production to the final sale.

The more mid-chain players present, the greater the complexity of the supply chain, the greater the risk of data and information loss, and the greater the possibility of fraud. However, a shorter supply chain may not always result in correct data. For example, in a very short supply chain where one collector, collects catch from dozens of fishermen and then sells to two retailers, tracing each product back to its source is impossible without a system to separate and label products from each producer.

Meanwhile, fish is a highly perishable food that requires proper handling and preservation to have a long shelf life and maintain the desired quality and nutritional value (FAO, 2001). Retention of dietary properties and quality of fish products depend on adequate handling of the catch after it has been harvested from its aquatic environment (Pigott & Singh, 2021). Therefore, the main concern of fish production is to prevent the fish from deteriorating.

The supply chain of the fishing industry involves various stages, each of which plays an important role in ensuring the availability of fresh and safe seafood products. Here are the important components of the general fishing industry supply chain:

Fishing (catch and artisanal) -> processing and packaging -> Storage and transportation -> Distribution -> Wholesale and retail -> consumption.

Various regulations and standards are applied throughout the supply chain to ensure product availability, market economy, food safety, traceability and sustainability. These regulations may include incentives (taxes and subsidies), quality control checks, health inspections, certification, and adherence to sustainable fishing or aquaculture practices.

The fish production chain is considered the process of preparing seafood and freshwater fish for consumption (Pigott & Singh, 2021), which refers to the processes associated with fish and fish products between the time the fish is caught or harvested and the time the final product is delivered to the consumer. Once caught or harvested, the fish is processed to maintain its quality. Production includes cleaning, gutting, filleting, and deboning the fish.

Larger fish production companies often operate their own fishing fleets or aquaculture operations. The products of the fish industry are usually sold to a chain of distributors or intermediaries. Fish is highly perishable, so the main concern of fish production is to prevent the condition of the fish from deteriorating during other production.

Fish production can be further divided into fish handling, raw fish pretreatment, and fish product manufacturing. Another natural subdivision into primary production involves screening and freezing fresh fish for onward distribution to retail outlets and fresh fish caterers, and secondary production produces chilled, frozen and canned products for the retail or catering trade (Royal Society of Edinburgh, 2004).

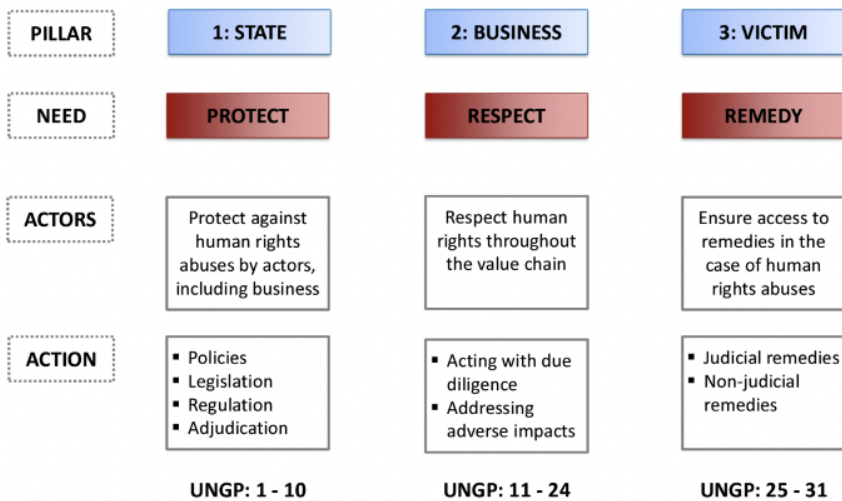
After production, the fish is usually packaged to preserve freshness and prevent spoilage during transport. Packaging methods may include vacuum sealing, freezing, or the use of ice. The cold chain must be maintained when chilled or frozen fish or fish products are transported by road, rail, sea or air. This requires an insulated container or transport vehicle and adequate refrigeration. Modern shipping containers can combine cooling with a controlled atmosphere (FAO, 2005).

Fish production is also concerned with waste management and the added value of fish products. The demand for ready-made fish products or products that require little preparation is growing. Although the term refers specifically to fish, it is extended to include all aquatic organisms harvested for commercial purposes, whether caught in wild fisheries or harvested from aquaculture or fish farming.

## 2.5 Human Rights Due Diligence (HRDD)

The United Nations Guiding Principles on Business and Human Rights (UNGPs) provide a comprehensive framework consisting of 31 principles aimed at implementing the “Protect, Respect, and Remedy” framework. This framework outlines the obligations of both states and businesses regarding human rights in the context of business activities. Its purpose is to clarify the responsibilities of states and businesses in protecting and respecting human rights, while also ensuring that affected individuals and groups have access to effective remedy mechanisms.

Figure 2.1 Summary of the UN Guiding Principles on Business and Human Rights (UNGPs)



Source: processed from Pesce (2017)

The human rights due diligence process is at the core of the company’s responsibility to respect human rights. To fulfil this responsibility, companies or business activities should conduct human rights due diligence (UNHR Council Principle 15, 2011). As the Special Representative of the UN Secretary-General on human rights and transnational corporations and other business enterprises, Prof. John Ruggie, puts it, due diligence demonstrates “the steps companies should take to recognize, prevent and address adverse impacts on human rights” (UNHR Council, 2008).



To fulfil this responsibility, companies or business activities should conduct human rights due diligence (UNHR Council Principle 15, 2011). Based on (UNHR Council principles 17, 2011), it involves four core components:

- a) Identify and assess any actual or potential adverse impacts on human rights that the company may cause or contribute to through its activities or that may be directly linked to its operations, products or services through its business relationships;
- b) Integrate findings from impact assessments into all relevant company processes and take appropriate action according to their involvement in the impact;
- c) Track the effectiveness of measures and processes to address adverse human rights impacts to determine whether they are working; and
- d) Communicate how impacts are being addressed and demonstrate to stakeholders - especially those affected - that adequate policies and processes are in place.

Preventing adverse effects on humans is the primary goal of human rights due diligence. This is a human risk, not a business risk. This should be ongoing, as threats to human rights can change over time. This should be based on meaningful stakeholder engagement, particularly affected stakeholders, human rights defenders, trade unions and grassroots organisations. Companies should identify and assess risks based on geographic context, sector and business relationships across their activities (both headquarters and subsidiaries) and value chain.

Since 2011, corporate human rights due diligence has become an expected norm of conduct. This should be based on meaningful stakeholder engagement, particularly affected stakeholders, human rights defenders, trade unions, and grassroots organisations. Human rights due diligence standards are increasingly reflected in the framework of government policy and legislation, including mandatory disclosure of the risks of modern slavery in supply chains. In the National Action Plan on Business and Human Rights issued, the government has reaffirmed the expectation that companies exercise human rights with due diligence (Komnas HAM, 2017).

Experts such as Mazzeschi and Cassella point out that the concept of due diligence has many aspects and is often a source of dispute among legal experts. In public international law, due diligence can be an international obligation, an international legal principle, or an independent rule of law (Mazzeschi, 2018). In private law, due diligence refers to a certain standard of care in the performance of obligations (Smit, 2016). In contrast, in a corporate context, due diligence is a risk management practice aimed at preventing risks to employees or the business (Emanuilov & Yordanova, 2022). In the context of business and human rights, due diligence is a process to identify, prevent, mitigate and account for human rights impacts associated with business operations (Mazzeschi, 2018).

There is an intrinsic link between the state's duty to protect and the corporate responsibility



to respect human rights in business and human rights. Indeed, as noted by the UN Committee on Economic, Social and Cultural Rights, states' obligations to protect human rights include a positive obligation to adopt laws requiring businesses to conduct human rights due diligence (UNHR Council, 2011). This requires States to mandate that companies exert their best efforts to ensure that entities whose actions these businesses may influence respect international human rights (UNHR Council, 2011).







Part 3

## Research Methods



## Bagian 3

# Research Methods

### 3.1 Research Approach and Design

This study will use qualitative methods to explore government incentive policies in three selected ASEAN countries towards the private sector in the fish production industry. Qualitative research focuses on the depth of information explored, the capture of specific details, and the meaning of the informant's experience of the phenomenon. Thus, qualitative methods are suitable for this research.

This study uses a multiple case study approach by examining cross-case analysis and focusing on aspects of the differences and similarities between cases (Creswell & Poth, 2018; Yin, 2009). The case studies presented examine specific aspects of government incentive programs for the fishing industry, particularly in the fish production sector and an example is the case of corporate policies in each country. The companies we selected were assessed on human rights compliance using the indicators used in the study. The assessment was based on available literature, particularly company reports, news and articles in credible mass media, relevant related information, and discussions with several organisations as research informants.

Overall, the steps in conducting this research follow the procedure for conducting a case study research approach by Creswell and Poth (2018) which consists of: 1) structure the research by creating a research protocol, 2) conduct an expert review of the research protocol, 3) conduct extensive data collection from various data sources, 4) analyse the primary and secondary data sources that have been obtained, and 5) report the findings and conduct a final expert review.

### 3.2 Data Collection Technique

Data collection was carried out in July - December 2023. In this phase, data collection through various sources ranging from secondary data, such as policy papers, some company documents related to human rights due diligence assessments, official websites

of relevant government agencies, previous research, primary data, focus group discussions and *semi-structured interviews* with relevant informants. The primary data obtained was used to confirm and synthesise information previously collected through secondary data sources. Thus, primary data serves as a check and balance against secondary data.

### **Incentive policy data collection:**

To obtain detailed and in-depth information about the incentive policy, this research uses literature review, field observation, and interviews as its data collection techniques. The literature review was conducted by identifying the government incentives of the 3 selected ASEAN countries in their fisheries-related policy documents and the private sector in fish production activities that have access to such incentives. Then to see the field conditions, data were collected through observation and interviews with a number of informants.

### **Data retrieval company policy:**

To obtain information on the implementation of human rights due diligence in fisheries production companies, data collection was prioritised on private fisheries production companies that have the largest scale of sales turnover and a wide network that has exported processed fish products. Data collection of fishery production companies with these criteria is taken from the site [www.trademap.org](http://www.trademap.org), object selection based on companies that are included in the top 10 category based on the value of sales turnover (turnover) and the highest number of employees.

In this study, 3 companies in each country were taken as research objects by considering the factor of the type of company that is a public company and the availability of sustainability reports published by the company. The literature review is also obtained from the company's annual report, other supporting documents (reports from the company's supply chain/ group/ subsidiaries), journal articles, news, and previous research. However, given the relevance of the research needs, the data collected is limited to the last 12 years since the human rights principles were issued in 2011 until 2023.

### **Primary data collection on human rights conditions in the capture and production process:**

To obtain data on the condition of human rights fulfilment in the fisheries sector, data collection is carried out by collecting primary and secondary data. Primary data collection was conducted through field studies at relevant companies or private sectors from data based on trade maps. We interviewed stakeholders such as workers (crew, fisher, staff), management, suppliers, buyers, CSOs, and neighbouring communities. Field data collection was only conducted on cases that occurred in Indonesia. In addition to primary data, data collection was also conducted using secondary data for the three countries through previous research, news articles and other reports.

### 3.3 Selection of locations and informants

Countries selected in this study are Indonesia, Vietnam and Thailand. The selection of this country is based on the top three largest fishing producing countries in ASEAN. In the field data collection for cases in Indonesia, research locations were conducted in North Jakarta and North Sulawesi. The determination of the location in North Jakarta is based on the deepening of cases found by the Destructive Fishing Watch (DFW). Then, North Sulawesi was selected based on criteria with a dominant contribution of the fisheries sector to the regional economy and employment. In terms of fisheries management, North Sulawesi has substantial support from the regional budget and a large-scale port.

Informants were selected based on purposive sampling in accordance with the criteria of information needed in the study. Thus, the informant is chosen deliberately. The following is a list of informants for the Indonesian case field research:

Table 3.1 List of Indonesian case field research informants

Category Informants	Information obtained	Total	
		Male	Female
<b>North Jakarta</b>			
Civil society organizations that focus on the fisheries sector	Obtain information on cases of human rights violations found in the field	2	
Fisheries Association	The state of fisheries companies in Indonesia, incentives in the fisheries sector	3	2
Shrimp peeler laborer	Conditions for the fulfillment of human rights of workers in small-scale industrial companies (production)		3
Fishing boat crew	Conditions for the fulfillment of human rights of workers/laborers/ship crew in the fishing process (fishing vessels owned by individuals and small companies)	4	
<b>North Sulawesi</b>			
Company management	Incentives obtained by the company, company policies related to responsible business and Human Rights, Human Rights Compliance conditions of the company and workers, relationships with suppliers, industrial supply chain	3	6
Corporate HR division	Human rights policies for workers, conditions for fulfilling workers' rights	2	

Category Informants	Information obtained	Total	
		Male	Female
Production Staff (processing)	Conditions for the fulfillment of workers' rights, company policy and working conditions	6	4
Shipping department Staff	Knowing the relationship between capture fisheries workers who work		1
OHS Staff	Conditions for fulfillment of workers' rights and company policies for corporate responsibility		1
Ship Crew	Conditions of fulfillment of human rights and workers' rights for the crew of the ship, working conditions	5	
Ship Captain	Conditions for the fulfillment of human rights for crew members	2	
Master	Conditions for the fulfillment of human rights for crew members	1	
Small-scale ship owners	Conditions for the fulfillment of human rights for crew members, incentive policies received	1	
Small fisherman's wife	Socio-economic conditions of coastal communities and fishing families		2
Fish suppliers	Conditions for the fulfillment of human rights for workers, relationships with companies in the fisheries supply chain and government incentive policies	1	
Small fish collector	Socio-economic conditions of coastal communities and fishing families		1
<b>Jumlah informan</b>		<b>30</b>	<b>20</b>

*Source: Research Data*

### **Selection of companies analyzed for business and human rights policies:**

Meanwhile, for the company policy analysis we mapped companies across the 3 selected ASEAN countries, and the numbers were weighted on the most significant criteria. The list of companies selected is based on the top 10 companies based on the highest turnover value and number of employees, specifically fresh and frozen fish production companies (appendix 1). From the top 10 companies, 3 companies were selected to analyze their policies. The 3 production companies were selected based on several criteria, such as: total production, total export value, number of employees, supply chain, accessibility, network and channels.



### 3.4 Data Analysis

This research will use thematic analysis as its research analysis. Thematic analysis is carried out to identify, analyze, and receive patterns of information and structure themes that arise from data collection. The process of thematic analysis involves creating datasets, identifying patterns, systematically coding, deriving themes, and creating narratives (Braun & Clarke, 2006). The study will also use a gender perspective in its analysis to capture one aspect of justice and equality.

This study follows a thematic analysis of several cases cited by Braun and Clarke (2006), including 1) getting to know the data; 2) generating the initial Code; 3) finding the theme; 4) reviewing the theme; 5) determining the theme; 6) classifying the themes that have been determined. The purpose of thematic analysis is to help construct a theme from the data collected. On the other hand, Human Rights Due Diligence in the private fish production sector will be assessed in depth through the principle of “protecting human rights, dignity, and access to resources” from primary and secondary data collected from company documents, mass media data, and in-depth interviews with research informants.

The human rights assessment uses the human rights due diligence framework (HRDD). The HRDD assessment used in this study was adopted from the Social Responsibility Assessment (SRA) Tools initiated by Conservation International. SRA is a risk assessment tool and benchmark for conducting human rights due diligence in the seafood supply chain (Conservation International, 2021). In general, CFS can be applied to assess risks to specific social issues; uncover necessary information gaps; and find areas that need improvement (Conservation International, 2021). In addition, the CFS method stands out in a variety of contexts, ranging from small-scale community-oriented fisheries to the industrial sector, so that it can also be applied to a wide range of fishing industries. Thus, the CFS tool is suitable to be used as an assessment method in this study.

According to Conservation International, the CFS method contains three principles: protecting human rights, dignity, and access to resources; ensuring equality and fair opportunity for benefits; and improving food security, nutrition, and livelihoods. Each principle is complemented by its main components. For example, human rights and labor rights and access rights are key components of the principle of protecting human rights, dignity, and access to resources. This study does not use all indicators of CFS in human rights assessment, here are the indicators used in this study:



Table 3.2 dimensions and indicators selected to see the condition of human rights compliance in the fisheries sector

Dimensions	Indicators
<b>Human and labor rights</b>	Abuse and harassment
	Human trafficking and forced labor
	Debt bondage in small-scale fisheries
	Child labor
	Freedom of association and collective bargaining
	Income and benefits
	Adequate rest
	Access to basic services
	Work Safety
	Medical assistance
<b>Right of access</b>	Indigenous peoples' resource use rights
	Corporate responsibility and transparency
<b>Equality</b>	Complaints reporting and access to resolution
	Stakeholder participation and collaborative management
<b>Equity</b>	A fair chance to benefit
	Discrimination

Source: processed from SRA Tools Conservation International, 2021

To focus on human rights and labour rights aspects, the study will only use the principles of protecting human rights, dignity, and access to resources as guiding principles to assess human rights due diligence in the private fisheries sector. On the other hand, time and resource constraints also influenced this selection.

### 3.5 Scope and limitations of the study

This research is limited to HRDD assessments based on company reporting using research indicators. This research is also based on a desk-study conducted to see the condition of human rights fulfilment in fish production companies and their suppliers so that the resulting analysis is based on data availability. In addition, while using the ASEAN regional scope, we only focus on three countries because they have the highest production figures for fisheries.





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Part 4

## Incentives in the fisheries sector in Indonesia, Vietnam and Thailand



## Part 4

# Incentives in the Fisheries sector in Indonesia, Vietnam and Thailand

### 4.1 Estimation and Classification of Indonesia, Vietnam dan Thailand

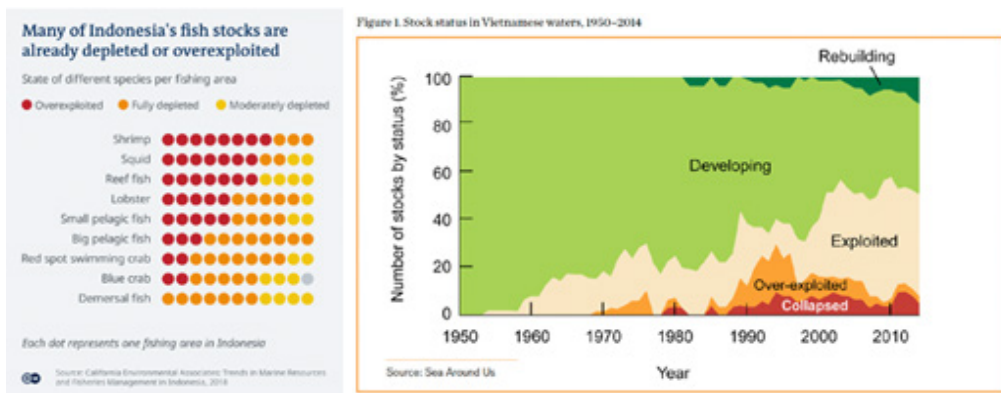
The governments of Southeast Asian countries have a high commitment to support the development of the fisheries sector, given the importance of this industry for the economy and the welfare of local communities. Data revealed by Sumaila et. al. (2019) shows that in 2018, government support for the fishing industry in the region reached USD 3.65 billion. This figure has significant implications, given that the amount contributes about 10 percent of total global support for the fisheries sector worth. Although support aims to increase the productivity and competitiveness of the fishing industry, subsidies can reduce the cost of fishing operations. If not matched by good management, this could potentially increase incentives for overfishing, which could ultimately harm marine ecosystems and threaten the sustainability of the region's fisheries resources.

The assistance provided by the government shows a significant impact on fishery production in Southeast Asia which continues to increase. According to SEAFDEC (2023), the Southeast Asian region experienced an upward trend in fishery product production from 23 million metric tons in 2005 to 46.8 million metric tons in 2019. During this period, fisheries production in the region increased by an average of 1.7 million metric tonnes per year or about 5.3 per cent per year. However, the increase in production experienced resulted in the production and fishery stocks suffered a degradation that is quite worrying. According to Komatsu (2013), referring to the results of SEAFDEC and FAO examinations, coastal areas in Southeast Asia, especially the Gulf of Thailand, the coasts of the Philippines, the Indonesian sea, the coast of southern Myanmar and the South China Sea, are experiencing severe degradation or overfishing.

Overfishing has become a serious problem in Indonesian and Vietnamese waters. In Indonesia, most fish stocks have been depleted or overfished. According to the Indonesian Ministry of Marine Affairs and Fisheries, 90% of Indonesian fishing vessels take their catch from areas that are already overfished and too crowded with ships (California Environmental Associates, 2018). On the other hand, in Vietnamese waters, in 2014 about

42.6% of fish stocks were exploited and 3.3% were overexploited. However, these figures do not distinguish between stocks in coastal waters and those in open waters. Stocks in open waters may also have been overfished, but there is insufficient data to ascertain their status (Harper and Sumaila, 2019).

Figure 4.1. Status of fish stocks in Indonesia and Vietnam

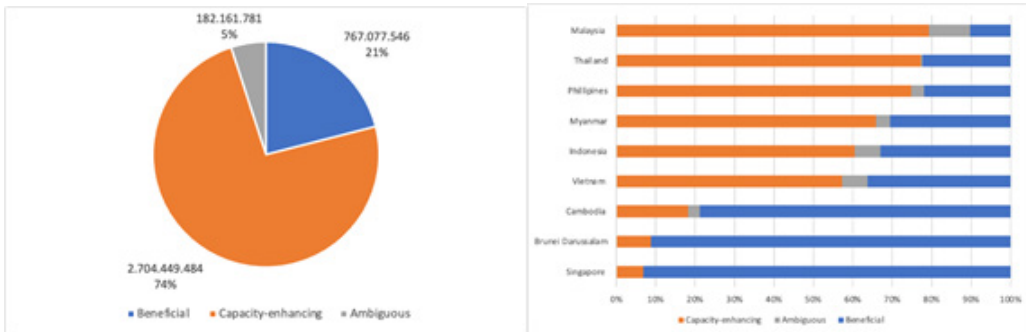


Source: California Environmental Associates via Merk, 2022; Harper and Sumaila, 2019

## 1. Fisheries incentives for Capacity Building

Incentives or subsidies or assistance from the government in the fisheries sector are dominated by *capacity enhancing* types of assistance in fishing. These subsidies include all forms of capital input assistance and infrastructure investment that can reduce costs or increase revenue from fishing activities. Sumaila et. Al (2010) categorises this type of subsidy as “bad” aid because it can push fishing capacity beyond its natural or *sustainable level*. The effect of this type of subsidy is to encourage an increase in fishing activities due to an increase in profits arithmetically sourced from the assistance provided. In the end, this condition will exacerbate the problem of overfishing and damage the sustainability of fishery resources. At present, however, subsidies to the fisheries sector provided by Southeast Asian countries are still dominated by *capacity enhancing assistance*. The value of subsidies included in this category is USD 2.7 million or about 74 percent of the total value of assistance to the fisheries sector. Indonesia, Vietnam and Thailand are the dominant fishery producing countries in Southeast Asia, allocating budgets of USD 565 million, USD 337 million and USD 1.06 billion, respectively.

Figure 4.2. Fisheries incentives in 10 ASEAN countries in 2019 (USD)



Source: Sumaila et al (2019), compiled

Meanwhile, the amount of aid in each country in ASEAN based on its classification can be seen in the following table:

Table 4.1 Classification of Fisheries Incentives in ASEAN Countries

Country	Beneficial	Capacity-enhancing	Ambiguous	Total Aid
Thailand	73.797.552	1.068.852.812	6.398.245	1.149.048.610
Indonesia	308.572.759	565.989.649	60.990.867	935.553.275
Malaysia	60.578.973	472.015.662	62.847.935	595.442.570
Vietnam	213.826.717	337.853.550	38.362.407	590.042.674
Phillipines	40.991.435	139.587.068	6.096.266	186.674.769
Myanmar	15.067.019	107.549.690	5.579.870	163.025.464
Cambodia	49.895.905	11.468.746	1.886.191	63.250.842
Brunei Darussalam	11.148.433	1.076.875	N.a.	12.225.308
Singapore	751.075	55.432	N.a.	806.508

*n.a* is an indication of data limitations.

Source: Sumaila et al (2019), compiled.

Each country has a pattern of providing fisheries subsidies that increase fishing capacity. Among the subsidies that can increase capacity, Indonesia provides the largest assistance to fuel subsidies. Meanwhile, the largest amount of capacity building assistance from Vietnam was used to develop marketing and storage infrastructure. Meanwhile, Thailand provides more assistance in the form of ease of taxation.





Table 4.2 details of Capacity Building Category Fisheries incentives in Indonesia, Vietnam and Thailand

Capacity Enhancing Subsidy	Indonesia	Vietnam	Thailand
Boat conststruct. & renov	66.744.946	15.967.176	4.562.539
Fisheries dev. projects	91.542.906	8.300.469	756.991
Fishing access	1.019.127	74.267	292.468.418
Fishing port develop	26.823.465	15.832.740	160.610.127
Fuel subsidies	141.322.801	N.A.	251.385.952
Markt & storage infrast	140.059.128	266.304.837	34.536.271
Tax exemption	98.477.276	31.374.062	324.532.515

Source: Sumaila et al (2019), compiled.

Fuel subsidies are a cap-raising aid that many Southeast Asian countries provide in order to protect small-scale fishers. However, this assistance is mostly enjoyed by large-scale fish operators, which may encourage overfishing due to the distortion of costs. Indonesia and Thailand provided USD 141 million and USD 251 million in fuel subsidies respectively, while no evidence of fuel subsidies was found. In addition, fishing-related assistance is related to tax exemptions. Indonesia, Vietnam and Thailand provide tax exemptions that cost USD 98.4 million, 31.3 million and 324 million respectively. This eliminates the potential for reallocation of state revenues to cover the negative externalities of overfishing.

In addition, there is also a lot of assistance for marketing and storage infrastructure in improving fisheries capacity. Indonesia and Vietnam, which tend to start catching up in terms of infrastructure, provided assistance of USD 140 million and 266 million respectively. Thailand, which has relatively more developed infrastructure, allocated a relatively lower budget of USD 34.5 million. This condition is also in line with the financial assistance for vessel renewal or modernisation where the assistance provided by Indonesia and Vietnam is relatively higher compared to Thailand.

## 2. Helpful Fisheries Incentives

In contrast, incentives that encourage capacity building in the fisheries sector often lead to overexploitation of fisheries stocks and environmental degradation. Governments in Southeast Asia already provide assistance aimed at promoting the growth of fisheries stocks through conservation and sustainable production and are classified as beneficial subsidies (Sumaila et al., 2010). This subsidy contributes to this goal by supporting the management, research and development of *marine protected areas (MPAs)* (Sumaila et al., 2012; Willis & Bailey, 2020). Referring to Sumaila (2019), the development of these

beneficial subsidies is still inadequate in the region, with the value of their contribution only reaching 26 per cent of the total subsidies provided (Fig x). At the country level, only Singapore, Brunei Darussalam and Cambodia have more expenditure on beneficial fisheries subsidies than subsidies that promote capacity building (Fig xy). Vietnam, Indonesia and Thailand provided useful fisheries assistance with percentages of 36.2, 32.9 and 6.4 per cent respectively.

Table 4.3 Details of beneficial category fisheries incentives in Indonesia, Vietnam and Thailand

Beneficial Subsidy	Indonesia	Vietnam	Thailand
Fisheries mangt.	210.754.701	188.797.972	66.405.473
Fishery R&D	56.386.452	15.246.912	1.840.744
MPAs	41.431.606	9.781.833	5.551.336

Source: Sumaila et al (2019), compiled

The table above shows the differences in incentivisation patterns across the three countries. Incentives for fisheries management, resource management research and development and Marine Protected Areas (MPAs) are found in Indonesia Vietnam and Thailand. All three countries tend to allocate more to fisheries management programmes than to other categories of incentives.

*Fisheries Management* aims to improve the sustainable use of fisheries resources. The programme involves monitoring, control and surveillance; stock assessments and resource surveys; fisheries habitat enhancement; and stock enhancement programmes. However, this programme has not been adequately subsidised by the Thai government. The budget allocated from the total fisheries subsidy is only 5.8 per cent, a relatively low percentage when compared to Indonesia and Vietnam’s values of 22.5 and 32 per cent respectively. At the same time, support and programmes for *Research and Development* in fisheries resource management are limited. This includes initiatives to improve fish catching and production methods to make them sustainable. This is reflected in the level of subsidies given to these programmes in Indonesia, Vietnam and Thailand, which are only 6.0; 2.6 and 0.2 per cent of total fisheries subsidies, respectively.

Marine Protected Areas (MPAs) are an important instrument for conserving marine biodiversity that also has positive socioeconomic impacts (Weigel et al., 2014). The establishment and management of MPAs require significant and sustained financial support and resources (Bhorquez et al, 2022). However, in many developing countries, such as in Southeast Asia, financial and resource constraints are major barriers to MPA management. The lack of financial resources, including those from government budgets, has led to the phenomenon of “Paper Parks”, areas that are designated as MPAs but are not adequately supported with the necessary resources (Savage et al. 2020). Overall, Southeast Asian



countries' subsidies to the Marine Protected Areas (MPA) programme account for only 6 per cent of total fisheries subsidies. Furthermore, at the country level, Indonesia, Vietnam and Thailand allocate 4.4, 1.7 and 0.5 per cent of their total fisheries subsidies respectively to support MPA programmes.

### 3. Ambiguous Fisheries Incentives

Ambiguous subsidies are programmes that have the potential to have a positive impact through enhancing fisheries resources or a negative impact if they lead to overexploitation. While ambiguous subsidies generally account for only five per cent of total fisheries subsidies in Southeast Asian countries, they are a concern to evaluate due to their indeterminate impact (Sumaila et al., 2010). In more detail, the classification of ambiguous subsidies in fisheries can be grouped into three categories: *Fisher Assistance*, *Rural Fisher Communities* and *Vessel Buyback*.

Assistance to fishers in the form of payments to guarantee their income during difficult times can have a positive social impact by preventing them from sinking deeper into poverty (Brugere et al., 2008). However, this assistance does not encourage fishers to diversify their economic activities and remain dependent on fishing (Schrank 2003). This in turn has the potential for over-exploitation. Vietnam tends to be the dominant provider of fisheries assistance in this form and is estimated at USD 30 million, while Indonesia and Thailand only amount to USD 4.6 million and USD 0.9 Million. In addition, the Rural Fisher Communities Empowerment programme is aimed at alleviating poverty and realising food self-sufficiency. Indonesia's vast coastal areas encourage this programme to receive an allocation of USD 56 million, which is greater than the USD 7.8 million and USD 2.2 million allocated to Vietnam and Thailand, respectively.

Table 4.4. Details of ambiguous category fisheries incentives in Indonesia, Vietnam and Thailand

Ambiguous Subsidy	Indonesia	Vietnam	Thailand
Fisher assistance	4.680.451	30.518.196	907.874
Vessel buyback	n.a.	n.a.	3.260.958
Rural fisher communities	56.310.416	7.844.211	2.229.412

Source: Sumaila et al (2019), compiled

In order to reduce overall fishing capacity, governments often use *vessel buyback* programmes. According to Branch et al. (2006), in order to achieve the goal of reducing overall fishing capacity, it is necessary to take into account the fishing ability of each vessel prior to buyback. Reducing the number of vessels without considering their individual fishing strength is potentially ineffective in addressing the overcapacity problem. Often purchases occur on the least efficient vessels so that the overall fishing capacity remains





large (Beddington et al., 2007). Thailand has a related programme and allocated a budget of USD 3.2 million, while in Indonesia and Vietnam there was no evidence of subsidies for this programme. Vessel buyback programmes tend to be expensive and their impact is not always significant or difficult to measure. Besides the high cost, these programmes are considered ineffective in the long term (Hutniczak et al., 2018).

## 4.2 Overview of potential Social Impacts of Fisheries in Indonesia, Vietnam and Thailand

The review of the potential social impacts of fisheries incentives in Indonesia, Vietnam and Thailand is based on the dominant cases and the availability of data or information that supports the findings. The following are the findings based on each country:

### 4.2.1. Indonesia Case Study

#### 1. Variable cost support

Variable-cost input-based support such as fuel, ice, bait or fishing gear is the most consistent assistance provided by the Indonesian government. According to Suharsono (2021), this assistance contributed about 35 percent of Indonesia's total central government spending on fisheries between 2017 and 2020. Fuel subsidy is the most important variable cost of fishing as well as the most dominant assistance provided by the government of Indonesia.

Since 2012, fuel subsidies have only been eligible for fishing vessels under 30 GT. However, during 2017-2020, the level of fuel assistance obtained by fishermen was always lower than the available quota. One of the reasons for this is access barriers, which have resulted in the programme not reaching the targeted beneficiaries (Suharsono, 2021). There is potential inequality for fishermen who have access to fuel subsidies to become more cost-efficient during the fishing process.

Fuel subsidies tend to favour ship owners or operators as they bear the fuel costs. To date, there is no evidence to suggest that these benefits are driving higher wages for crew members. This condition is reinforced by the research findings of WWF Indonesia and FPIK-IPB in 2019, which show that the monthly income of the crew is still below the district minimum wage (UMK) while the ship owner is far above the UMK (Suharsono, 2021). In addition, the crew's wage scheme is based on profit-sharing with unclear contracts, encouraging the practice of cutting wages based on high fuel costs. As a result, many crew members receive unreasonable wages, as in the findings discussed in section 5.

In relation to environmental impacts, Zulham (2005) revealed that in northern Java waters, fuel subsidies encouraged fishing effort but were not followed by an increase

in catch or income. Thus, fuel subsidies do not necessarily increase benefits to fishers, especially for areas that are fully or over-exploited. If assistance continues to be provided while catches are reduced, it results in fishing effort being encouraged while costs increase. The shipowner's attempt to reduce labour costs by cutting the crew's wages so that they receive a disproportionate or unfair return. This suggests a link between overfishing and labour exploitation (EJF, 2019).

## 2. Tax Incentives

The fisheries business, especially in production and exporting, received special interventions, especially related to the available income tax incentives regulated in Government Regulation 78/2019 (ASEAN Briefing, 2023). The government provides a net revenue rebate of 30% of the total investment, with accelerated depreciation and amortisation. Loss compensation is available for more than five years. Investors also get a 10% tax deduction on dividends. Certain investment requirements are imposed, such as an investment value of IDR 10-50 billion and a minimum of 50 local workers (ASEAN Briefing, 2023). During the Covid-19 pandemic, the Ministry of Maritime Affairs and Fisheries of the Republic of Indonesia (MMAF) successfully fought for the provision of fiscal incentives in the form of income tax (PPh) reductions of up to 30% for six months for the national fishing industry.

In addition, Indonesia has a Special Economic Zones (SEZ) policy to attract investment, including in areas that have Fisheries potential. One of them is the SEZ in North Sulawesi, which also received facilities including in the form of tax breaks. One of the tax incentive policies for companies operating in SEZs is a discount on Income Tax (PPh), free Value Added Tax (VAT) for basic goods, duty-free import of machinery and capital goods, and facilitated licensing.

Many fish production companies in Indonesia also operate to do fishing. Thus, the available tax incentives can be an incentive to increase production capacity supported through increased capture. Measurement of the impact of tax incentives on socio-economic and labor conditions is limited due to its indirect relationship. Therefore, the rules and requirements for tax incentives are also not accompanied by criteria for the fulfilment of human rights in general. However, there is a connecting piece which is the existence of other rules such as labour rules. It was found that fish production companies in North Sulawesi still try to comply with labour regulations by fulfilling workers' rights without being required by tax incentives.

In contrast to the ease of taxation, there is one fee collected by the Indonesian government on fishing activities, namely Non-Tax State Revenue. In contrast to the ease of taxation, there is one fee collected by the Indonesian government on fishing activities, namely Non-Tax State Revenue. At the time of PNBP imposition through

the pre-production scheme, payments made by fisheries businesses are based on estimates of potential catches according to vessel capacity, so they do not consider harvest levels and tend to be fixed in size. The implementation of post-production PNBPN is potentially more equitable because fishermen or capture fisheries business actors pay levies according to the amount of catch landed at the designated base port. Thus, there is an incentive that arises in the form of fishermen not being pressured to pursue as much catch as possible to cover operational and PNBPN costs. This condition will encourage the sustainability of resources and capture of quality fish. The Ministry of Maritime Affairs and Fisheries, showed that some vessels paid lower PNBPN under the new levy scheme compared to the old scheme, which tended to be higher (Kompas, 2023). Findings in North Sulawesi show that some fishing businesses do not object to PNBPN if followed by adequate catches.

### 3. Fixed cost support

Fixed cost support, including the provision, construction, and modernisation of vessels and equipment, can also contribute to unsustainable levels of fishing effort (Danish Institute for Human Rights, 2022). This assistance is provided by the central and provincial governments in Indonesia by targeting fishermen to be able to update their fishing capacity (boats and engines), add equipment or complementary equipment (Suharsono, 2021). In the provinces of Aceh, North Maluku and North Sulawesi, this assistance represents a significant proportion of total fisheries expenditure or in absolute value terms. In all three provinces, there are similar requirements for fixed cost support, especially for boats distributed by fishing cooperatives, except for poverty alleviation programmes in North Sulawesi where the recipients can be individuals. These programmes aim to support livelihoods in areas where there are no alternatives. Although it can support the fulfilment of the right to do business, the requirement to be channelled through cooperatives is a challenge for vulnerable communities who are not members of cooperatives.

There is an assistance programme to provide motorised boats in North Sulawesi. Fishermen who receive motorised boats can fish more safely than when using non-motorised boats. This reduces the risk of vulnerability of fishermen and their families who may be threatened in the event of a workplace accident. Whereas the provision of larger vessels, although there is potential to employ crew members and provide employment. However, the provision of vessels, especially under 10 GT, has the potential to encourage overfishing as catches are not reported and tend not to have adequate vessel registration marks. According to The PEW Charitable Trusts (2019), estimates that 95% of small-scale vessels in Indonesia have no reported fishing activity.

In addition to the provision of boats and machinery, there is assistance in providing post-harvest equipment. This assistance is consistently provided by the government of North Sulawesi during 2016-2019, especially targeting fishermen who are in the poor category. Especially during the COVID-19 period, there was a distribution of 434 units of cool boxes to fish sellers and fish collectors to improve the implementation of the cold chain. However, the provision of targeted assistance to the poor is still potentially channeled inappropriately. Field study findings in North Minahasa showed that the distribution of aid in the form of cool boxes was received by village officials or their relatives. Therefore, this condition shows that the distribution of untargeted assistance hampers the potential of the eligible poor to improve their economic conditions by increasing the scale of their fisheries business.

#### 4. Infrastruktur Development

The Indonesian government invested 53 percent of fisheries support into infrastructure between 2017 and 2020. This investment supports the construction, maintenance and improvement of access to the Port, landing facilities and other centres. The majority of this type of assistance is allocated to provide club goods infrastructure that can improve access to infrastructure for some fishing groups but is not publicly available. Although infrastructure projects do not have a direct relationship with increased production, they can facilitate capacity building and intensification of fishing efforts through the provision of access to new sites or the possible use of larger vessels.

#### 5. Labor Policy

One of the technical supports is assistance in monitoring maritime security from IUU (Illegal, Unreported, and Unregulated Fishing) issues. The Indonesian Ministry of Maritime Affairs and Fisheries (MMAF) oversees 30 fisheries monitoring vessels. During 2022, each vessel operated an average of 66 days, and as a result, in 2022, 3,282 vessels were inspected, of which 79 were found to have committed offences.

In ensuring employment rights for fishery workers, Indonesia continues to improve labor supervision in the fishery sector. However, in terms of the overall quantity of labour inspectors there is still a gap between the ideal, in accordance with ILO recommendations, and the available one. Labor inspectors have an important role in ensuring the implementation of labor laws in the fisheries sector. So the supervision aspect, especially in terms of budget allocation, still needs to be improved considering the high needs.

Education and training programmes can help fishers understand their right to safe and healthy working conditions and the right to fair and favourable working conditions (Danish Institute for Human Rights, 2022). The Indonesian government through the CTF budget routinely conducts competency training for fishing boat crews. In 2022,

1,245 people received basic safety training (KKP, 2023). Knowledge from this training is also widely felt by fishermen in North Sulawesi. Ship owners and fish production companies also encourage their crew members who are going to sea to gain skills from this training, by informing them of the training schedule that will be held at the Bitung Ocean Fishing Port.

In 2017, the Ministry of Marine Affairs and Fisheries (MMAF) issued Ministerial Regulation No. 2/2017, known as the Regulation on Requirements and Mechanisms for Human Rights Certification in Fisheries, to protect the rights of fishers in Indonesian waters. This regulation creates a certification mechanism to ensure that Indonesia's fishing industry is free from human rights violations. Companies that do not obtain human rights certification are not permitted to operate in Indonesian waters in accordance with this regulation. The requirements for obtaining certification include human rights policy, the procedure for conducting risk assessments, and remediation in cases of violations. Every company in the fisheries sector is required to submit a human rights audit report to ensure the welfare of fishermen and port workers. However, the Fisheries Human Rights System and Certification has not yet been implemented. Many basic rights of workers/labourers and crew members of fishing vessels/fishermen in fisheries businesses have not been fulfilled (Lattuputy, 2019).

## 6. Social Protection

In order to increase income support for fishermen which includes income support and insurance schemes for fishermen. One of the programmes identified in this category is the provision of fishermen insurance premium assistance. This assistance is an incentive for fishermen to join the insurance scheme provided only for the first year. The Indonesian government allocated around Rp 90 billion (USD 6.42 million) in 2017 and 2018 respectively (Suharsono, 2021). Based on the findings of Maisandi and Halimatussadiyah (2022), the percentage of fishermen in Indonesia who have insurance is still low. Thus, premium assistance at the beginning of the membership period keeps them to increase insurance ownership for fishermen.

Ownership of work accident insurance and health insurance can maintain and influence the welfare of fisher households. Fishermen who have insurance, either in the form of health or work accidents, have a higher level of economic welfare (Maisandi and Halimatussadiyah, 2022). In addition, having insurance serves as social protection when fishers are unable to work to prevent disruptions to their well-being.

### 4.2.2. Vietnam Case Study

On July 7, 2014, the government issued Government Regulation Number 67/2014/ND-CP and Government Regulation Number 17/2018/ND-CP. The purpose of this regulation is to develop policies comprehensively, systematically, and synergistically for the development

of the fisheries sector. This regulation regulates policies related to the development of infrastructure for fishing, including fishing ports and fishing piers; credit policies; working capital loan policies; and hull insurance and crew insurance policies. It aims to regulate and provide a solid foundation for the development of the fisheries sector, including aspects related to sustainability, economy, and marine security.

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### 1. Fixed cost support

There is a credit policy for shipowners to borrow up to 95% of the total investment value in new shipbuilding at an interest rate of 7% per annum. The purpose of this policy is to provide incentives and financial support for the construction or upgrading of vessels, while setting up mechanisms to deal with risks and situations where projects cannot proceed. The programme has been successful in modernising vessels with new vessels being built using steel hulls and having a capacity of 800 CV or more. Improvements to the vessel have led to improved working and living conditions for crew members, fuelled by better livelihoods.

The Program also encountered some obstacles such as a pending balance of VND 8.058 billion to finance 963 ships, in addition there was a default of VND 4.228 billion (52.5% of the total). Another challenge of this program is that the lending mechanism still has a long procedure and the amount of working capital loans is relatively low compared to the needs. This condition encourages many fishers to continue using unofficial credit instruments. shows that subsidies have a positive impact on fishers' profitability due to increased income, especially benefiting the owners of the largest vessels. However, the inefficiency of subsidized ships can threaten resources and profitability in the long run. Despite its positive economic impact, the scheme has not addressed the problem of poor income from the fisheries sector and only favours large-scale vessels and owners over small-scale fishers in coastal waters (Pham, 2021).

### 2. Tax Incentives

Despite its positive economic impact, the scheme has not addressed the problem of poor income from the fisheries sector and only favours large-scale vessels and

owners over small-scale fishers in coastal waters (Pham, 2021). The government is waiving 100% of the permit tax for individuals, organisations, and households in the aquaculture, fisheries, and fisheries support services sectors. In addition, seafood products sold are exempt from value-added tax, boat insurance, and equipment directly serving fishing. In particular, import taxes on machinery, equipment, and tools that cannot be produced domestically to build and upgrade vessels with a total capacity of 400 CV or more were also abolished (Nguyen, 2021).

According to Vietnam's IUU White Paper, it is estimated that at least 20% of the seafood catch is illegally caught, resulting in huge profits for fishers or operators as an estimated USD 10 to USD 24 billion is free from paying taxes or income tax (Nguyen, 2021). However, there are many adverse impacts of fisheries subsidies, such as fuel subsidies for vessels, income tax incentives for seafarers, open access and credit for fishers, all of which encourage illegal, unreported and unregulated fishing (Martini & Innes, 2018). The elimination of natural resource taxes can also reduce operating costs, increase revenue, and allow for the accumulation of vessels and employees. On the social aspect, this creates inequalities among fishing communities with different levels of exploitation. This has also resulted in a decline in fishermen's awareness and obligation to contribute to the development of society and the state (Tuong, 2009).

### 3. Labor Policy

In line with Government Regulation No. 17/2018/ND-CP, there is a programme to provide full support, i.e. 100%, for training costs aimed at guiding crew members in operating steel-hulled and newbuilding vessels. In addition, special technical guidance is provided for vessels with a total main engine capacity of 400CV or more, covering product exploitation and preservation techniques using the latest technology. This support allows seafarers to quickly access the latest technology, improve skills in advanced fishing techniques, and master the ability to safely and long-term storage of fish on board.

In addition, there is training for fishery workers in Quang Ngai Province aimed at providing knowledge about safe fishing areas, ship engine repairs, understanding of legal provisions, rescue at sea, ship control to avoid storms, and methods of preserving marine products.(Quang Ngai Farmers Association, 2023). Education and training can contribute to improving the understanding of fishing communities regarding their rights to a safe and healthy working environment, as well as the right to work in fair and favorable conditions (Danish Institute for Human Rights, 2022).

The Marine and Island Health Development Program in Vietnam until 2030 sets short-term goals by 2025, namely equipping 70% of fishing vessels at sea with medicine



cabinets and medical equipment, ensuring 80% of marine vessels comply with international marine health regulations, and training 80% of residents at sea and islands in health protection and first aid. Meanwhile, the long-term goals until 2030 include achieving 100% compliance of fishing vessels at sea and ocean vessels with international regulations, training in health protection and first aid for the entire population at sea and islands, and equipping 70% of surface ships of the Navy, Coast Guard and Border Guard with medical facilities for sea rescue operations. This programme can improve the working environment, especially in the aspect of health at sea, to be more appropriate.

On March 10, 2023, the Prime Minister of Vietnam approved the Conversion Project (Decree No. 208 / QĐ-TTg) with a target of up to 2025, including professional training for 50,000 fishermen as well as the conversion of about 2,000 fishing vessels. This conversion aims to support tasks such as aquaculture, recreational fishing, and planned or work involved in the tourism sector in conservation areas. In addition, this project has the goal of protecting aquatic resources and ensuring compliance with applicable legal provisions. This programme can improve the working environment, especially in the aspect of health at sea, to be more appropriate.

#### 4. Social Protection

Through the regulation No 17 of 2018, the Vietnamese government has a policy to provide 100 per cent support for the purchase of accident insurance for each crew member working on board. However, the coverage of beneficiaries of this insurance assistance programme is still 56 per cent of the total fishermen who go to sea.

### 4.2.3 Thailand Case Study

#### 1. Ship Repurchase

The repurchase of ships is one of the largest aid to Thailand's THB 2.6 trillion Marine Fisheries Management Plan. However, large government budgets have yet to be studied in relation to reducing overfishing. Given that this programme has been implemented by many developed countries, lessons learnt from them can be taken into consideration for policy evaluation in Thailand. This study evaluates the performance of fisheries buyback programmes in achieving positive socio-economic outcomes. The study assessed four case studies from Australia, the United States, British Columbia (Canada), and Norway. The results show that while buyback programmes can be successful in reducing fishing capacity and increasing economic returns in the



short term, none of the buyback programmes evaluated were fully successful due to the presence of unused permits or licences, increased fishing effort, and continued reinvestment in the fishery.

## 2. Marine Protected Area

The Thai government has a budget for Marine Protected Area financing of. Programmes that have the main goal of environmental conservation also have a positive impact on the socio-economic achievements of coastal communities. The results of a study by Weigel et al. (2015) evaluated the economic impact of Marine Protected Areas (MPAs) on fishing households in Chumphon Province, Thailand. Comparisons were made between households within or adjacent to the MPA and households far from the MPA. The main findings show that households located within or adjacent to MPAs tend to have higher incomes, better market conditions, and lower levels of economic vulnerability compared to households far from MPAs. In addition, there is lower income inequality among households within or adjacent to MPAs.

The study also highlighted the positive impact of MPAs on gender roles in fisher households. Women in households located within MPAs had on average twice the income compared to women in households away from MPAs, mainly through income from post-harvest activities. MPAs also provide significant professional opportunities for fishermen's spouses and daughters, especially in post-harvest activities in the fisheries sector. Overall, this study implies that MPAs not only have positive economic impacts on fishing communities, but also contribute to the improvement of gender equality in the fisheries sector.



Part 5

## **Policies and Conditions for Human Rights Fulfilment in the Fisheries Sector**



## Section 5

# Policies and Conditions for Humans Rights Fulfilment in the Fisheries Sector

### 5.1 Humans rights protection policies in the fisheries sector in Indonesia, Vietnam and Thailand

Human rights in the fisheries and aquaculture sector are important for two fundamental reasons. Firstly, the sector is a significant source of employment and livelihood for many people, particularly in communities that rely heavily on the industry for their economic and social well-being such as in Indonesia, Thailand and Vietnam. Second, workers in the fisheries and aquaculture sector are subject to human rights violations.

Indonesia is one of the highest tuna producers in the world but there is still discrimination against migrant workers, especially Chinese. Migrant workers in Indonesia are particularly vulnerable to debt bondage from accumulated local and foreign recruitment agencies. Gaps in Indonesia's legal framework undermine child protection against the worst forms of child labour and overall, enforcement of child labour, forced labour and anti-trafficking laws is ineffective. Lack of human resources to supervise labour which is insufficient for the number of workers. The limited capacity within the labour inspectorate is likely also influenced by the remoteness of some areas.

Vietnam is a tropical tuna producing country operating in the Western and Central Pacific Ocean. Vietnam has a high *Human Development Index*, evidenced by low poverty rates, high education levels, and positive economic growth. However, Vietnam is also not immune to human rights violations. Restrictions on the ability of Vietnamese nationals to change their permanent residence leave some internal migrant workers without the same legal rights and protections as other residents. Traffickers exploit Vietnamese nationals, including children, ethnic minorities, and rural communities, in forced labour in various industries. viii and child labour are prevalent in Vietnam's informal sector and rural areas.

Thailand, as one of the sixth highest exporting countries after China, is not immune to human rights violations. Forced labour, human trafficking, and *child labour* from neighbouring

countries. This is a systemic problem in the seafood industry and other labor-intensive sectors. In addition, there are limitations on migrant workers' right to organise, high levels of informality in recruitment and labour contracts, widespread use of unregistered recruitment agencies.

Ensuring human rights in the sector is important to protect the dignity, safety, and well-being of workers, and promote sustainable and equitable development in these communities. Respecting human rights in fisheries and aquaculture is not only a moral imperative, but also essential to achieving broader social and economic goals.

Strengthening human rights rules in ASEAN to prevent current and future violations remains a major concern. Effective implementation of human rights rules in ASEAN can help ensure that industries, including the fisheries and aquaculture sectors, operate in a way that respects human rights and the environment, avoids exploitation and damage to ecosystems, and protects the rights and welfare of local communities and workers.

In an effort to strengthen human rights in the fisheries sector, ASEAN countries have committed to several important agendas. One of them is the *Resolution and Plan of Action (RES&POA) on Sustainable Fisheries for Food Security for the ASEAN Region*, which aims to equitably distribute benefits from trade in fish and fishery products, both intra-regionally and internationally, especially for small-scale actors along the value chain. This agenda also includes strengthening national programmes and policies in aquaculture by considering social, economic and environmental aspects to promote food security and reduce poverty.

Furthermore, the *ASEAN Illegal, Unreported, Unregulated Fish (IUUF) Network and The Regional Plan of Action to Promote Responsible Fishing Practices including to Combat Illegal, Unreported, and Unregulated Fishing Practices in the Region (RPOA-IUUF)* are crucial initiatives in strengthening cooperation on fisheries management, resource conservation, and combating illegal, unreported, and unregulated fishing. Especially in strategic areas such as the South China Sea and the Sulu-Sulawesi Seas, this Agenda is one of the commitments in human rights in the regional and national fisheries sector that is synergistic.

On a broader scale, there are also international conventions that have been ratified by Indonesia, Vietnam and Thailand. On human rights issues, for example, the Palermo Protocol on Preventing, Suppressing and Punishing Trafficking in Persons, Especially Women and Children, complements the UN Convention against Transnational Organised Crime. The Palermo Protocol has been ratified by Indonesia, Vietnam, and Thailand. Then on the issue of child labour, ILO C-138 which regulates the age limit of workers for ship crew of 15 years and ILO C-182 on the elimination of the worst forms of child labour along with providing facilities and free access to vocational education. Both conventions that focus on child labor have been ratified by Indonesia, Vietnam, and Thailand.



The success of these agendas could potentially lead to the ratification of international conventions in ASEAN countries, which could strengthen the protection of workers' rights in the fisheries sector.

### **5.1.1 International Policies for the Protection of Fisheries Workers in Indonesia, Vietnam and Thailand**

The importance of ratification of international conventions by Indonesia, Vietnam and Thailand is a crucial step in ensuring more comprehensive and effective protection for workers, especially crew members in the fisheries sector. As countries with significant fishing industries, these three countries face similar challenges in protecting workers' rights amid often exploitative work practices and working conditions that fall short of proper occupational health and safety standards (AN, Researcher Interview, 2023).

Data and analyses from Greenpeace (2022) show that current national regulations in all three countries are general and not specific enough to provide comprehensive protection to crew members. This makes crew members overly reliant on the labour agreements entered into with shipowners, putting them in a vulnerable position to rights violations and unfair working conditions.

In this context, ratification of international conventions such as ILO C-188, which regulates labour standards in the fisheries sector, is crucial. The Convention not only offers a strong legal framework for worker protection but also ensures that countries meet international standards in the management of their fisheries industry. By ratifying conventions such as these, Indonesia, Vietnam, and Thailand can strengthen their domestic legislation, guarantee better protection for crews, and effectively enhance their international reputation as countries that promote human rights and decent work.

Ratification of international conventions will also promote harmonisation of labour standards and worker protection in the region, preventing a "race to the bottom" where countries compete to attract investment by offering lower labour standards. This is important to ensure that globalisation and international trade provide equitable benefits to all, including workers in the most vulnerable sectors.

As a first step towards improving worker protection in the region, the ratification of international conventions by Indonesia, Vietnam, and Thailand will provide a solid foundation. It is not only about fulfilling international obligations but also about taking moral and ethical responsibility to protect the most vulnerable in the global economy. Through this ratification, the three countries can build a fairer and more sustainable fisheries system, where workers' rights and welfare are at the centre of progress and development.



Table 5.1 Ratification of international conventions relevant to human rights in the fisheries sector in each country

Type	Regulation Title	Contents	Status and Ratification
Convention-Trafficking	Palermo Protocol	Preventing, Suppressing and Punishing Trafficking in Persons, Especially Women and Children, supplementing the UN Convention against Transnational Organised Crime.	Indonesia: Done, 2009 Vietnam: Done, 2012 Thailand: Done, 2013
Convention-Workers, Fishermen, Maritime Security	ILO C-188, Work in Fishing Convention, Protocol 29	Applies to all vessels engaged in commercial fishing and imposes responsibility on the owner and skipper of the vessel to ensure the health and safety of the crew. Crew members must be old enough to work and must be given rest periods, as well as adequate wages, food, and medical care.	Indonesia: Not Yet Vietnam: Not Yet Thailand: Done, 2019
Convention - Workers, Fishers	C029 - Forced Labour Convention, 1930	Establish a general prohibition against the use of forced or compulsory labour in all its forms.	Indonesia: Done, 1950 Vietnam: Done, 2007 Thailand: Done, 1969
Convention - Workers, Fishers	ILO 190	Prevent and address violence and harassment in the workplace, including gender-based violence and harassment by eliminating all forms of forced or compulsory labor, effectively eliminating child labor and eliminating discrimination in employment and employment, and promoting decent work.	Indonesia: Not Yet Vietnam: Not Yet Thailand: Not Yet
Convention-Maritime Security	IMO 1974 (SOLAS Convention)	International agreement on the safety of merchant ships and passenger ships. Outlines minimum standards for ship construction, equipment and operation.	Thailand: Done, 1985 Indonesia: Done, 1981 Vietnam: Done, 1991



Type	Regulation Title	Contents	Status and Ratification
Convention - Fishing	IMO STCW-F 1995	A binding agreement that establishes minimum certification and training requirements for the crew of marine fishing vessels with the aim of promoting the safety of life at sea and the protection of the marine environment, taking into account the unique nature of the fishing industry and the fishing work environment.	Indonesia: Done (n.a) Vietnam: Done (n.a) Thailand: Done (n.a)
Convention - Employment	UN Treaty Body - International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families	Non-discrimination in the treatment of migrant workers and their family members, regardless of legal status, race, colour, language, religion, political or other beliefs, nationality, ethnic or social origin, nationality, age, economic status, property, health status, pregnancy, marital status, or family status. Enabling migrant workers to maintain family life, including the right to family unification and the right of migrant workers' children to education. Enable migrant workers and their families to participate in the social and cultural life of both countries of origin and destination, and recognise their right to send remittances to countries of origin.	Indonesia: Done, 2012 Vietnam: Not Yet Thailand: Not Yet





Type	Regulation Title	Contents	Status and Ratification
Convention-Worker	Convention (No. 105) concerning the Abolition of Forced Labour	<p>Prohibits the use of forced or compulsory labour in five specific situations:</p> <ol style="list-style-type: none"> <li>1. As a political tool or for the purpose of mobilization and use of labor for the purpose of economic development.</li> <li>2. As punishment for different political or ideological views of the ruling regime.</li> <li>3. As a method of mobilization and use of labor for economic purposes by colonial authorities, racial supremacists, or other regimes.</li> <li>4. As punishment for participation in the strike.</li> <li>5. As a means of racial, social, national or religious discrimination.</li> </ol>	<p>Indonesia: Done, 1999  Vietnam: Done, 2020  Thailand: Done, 1969</p>
Convention - Child Labour		<p>Promote children's education and eliminate child labour by establishing a minimum age for employment that cannot be less than the age of compulsory schooling and, in any circumstances, cannot be less than 15 years of age.</p>	<p>Indonesia: Done, 1999  Vietnam: Done, 2003  Thailand: Done, 2004</p>



Type	Regulation Title	Contents	Status and Ratification
Convention - Child Labour	C182 - Worst Forms of Child Labour Convention, 1999	<ol style="list-style-type: none"> <li>1. Establish and implement priorities for the elimination of the worst forms of child labour.</li> <li>2. Provide adequate and free access to basic education and vocational training for all children withdrawn from the worst forms of child labour.</li> <li>3. Take necessary steps to ensure law enforcement, including establishing monitoring mechanisms.</li> <li>4. Provide support and assistance to ensure the recovery and integration of children withdrawn from the worst forms of child labour.</li> </ol>	Indonesia: Done, 2000 Vietnam: Done, 2000 Thailand: Done, 2001
Convention-Worker	C087 - Freedom of Association and Protection of the Right to Organise Convention, 1948	Provide support and assistance to ensure the recovery and integration of children withdrawn from the worst forms of child labour.	Indonesia: Done, 1998 Vietnam: Not Yet Thailand: Not Yet
Convention-Worker	C098 - Right to Organise and Collective Bargaining Convention, 1949	<ol style="list-style-type: none"> <li>1. Protect workers and workers' organisations from discriminatory actions related to trade union activities.</li> <li>2. Encourage collective bargaining as a means of setting working conditions and wages.</li> <li>3. Prevent government or employer interference in independent trade union activities.</li> </ol>	Indonesia: Done, 1957 Vietnam: Done, 2019 Thailand: Not Yet



Type	Regulation Title	Contents	Status and Ratification
Convention-Worker	C100 - Equal Remuneration Convention, 1951	<ol style="list-style-type: none"> <li>1. Eliminate sex discrimination in wages for equal work or work of equal value.</li> <li>2. Encourage job appraisals based on objective criteria to determine the value of work regardless of the gender of the worker.</li> <li>3. Increase transparency in wage-setting mechanisms and promote equal pay through social dialogue.</li> </ol>	Indonesia: Done, 1958 Vietnam: Done, 1997 Thailand: Done, 1999
Convention-Worker	C111 - Discrimination (Employment and Occupation) Convention, 1958	<p>Prevent and eliminate discrimination in employment and professions. Discrimination can be based on race, colour, sex, religion, political opinion, national origin, or social origin, and this convention covers:</p> <ol style="list-style-type: none"> <li>1. Promote equality of opportunity and treatment in the workplace in terms of access to employment, training, promotion, and working conditions.</li> <li>2. Request member states to formulate and implement national policies aimed at eliminating discrimination in the workplace.</li> </ol>	Indonesia: Done, 1999 Vietnam: Done, 2017 Thailand: Done, 1997
Con - Worker	Paris Agreement 22 April 2016 (Decent Work & Economic Growth)	The imperative of equitable labour transition and the creation of decent work and quality jobs in line with nationally set development priorities,	Indonesia: Done, 2016 Vietnam: Done, 2016 Thailand: Done, 2016



Based on the table above, most policies in Indonesia, Vietnam, and Thailand have ratified international conventions that have relevance to human rights in the fisheries sector. However, only Indonesia has ratified the UN Treaty Body on the protection of migrant workers. Then ILO 190 the three countries have not ratified, even though this convention is important in protecting women workers. Then the ILO Convention on Employment in Fishing (C-188). The Convention aims to ensure decent working conditions for fisheries workers in a comprehensive manner. Ratification of this convention is particularly important as the fisheries sector is known for its hazardous working conditions, making worker protection a priority.

Besides the above conventions, there are several other important policies as a basis for promoting business and human rights, among others:

1. The Universal Declaration of Human Rights, Article 4, prohibits slavery.
2. The UN Guiding Principles on Business and Human Rights (2011) articulate the corporate responsibility to respect human rights and set out a series of concrete steps to avoid harm.
3. Sustainable Development Goal 8 (Decent work and economic growth), Target 8.7, requires measures to end modern slavery.
4. International Labour Organization Convention on forced or compulsory labour, 1930, No.29 Prohibition of forced labor
5. The 2014 International Labour Organization Protocol to the 1930 Forced Labour Convention.
6. The International Labour Organization's Declaration on Fundamental Principles and Rights at Work supports the

In the international labour field, respect for human rights in the workplace is recognised through the 8 (eight) basic conventions of the International Labour Organization (ILO). This basic convention consists of 4 (four) groups, namely:

1. Freedom of Association (ILO Conventions No. 87 and No. 98);
2. Discrimination (ILO Conventions number 100 and number 111);
3. Forced labor (ILO Conventions No. 29 and No. 105); and
4. Protection of the child (ILO Conventions No. 138 and No. 182).



## 5.1.2 National Policy for the protection of workers in the fisheries sector in Indonesia, Vietnam and Thailand

### 1. Fisheries labor protection policy from forced labor

Although Indonesia has not ratified Convention 188, its national policies reflect a similar commitment to the welfare of fisher crews. This can be seen in Article 151 which regulates their welfare, including aspects such as salary, regulation of working hours and rest breaks, guaranteed transport to and from home, compensation when the ship is not operational due to accidents, career development opportunities, as well as the provision of accommodation, recreational facilities, nutrition, health care, and work accident insurance. This regulatory support is reinforced by Minister of Maritime Affairs and Fisheries Regulation No. 2 of 2017, which sets out the requirements and mechanisms for human rights certification in the fisheries sector, complementing Ministerial Regulation No. 42 of 2016 on Sea Labour Agreements for Fishing Vessel Crews, as well as Law No. 17 of 2008 on Shipping. This should be a potential for the Indonesian government to immediately ratify the ILO-188 convention.

Vietnam ratified the Maritime Labour Convention 2006 (MLC) in 2013, which regulates occupational safety and health, employment contracts, and social protection and insurance. This ratification helps Vietnam fill the gaps in its national legal system regarding crew protection. On the other hand, while only Thailand has ratified ILO Convention C-188, Indonesia and Vietnam have demonstrated their commitment to crew work safety through the implementation of specific rules. This policy strengthens both countries' position to potentially ratify ILO Convention C-188, which focuses on crew protection.

### 2. Protection of Workers or Migrant Labourers

Indonesia is the only country between Vietnam and Thailand to ratify the UN Convention on the protection of migrants. The rule that is derived to national policy is Law 18 of 2017 on the Protection of Indonesian Migrant Workers, especially in article 6 paragraph 1, there are 13 items of protection rules. The regulation was amended by the work copyright law Government Regulation (PP) Number 22 Year 2022 which regulates the protection of crew members and migrants. The content of the regulation covers crew placement procedures, rights and obligations of migrant crew members, company obligations regarding recruitment, grievance mechanisms and international cooperation.

Although Vietnam and Thailand have not ratified UN treaty body conventions relating to migrant protection, other international regulations they have ratified, such as the Maritime Labour Convention 2006 (MLC), provide protection not only to domestic workers but also to migrant workers. Furthermore, ILO Convention-188 also offers protection to migrant crew members. While these protections are general in nature, the principles contained therein are close to the protection needs of migrants. This suggests that Vietnam and Thailand have the potential to ratify conventions relating to migrant protection more specifically

### 3. Protection from sexual harassment

While Indonesia, Vietnam, and Thailand have not ratified ILO-190 which aims to address and prevent workplace violence and harassment, these three countries have developed and implemented their own regulations in line with the convention's objectives. Indonesia has issued Minister of Labour Decree number 88 of 2023 on Guidelines for the Prevention and Handling of Sexual Violence in the Workplace, which is a continuation of Law number 12 of 2022 on the Crime of Sexual Violence. This regulation targets the prevention and handling of sexual violence specifically in the work environment.

In Vietnam there is already a new Labour Code, adopted by the National Assembly in November 2019 and implemented in January 2021, including Article 118 which introduces a new chapter on prevention of sexual harassment in the workplace. This demonstrates Vietnam's commitment to regulating workers' basic rights, including protecting them from sexual harassment.

Meanwhile, Thailand through the Labour Protection Act (2nd edition) B.E. 2551 (2008) prohibits sexual harassment of formal workers in the workplace by employers or supervisors. Amendments to the Criminal Law (22nd edition) B.E. 2558 (2015) expanded the scope of protection against harassment, demonstrating the state's efforts to protect individuals from harassment in various situations, including in the workplace. Thus, despite not having ratified ILO-190, these three countries have demonstrated a commitment to the protection of workers from workplace violence and harassment through their national regulations.

### 4. Policies in Indonesia, Vietnam and Thailand are still generalised

Existing regulations in Indonesia, Vietnam and Thailand already reflect commitments in line with international conventions on the protection of workers, including crew members. However, according to Greenpeace in 2022, national laws in these three countries are still too general and not specific enough to provide comprehensive

protection to crew members. The dependence of crew members on labour agreements made with shipowners before they start work makes them vulnerable to rights violations and exploitation.

This condition confirms that ratification of international conventions such as ILO Convention C-188, which specifically regulates employment in the fisheries sector, including labour rights, working conditions, occupational safety and health, and social protection, is an important policy. By ratifying the convention, there will be a stronger and more specific legal framework that can protect children with disabilities from abuses and ensure they work in fair and decent conditions.

Ratifying these international conventions will not only improve the legal protection of crew members but also strengthen the country's position in global standards for the protection of workers in the fisheries sector. This is important as the fisheries sector is one of the key sectors in their economy, and many of the workers in this sector are migrants who are at high risk of exploitation and human rights abuses.

## **5.2. The State of Human Rights and Social Responsibility in Fisheries Supply Chains in Indonesia, Vietnam and Thailand**

Labour exploitation in the fisheries sector is not a new phenomenon. The competitive nature of the industry fuelled the exploitation of fishermen, particularly crew members, who were paid below industry wage standards and denied decent working conditions on rogue fishing vessels. The limited number of trade unions in the fisheries sector and the absence of certain standards for each type of work in the fisheries supply chain also further worsen the working conditions of the lowest actors. Decent working conditions are difficult to fulfil in an industry dominated by informality. Adequate protection and fulfilment of labour rights for vulnerable workers remains a challenge.

By 2021, an estimated 29.3 million people are living in modern slavery in Asia and the Pacific. This accounts for 59 per cent of the global total. If we take population numbers into account, Asia and the Pacific has the third highest prevalence of modern slavery in the world with 6.8 per thousand people in the region forced into labour or marriage. Among the five regions, Asia and the Pacific has the second highest prevalence of forced marriage (3.3 per thousand) and the third highest prevalence of forced labour (3.5 per thousand) (ILO, 2022).



Table 5.2 Estimated prevalence and number of people experiencing modern slavery in Indonesia, Viet Nam and Thailand

Country	prevalence of modern slavery (per 1,000 population)	Est. number of people in modern slavery	Population	Ranked in the Asia and Pacific regional level
Indonesia	6,7	1.833.000	273.524.000	10
Vietnam	4,1	396.000	97.339.000	17
Thailand	5,7	401.000	69.800.000	14

Source: *Global Slavery Index, 2022*

This section provides an overview of human rights violations that occur in the fishing and production process based on The Social Responsibility Assessment (SRA) framework for the components of human rights and labour, access rights, equality and equity.

### 5.2.1 Fulfilment of Human Rights and Social Responsibility in Fisheries Supply Chains in Indonesia

#### 1. Fishing

Although several laws and regulations have been passed, the fulfilment of human rights in the fisheries sector in Indonesia is still not fully happening. Based on data collected by the National Fishers Centre (NFC) from 2019–2023, there were 112 complaints of human rights violations with a total of 316 victims. Of these complaints, 51.79 per cent (58 cases) occurred domestically, and the remaining 48.12 per cent or 54 cases came from migrant workers. Of these cases, reports of unpaid wages or salary deductions were the highest, with 41 cases, followed by insurance and social protection issues with 22 cases, and collective bargaining agreements with 11 cases. The reported companies were mainly from surveillance agencies (53.27%), government agencies (0.93%), individual fishing vessel owners (20.56%), and shipowner companies (25.23%).

In addition to the above data, the working conditions of fishing vessel crews vary widely, depending on the length of voyage, vessel capacity, and species of fish caught. However, human rights violations such as exploitation and forced labour can also be detected by taking a closer look at the working conditions of each crew member, below:

#### a) Abuse and harassment

The practice of forced labour and human trafficking on fishing vessels is often followed by acts of abuse of power such as violence or harassment. Practices found include beatings, coercion, threats, and extortion. .



*“There was only one time (beating or mistreatment), it was not myself, a friend. He already knew the system, he already had a disease, he had a disease so he couldn’t be threatened. Anyway, if you don’t want to follow this, you get out of here. If not, you have to pay first.” (A, crew member in Muara Baru)*

Everyone has the right to dignity, a sense of security and protection from threats. However, human rights violations such as intimidation or acts of violence still occur. Children with disabilities often do not report the behaviour they receive. The ILO has actually endorsed ILO 190 on the elimination of violence and harassment in the world of work and recommendation 206 in 2019. This ratification is a good momentum because it will be easier to advocate for violence against workers. However, Indonesia has not ratified it until now. In addition, Indonesia does not yet have a policy to protect workers in the fisheries sector such as crew members from violence.

b) Human trafficking and force labor

Human trafficking in the fisheries sector still occurs in Indonesia. Workers in the fisheries sector, such as crew members, are often trapped in human trafficking and forced labour due to unfair recruitment and placement processes. Various regulations to protect workers are considered not running optimally. As a result, fisheries workers as a vulnerable group are often cheated and manipulated.

For example, according to Suara Publik (2016), crew members are recruited through brokers in Surabaya and asked to go to Bali to work on fishing vessels. Prior to the voyage, the crew members were offered an advance payment from the company of IDR 2.5 million. However, the crew only received one million rupiah, and the remaining 1.5 million rupiah was given to the broker. Then, the company will keep the crew’s important documents, such as identity cards, until the cash receipt is paid. During the voyage, the crew was forced to drink seawater and eat rice that tasted like diesel. If the crew member chooses to terminate the employment agreement, the crew member must repay the advance payment and a fine of approximately IDR 3.5 million. Suppose the crew members are unable to provide enough money to pay it back, they will be held captive for five days by the company. One of the crew members who was prevented from leaving instead took serious action by fleeing the company and asking for help from neighbouring residents.

The practice is still happening today, and field findings in Jakarta show that the mode of keeping crew members’ identity cards is also used to ensure that crew members continue to work on the ship and ensure that cash bon (debt) is paid on time. As such, the crew members could not leave the ship, nor could they return home because they had to pay a sum of money while they were in debt.

This also applies to unfulfilled catch targets and failure to cover travelling expenses, which will ultimately result in reduced crew income even far below the minimum or living wage.

*“Yesterday, the total (of the capture) should have been around Rp30-40 million. I calculated it yesterday, it should have been around 20 tonnes, but I only received 2 million three hundred thousand for 8 months of work. It’s true that we are sold our labour, the bad thing is that our government, especially in brokering, in Muara Baru, human trafficking is still possible. There is no official broker chain.” (AR, crew member Muara Baru)*

Minister of Maritime Affairs and Fisheries Regulation No. 33 of 2021 on PPA Governance should regulate a fair and transparent recruitment process. However, this loophole often becomes an entry point for TPPO in the recruitment and placement process of PPAs.

The government is also working on a National Action Plan for the Protection of Seafarers and Fisheries Vessel Crews (RAN PPAKP), which will serve as the legal basis for the protection of fisheries workers. The government is also working on a National Action Plan for the Protection of Seafarers and Fisheries Vessel Crews (RAN PPAKP), which will serve as the legal basis for the protection of fisheries workers.



Case Box:

### **North Sulawesi Government Establishes Forda PAKP (Regional Forum for the Protection of Fishing Ship Crews) to Protect the Human Rights of Fisheries Workers**

Local government involvement in the protection of fisheries sector workers is possible. One of the good practices carried out by the North Sulawesi Provincial Government is by forming a Regional Forum for the Protection of Fishing Boat Crews (Forda PAKP) in the local area. The forum was established in 2020 through Governor Decree No 117/2020 and renewed through Governor Decree No 249/2023 concerning the Regional Forum for the Protection of Fisheries and Fishermen Workers for the Period 2023–2026. The policy is part of the North Sulawesi government’s commitment to support fisheries workers and fishermen.

Quoted from Mongabay (2020), the formation of Forda PAKP then initiated a number of AKPs in Bitung to form the United Fishing Boat Crew Forum (Forkab) Bitung. The presence of the regional Forum has given a more positive direction to the local capture fisheries industry. It’s also due to the regional forum, the flow of communication between fisheries workers, the government, business actors, trade unions, civil society organisations and the media to respond to issues and discrimination experienced by PPAs can be more neat and directed. This includes indications of forced labour and human trafficking, which continue to occur with more modern modus operandi.

Forkab’s contribution to the capture fisheries industry in Bitung has become more visible after they helped three local fisheries workers who worked as AKPs on fishing vessels in China. The three workers had to lose their documents because they were detained by the ship and the labour distributor.

The Bitung City Government is working hard to help realise a capture fisheries industry that is not only profitable, but also equitable for all parties. The urge to create a higher-quality fishing industry comes after the Indonesian government implemented a moratorium on ex-foreign fishing vessels in 2014. Since then, Bitung City Government has continued to push for a more equitable business model and recognition of human rights for fisheries workers.

#### c) Debt bondage in small-scale fisheries

The recruitment system for fisheries crew members is mostly done through informal mechanisms through intermediaries/brokers/middlemen/brokers resulting in crew members getting into debt. Labour exploitation in the fisheries sector is driven by an inappropriate recruitment system that confounds the identification of the worker’s true employer and makes it extremely difficult to determine who should be held legally responsible for non-compliance with

applicable labour contracts, laws and standards (Blue Justice, 2016).

Jones et al (2019) found that the pattern of recruitment of domestic fishing crew is done through three ways, namely kinship networks, walk-ups, and through intermediaries/brokers called brokers. Brokers recruiting on behalf of the company or the captain receive incentives based on the number of crew members recruited and the 'loan' of crew members.

For example, the case in Tegal illustrates that the broker will receive IDR 2.5 million for each fisherman recruited, while the crew will only receive the remaining IDR 500,000 (Jones et al., 2019). Similar to the field findings in Muara Baru in 2023, one informant stated that from the loan he got from the middleman/broker, IDR 2.5 million was deducted by the ship's management for the broker and the crew member only received IDR 600,000. Little did the crew know that while waiting to sail at the mes, they would have to pay for food and accommodation. Crews are often charged for gear and equipment. As in the case of one of the crew members in Muara Baru, from a loan of 6 million rupiah, the money received by the crew member was only one million rupiah. The reason is that there are costs that must be borne by the crew such as fishing gear, food, brokers and so on.

*"The receipts were around 6 million, but he said it was used to buy fishing equipment for 1.7 million, for food for 2 million, for the cost of brokers' fees, the rest was for us, only Rp1 million for 8 months."* (AR, Muara Baru crew member)

The cash receipt system is usually also applied to crew members when they sail on the ship for cigarettes or meals. Crews are also often forced to buy return tickets through brokers at markup prices and force crews to spend their earnings at stores run by these brokers. The broker must guarantee that the crew will remain on board until the end of the voyage. If the agreement is broken, the broker must either refund the money or replace the crew.

The cash receipt system arose not only because of the insufficient amount of money crew members had before the voyage but also because of the brokering and thuggery that still occurred for the crew recruitment system.

The phenomenon of brokering is a trap of informality, due to the absence of a formal space for the distribution of ABK labour officially supervised by the government. The phenomenon of brokering is a trap of informality, due to the absence of a formal space for the distribution of ABK labour officially supervised by the government. In addition, the practice of brokering is actually detrimental to the state because it further widens inequality and community welfare. This practice, as well as others, leaves workers without any legal recourse against the shipowner and the recruitment agency (brokers).

At the end of the voyage, the crew's income earned during the voyage must be deducted as debt repayment. This obligation is very detrimental to crew members due to salary deductions made by brokers in the form of cash reimbursements and other additional costs without clear evidence. Therefore, corrupt cash-bank systems and unilateral wage cuts can trap crew members in a vicious cycle of debt bondage and put them in a vulnerable position.

This practice is rarely found in the North Sulawesi region, generally fishermen or crew members who sail are actually given capital to sail transparently and at the end of the voyage will be deducted from income not as debt. Vessel operating costs incurred as capital ranged from IDR 20 - 23 million for basic logistics, fuel, fishing gear, ice, and other equipment.

Another practice to avoid fishermen from debt bondage is carried out by fish production companies. One of the fish production companies in North Sulawesi took the initiative to collaborate with one of the national banks to distribute credit to fishermen as capital for sailing operational costs at a low interest rate.

*"I've also spent two weeks at sea with no results, so even though I'm sick, I still try to fish, especially if I have a family. If there are no results, I need to borrow money from the office. In here, it's more convenient because you can borrow money from the company. Usually the money is borrowed for the family that I left at home, so there is pocket money for daily necessities. For me 2 million it's enough, but if it's not enough, sometimes I borrow more." (RN, tuna company fisherman)*

The money borrowed by fishermen is generally intended to support their families who are left behind to sail. The loan amount varies, some up to Rp6 million. The company ensures that fishermen will repay the credit from their income deducted at the end. Evidence of deductions will also be provided transparently and in detail in writing such as in the form of a memorandum.

#### d) Child Labor

The practice of child labor in the fisheries sector still occurs in Indonesia. One of them is research by Aisa, Nora, et al (2023) which states that there is a practice of child labour as a crew member in Teluk Kabung Tengah Bungus, Padang City. The research also found that there are at least five factors that cause child labour in the fisheries sector, including economic factors to help the family economy, social factors, namely the environment where children live in the middle of the main livelihood of the majority of fishermen.

Due to cultural/traditional factors, it has become a common practice in the local community for children to also go to sea to catch fish. Education factor, many

children do not go to school and drop out of school due to lack of funds and many of them cannot read, they prefer to work as crew members to earn wages so that they can sustain their lives and help their families. Finally, there are institutional factors, namely the lack of attention from the local government to child labor as crew members.

The philosophy of prohibiting children from working or employing children is closely related to efforts to protect children's human rights, which are also guaranteed in Law No. 39/1999 on Human Rights. Moreover, the prohibition of child labor is also contained in Article 68 of Law No. 13/2003 on Employment, which regulates the prohibition of employers from employing children. However, the provisions of the regulation have not been implemented properly.

e) Freedom of association and collective bargaining

The existence of trade unions to fight for the protection and welfare of the crew of the ship (ABK) in Indonesia is very necessary. Currently, marine sector workers have not received attention when compared to the organization of workers on the mainland. Based on field findings, the crew members met stated that they were not members of a labor union and were not aware of this information. This is also due to the fact that the number of workers' organizations covering crew members is still limited. While the number of workers in the fisheries sector in Indonesia is the largest, along with the agricultural and forest sectors. There is no specific number of workers in the fisheries sector but according to BPS data for agricultural-forest-fisheries workers reached 40.64 million workers in February 2022.

In addition, Law No. 13 of 2003 on Employment, although it has regulated trade unions, is still biased at the company level or for formal workers. Meanwhile, for crew members, the majority of whom are informal workers, becoming a member of a labor union is still not an issue.

f) Income and benefits

The crew often receive inadequate income and benefits. Work agreements between the fishing crew and the skipper are often established verbally regarding the estimated length of the voyage, the type of fish caught during the trip, and the payment system. Therefore, most fishing vessel crews do not have a written work agreement, hereinafter referred to as a Seafarer Employment Agreement (PKL). An example of a case found on one of the ship's crew in Jakarta states that shipowners often falsify administrative documents.

*"I feel that it is strange to leave, how come there is no marine work agreement. I'm not provided with BST, I don't have a contract, I don't have a ship, how*

*come it can come out from Syahbandar, it turns out that all the signatures are forged". (AR, crew member Muara Baru)*

The absence of a legally binding written labour agreement can weaken the position of the crew of a fishing vessel. Without a written contract, fishing crew members will find it difficult to fight for their rights when disputes arise. The absence of a written work agreement violates Maritime Affairs and Fisheries Regulation No. 33 of 2021 Chapter 11 Article 173 Paragraphs 1 and 2, formerly regulated in MMAF Regulation No. 42 of 2016 on Marine Work Agreements for Fishing Vessel Crews, which requires owners, operators and agents of fishing vessels to issue work agreements to provide protection against occupational risks for crew members and business risks for owners or operators of fishing vessels.

Furthermore, although some crew members had been provided with seafarer employment agreements, none could explain in detail the substance of the contract. Some fishing vessel crew members in Tanjung Benoa who are employed on larger vessels have been provided with signed seafarer employment agreements, but still experience difficulties in concluding contracts as copies of their contracts are still kept by the company (Jones et al., 2019). Research conducted by DFW also reinforces this statement, where only 35 per cent of fishing vessel crew members are aware of their employment agreement (Suriyani, 2023).

Non-conformance to the employment agreement then impacts the income paid by the employer. Often, crew members are only paid below the minimum wage, not to mention salary deductions for advances and deductions for vessel operating costs. Based on a Destructive Fishing Watch (DFW) study in June 2022, the crew of a fishing vessel at the Nizam Zachman Fishing Port, Muara Baru, Jakarta, was only paid IDR900,000 - IDR1,300,000, far below the provincial minimum wage of IDR4.6 million in 2022 (Ambari, 2022).

One of the crew members in Muara Baru stated that the wages they received were not in accordance with the agreement.

*"They said the pay would be big, the calculation per kilo would get several thousand. That means if we get 300 tonnes. The fishing rod is Rp6,000,000 Rp5,500,000 per person. If I think about it, in 8 months, I calculate that if I get 300 tonnes in a month, I will get 300 tonnes. Now I will get a million every month, but it turns out it's not, my calculations, my predictions are all wrong. Coming home from PT.OKU, I only get the rest of the money, IDR 2,000,000 every month." (AT, muara baru crew member)*

In fact, in the Ministry of Maritime Affairs and Fisheries Regulation Number 33



of 2021, it is stated that the payment system for the crew of a fishing vessel is determined by a monthly salary equal to the provincial or district / city minimum wage or a profit sharing system that is clearly decided between the crew and the ship owner as referred to in the seafarer employment agreement. If there is no net income, the shipowner is obliged to pay the crew at least half of the provincial or regional minimum wage under Article 176 Paragraph 2. Thus, fishing vessels are obliged to pay IDR 2.3 million for the crew.

In addition, crew members are also entitled to social security as stipulated in KKP Regulation Number 33 Year 2021 Chapter 13 which consists of work accident, death, and old age insurance. However, research conducted by DFW shows the opposite result: 1.5% of crew members did not receive their rights, 1.9% were only given profit-sharing insurance and social protection, 16% only received profit-sharing, 28% received basic salary, health and welfare, employment insurance, and the remaining 52% only received basic salary (Suriyani, 2023).

Similarly, the findings above are related to the ownership of labor social security or health insurance. Generally, crews or fishers who work independently do not have labour social security, only those under a company have it. As for health insurance, both crew members/ fishers who are independent or under the company must take care of it themselves.

Another finding in North Sulawesi was that vessels that are about to sail generally have seafarer employment agreements either owned by individuals or under companies. This is because the shipping process will be monitored directly by the authorities, namely the harbour master. One crew member also stated that they had to read and sign the seafarer employment agreements before sailing.

In terms of income, crew members in North Sulawesi have a good income. Fishers under the company earn income without deducting operational costs. Catcher crews are prioritised by the company, so their income is not deducted from any operational or other costs. The fish yield is calculated at 30%, so if the fish yield is for example 100 million, 30% means that 30 million is the income of the crew, and the other 70% is only calculated with the person in charge of the ship

*“When we go fishing, we usually divide it between 70 companies: 30 crew members, then the division is different according to the fishing results of each crew member. We pay individually here, the one who is the most diligent and earns the most gets the bigger income. If they earn 10 million, 7 million for the company and 3 million for the crew. Sometimes you can get 10 million a week, sometimes there are almost 100kg per fish.” (AN, tuna company fisher)*

In contrast to fishermen or crew members who catch tuna, fishermen who catch small fish earn a very low income. The problem of low income for crew members

is due to declining catches.

Figure 5.1 Declining catches of small-scale fisheries



Source: Research documentation

*"In the past (2017) at least 1-2 tonnes a day, now even 200 kg is difficult to get. If the result is 1.5 million, I divide 500 for those who have FADs and 500 crew members and 500 who have a business. My own expenses were 1,250,000 so I lost 750,000. Each crew member only earns 30,000 per day, and that's not every day. Now I lose almost 30 million per month."* (AB, 6GT boat owner)

The findings explain that the income of crew members can vary due to the absence of adequate labour contracts, the type and amount of catch, and the area of work. In addition, climate change conditions and the persistence of destructive fishing practices are also among the causes of the decline in fishers' catches.

g) Adequate rest

Fisheries workers who go on voyages generally do not have sufficient rest hours due to flexible working hours. Crews can even work long hours of between 19 - 22 hours a day, with no breaks.

*"On company-owned boats, we are free. We are not forced to keep fishing until we get a lot of results. If I sleep for about 5 hours, I sleep while the fishing gear is on standby. But there are also friends it depends, sometimes at night until morning they can still go (fishing). If you're tired, you sleep, but the time is uncertain, if you sleep, it's usually 1-2 hours, we're used to sleeping 1-2 hours and then working again for a few hours, then if we're sleepy, we'll definitely rest*

again.”(AN, tuna company fisher

The crew were also forced to sleep sitting up due to the cramped space on the ship. This condition was felt to be very different when compared to the situation where he worked before, as the following statement:

*“In terms of sleeping in the same bed, we’re like fish in a row, we’re really like animals. We are on a Taiwanese ship, one room for two people has a mattress, a cupboard, a blanket.”(AR, crew member Muara Baru)*

Figure 5.2 The condition of the crew’s resting place on the ship



Source: research documentation

A DFW study found that 63 per cent of fishing boat crews often work 8-12 hours per day, and another 3 per cent work 15 hours per day (Suriyani, 2023). Working hours are actually regulated in Government Regulation No. 7 of 2000 concerning maritime affairs, in article 20 it is stated that the working hours of crew members are set for 8 hours every day and one day off every week and holidays. As for rest time, it is at least 10 hours in a 24-hour period that can be divided into 2, one of which is not less than 6 hours except in emergencies. However, the reality is that crew members have very little rest time and end up working excessive hours. This is partly due to the lack of proper resting places and a wage system based on catch.

#### h) Access to Primary services

While at sea, the basic needs of fishing vessel crew members are often not met and are even in very poor conditions, such as a lack of food and drink supplies, as well as places to sleep and toilets. In the findings of (Octaviani, Rositawati, et al., 2022) even the crew is prohibited from eating marine catches and is only allowed to eat twice a day. In this case, crew members are allowed to eat noodles or snacks if they

agree to be charged by deducting their earnings at the end of the voyage. As for drinking, the crew will melt the ice blocks and utilise them for drinking.

The crew members were also often forced to sleep in close quarters and drink rusty water during their eight-month voyage.

*"In terms of beds, like one plot is together with one box, it's already like fish lined up, we're really like animals. We are on a Taiwanese ship, a room for two people with a bed, a cupboard, and a blanket. We drink water that's called refill water, but it's put in the hold. It's not even a leak of rain water. It's a mix of used fish hatch, with rusted freon pipes. We drank rust for 8 months."* (AR, ABK Muara Baru)

Even when crew members get two meals a day, they encounter problems where some crew members are unable to consume a balanced diet and excess protein, resulting in health problems. Unlike the case with some crew members or fishermen in North Sulawesi, who generally sail for 1 - 2 weeks, the quality of drinking water is better because it is stored in plastic drums or brings bottled water. The availability of fresh water is also not only for drinking and cooking, but also for bathing purposes.

Figure 5.3 The availability of fresh water is also not only for drinking and cooking, but also for bathing purposes



Source: research documentation

The above conditions are also supported by the unavailability of proper toilets on board. Based on field findings, vessels with a capacity of 6 - 10 GT generally do not have proper toilets. Crew members stated that they were used to disposing of faeces directly at sea and others stated that although there were toilets, they were in poor condition and not separated from the bathing area.

*"There are also toilets and showers, but the toilets here are different, we just*

*hold on and defecate directly into the sea.”(A, crew member of a fish production company)*

*“There is, the toilet is decent, not bad either. But there is no door, so we made one with plywood.”(XT, Captain of a fish production company ship)*

Figure 5.4 The condition of the on-board bathrooms



*Source: research documentation*

Figure 5.5 Conditions of the on-board cooking kitchen



*Source: research documentation*

The availability of proper toilets and bathrooms should be a right for every worker, including crew members working on board ships. In Government Regulation No. 7 of 2000 concerning Maritime Affairs, article 36 states that every ship must be equipped with sanitation facilities (bathrooms and washing places) that are sufficient and appropriate for all crew members. A minimum of one bathroom and one wash basin for every 8 crew members. Even in article 37, it is stated that every ship with a crew of 15 (fifteen) or more people must be equipped with a proper health care room and have its own bathroom and toilet.

Moreover, toilets and bathrooms are part of the sanitation that must be checked, where good sanitary conditions can prevent disease transmission and improve

the health status of workers according to Regulation of Health Minister No. 40 of 2015 concerning ship sanitation certificates.

Indonesia has ratified the maritime labour convention in the Minister of Transportation Regulation No PM 58 of 2021. The policy regulates maritime labour standards in Indonesia, from recruitment, onboard facilities, workers' rights to wages. However, based on field findings regarding the working conditions of crew members, the policy has not been able to be implemented properly.

i) Occupational safety and medical assistance

According to an ILO report, there are about 24,000 fatal ship accidents and 24 million non-fatal accidents every year, 79 times higher than the total number of accidents in other work sectors. According to the International Maritime Organization (IMO, 2006), 80 per cent of vessel accidents occur due to human error, and for the capture fisheries industry 7 per cent of accidents are recorded. This is certainly one of the factors where the protection of crew members must be given more attention and priority by the government.

One of the crew members recounted his experience of having an accident while on the ship. This is partly influenced by the condition of the ship not meeting safety standards. Not only ship safety, but work safety on board should also be a major concern. One of the crew members in Muara Baru stated that the vessel he worked on did not provide adequate safety equipment. This is a far cry from the overseas vessels he previously worked on.

*"In terms of safety, it's already unsafe, all the workers in the local area have no safety. There are only boots, that's also for the land not for the freezer. I compare overseas and Indonesia, it's still a long way off. The coldness of the freezer is min 30 degrees, I entered the Taiwanese ship we wear helmets, shoes, gloves, and special freezer clothes, all the safety is there." (AR, crew member Muara Baru)*

In the fishing process that will be supplied specifically to fish production companies such as those in North Sulawesi, boats are generally equipped with personal safety equipment, although it is still quite minimal.

*"For the ringboy lifeboy, there must be one, for safety equipment, there is also one. Everything must be there, if you want to make a certificate they have to check it. If it is missing, the certificate cannot be issued. Then the ship can't depart." (FR, Staff of a fish production company in the shipping department)*

One of the crew members and independent fishermen in North Sulawesi outside the company also stated that before sailing the authorities, namely the syahbandar, will check the completeness of the ship such as personal safety equipment and first aid kits as a minimum requirement. This requirement must be fulfilled by fishermen because otherwise sanctions will be imposed and the vessel is prohibited from sailing. Health and safety checks and accident prevention are carried out, in accordance with the Minister of Transportation Regulation No PM 58 of 2021 concerning the maritime labour convention.

j) Indigenous peoples' resource use rights

In Indonesia, generally indigenous people who are fishermen will mingle with other fishermen. Fishermen who are indigenous people will take marine products in accordance with their traditional beliefs and are very concerned about environmental sustainability such as taking marine products not in excess, not taking seeds and using environmentally friendly fishing gear. However, in the research areas, namely in North Sulawesi and Muara Baru, no indigenous communities were found that intersect with fishing activities.

However, local fishermen feel the threat from migrants. Many of the fishermen in North Sulawesi are from the Philippines and some are illegal immigrants.

*Sometimes we earn less than the Filipinos. In the past, when Susi Pujiastuti was in charge, they were not allowed here and were sent home so we were grateful to be able to get more, but after Mrs Susi was replaced, they came again, they were illegal immigrants, and until here they made ID cards. Because the way they fish is better than us, the bait alone is different from us, the technique is also different, and what makes us most sad is that there are many Indonesian soldiers who defend them. Now immigrants are still coming, there were some immigrants who hid in the mountain area, but they were eventually sent back.”  
(A, crew member in North Sulawesi)*

Local native fishermen feel the impact of illegal immigrants from the Philippines, such as reduced income due to the ability of Filipino fishermen who are considered superior to them. Not only that, the presence of illegal immigrants supported by law enforcement officials has resulted in their continued existence until now.

k) Corporate responsibility and transparency

Independent fishermen or fishermen affiliated with companies generally do not have a clear understanding of the tax mechanism. In practice, companies that cooperate with fishermen or suppliers will charge taxes in accordance with tax provisions. Taxes withheld from fishermen or suppliers will be paid directly through the company.



*"Withholding tax on fish purchases is usually paid by the company, but as of 1 (December) it has been returned to the supplier. So it has been separated and returned to the supplier for deduction. But for the reporting, we have to give a report to the supplier. Those with existing taxpayers are 0.25% and those without are 0.50%. It depends on the value limit, depending on the value of the fish that is paid." (GC, Finance of Fish production Company)*

Tax payments are also made by the supplier, so far the practice is that the supplier pays all taxes that should also be borne by the fishermen. This is done because suppliers consider the nominal tax that must be paid by fishermen to be immaterial with the value of fishermen's transactions only on a small scale, for example, a maximum of IDR 10 million.

The imposition of tax for small-scale fishers is recognised as burdensome due to the many other costs that must be paid by fishers as a condition for sailing. Fishermen also objected to the upcoming policy on the imposition of Non-Tax State Revenue (PNBP) by the Ministry of Maritime Affairs and Fisheries (KKP) of 5-10%.

*"In summary, I sometimes spend Rp600,000 - Rp1.2 million for permits, but if I use a broker, it's around Rp2 million per year. I just ask that if my catch is not much, please reduce the 5% fee." (AB, 6GT boat owner)*

The imposition of PNBP also greatly impacts ship owners, as operating costs remain fixed but there are additional taxes to be paid in addition to sales tax. Boat owners have also chosen not to go to sea and some have even started selling their vessels. If many boats do not go to sea, the most affected are the crew members who cannot earn an income.

The fishermen are very prone to losses when fishing at sea due to the small catch but the capital to sail is very large such as fuel oil and boat operations. They may not necessarily be able to bring home a catch with a value greater than the cost of production. Fishermen also consider that there are still many supporting infrastructures that need to be improved by the government.

*"If possible, those who fish using nets should be eliminated, and there is a lack of lighting at the Bitung pier here. For licensing to be made easier because the price is also expensive, about 80 million and the time is about 2 months. Because for those who operate above 12 miles, there must be a licence and tuna fish is now not available if it is carried 12 miles and at this time the government is only concerned with large companies because there are taxes and local treasuries, while we are just small workers who are not cared about." (A, crew member in North Sulawesi).*



Until now, inequality in the welfare of fishermen's lives still occurs and there has been no significant change. This is because the fisheries sector, especially capture fisheries, has so many constraints coupled with the taxes they have to pay. Not to mention the operational costs that are now 2-3 times higher than in 2017, licensing fees and the mafia at sea that they have to deal with in order to survive.

l) Grievance report and access to remedy

Fishermen or crew members do not know the reporting mechanism when they experience non-violence or become victims of human rights violations. Although the Coordinating Ministry for Maritime Affairs and Investment and KKP already have complaint mechanisms in place, they are not yet functioning optimally and are not widely known by crew members.

*"Why ships can go out without seafarers employment agreement, without the law of the sea, and without BST. We can all have signatures on it, which I have a problem with. The complaint just came in yesterday with the lady whose I forgot her name. The Ministry of Maritime Affairs and Fisheries yesterday asked for the number of the ship's boss, maybe they will call him after that. I've been there for almost two months, and it hasn't been handled yet, because the Ministry of Marine Affairs and Fisheries is busy."* (AR, Muara Baru crew member)

The response to complaints reported by crew members is still quite slow, with crew members stating that after 2 months they only receive a response. However, it still needs to be investigated by the relevant ministry, not to the point of resolving the complaint. Complaint requirements are still not user-friendly, filling out forms and filling in personal data such as email, full name, reporting organisation, mobile phone/WA number, ship name, ship flag, ship type, location, and so on.

Completing complaints online is good, but it is difficult for children with disabilities to use because most children with disabilities have a low level of education and there is a lack of socialisation. To fill this void, Destructive Fishing Watch (DFW) initiated the National Fisher Centre (NFC). NFC is a platform that connects fishing boat crews and fishermen with other parties related to fishing activities at domestic and overseas. This is done to protect capture fisheries workers, including the crew of fishing vessels and small-scale fishers, considering that this sector has a high level of risk, is dangerous, difficult and dirty.

According to DFW, until now many problems, incidents and complaints about fishing activities related to aspects of labour have received less attention by the government and business actors. In fact, several international regulations and markets have required the importance of social protection aspects, human rights due diligence and fulfillment of labor standards in fishing activities



m) Stakeholder participant and collaborative management

In the capture of the process, workers at the bottom of the pyramid are rarely involved in decision-making or consulted. For example, crew members only follow work orders from the ship captain or ship owner. The current labour policy in Indonesia does not regulate the importance of worker/labour involvement or participation in the workplace. Workers or labourers are often placed at a disadvantage in labour relations and there is a distinct difference with employers. In fact, the right to participate is part of the basic rights that must be fulfilled by employers and as an effort to promote equality between workers.

n) Fair opportunity for services and discrimination

Workers in the fisheries sector, especially in the catching process, are dominated by male workers. According to BPS, most female workers in the fishing industry are non-production workers, while most male workers are production workers. This is because the production workload often requires more energy and time, such as fishing on the high seas which takes days.

From the results of research in the field, no policies were found that regulate fair, inclusive, anti-discrimination opportunities in the fishing process for both independent fishermen and crew members. This means that the principles of equality and justice are still not applied to fisheries workers, especially to crew members or fisheries workers at the lowest level. In addition, no female workers were found in the fishing process at the research site, as fishing is considered very risky for women. Generally, women work post-production, namely when the fish have been landed at the dock, many women work as fish collectors or become ship administration records

## 2. Trading and Production

The nature of human rights violations against workers that occur during trade and production is quite different from the process of capture. This is also because the type of work performed is diverse and there is a more industrialised working relationship. Then, it is also differentiated based on the type of fish being processed or traded. Trading and production of fish products are dominated by companies.

a) Abuse and harassment

Based on field findings, acts of violence or harassment still often occur in the workplace, one of which is in a fish production factory in Muara Baru. Violence that occurs includes verbal abuse or yelling, withholding of wages (not paid on time), or physical abuse by fellow workers (due to disputes). Generally, fish production

labourers will be very afraid of their supervisors, which shows the unfair power relations between levels of work.

The Labour Law No 13 of 2003 regulates gender-based violence in the workplace. This policy should serve as a basis for employers to regulate the prevention of violence in the workplace. In addition, there is the Circular Letter of the Minister of Labour and Transmigration No. SE.03/MEN/IV.2011 on Guidelines for the Prevention of Sexual Harassment in the Workplace. The circular letter can serve as a reference for employers and employees to prevent and deal with sexual harassment effectively. Unfortunately, the technical regulations are still limited to circulars and only serve as guidelines, so they are not required to be regulated by companies or employers.

The findings in North Sulawesi show good practices that have been carried out by fish production companies. Where they have started to pay attention to the right to protect workers from violence or harassment in the workplace. This includes providing a complaint box or providing direct contact to all workers to submit their complaints.

*"If for example there is some kind of harassment. They say it, or there is injustice related to work between women and men, they say it there (in the complaint box and contact center), and it has been socialized." (TH, manager of a fish processing company)*

Workers also stated that if they make a mistake, the company will call the worker to be given advice and input or a reprimand in accordance with the applicable policy without any violence. Other fish companies also stated that if an act of violence or sexual harassment is reported by the victim, it will be handled quickly and the victim will be protected. This policy has been written down and socialised to all workers.

b) Human trafficking and forced labor

Overconsumption of fish and declining fish stocks due to overfishing make fisheries workers vulnerable to exploitation. Exploitation is not only for workers in the capture process, but also during production and trade. As found in Muara Baru for the shrimp production plant, where most of the shrimp peeling labourers are women. They admitted that their identity cards (KTP) were held as collateral and they worked based on targets. The implementation of a target-based work system by a number of fish production companies is one of the reasons why forced labour practices occur.

*"If I go home until late at night, I get Rp200,000 and the smallest is more than Rp100,000. For me, my target is sometimes up to Rp200,000 or more if I go*

*home late at night. Because I still have children who go to school. If the prawns are big, well, my work ends pretty fast. And when our children are sick, we have difficulties with permits and payroll issues. If we don't come in on Friday, then on Saturday when we go to work, we don't get paid. It's like here, the target, the important thing is the target.”(RM, shrimp peeler labourer)*

In addition to target-driven work, these workers also stated that they often find it difficult to get permission to miss work and are vulnerable to having their earnings withheld when they are absent from work on the previous day. The practice of withholding wages can also be categorised as a form of human rights violation. Forced labour can be understood as work done involuntarily and under threat of any kind. It refers to situations where a person is forced to work through the use of violence or intimidation, or by more subtle means such as debt manipulation, withholding of identity documents or threats of complaints to immigration authorities (ILO, nd).

This is in contrast to the findings in North Sulawesi, where the fish production companies encountered are better in terms of management and policies. Human trafficking and forced labour practices are sought to be eliminated, driven by corporate responsibility practices that are a prerequisite for the sale of fish for export. Companies must have policies and practices against human rights abuses as a prerequisite for issuing a Marine Stewardship Council (MSC) Chain of Custody (CoC) certificate.

*We are a company, the MSC is what is certified is the fisherman, that's the scope of the fishing area. But for those who process it, there is MSC CoC (Change of Custody). Now we also have to implement that, in the tuna fish handling network, in the handling of the product, there is no underage, forced labour, corruption, everything. It is mandatory for the company to have a code of ethics as well. That's same for fishers as well, because we have the same fishing division. The labour requirement must be a profit-sharing system.”(TH, manager of a fish production company)*

Chain of custody or CoC certification provides reliable assurance that products sold with the ecolabel or MSC trademark come from certified fisheries and are traceable along the supply chain to a certified source. The certificate contains specific preconditions on forced and child labour policies (MSC, 2019).

c) Debt bondage in small scale fisheries

The recruitment mechanism for workers in the production plant is in line with the recruitment system for fishing vessel crews, although some production workers are dominated by women. The recruitment system is often done informally

by recruiting workers who are migrants, such as in Muara Baru where many workers come from outside Jakarta. Companies often recruit labour based on the recommendation of current workers, or by posting job vacancies on banners. The role of brokers is also used to recruit fish production labour, both those requiring specific skills in fish production and unskilled labour. This is in line with the findings of Jones et al. (2019), a fish production company in West Java that recruited labour from North Sumatra by using a broker for IDR 100,000 per recruited worker.

In contrast to the above practice, tuna production companies in North Sulawesi make payments to workers in accordance with the employment contract. The provision of debt is actually felt to be quite helpful to workers. The company opens a shop in the factory, then for workers who need basic necessities but whose ability is limited, they can take loans in the form of goods at a price in accordance with market prices. Debt repayment can also be done when the worker has earned an income according to the loan amount..

d) Child labor

Child labour practices in fish production companies in both Muara Baru and North Sulawesi are no longer found. This is in accordance with Article 68 of Law No. 13 of 2003 on Employment. The company requires workers to be at least 18 years old and have an identity card. If you do not have the required ID card, you are not allowed to become a labourer in the company. In fish production companies in North Sulawesi, this is enshrined in company policy and applies not only to labourers working in the company but also to crew members who supply fish to the company. This is because the company is also compliant with its certificate.

e) Freedom of association and collective bargaining

Collective bargaining agreements between workers and employers were also highlighted as important in ensuring decent work and holding employers accountable for non-compliance. Workers met in Muara Baru stated that they were aware of the existence of labour unions. One worker stated that if a worker was found to have participated in a demonstration or activity organised by a labour union, the worker would be warned or dismissed. Therefore, if they want to participate in demonstration activities, they must not be known by their supervisors.

*“Sometimes your superiors will also look for you who are like this, participating in demonstrations, so they will be scolded. Who participated in the demonstration yesterday, just get out if you don’t want to work here anymore, why do you still*

*need it? Like that. Everything seems wrong.” (DW, Shrimp Peeler Labourer)*

In contrast to some companies in North Sulawesi, companies allow workers to join trade unions or labor unions. Workers also stated that the existing trade unions fight for many workers' rights such as wages and food allowances, among others. There are also other companies that stated that they even formed a labour union within the company, namely the Bipartite Cooperation Institution or LKS Bipartit for short.

LKS Bipartit is a forum for communication and consultation on matters relating to industrial relations in a company whose members consist of employers and trade unions/labour unions that have been registered with the agency responsible for manpower or elements of workers/labourers.

LKS Bipartit is established in companies because it can be an effective communication forum for employers and workers, so that what is the inspiration or desire of employers and workers/labourers can be conveyed through LKS Bipartit to find a way out, so that the problem does not become big. The purpose of establishing a Bipartite LKS in a company is to create harmonious, dynamic and equitable industrial relations in the company. The Bipartit LKS that is formed is officially registered at the agency/agency responsible for labour in the local district/city.

f) Income and benefits

In relation to written contracts, fish production workers are often employed without a contract or with a contract for a short period of time. This puts workers in a precarious position, without even knowing their future, even though they have worked hard for the company to survive.

Research by Jones et al. (2019) in Tegal found that female fish production workers who fillet, clean and cut fish are paid IDR70,000 to IDR100,000 per day; female canning workers in Muncar are compensated at IDR60,000 per day, which is below the 2019 regional minimum wage of IDR2,132,779; female workers in East Java are paid IDR200,000 to IDR400,000 per week, still below the minimum wage of IDR1.7 million in 2019. Male factory workers, such as in Muara Baru, are also compensated below the minimum wage (IDR 3.9 million), at IDR 3.7 million per month.

Field findings indicate that shrimp peeler workers in Muara Baru earn wages that vary between IDR 500,000 - IDR 900,000 per week, calculated on a daily basis. Workers with a daily wage of up to Rp200,000 per day have to work from 8am to 12pm (18 hours). Not only that, if workers are absent for any reason they will be deducted Rp100,000 - Rp200,000 per day. The absence of overtime pay and

deductions further exacerbates the injustice to workers.

Workers or labourers of shrimp peelers who work for the company do not get any security, either health insurance or labour social security. Female labourers that were interviewed stated that they have health insurance paid for by the government. Or if they get sick they have to cover the costs themselves. The uncertainty of contract terms, excessive working hours without overtime pay, no social security, coupled with a daily payment system below the minimum wage puts fish production workers in a weaker and more vulnerable position.

Meanwhile, workers in fish production companies in North Sulawesi, such as tuna cutters, receive varying wages depending on their work contracts. Work contracts for fish cutter labourers are daily, three months, six months and yearly. For labourers, those with contracts of between 3 - 6 months will be assessed based on performance and attendance. For labourers who are absent for 12 times without explanation, their contract will be terminated. One fish production company stated that they use casual labour that is paid based on working days for a maximum of 40 hours per week.

*"For now, all of the freelance workers are registered, there are 29 contract workers, while there are almost 70 freelance workers. The contract is partly in the office in the office, partly in production but for certain sections. For example, head of production or leader area. Because we are here, the fish are not always there. So we don't use excessive energy like that. We usually have a rolling system here, because we don't have many contract workers. We roll out the casual labour, one week we complete 40 hours in accordance with the rules." (AR, tuna company management)*

Daily contracts apply to workers in fish production production. This is done because fish are not always available and frees workers to have the opportunity to work elsewhere. Meanwhile, workers who are in the office have annual or permanent employment contracts. This shows that the type and level of work is very influential on workers' job security.

The determination of workers' wages in companies in North Sulawesi encountered in the research has followed government policy, namely based on the provincial minimum wage (UMP) standard, in 2023 of IDR 3,485,000. The difference in wages between workers is determined based on the type and level of work, long service allowance, education, performance, skill allowance, and attendance allowance. Tuna production companies also apply overtime pay and holiday allowances (THR).



In addition, the three tuna production companies met stated that they provide complete labour insurance for all their workers, including death insurance (JKM), work accident insurance (JKK), retirement insurance (JHT), pension insurance (JP), and health insurance (JKN). Workers with daily contracts are also given the same guarantee for social security according to the calculation of daily wages.

Fair wage practices have also been carried out by one tuna supplier in North Sulawesi. Even some workers who have skills in checking fish earn a considerable wage of between Rp10–20 million per month.

*“The lowest amount of money received is 3.8 million per month for those who don’t fish and 15–20 million for those with skills. I give them a target, and when they fulfil the target, I give them a fee of 1,000 rupiah per kilo. So they become more motivated on top of their salary.” (LS, tuna supplier)*

Labour social security and health insurance for suppliers have not been a concern. Workers still pay for their health insurance independently or get subsidised by the government. Meanwhile, social security for labour is still not followed.

g) Adequate rest

Working hours for factory workers with a certain period of time are usually adjusted according to the employment agreement. Working hours generally vary, for example, workers in Muara Baru work between 8am and 5pm every weekday or 8am to 1pm on Saturdays with one day off on Sundays. However, it is not uncommon for there to be differences in working hours in practice such as working hours starting at 8am until 12pm (18 hours). The difference in working hours is also influenced by daily targets to meet the company’s production targets and the absence of a clear work contract.

*“I was paid 600–610 thousand yesterday, the smallest was 500 thousand. If you want to work from 8 o’clock to 12 o’clock, you have to finish it because they want to export, sometimes you can get 8 stakes if it’s easy, like a sipil, you just cut the pieces, but if the PND is a bit complicated, maybe only 7 stakes. If I don’t come in one day, the cut is up to Rp200,000 – 300,000, rather than for me not coming in.” (ER, female daily laborer peeling shrimp)*

Excessive working hours due to production targets and the pursuit of high daily income often pose occupational risks to labourers. One of the female workers stated that due to standing for too long without a break other than the lunch break, they often experience pain in their legs. Besides not getting enough rest, female shrimp peeling labourers in Muara Baru also cannot freely buy food or get

a drink and do other basic needs. Not only that, labourers also do not get the right to leave or other permits and are even deducted when absent from work. “If you haven’t fainted, you can’t go out to pray, we can’t go to pray. We want to pray to take a little longer.

*“If you haven’t fainted, you can’t go out to pray, we can’t go to pray. We want to pray to take a little longer. There is a gate in a gate, therefore when we pray we are covered by the gate.” (DW, shrimp peeler labourer)*

In contrast to the case above, the practices of tuna production companies in North Sulawesi show working hours that are more in line with government policy. This is also supported by the existence of a clear work contract. From the three fish production companies, workers have working hours from 8am to 5pm, with a one-hour break and workers are given the freedom to pray.

Workers in fish production companies are granted annual leave of approximately 12 days per year, maternity leave, menstrual leave in accordance with applicable laws and regulations. Although the company has a leave policy, workers rarely take leave.

*“If it’s like my place, it’s a bit difficult to take time off, because maybe it’s work too. there are targets but like we have needs too, so it’s like asking for permission like that is difficult. The difficulty comes from the supervisor. I don’t know if it’s because they’re pressured too, but it’s very difficult to take 2 weeks off at once. Even 3 days is full of obstacles and challenges. how many days before you want to take 3 days off. If it’s not approved, then we don’t get leave. There are 20 people in this section, so if there’s like 1 person who doesn’t come in, it’s like a pile of work.” (GT, tuna company worker)*

Employees cannot take leave freely due to work demands and specific targets. Especially for those who have specialized skills, it is feared that work will pile up. In addition, the granting of leave is highly dependent on the approval of the supervisor. Some of these things affect the fulfillment of workers’ annual leave rights. In addition, menstrual leave, although the company provides a policy, is also very rarely taken by female workers. The requirement to take menstrual leave by attaching a gynecologist’s certificate is considered quite difficult for workers. Workers also stated that because the majority in the production department are women, it would be difficult for many female workers to take menstrual leave at the same time.

Article 77 of Law No. 13 of 2003 concerning Manpower stipulates that the working time for one week is 40 hours. Furthermore, provisions regarding rest and leave are set out in Article 79. The periods of rest and leave referred to are rest during



working hours of at least half an hour after working 4 hours continuously, weekly rest for one to two days in one week, annual leave of at least 12 working days after workers/laborers have worked for 12 months continuously, long breaks for certain companies. As for menstrual leave, it is regulated in Article 81, where female workers/laborers who are in their menstrual period feel sick and inform the company are not obliged to work on the first and second days of menstruation. However, the implementation of the policy is highly dependent on employment agreements, company regulations and collective labor agreements.

h) Access to primary services

The fulfillment of the basic needs of workers in the company is also still not a concern of the company. In fact, basic service facilities are needed as an effort to fulfill human rights in the workplace. Workers at a shrimp production company in Muara Baru stated that they are provided with drinking water that is placed in the toilet and cannot be brought into the production room. For toilet facilities for workers, they are considered adequate, except that their use must also be alternated and supervised by officers. Furthermore, other facilities such as rest rooms, canteens, and lactation rooms are not available.

Field findings in North Sulawesi show that the fulfillment of basic services for workers is of greater concern. Toilets have been differentiated between men and women, drinking water is provided at certain points in sufficient quantities. Other facilities that are provided include employee changing rooms, a place of worship (prayer) that is adequate for workers. However, it was noted by a worker at one of the fish production companies that she had some difficulty in taking ablutions due to the high position of the faucet, making it difficult to use. This indicates that in providing supporting facilities, the company has not paid attention to the principle of *universal design* so that everyone can use it, even people with special needs.

In fact, two out of three companies even provide lunch for all their workers. Lunch or dinner facilities for workers who work overtime are part of the incentives provided by the company. Several other facilities such as sports venues, health and recreation facilities are provided by the company. It was found that only one out of three fish production companies stated that they had specifically provided a lactation room for female workers that could be used to pump breast milk or breastfeed. This is in accordance with Article 83 of Law No. 13 of 2003 concerning Employment, which states that female workers/laborers whose children are still breastfeeding must be given reasonable opportunities to breastfeed their children if it must be done during working time.

However, companies have not yet realized the importance of providing service facilities such as family planning, daycare or housing. Article 100 of Law No. 13 of

2003 on Employment states that to improve the welfare of workers/laborers and their families, employers are obliged to provide welfare facilities. Welfare facilities include family planning services, daycare centers, worker/labor housing, worship facilities, sports facilities, canteen facilities, health facilities, and recreational facilities.

i) Work Safety

Occupational Safety and Health (OSH) is one of the important aspects in industrial relations that is of concern and commitment to be implemented by all tripartite constituents, be it the government, employers and trade unions (SP) or labor unions (SB). OHS reflects the interests and concerns of constituents while presenting a common ground for collaboration, synergy and togetherness in building an OHS culture in the workplace. Behind all that, there is a new awareness emerging in the world community that OSH is an inherent right of everyone in the world of work. For this reason, at the International Labor Conference (ILC) last June, all parties with high commitment believed and stated that OSH is part of the fundamental principles and rights at work.

To fulfill this commitment, member states need to affirm it in various forms, ranging from ratification to the implementation of at least two basic conventions that are core ILO conventions, namely ILO Convention No. 155 concerning Occupational Safety and Health, and ILO Convention No. 187 concerning the Promotional Framework for Occupational Safety and Health, 2006. Both conventions affirm that a safe and healthy life and work is a right for everyone.

Nevertheless, field findings show that not all companies have paid attention to OSH aspects in their production activities. One of them occurred at a shrimp production company in Muara Baru, where workers even had to buy personal protective equipment (PPE) independently for Rp250,000, such as aprons, masks, gloves, boots, uniforms, jackets and hats. Workers stated that they did not receive any specific OHS training, only training related to the work they do. Quite often, inadequate workplace conditions such as slippery without adequate shoes cause workplace accidents and even death.

*"There have been many accidents. Someone who went into the cold-storage died there. She/he took the ice from the cold-storage and died in the freezing chamber." (RM, shrimp peeler laborer)*

Meanwhile, fish production companies in North Sulawesi have strictly implemented OSH in their standard operating procedures. The company organizes OHS training activities every year for all workers. There is even one company that specifically forms an OHS team, this team is then divided into several categories such as general OHS, fire OHS, nurse OHS and electricity. There is a special



person responsible for handling work accidents. The OHS policy that contains explanations and how to handle them has been socialized and posted at several points in the company. The company stated that they are very concerned about OHS to anticipate work accidents.

Some of the risks of work accidents that can occur include sliced fingers due to the use of the Benso Machine (saw) to cut frozen meat, pinched hands in the vacuum machine, and being hit by objects *when racking in cold storage*. Even when *loading* in the container, there is a potential for the container to tilt and vibrations can hit workers.

The company provides PPE to prevent work accidents that are tailored to the needs and risks of each division. As for workers in the cutting section, gloves and *hair nets* are provided, for operators PPE is provided for used oil transfer, gloves, masks and helmets.

j) Medical assistance

Companies generally have minimal medical assistance equipment such as First Aid kits. However, shrimp production workers in Muara Baru stated that they were not provided with a proper place if a worker collapsed. Workers said they were forced to take the unconscious worker to the toilet to recover before going home. Similarly, workers who are sick during working hours are forced to steal time to rest in the restroom because workers with minor illnesses are not allowed to go home.

Different conditions occur in fish production companies in North Sulawesi, where the company provides a special place for health services and health workers for handling minor illnesses. If the worker is seriously ill, they will be referred to the nearest hospital. Other daily efforts include checking workers' body temperature before entering and monitoring workers' health. For example, if a worker is indicated to have diarrhea, the worker will be given medicine or allowed to go home to rest.

k) Corporate responsibility and transparency

Fish production companies in North Sulawesi have also generally complied with applicable taxation policies. Taxes paid include PPH 21, PPH 23, PPH 25, VAT, import-export tax and PNPB on fish catches. One company stated that its area is included in a special economic zone (SEZ) so the export tax is 0, but the company stated that they have not yet taken care of it due to the many requirements and long time allocation.

There are several notes from the company regarding the tax policy enacted by the government. Such as the imposition of PNPB on fish catches that have been

regulated in the Minister of Maritime Affairs and Fisheries Regulation Number 2 of 2023 concerning Requirements and Procedures for Imposing Tariffs on Types of Non-Tax State Revenue Applicable to the Ministry of Maritime Affairs and Fisheries Derived from Utilization of Fisheries Natural Resources. The policy, which will begin in 2024, is considered quite burdensome for companies because the government is considered less transparent in determining the selling price of fish and determining very high tariffs.

*“Related to quota policies and tax calculations, same as Albacore. I don’t understand how the tax calculation is 30,000, when the selling price in the market is only Rp17,000 and the most expensive is Rp20,000.” (DB, tuna company management)*

*“That’s a lot, 5%. We ask to reduce it to 2-3% at most. It’s not that we don’t support it. Administration of Non-Tax State Revenue that we supported. But not too big and the reference price of the fish is also unreasonable. The reference price of fish is set with no basis, and keeps changing at will. For example, in January a new one comes out, then in August a new one will come out again.” (TH, manager of a fish production company)*

The 5-10 percent rate is much higher than other countries. While adding taxes, other countries such as China, Norway, and Vietnam, actually provide subsidies for capture fisheries entrepreneurs. In addition, facilities and support from the government that have not been optimized are increasingly burdensome for companies. For example, dock facilities for fish measurement with limited capacity, support for opening export markets, licensing and certification required by companies.

Another important aspect of corporate responsibility is the company’s responsibility for its impacts. Until now, it is recognized that there are no companies that have negative relations with the surrounding community, because the location of the company is far from settlements. However, the company has a *corporate social responsibility* (CSR) program for social and environmental issues. The company is very concerned about its environmental impact because it not only affects the company but also the surrounding community. One of the efforts to reduce environmental impacts is through waste treatment.

The hygiene of the fish production company is very much maintained and must be sterile, starting from the waste produced by workers and the waste from production all handled properly. One company was found to have its own wastewater treatment facility. Meanwhile, solid waste is processed by other



parties.

*"There are two types of waste in here, solid and liquid. For liquid waste, we usually treat it first and then dispose of it to the sea, and it must meet the Ministry of Environment and Forestry's proper standards. We are currently indicated as blue. If it is solid waste, there is someone who takes it. Usually from MSMEs, they take it and then process it again. There's a contract with them. Both plastic waste and waste from fish waste. It's all about cooperation. The company has a special team for waste handling, the sanitation team." (TH, manager of a fish production company)*

WWTP discharges that flow into the sea after treatment must have a special permit from the authorities. Discharged wastewater is also subject to monthly sample testing, both of wastewater before discharge and seawater sample testing. The company sampled 3 points of seawater along with surrounding conditions such as noise, odor and generator emissions. The reporting system is called the Environmental Electronic Reporting System (SIMPLE). This system was created by the Ministry of Environment and Forestry (MoEF) to deliver Environmental Management Plan-Environmental Monitoring Plan reporting, wastewater reporting, emissions reporting, and Hazardous Waste Management reporting. Reporting is divided into quarterly and semesterly reports to the provincial environmental office. As for the treatment of hazardous and toxic waste (B3), the company cooperates with other parties who already have their own licenses. All waste treatment reports will be reported annually to the MoEF as part of the PROPER assessment. PROPER is a form of government policy, to improve the company's environmental management performance in accordance with what has been determined in the laws and regulations.

l) Grievance report and access to remedy

Prevention of forced labor, labor rights violations, violence or harassment can be prevented by companies. Companies have not developed measures for effective victim protection and other forms of assistance and support; and provide appropriate and effective remedy for all victims. It's just that not all companies have realized the importance of providing such support to their workers. Employers are often ignorant, even becoming perpetrators of human rights violations for workers such as those found in shrimp production companies in Muara Baru. Workers do not know where to report when they receive unfavorable treatment from their supervisors, so they tend to remain silent and accept the treatment they receive.

Establishing a complaint channel and access to remedy is still not considered important by entrepreneurs such as in the fisheries sector. In addition to requiring



cost commitment, leadership commitment is also recognized as one of the factors driving the realization of this mechanism in a company. Some companies in North Sulawesi encountered in the research have implemented good practices such as having reporting and recovery mechanisms. This mechanism is already contained in the SOP and has been socialized.

The reporting channel in the company above is even directly handled by the highest leadership in the company. As for labor issues, they can also be submitted to the *human resources department*. In addition, other fish production companies in North Sulawesi also stated that the provision of suggestion boxes in the company can also be used to provide suggestions or criticism for the improvement of the company by guaranteeing the confidentiality of the reporter.

Workers at fish production companies also stated that they now have a special unit to handle complaints.

*“From HRD itself, we have a Labor Union Committee here. There are also some staff members who, if there is anything related to human rights violations, such as harassment, can report to the community. And the members of the Committee are chosen based on their educational background. So if I’m not mistaken, those on the Committee have a background in S.H (law) and psychology.” (W, OHS Worker of Fish production Company)*

It consists of workers with legal and psychological backgrounds. This committee was formed after the company conducted gender-specific training. The existence of this committee is also expected to prevent acts of violence and harassment that occur in the company. This means that in addition to company commitment, training activities are also needed to generate initiatives and policy-making for the company..

m) Stakeholder participation and collaborative management

Multi-stakeholder partnerships are one of the goals in the sustainable development agenda. According to the Ministry of National Development Planning (Bappenas) (2019), based on the characteristics of partnerships in Indonesia, multi-stakeholder partnerships (KMP) are a form of cooperation based on voluntary agreement, mutual need, togetherness and active participation of stakeholders from a wide spectrum of institutions, including the government, business sector, civil society and NGOs and other parties who have a direct interest in the issues being cooperated.

KMP can be a formal or informal partnership depending on the existence, type and content of the cooperation agreement clauses and the type of institution decided upon. KMP is a form of cooperation where all stakeholders bear risks together and combine their human, financial, knowledge and experience resources to



maximize their potential in achieving common goals (Bappenas, 2019).

- . The companies found in North Sulawesi have implemented multi-party partnerships in running their businesses. Involvement is not only at the elite level but there is also involvement of workers in it for the benefit of workers and all workers. One of the ways workers are involved is in the formation of committees on gender equality and violence in the workplace. The committee is formed jointly by the union, labor union, management, and staff with expertise in law, psychology and religion. All workers or laborers have the right to submit complaints, grievances or feedback on company policies and are guaranteed confidentiality.

n) Fair opportunity for services and discrimination

One form of human rights is equality of opportunity, and treatment in jobs and positions. This equality is in accordance with the values of Pancasila and has been regulated in the 1945 Constitution Article 27. Indonesia has ratified ILO Convention No. 111 on Discrimination in Employment and Occupation. This convention obliges every ratified ILO member state to eliminate all forms of discrimination in employment and occupation based on race, color, sex, religion, political opinion, national or ancestral origin.

One of the aspects that is of concern in the fulfillment of human rights in the context of justice and non-discrimination is the remuneration or equal income between men and women. In companies in North Sulawesi, the wage system between male and female workers is appropriate/no difference. The company applies equality in employment for both women and men. The difference between men and women is more about the type of work. The work of *cold storage* or lifting and cutting large fish is done by men. Women are generally placed in all process lines, but for jobs that require specific *skills* such as sushi cuts and small cuts.

Policies on anti-discrimination have also been contained in company policies and SOPs that are socialized to workers. For pregnant workers, the company still provides work opportunities. Pregnant workers are generally placed in light and safe areas.

*"If you are pregnant, as long as you can work in production, it will be allowed. But we usually give them lighter work. If she can't do it, then we transfer her to another division. For example, in logistics or in laundry for example, which does not use labor. Leave is also given in accordance, but here, leave is usually taken when she is about to give birth. Usually it's 1.5 months before, 1.5 months after."*  
(TH, manager of a fish production company)

A different situation is found with shrimp peeling workers in Muara Baru, where

workers who are pregnant will be asked to leave work and can work again when they have given birth. Women workers stated that this was also done by the company because the company did not want to bear the consequences of employment such as providing maternity leave or other compensation. This condition certainly violates human rights for workers, but ensuring that companies comply with government policies and include them in company policies is still a challenge in Indonesia.

## **5.2.2 Human Rights and Social Responsibility in Vietnamese Fisheries Supply Chains**

### **1. Fishing**

According to a report by baodantoc.vn in 2021, from 2019 until now, Vietnam has passed 36 laws, including many important legal documents relating to human rights, contributing to concretizing the provisions of the 2013 Constitution and conforming to international conventions to which Vietnam is a party. This law has contributed to creating an institutional and legal framework governing the socio-economic sphere that is directly related to human rights.

Implementing a number of recommendations under the Universal Periodic Review Cycle III of the Human Rights Council, Vietnam is also considering amending and supplementing a number of laws in line with its international commitments such as amending the Law on Children, which specifically defines a child as a person under the age of 18, studying and developing the draft law on Prevention and Eradication of Prostitution, which sets out the definition of sexual harassment in the 2019 Labor Code.

Many national action programs have been issued, such as the Disability Support Program for the period 2021–2030, the National Gender Equality Strategy for the period 2021–2030, the Child Protection in Cyberspace Program and the National Child Action Program for the period 2021–2030, the Human Trafficking Prevention and Control Program for the period 2021–2025 with a focus on 2030, and the Social Control Program for the period 2021–2030. These programs contribute to better guaranteeing the rights of vulnerable groups. Vietnam continues to implement the Gender Equality Law and the Law on Persons with Disabilities and is actively researching, amending, and improving the legal system on these issues.

Human rights guarantees in Vietnam are implemented in accordance with international standards to which Vietnam is a member. Vietnam is currently a party to 7/9 international human rights conventions. Vietnam is also a party to 25 International Labor Organization Conventions, including 7/8 of the basic conventions. Currently, Vietnam is studying ways to ratify other basic conventions, such as Convention 87 on Freedom of Association and Protection of the Right to Organize. Vietnam has always fully implemented and taken seriously its obligations under these conventions, including the obligation to report on the implementation of these conventions in Vietnam.



To date, Vietnam has acceded to most of the basic international human rights conventions, including the International Covenant on Civil and Political Rights (1966), the International Convention on Civil and Political Rights (1966), the International Convention on Economic, Social and Cultural Rights (1966), International Convention on the Elimination of All Forms of Racial Discrimination (1965), Convention on the Elimination of All Forms of Discrimination against Women (1979), Convention on the Rights of the Child (1989), Convention on the Rights of Persons with Disabilities (2006), Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (1984).

The Vietnam Labor Law 2019 and the Occupational Safety Law regulate the rights and obligations of fishermen, boat owners and skippers, as well as occupational safety and health rights and obligations. According to the rules, employees with a tenure of 1 month or more require an employment contract, but in reality offshore fishing can take 3-6 months. Supervision, prosecution and handling of violations of labor regulations in the fisheries sector have not been seriously implemented. The following are findings on human rights violations that still occur in Vietnam.

a) Abuse and harassment

According to the 2019 Labor Law and Decree 145/2020/ND-CP, sexual harassment in the workplace is an act of a sexual nature committed by any person against another person in the workplace without the other person's unwanted or unacceptable consent. Sexual harassment in the workplace includes: (i) Physical behavior including actions, gestures, physical touching and physical contact of a sexual or suggestive nature; (ii) Verbal sexual harassment including face-to-face, telephonic or electronic communications with sexual content or sexual implications; (iii) Non-verbal sexual harassment including body language; displaying, depicting sexually explicit material or involving live or electronic sexual activity.

Sexual harassment is gaining attention in Vietnam. As in other countries, this issue may be under-reported. In the fisheries sector, cases of sexual harassment are believed to be under-reported, especially given the fact that a large proportion of the production workforce falls into what the ILO defines as the most vulnerable group (i.e., women between 18 and 30 years old in the unskilled sector). Although sexual harassment is inherently difficult to prove, as workers often lack awareness of their rights and the confidence to raise their complaints. Similarly, sexual harassment of workers is likely to be under-reported in fishing factories as well as elsewhere in society (VCCI & AHRC, 2021).

b) Human trafficking and forced labor

The ILO Forced Labor Convention 1930 (No. 29) defines forced labor as all work or services required of a person under the menace of any penalty which that person does not perform voluntarily. Article 2 (1) of Convention No. 29 states that work and services include all types of employment, positions, whether legal or not; all persons refer to adults and children of any nationality; threats and penalties include all forms of criminal sanctions and other forms of coercion, including threats, violence, seizure of identity documents, confinement, non-payment or illegal deduction of wages, or due to the fees of recruiters or recruitment agencies; and voluntary means that workers must give their free and informed consent when entering employment and throughout the employment relationship. In a report conducted by Seafood Watch in 2022, no direct evidence was found linking Vietnam's tuna fishing industry to forced labor, and human trafficking. However, the debt bondage, the system of deducting wages from the crew, and the unfit condition of the vessel indicate forced labor.

c) Child labor

In Vietnam, the 2019 Labor Law strictly prohibits the employment of children and unlawful, underage, and other abusive forced labor, such as using vocational training and apprenticeships to exploit child labor for personal gain or inducing or forcing child apprentices to engage in illegal activities. The Vietnam Labor Code stipulates: "an employee is a person of full age 15 years or older" and "a minor employee is a worker under 18 years of age".

Vietnam's fishing fleet has grown rapidly, with the number of vessels increasing by more than 160% from 1990 to 2018. This rapid expansion has led to overfishing in Vietnamese waters and at the same time put pressure on Vietnamese fishing vessels to maintain profits. A 2019 report, *Caught in the Net*, published by the Environmental Justice Foundation (EJF), reveals how this deplorable situation impacts fishermen. Among reports of debt bondage and unsafe working and living conditions are serious cases of child labor. Children as young as 11 were found working on a Vietnamese vessel detained in Thailand for IUU fishing. EJF's conclusion is that the lack of governance and transparency in the fisheries sector drives child labor on vessels (RISE, 2021).

Of the 41 vessels EJF surveyed for *Caught in the Net*, none had logbooks, crew lists, or crew contracts. Lack of documentation, coupled with superficial vessel inspections upon departure/arrival at ports, allows vessel operators to use child labor, increasing the risk of forced labor and abuse. Although child fishers often work on their family's boat or with family members, this situation is still detrimental to children and illegal under Vietnamese law. Meskipun nelayan anak sering kali bekerja di kapal keluarga mereka atau dengan anggota keluarga, situasi ini tetap

merugikan anak-anak dan ilegal menurut hukum Vietnam.

The Vietnam Labor Code (Article 165) states that workers under the age of 18 are classified as minors and are prohibited from working in heavy and hazardous work environments, including fishing in distant waters (Ministry of Labor, Invalids, and Social Affairs, 2013). The Environmental Justice Foundation in 2019 conducted a survey of 239 crew members, based on the number of respondents, it was found that the age range of the crew members was from 11 years old to 69 years old. In total, there were twelve crew members under the age of 18. In total, 17% of the 41 vessels surveyed carried at least one child on board.

EJF spoke with seven children under the age of 18. They reported that they work on their parents' fishing boats, and often help to catch fish. Most of them do not attend school regularly and are largely illiterate like their parents. Children often described how they took on the responsibility of being the breadwinner, choosing to sacrifice their education to help their families survive.

*"I'm afraid of the sea because I don't even know how to swim. But as long as my father and older brother are there, everything will be fine." - Vietnamese child fisherman, 14 years old - Quoted from EJF, 2019.*

In a 1999 ILO report, it was stated that fishing vessels are one of the most dangerous working environments in the world, where workers can suffer injury and even death due to accidents, falls overboard, bad weather, or exposure to various diseases.

These risks are exacerbated when vessels fish illegally and away from safety controls. The Labor Law in Vietnam, is designed to protect children from this harsh working environment. However, without adequate enforcement through strict vessel inspections, children will continue to be faced with harsh living and working conditions, hundreds or even thousands of kilometers from land, and far from any chance of help from authorities (EJF, 2019).

d) Jeratan utang dalam perikanan skala kecil

ILO in its report in 2013, mentioned that there are cases of violations in the recruitment practices of fishermen in general. Although practices differ in each region, the root of the problem is the use of middlemen or recruitment agents in the recruitment process of fishermen or crew members. These middlemen place fishermen or crew members in their home villages, along migrant smuggling routes and in ports. It is not uncommon for brokers to charge fees against future earnings, which can lead to debt bondage. In the UNIAP report (2009) these victims can also move from one agent to another, increasing their debt in the

process.

In a report by Seafood Watch (2022), based on Asian Social Science, Vol. 16, No. 18 (2020) and Asian Social Science, Vol. 17, No. 1 (2021), it was concluded that tuna fishing boat owners in Vietnam usually rely on credit loans to meet needs such as fuel, ice from traders and middlemen before each voyage, and then sell their catches to these lenders, leaving fishermen in a position of low price negotiation in selling their catches. While no evidence of forced labor was found in the tuna fishery, this credit practice raises concerns about potential debt bondage, which is one indicator of forced labor. However, fishers have the capacity to change which traders and middlemen they partner with, suggesting a degree of independence.

The Center for Marinelife Conservation and Community development (MCD) in 2020 conducted a value chain analysis of the tuna sector in Binh Dinh Province and found that if the debt between the fishing boat owner and the middleman amounts to about USD2,640 (60 million VND), upfront advance payments are no longer approved. While this may prevent fishing vessel owners from acquiring further debt, it may also put them in a position of being unable to pay for fishing trips and repay their debts.

A 2020 ILO study of crab fishers in Vietnam who rely on similar financial credit practices from supply chain intermediaries determined that crab fisheries have a low to moderate risk of negative impacts on the income and economic situation of crab fishers.

Furthermore, MCD (2020) explains that the small-scale nature of tuna fishing vessels in Vietnam raises concerns regarding the potential use of child labor on tuna vessels. Although reports of children on tuna boats were not found, there is a risk of children helping their family members on the boats and being exposed to hazardous conditions and/or skipping school.

*"If we can't catch anything, we get nothing. There's no money to share." Tran Linh, Vietnamese fishing boat captain - Quoted from EJF, 2019.*

Lack of a fixed salary, deductions for food and water, and mounting debt are potential indicators of debt bondage that keeps workers tied to their employers until the debt is paid. Debt bondage itself is a strong indicator of forced labor. Workers emphasized this, saying if they wanted to change jobs, they would either have to pay off the debt at once or borrow money from their new employer to pay off their existing debt, essentially shifting the debt to the new employer.

e) Freedom of association and collective bargaining

In 2019, Vietnam submitted its instrument of ratification of the ILO Right to Organize and Collective Bargaining Convention, 1949 (No. 98). Vietnam became the





167th ILO Member State to ratify Convention No. 98 and the 20th State in the Asia and Pacific region to do so. It is expected that the ratification of Convention No. 98 will contribute to further accelerating the spread of genuine collective bargaining throughout Vietnam, which is likely to result in better working conditions, higher productivity and shared prosperity.

Convention No. 98 requires member states to ensure that workers are adequately protected against acts of anti-union discrimination and to ensure the protection of workers' organizations and employers' organizations against interference by others. This represents a necessary condition to ensure full and meaningful collective bargaining.

Article 6 of the Law on Trade Unions stipulates that Trade Unions are organized and run based on the Vietnam Trade Union Charter, in accordance with the lines, guidelines and policies of the Party and State laws. This system makes labor unions less independent and unable to act as government pressure agents (Bach, Le, and Nguyen, 2021). Bach et al. (2021) found that it is not uncommon for trade unions to act as the "hands" of company management, which will greatly erode the independence of trade unions in protecting workers' rights.

The independence and capacity of trade unions to protect workers' rights is questionable. A key challenge for Vietnamese fishing factories in terms of freedom of association is the long-standing practice of management (government) interference in union activities. Typically, this is manifested in the form of senior managers serving on the executive committee of the union in the factory and/or through management involvement in union activities and decision-making. In addition, the main weaknesses in trade union operations are threefold: (i) inadequate consultation between employers and unions; (ii) the absence of sufficient votes to approve collective bargaining agreements (CBAs); and (iii) the failure to make CBAs publicly available to workers.

f) Income, benefits and employment contracts

In the Seafood Watch report (2022), there was no evidence of the use of recruitment agencies in tuna fishing. Some evidence suggests that the increasing demand for labor in the fisheries sector has given fishermen an advantage in choosing which vessel owner they work for, with family ties or benefits such as salary advances and the willingness of vessel owners to provide credit loans as the basis for their selection.

Laporan Asian Social Science, Vol. 16 No. 8 (2020) dan Centre for Marinelife

Conservation and Community Development (MCD) (2020) menunjukkan bahwa keuntungan dari penangkapan ikan tuna terbagi sekitar setengahnya, dengan sekitar setengah dari keuntungan tersebut diberikan kepada pemilik kapal dan sisanya kepada kapten dan awak kapal. Boat owners receive a higher proportion of profits from skipjack fishing compared to bigeye and yellowfin tuna fishing, likely due to the greater investment required for skipjack fishing.

Furthermore, a report in Asian Social Science, Vol. 16 No. 8 (2020), shows that ship captains receive 1.5 times more compensation than other crew members. Based on the average number of crew members per vessel, it is estimated that each crew member receives 10.0%, 3.9%, and 6.0% of the profit for longline, purse seine, and gillnet fisheries, respectively.

MCD (2020) pointed out that based on the value chain analysis of the tuna industry in Binh Dinh Province, crew members do not sign labor contracts with ship owners. The average per capita income from fishing for yellowfin and bigeye fishers is about US\$308 (7 million VND) per person. The average income from skipjack fishing is slightly higher, at around US\$352 (8 million VND) per person. To attract workers, boat owners usually pay workers an advance of about US\$132 to US\$220 (3 to 5 million VND) for each fishing trip. In the event of a loss of profit from a voyage, the shipowner bears the costs including the advance payment of wages.

The right to decent work is one of the most important and compelling rights for workers in Vietnam. In the Vietnamese context, decent work generally refers to an income sufficient to live on and safe working conditions, especially operational health and safety, as well as fair and transparent working wages.

g) Adequate rest time

According to EJF (2019) workers report that vessels fish up to 24 hours a day, and workers take breaks either when activity is low or whenever they can rotate their work with other crew members.

*"The crew fishes [sets nets] at 6am, then fishes again before lunch. I will cook for them. Then 3pm again and rest. Then again at 9pm." Vietnamese fisherman, 14 years old - Quoted from EJF's interview in January 2018.*

The crew of the above vessels work without resting hours because they follow the fishing cycle from setting nets to pulling nets. They rest while waiting for their catch. This is also true for sea cucumber fishers, who almost always use trawls. They will only rest when it is time to cool the sea cucumbers, a task that does not

require much labor so they can take turns resting. However, cooling down will only take up to two hours, after which they will resume fishing.

h) Access to basic services and fair opportunity to obtain services

All individuals reported that there was sufficient food and water on their fishing vessels. However, upon inspection by the EJF, many ships only carry low-quality, expired, or even rotten food. However, upon inspection by the EJF, many ships only carry low-quality, expired, or even rotten food.

i) Occupational safety and medical assistance

Health and safety regulations for the seafood sector in Vietnam are appropriate to improve worker safety but are not optimized in practice. Regulations for the fisheries sector are set out in the Maritime Regulations, which consist of 300 regulations covering operations, personnel requirements, health and safety, maintenance, documentation and other important aspects of commercial maritime operations. The ILO Maritime Labor Convention, which Vietnam ratified in 2013,<sup>11</sup> provides health, welfare and social security protection for seafarers (Seafish, 2020).

In Vietnam, with regard to health certificates, there are still many seafarers who are licensed to sail with fake health certificates, so they are also not considered trained. Delays in salary payments and a lack of sensitivity from the government regarding work safety guarantees and in terms of controlling ship owners also add to the long list of problems related to violations of the rights of crew members in Vietnam (Greenpeace, 2018).

j) Corporate accountability and transparency

Lack of transparency in fishing is one of the factors that most drives Illegal, Unreported, and Unregulated (IUU) fishing worldwide. Fishing vessels that are at sea away from the authorities, for weeks, months, or even years. This isolation is often exacerbated by the unclear identity of the vessel or owner. These factors can make fishing operations difficult to track and monitor, or difficult to enforce fisheries laws - especially if the responsible authorities are not adequately staffed, trained, or supported by law to prevent illegal activities. The challenge of uncovering illegal ship activities, both now and in the past, means that illegal operators have a low risk of being caught and sanctioned by regulatory authorities. These problems are common in Vietnam's fisheries sector (EJF, 2019).

Out of 41 boats surveyed since December 2017, 28 boats were reported to have no flag when conducting fishing operations. Under the current Vietnam Maritime

Law (2015) and Fisheries Law (2003), fishing vessels are not required to fly any flag when operating in Vietnamese or international waters. While this means many of these vessels are not operating illegally, these practices can facilitate IUU fishing by making it difficult to accurately determine vessel identity and ownership. This gap in fisheries transparency has been addressed through the new Fisheries Law (2017) (this law came into effect in January 2019), which now requires all commercial fishing vessels to fly the Vietnamese flag both inside and outside Vietnam's EEZ. However, judging from recent interviews and the lack of flags on five of the seven vessels caught by Poseidon in April 2019 - three months after the new law was implemented - there is still a lack of compliance with, or perhaps awareness of, fisheries regulations (EJF, 2019).

Lack of transparency can also lead to unscrupulous fishing vessel operators easily underreporting their catch or misreporting the location or timing of catches to evade fisheries regulations, avoid taxes, or both. None of the fishers EJF spoke to had ever used a logbook to document the seafood they caught, potentially facilitating seafood laundering into international supply chains (EJF, 2019).

The shipowner at the end of the contract generally has to bear all the costs of repatriation, accommodation, food, then the seafarer will later be picked up by plane when the contract expires. However, the shipowner in this case ignored all responsibility. This case is one example that shows that children with disabilities are still far from the government's attention. This has drawn attention from many parties to encourage the Vietnamese government to better enforce the law against irresponsible boat owners (Greenpeace, 2018).

k) Grievance report and access to remedy

In general, exploitation, violence and various acts of human rights violations against crew members often occur on the high seas and in territories far from the reach of protection services. In this case, there is vulnerability due to the lack of access for children with disabilities to report their cases. This lack of access is also often about information. Many crew members are not paid, have their wages deducted and are not notified in advance. The right to information about the rights of children with disabilities is often closed and difficult to obtain because children with disabilities do not have access to it. Crews are also often deceived by irresponsible agencies (Greenpeace, 2018).

l) Stakeholder participation and collaborative management

Many of the indicators of IUU fishing and human rights violations identified in 2018 continued in 2019, indicating that despite legal reforms, implementation and enforcement continue to pose challenges, 18 months after Vietnam received a formal warning from the European Commission in October 2017. Although



it is encouraging to see that the Ministry of Finance has taken initial steps towards reform through new legislation and a training regime. Nationwide and standardized ship inspections, transparency measures, and improvements to port-side inspection systems are urgently needed (EJF, 2019).

The protection of human rights is an obligation of the state. According to the findings of Greenpeace (2018), the absence of legal guarantees at both national and regional levels, overlapping authorities, absence of protection and strong indications of corruption in licensing for fishing vessels to operate result in the absence or weakness of protection services. The issue of crew protection is often overlooked and often neglected due to the government's inability to unravel the complexity of this issue. The government has neglected and washed its hands due to weak supervision and left the cases to the private sector, which is often irresponsible. The issue of transnational organized crime also adds to the complexity of services that are still based on the responsibilities of each state jurisdiction.

m) Discrimination

Small-scale fishermen are forced out of their own country's waters to earn enough to feed their families. This ultimately results in their vessels being seized overseas - and this is another cost they cannot afford. Ultimately, the poorest and most disenfranchised fishers bear the brunt of uncontrolled fishing by their more powerful and successful counterparts in the commercial sector (EJF, 2019).

*"We have closed off areas in Vietnam but big ships still come to catch fish. Big ships have links with the marine police that allow them to catch whatever they want, wherever they want - without any consequences. Or if they are arrested, they just need to pay 5-10 million [USD 213-426], and then they will be fine."* Hoang Tran, Vietnamese fishing boat captain - Quoted from EJF, 2019.

*"Law only exists in theory. The implementation doesn't happen. We can't do anything, we have no power."* Vinh Thanh, Vietnamese fishing boat captain - Quoted from EJF, 2019.

Discrimination is felt by small-scale fishermen, where large vessels get more free sailing permits. As a result, small-scale fishermen are disadvantaged and unable to fish in Vietnamese waters.

## 2. Trading and Production

Since the beginning of business law (formerly known as economic law), Vietnamese law has regulated a number of business obligations regarding human rights. For example, in the Law on Limited Liability Companies (1990) and the Law on Private Companies (1990), there are provisions that guarantee workers' rights, respect the rights of trade

unions, and comply with regulations on environmental protection, historical protection and cultural heritage. The Law on Foreign Investment in Vietnam (1987) also stipulates that companies must guarantee social insurance for workers (Article 31), as well as environmental protection (Article 34).

The current Companies Act (2014) also outlines a number of key corporate obligations in relation to human rights. Specifically, in the Act Article 8 ( Section 4) on the obligations of companies, requires companies to “guarantee the legitimate rights and interests of workers in accordance with the provisions of the labor law; shall not discriminate against and insult the honor, dignity, and respect of workers; shall not use forced labor and child labor; implement social insurance, unemployment insurance, health insurance, and other insurance systems for employees in accordance with the law. Companies must also “comply with legal provisions on defense, national security, gender equality, protection of natural resources and the environment, and protection of historical-cultural heritage” (Clause 8) and “carry out business ethics obligations to ensure the legitimate rights and interests of customers and consumers” (Clause 9).

In certain areas, many specific laws detailing the above obligations as well as adding many other obligations to be carried out by companies such as labor, environment, natural resources, land acquisition, protecting consumer rights, etc., such as basic labor rights have been established. Based on the Employment Law, Law on Social Insurance, Law on Occupational Safety and Health, it has been stipulated in a number of bilateral and multilateral trade agreements that Vietnam has joined. In the area of consumer rights protection, companies must comply with the provisions of the Law on Protection of Consumer Rights, the Law on Competition, the Law on Standards and Technical Regulations, the Law on Product Quality, and the Law on Food Safety, the Law on Advertising.

The UN Guiding Principles on Business and Human Rights (UNGPs) were agreed by the United Nations Human Rights Council in 2011, and have now been adopted by dozens of countries. As the investment climate opens up, these guiding principles are relevant for fisheries businesses. In principle, there are three important pillars that play a role: government (to protect), corporation or company (to respect), and remedy (access to remedy) (Greenpeace, 2018).

a) Human trafficking and forced labor

The ILO Forced Labor Convention, 1930 (No.29) defines forced labor as all work or service which a person performs under the menace of penalty and for which the person does not offer himself voluntarily. Indicators of forced labor include: Abuse of vulnerability, Fraud, Restriction of movement, Isolation, Physical and sexual violence, Intimidation and threats, Withholding of identity documents, withholding of wages, Debt bondage, Abusive working and living conditions,



Excessive overtime without the worker's consent, commitment to a mandatory period of employment, or not giving birth during the employment contract.

In the fisheries sector in Vietnam, no cases of forced labor have been detected. This means that no company was observed to restrict workers' movement around the workplace, especially in production facilities, or to use coercive tactics to keep workers on the job (e.g. threats of violence, intimidation, disciplinary action, wage deductions and so on). Workers have the freedom to terminate employment with reasonable notice or terminate their contracts, and that workers are not forced to work excessive overtime. Ad hoc evidence suggests that wage deductions or delays, poor working conditions, and excessive overtime are more common than other indicators.

Although systematic investigations on this issue have not been conducted in the surveyed companies in Vietnam, the phenomenon of forced labor still exists in Vietnam in various forms such as: overtime work imposed by the company (especially when working more than 200 hours/year) still occurs.

b) Child labor

The problem of child labor still exists and the risk is higher in the informal sector. According to the 2018 Vietnam National Child Labor Survey conducted by ILO and MOLISA, there are approximately 1.75 million children participating in economic activities, accounting for 9.1% of the national child population. Among them, about 49 thousand children work in the fisheries sector. Among child laborers in the fisheries sector in 2018, there were 38,753 children working in heavy and hazardous work (hereafter referred to as children in hazardous work) accounting for 2.7 percent of the population aged 5-17 years. 29.6 percent of working children, and almost 50.4 percent of the total number of children, are in child labor. In addition, around 15,270 children work in the seafood production sector.

Child labor is common in the informal sector. Most of these children work as unpaid workers in production enterprises and small-scale businesses in the informal sector, participating in the supply chain by creating goods, products and services directly in small household enterprises. Even more worryingly, companies that employ children are proud of the practice because they believe they are helping the children.

c) Freedom of association and collective bargaining

Vietnam is a single-party state that severely restricts freedom of speech and association in society. With extensive laws criminalizing the expression of political opposition, Vietnam is currently estimated to hold more than 130 political prisoners for exercising human rights. The police and national security forces are largely unaccountable, and the authorities use intrusive forms of surveillance on



their citizens (Impactt, 2021).

The main legal instrument governing Vietnam's labor law is the 2012 Labor Law. The law is complemented by several decrees, including Decree 05/2015/ND-CP and Decree 29 (29/2019/ND-CP) which contain labor updates on outsourcing regulations. The new Employment Law was approved by the National Assembly in 2019 and will come into effect in 2021. The reform of Vietnam's Labor Law further aligns it with core ILO conventions, which the government has prioritized in the context of the European Union. Vietnam Free Trade Agreement and the Comprehensive and Progressive Trans-Pacific Partnership (Impactt, 2021).

All trade unions in Vietnam must now be affiliated with state agencies. Except for freedom of association, Vietnam's labor laws are relatively comprehensive in scope. A key factor in this is ineffective law enforcement characterized by low funding and a lack of trained personnel. With about one active supervisor per 66,000 workers in 2011, Vietnam is well below the ILO expectation for middle-income countries (1/20,000) and even below the ILO estimate for middle-income countries. Labor inspection focuses on enforcement through self-assessment by employers. Although companies are legally required to return self-assessments, few comply and sanctions are rarely imposed (Impactt, 2021).

Exacerbating the poor enforcement of labor laws is the absence of genuine trade union representation and a thriving civil society. Strikes are prohibited, although wildcat strikes have become increasingly common. There is no national human rights commission and few independent NGOs and civil society organizations operating in the country. International NGOs are closely monitored and controlled through mandatory partnerships with local NGOs (Impactt, 2021).

Impactt in 2021 reported there are gaps in Vietnamese labor protection framework, Article 5(1)(c) of the Labor Law contains the right to establish and join trade unions, while Article 8(1) prohibits anti-union discrimination. Nonetheless, in practice independent trade unions are prohibited, as all trade unions must be a component part of the political system of Vietnamese society, placed under the leadership of the Communist Party of Vietnam (Law on Trade Unions 12/2012/QH13, Article 1).

The first Multi-Company Collective Bargaining Agreement (MCCBA) in Vietnam's seafood sector was successfully signed by five local seafood producers and exporters in Ca Mau province (<https://www.idhsustainabletrade.com/>, 2023). This collective agreement, signed on October 28, 2022, covers more than 8,000 employees across five seafood producers: Minh Phu Group, Camimex, Thadimexco, Seaprimexco, and Seanamico. This milestone was achieved through collaboration between local partners Vietnam General Confederation of Labor (VGCL), Provincial Trade Unions, Vietnam Sustainable Shrimp Alliance (VSSA),



industry and CNV international (first pilot phase), and organized through IDH.

This agreement outlines key benefits, rights and responsibilities for employers, workers and grassroots unions. Feedback from local seafood producers who attended the signing showed a strong commitment to provide better benefits to their workers compared to existing regulations and improve working conditions to attract more new workers or stabilize the existing workforce for sustainable development.

The key points discussed in this MCCBA:

- 1) The parties to this agreement do not use unfair competition in the recruitment of labor.
  - 2) Create good conditions for employees to build work capacity and skills
  - 3) Improve working conditions: temperature, air, work protection, facilities for pregnant women
  - 4) Improved benefits for workers: shift meal quality, 13th month pay, and more
  - 5) Commitment to provide higher wages to its workers than the minimum wage.
- d) Income, benefits and employment contracts

In the fisheries sector, the absence of labor contracts or illegal and unfair labor contracts remains a problem. Violations of certain matters in employment contracts also are still common. Many workers and employers are not even aware of their rights and responsibilities. In fact, only industrial-scale aquaculture companies recruit workers through the signing of employment contracts, while other businesses and households engaged in the fisheries sector recruit workers through referrals from friends, so there are almost no employment contracts (<https://thuysanvietnam.com.vn/>, 2022).

The fishing industry faces a labor shortage because work in this industry is perceived as hard work and the income earned is not high, so the competitiveness to attract labor is low compared to other industries. Workers in the fishing and aquaculture industry are often local residents with relatively low levels of education, and their understanding of labor laws is limited.

Regarding employment contracts, recent research conducted by the General Statistics Office (GSO) in Vietnam shows that among the 3.3 million informal workers in Vietnam in 2021, 41.9% came from the agriculture, forestry and aquaculture sectors. Particularly in rural areas, 99% of workers in the agriculture, forestry and aquaculture sectors are informal workers, which the GSO and ILO define as working without a contract or business registration. In other words, people working in this sector in rural areas have to do vulnerable work that is not covered by labor laws. Furthermore, there is still a large proportion of workers

who receive illegal or unfair contracts. Similarly, there are many factories that do not fully comply with the legal requirements of their internal work regulations, and the most common manifestation of this is the failure to specify the short breaks that should be given during regular working hours. The report concludes that excessive working time, and in particular the routine violation of legal overtime limits, remains a perennial problem for the industry and is unlikely to change in the foreseeable future.

In the absence of employment contracts, the income of these communities is lower and less stable than those with employment contracts. GSO data shows that the income of people working informally in agriculture, forestry and aquaculture in Vietnam is VND 3.3 million in 2021, which is equivalent to 40% of the income of people working in the formal sector and much lower than the income of other informal sectors. About 47% of them earn less than the minimum wage. Of course, these workers not only suffer more from doing irregular and temporary work without social protection, but also have difficulty ensuring a minimum standard of living. The situation is even more alarming for women as they earn 2.5 times less than men in the informal aquaculture sector.

The risk of breach of contract is higher for overtime pay, leave time and rest periods. The most common breach of contract among fishing factories is non-compliance with some aspects of overtime pay such as miscalculation of overtime pay on weekly rest days. This practice is most often attributed to the lack of awareness and understanding among factory HR staff regarding the correct legal calculations for overtime today. Even more worryingly, most factories fail to comply with the law on paid leave. Most factories were declared non-compliant for one or both of the following reasons: (i) failure to submit sick leave and maternity leave claims within the appropriate timeframe; and (ii) failure to pay the legally required annual leave. Factories often delay the settlement of paid leave, and this does not violate current regulations (note that the Social Insurance Act of 2016 does not specify a timeframe for settling payments to workers).

In addition, many companies engaged in the fishing sector owe insurance payments (including social insurance and unemployment insurance). For example, in November 2021, seafood production and import-export trading company Quoc Viet, which has 296 employees, had 50 months of social insurance debt, worth more than VND 30 billion. This situation will affect labor rights such as payment of sick leave, maternity leave, work accidents, and others. While there are no legal provisions governing when employers can or cannot use employment contracts versus service contracts, the use of service contracts for permanent and long-



term employment is discouraged (Impactt, 2021).

### Case box

In 2020, the Bac Lieu Provincial Department of Labor, Disabled Persons and Social Affairs conducted inspections of six fishery production sector companies in the Province to determine whether or not any laws and regulations were violated.

The research found 38 violations, mostly in the form of withholding workers' rights. For example, not signing an employment contract or signing an employment contract without using the law, not making a payroll or making a low salary schedule, not paying social insurance or paying the minimum wage. The companies that committed the most violations were Trang Khanh, Thien Phu, Gigimex, and Nigico. Among them, the highest number of violations per company was 28 times and the lowest was 6 times.

In more detail, in these companies, workers often have to work longer hours than prescribed but are not paid overtime, nor are they paid for holidays. Workers are not considered a hazardous or strenuous work regime. In particular, two seafood production companies employ 19 child laborers.

- e) Access to basic services, occupational safety, medical assistance, and adequate rest periods

Assessments conducted at seafood production plants in two provinces in Vietnam, showed that workers at these seafood production plants worked an average of three hours of overtime per day, did not receive sufficient payments for social insurance, did not have contracts, experienced hazardous working conditions, and lacked the necessary labor and facilities. It is also unclear whether workers in the production plants earn a living wage (IDH, 2023).

The workers expressed their dissatisfaction by going on strike and moving from one company to another. The disruption to the workforce caused by the temporary movement of workers makes operations difficult to manage. Especially during harvest season, a reliable and loyal workforce is needed (IDH, 2023). When employees are happier, they are generally also more productive, and it is easier to manage operations based on the amount of labor in seafood production. Social dialogue and collective bargaining agreements can bring benefits to all social partners involved higher productivity, better working conditions and greater economic stability (IDH, 2023).

- f) Exploitation using fishing gear that is not environmentally friendly

The rapid decline of marine species populations is now recognized and accepted by Vietnam's Directorate of Fisheries (DoF). In January 2019, the Ministry of Finance began designing and implementing fishing restrictions and bans in 20 coastal areas along Vietnam's 3,260 km coastline to address this situation.<sup>26</sup> These bans will be enforced from April to June along the northern coast and from May to July along the central and southern coasts with the aim of inhibiting boat encroachment and juvenile fishing (EJF, 2019).

The continued use of trawling along Vietnam's coast threatens to destroy the country's already damaged marine ecosystems and further deplete vulnerable and endangered wildlife species. Without urgent reforms and enforcement action against illegal operators who are currently raiding coastal waters and damaging the gear of traditional fishers, it is unlikely that fish populations will recover (EJF, 2019).

g) Corporate responsibility and transparency

The literature review and expert interviews conducted at the start of this HRIA highlighted a range of human rights issues in aquaculture in Vietnam. These include: child labor, sexual discrimination and harassment, poor health and safety standards, and weak transparency and traceability. We did not find the most severe problems in this assessment. The supply chains of Tesco and the partners studied here are vertically integrated, incorporating large-scale production, whereas the vast majority (~80%) of aquaculture in Vietnam consists of small-scale production where standards may be lower and human rights risks higher (Impactt, 2021).

h) Grievance report and access to remedy

The law does not provide specific guidelines as to what protection employees can obtain from sexual discrimination or harassment. There is also no specific policy or protection regarding whistleblowers (Impactt, 2021).

i) Discrimination and fair opportunity for services

The law does not provide specific guidelines as to what protection employees can obtain from sexual discrimination or harassment. There is also no specific policy or protection regarding whistleblowers (Impactt, 2021). The Vietnam Labor Code of 2019 has provisions on employment discrimination. Therefore, employment discrimination is an act of discrimination, exclusion or preference based on race, color, national or social origin, ethnicity, gender, age, status, pregnancy, marital status, religion, belief, political opinion, disability, family responsibilities, HIV-infected status or for the purpose of establishing, joining and operating a trade union or workers' organization in an enterprise that has an impact on equal employment opportunities or career opportunities. Discrimination, exclusion

or preference stemming from the specific requirements of a job and the act of maintaining and protecting jobs for vulnerable workers are not considered discrimination.

Lack of systematic investigation into discrimination in the business sector. Ad hoc evidence suggests that gender, age and appearance discrimination in hiring is not uncommon. Gender and disability discrimination does exist, but remains largely hidden due to low awareness of workers and employers. Gender discrimination usually involves stating gender preferences in job advertisements. At the same time, various forms of discrimination, particularly against pregnant women, do exist and are underreported across the industry. An example is the employment of female workers on short-term, fixed-term contracts, which allows them to be dismissed easily (and without maternity benefits) if they become pregnant.

The assessment found that the policy does not prohibit hiring managers from using information about marital status, pregnancy, or childcare as a factor in determining employment or promotion. Not all labor providers are trained on non-discrimination policies. Workforce perceptions of appropriate roles for women contribute to gender imbalance in the workplace and lack of opportunities for advancement. There are very few women in management positions, and none in supervisory roles. Traditionally, Vietnamese women take primary responsibility for childcare in intergenerational households. The absence of shared parental leave in all locations perpetuates gender inequality by forcing women to take over childcare duties, impacting their career paths and lifetime earnings (Impactt, 2021).

### **5.2.3 Human Rights and Social Responsibility in Fisheries Supply Chains in Thailand**

Thailand's commercial fishing and seafood production industries employ more than 350,000 workers and generate billions of dollars in export revenues annually. Thai seafood products are sold all over the world (ILO, 2020).

Thailand was one of the first countries to ratify the Universal Declaration of Human Rights in 1948 (Permanent Mission of Thailand to the United Nations 2017, par. 1). The Thai government has ratified the ILO's Work in Fishing Convention No.188 in 2019. The country is also a signatory to other international human rights instruments, such as the International Covenant on Economic, Social, and Cultural Rights (ICESR), the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), and the Convention on Human Rights. Convention on the Rights of the Child (CRC), and the Convention on the Elimination of All Forms of Racial Discrimination (CERD).

Although the Thai government has stated that it is legally prepared to protect crew members,

in practice, it has not been able to implement its efforts optimally. While monitoring and control of workers on fishing vessels has improved in recent years, it has done so without developing a robust system to investigate labor practices and working conditions as part of efforts to enforce laws and regulations. Thai officials in key agencies remain unprepared for, and in some cases uninterested in, systematically identifying instances of forced labor in the fishing industry (Greenpeace, 2022).<sup>7</sup>

As the world's third-largest seafood exporter, the Thai Government's policy has been highlighted by some as the level of human slavery in Thailand is still quite high. Global media, trading partners, overseas buyers, and trade unions and others highlight forced labor practices and abuses: poor working and living conditions, low wages, long working hours and limited social protection for workers.

## 1. Fishing

### a. Threats, Intimidation and Violence

Human Rights Watch (2018) documented several examples of workers being physically abused on board vessels. Some skippers, deckhands and other senior crew members beat fishermen or crew members who do not work fast enough or to their expectations. Sometimes, especially with inexperienced workers, beatings are routine until standards or speeds increase. A human trafficking survivor said:

*"We couldn't work as [the boatman] expected. He wants us to work faster or better, but we can't—we work so long that we have no energy left." (Burmese human trafficking survivor, quoted from HRW, 2018)*

The fishermen claimed they were beaten because they did not understand the boat captain's orders due to dialect differences. Besides being hit and kicked, senior fishermen described senior crew members using various tools in disciplinary actions, including stone sharpeners, iron rods, stingray tails, rope reels, and wooden beams. In addition, crew members who experienced physical violence stated that it was a form of punishment for refusing or being unable to work due to illness or fatigue. One of the crew members rescued by the Marine Police in 2016 after more than a decade of forced labor in the fishing industry told Human Rights Watch that he was constantly worried about getting sick because he feared the skipper would kill him by throwing him overboard if he could no longer work as he had seen this happen many times (HRW, 2018).

Threats and intimidation are often used to force workers to comply with orders and prevent workers from running away. One common threat is to threaten that they will be transferred or sold to another ship or port. More extreme physical violence is often used against crew members who try to escape but fail. A person caught





by a boat driver trying to escape has his hands and feet broken as punishment (HRW, 2018).

b. Forced labor practices in fishing labor

Abusive labor practices; confiscation of identity documents makes workers more vulnerable to forced labor. By confiscating identity documents, employers can control the movement of workers and it will be difficult for them to mobilize. ABK view the confiscation of Pink Cards or work permits in these circumstances as a tactic used by employers to trap men in employment (Greenpeace, 2022). By confiscating identity documents, employers can also control the movement of workers and prevent them from switching employers. When employers confiscate identity documents or Pink Cards, it creates significant psychological barriers for migrant workers that make it impossible for them to leave their jobs (HRW, 2018).

Employers and skippers refused to return Pink Cards to workers when requested, arguing that they were keeping the cards for safekeeping or until workers paid off debts arising from Pink Card application fees, salary advances, or other expenses.

*“My Pink Card is with my employer. [He kept it] because one of us ran away, hadn’t paid off his debt. Some employers think that we will lose [the card] or run away from them.” (Veseth San, Cambodian migrant worker, quoted from HRW, 2018)*

Some workers interviewed by Human Rights Watch (2018) reported that employers, boat drivers, or brokers had control over their Pink Cards and that they could not access their cards upon request, or felt they could not leave work without risking losing their Pink Cards.

Furthermore, Soe Lin Aung, a Burmese migrant worker on a purse seine vessel in Pattani, is a victim of forced labor: the long hours, the amount of money she earns, and the way she is paid all violate Thai laws and regulations. A broker makes a sizable deduction from his salary. Soe Lin Aung wanted to change employers but he couldn’t. The broker had told the skipper and his employer to keep the Pink Card. Brokers told Soe Lin Aung that she had to pay them 20,000 baht (USD610) to change jobs (HRW, 2018).

The Seafood Working Group recommends that the US downgrade Thailand to the Tier 2 Watch List by 2023 as the country still falls short of the minimum standards set by the US under the Trafficking Victims Protection Act of 2000 to eliminate forced labor. The Thai government has not provided evidence of increased efforts to combat severe forms of human trafficking compared to the previous year, including not adequately adopting most of the Trafficking in Persons (TIP) Office Priority Recommendations outlined in the 2022 TIP Report (Greenpeace, 2023).

The persistence of forced labor practices in Thailand's fishing industry reflects a lack of respect for basic rights in the sector. Human Rights Watch (2019) findings show that labor and human rights violations occur in different configurations that place workers in situations of forced labor, as defined in the International Labor Organization's Forced Labor Convention, 1930 No. 29. Although the Thai Government has encouraged the promotion of decent work, by ratifying two important instruments, namely the 2014 Protocol on Forced Labor Convention, 1930 (P029) and the Employment in Fishing Convention, 2007 (No.188). Several laws have also been reviewed and amended to ensure alignment with international standards, such as the Emergency Decree amending the Anti-Human Trafficking Law BE 2551(2008), BE 2562 (2019) and the Labor Protection in Fisheries Law BE 2562 (2019).

c. Debt bondage for small-scale fisheries workers

The prevailing brokerage business model based on service fees charged to workers leaves workers vulnerable to debt bondage. Costs include transportation, food, documentation, administration, and recruitment, but item prices are usually not detailed or disclosed to migrant workers. Human Rights Watch (2018) identified transportation costs of up to 25,500 baht (USD778) and Pink Cards application fees of up to 6,000 baht (USD83); the government-mandated Pink Cards fee is 3,080 baht (USD95). In one instance, Human Rights Watch documented fraud perpetrated by a broker that resulted in a fee increase of nearly 5,000 percent over the basic cost of obtaining travel documents.

Costs are covered by either the migrant or the employer, or shared by both, although the latter two methods usually involve arrangements where the worker's income is deducted to repay the funds that the employer has spent. However, unclear payment terms often trap workers into forced labor.

"The broker said we had to pay back the transportation fee for three and a half months, but we worked for four months to pay off the debt. After four months, I asked to quit the job, but they beat me and held me for one week, before they forced me to work more." (Burmese human trafficking victim, quoted from HRW, 2018)

The risk of debt bondage is particularly high when wages are deducted to pay off debts and the repayment period remains unclear to the worker, is not determined by the creditor, or can change at any time. For example, a Burmese migrant owed his boat captain 18,000 baht (USD550) after getting a job as a fisherman in Pattani. After working for several months to pay off the debt, the person did not know the amount owed (HRW, 2018).

Fishermen who are paid through intermediaries such as brokers and ship captains



are more vulnerable to debt traps and exploitation. The involvement of brokers in the payment of wages to fishermen is a strong indicator of a situation of human trafficking and forced labor. Victims of human trafficking and forced labor often have to pay part of their salary to brokers to pay off recruitment-related debts. But the broker is also involved in other transactions with fishermen. Even Thai boat owners and skippers reported seeing brokers, whom they described as loan sharks, charging interest rates of 100 percent on loans and depriving workers of their entire earnings on payday. Some employers, brokers, and seafarers apply simple or compound interest rates on upfront loans to cover recruitment costs (HRW, 2018).

In August 2016, Thailand introduced new laws and regulations aimed at implementing greater control over chronically unregulated institutions that support hiring in many of Thailand's key economic sectors. Both the 2017 Royal Decree on the Management of Employment of Foreign Workers and the previous 2016 Royal Decree adopted the "employer pays principle" in terms of recruitment fees, in accordance with the provisions of the ILO Private Employment Agencies Convention, 1997 (No. 181) which states that Licensees shall not charge fees or collect any money or assets from migrant workers. Employers who do not use licensed agents to recruit migrant workers, which is the case for most fishing vessel operators, may obtain approval to recruit workers from neighboring countries directly (HRW, 2018).

However, in the absence of strict enforcement measures to force intermediaries to obtain official licenses or employers to use only licensed intermediaries, the law is unlikely to disrupt the deeply entrenched informal system that drives recruitment in the fishing industry (HRW, 2018).

- d. The absence of a work contract results in uncertainty about the fulfillment of workers' rights

Employment contracts are legal documents that can protect workers from legal certainty to obtain their rights. Unfortunately, workers in the fisheries sector are generally still unprotected by having a work contract. Industry representatives interviewed by Human Rights Watch (2018) said that 100 percent of fishermen have signed employment contracts, although some boat owners admitted that they leave their preparation to intermediaries.

Most workers interviewed by Human Rights Watch (2018) said they had not received a written contract outlining the main terms and conditions of employment, as required by law. About one-third of fishermen interviewed by Human Rights Watch recalled signing bilingual documents but not knowing what they contained and not being told what they were.

*“We have [signed the labor contract],” said a Burmese fisherman. “We don’t know [the details]. Our employer won’t tell us.” (Burmese nasal migrant workers, quoted from HRW, 2018)*

Another Cambodian migrant worker also stated that her employer did not give her the opportunity to read her contract, so she could not check if she had been paid correctly, or read the standard contract section detailing her employer’s obligation to pay the national minimum wage to its workers. As a result, these workers only receive 6,000 baht (USD83) for 25 long working days per month (HRW, 2018).

Sea workers are ordered to sign various documents without giving them time to study them first. Some employers and brokers may trick workers into signing employment contracts on the grounds that they are part of applications for *Pink Cards* or other permits (Greenpeace, 2022).

Many fishers said that they only sign documents when applying for a *Pink Card* at the Online Single Submission (OSS) center. They stated that they are expected to sign a lot of documents at this time as part of the application process. Workers are simply asked to sign everything without any time to read and review what they are signing, and some employers and intermediaries may trick workers into signing employment contracts on the grounds that they are part of an application for a *Pink Card* or other permit. Migrant workers also told Human Rights Watch that they do not receive verbal explanations from employers or government officials about important terms of employment. In about half of the interviews conducted by Human Rights Watch (2018), workers said they were not informed or informed about important terms of employment. As a result, employers can violate the terms of written contracts with impunity, and fishermen or crew members are unable to resist labor rights violations and forced labor on vessels.

In fact, the 2014 Ministerial Regulation requires employers to prepare written employment contracts for fishermen working on their vessels. Every employment contract must be made in Thai in duplicate with the same text, each employer and employee holding a copy. Both parties have carefully read and understood the contents of this contract and hereby affix their signatures in the presence of witnesses (HRW, 2018).

In addition, the inspection of labor contracts is part of the Port-in, Port-out (PIPO) control framework, and vessel operators must have and be able to present the contract for each fisherman when the vessel departs or arrives at the port. However, both industry representatives and port officials acknowledged that copies of workers’ contracts are not usually in their possession, but are instead kept by the skipper, who then submits them for inspection during the PIPO. The Thai government system’s lack of concern for fishermen’s knowledge of their



contracts stands in stark contrast to the strict requirement that skippers must contract out labor to PIPO inspectors every time a vessel departs or enters port (HRW, 2018).

e. Low wages and exploitative payment system

Illegal payment systems that withhold fishers' income are often used to impose control over fishers and keep them working. This is then a form of forced labor that keeps crew members in harsh working conditions. Crews are often only paid when they sail, but not when they work at the port. They are sometimes paid by the catch only or illegal deductions for advances, loans, goods, and services. A 2013 ILO survey of nearly 500 fishermen in Thailand found that the average monthly wage was just under 6,500 baht (USD198), with migrant workers receiving less than half that paid to Thai nationals. Since that survey, which also found that more than half of migrant workers receive less than 5,000 baht (USD152) per month, a 2014 Ministerial Decree mandated that fishermen are entitled to a minimum wage (Greenpeace, 2022).

Human Rights Watch (2018) also found that workers on trawlers are generally paid less than the legal minimum wage compared to workers on other vessels. Some trawler workers have experienced large pay cuts after the contract period. Both practices, as well as the lump sum payment system, often occur in conjunction with forced labor cases. Victims of human trafficking stated they received wages of 1,000 to 4,800 baht (USD30 to USD146) per month.

Earnings from purse seine vessels tend to be higher compared to trawl vessels, due to the greater skill required in managing purse seine nets and also due to share-based payment arrangements. Earnings under the different payment systems are equivalent to a monthly salary of 3,000 to 11,000 baht (USD2 to USD35), excluding bonuses and increments. Increases based on percentage of catch value tend to increase monthly income by 2,000 to 3,000 baht (USD1 to USD2), although the amount varies and can be higher depending on the season and other factors affecting catch volume.

The lump-sum payment system also plays a role in controlling migrant fishers, forcing them to remain with employers who impose unfair terms of employment and substandard working conditions, and trapping them on vessels in situations of debt bondage and forced labor. Fishermen who try to escape lose the income they are owed, usually six months' salary or more; loss of legal status; and possible intimidation and violence by boat owners, skippers, and brokers who claim the fishermen still owe them money.

Human Rights Watch (2018) found that there have been salary increases of up

to 50 percent since the 2014 Ministerial Regulation came into effect. Moreover, if fishermen were paid overtime in accordance with the policy then their wages would be even higher, unfortunately this has not happened. Moreover, crew members are often trapped in debt as they shop for supplies from the captain or ship owner without knowing the written record of the debt. Furthermore, the crew also stated that many of them were addicted to pills or drugs such as illegal amphetamines at 48 baht per pill purchased from the captain. This addiction also makes it more difficult for the children to get out of debt.

f. Long working hours for fishers

Workers in fishing, namely fishers or crew members, are very vulnerable to having excessive working hours. Human Rights Watch (2018), found that even crew members can work 19 hours per day for 24 days a month on a ship and spend an additional three days working at the port. He had to help unload the catch and clean the deck before going to bed. Often, activities such as net repair and general boat maintenance are not included in fishermen's estimated working hours.

Human Rights Watch (2018) also found that the average working hours of crew members are almost 16 hours a day. Human Rights Watch (2018) juga menemukan bahwa rata-rata jam kerja awak kapal hampir mencapai 16 jam sehari. Human Rights Watch (2018) also found that the average working hours of crew members are almost 16 hours a day.

While a high catch can increase working hours on some vessels due to the increased time needed to transport, sort and store the catch, a low catch can also result in excessive working hours. Workers are also often forced to work endlessly to catch more fish when yields are low because the compensation given to skippers includes a percentage of the value of the vessel.

The above working practices are of course in violation of Thai Government policy. In article 5 of the 2014 Ministerial Regulation, fishermen must have a rest period of not less than 10 hours in a 24-hour work period and not less than 77 hours in a 7-day period. The minimum rest hours set out in section 5 are a domestication of article 14(1) of the ILO Fishing Work Convention.

g. Lack of Health and Safety Protection

Crews or fishers have a fairly high work risk where bad weather and sea conditions are unpredictable. Serious injuries, accidents and even deaths are still common in the fisheries sector, while the provision of a safe working environment and living quarters onboard vessels remains inadequate.

Often crew members also work on vessels that do not meet adequate requirements: without personal protective equipment, slippery floors, without toilets or beds or working in dangerous places such as near dangerous machinery, electrical cables or hot exhaust pipes. In addition, long working hours and drug abuse also interfere with work safety. Not only are crew members without adequate protection, they also generally do not receive training in Occupational Health and Safety (OHS). Human Rights Watch (2018) found that 20 percent of workers and nearly 50 percent of trafficking victims in Thailand were injured on the job.

Human Rights Watch (2018), mentions several dangers of work accidents on board ships:

- When the power beams used to transport the nets detached from the hoist and flew away at high speed;
- When the arch breaks as the net is pulled by winches and whips across the deck;
- When the trawl pole or other frame supporting the net falls on the deck;
- When hands or limbs are caught on the winch drum or other machinery;
- When unsafe or faulty electrical equipment poses a risk of electric shock;
- When factors such as unsafe work practices, fatigue, poor conditions, or going to the toilet on the side of the boat result in a fisherman falling overboard.

Human Rights Watch (2018) recounts that one day a crew set a trawl net around Indonesian waters. But as the crew pulled the net into the boat, a net curled and flew back towards the crew member, injuring a finger on his right hand. Three fingers later, the crew member's fingers were also crushed when his hand was pulled into the *drum winch*. With only basic medicines, the skipper sent the crewman on another boat to shore, where doctors told him that his fingers would have to be amputated. But the crew insisted on returning to Thailand for surgery. He had to organize his own travel, and waited a month until he could return to Thailand by refrigerated cargo ship. By the time he arrived, his fingers had already rotted and had to be amputated. The company pays for the procedure, but there is no other compensation. The crew member also said that no fishing company would hire him now because of his injury.

In many, but not all cases, employers pay medical expenses for treatment of injuries and contribute to funeral expenses in the event of death. Article 15 (2) of the 2014 Ministerial Regulation requires employers to cover the cost of repatriating workers who are injured, fall ill, or die from injuries on board fishing vessels (HRW, 2018).



*"If someone gets sick or injured, they will send us to the clinic and pay the bill, but the workers get no money. One of our crew members fell overboard and died, but there was no compensation for that." (Burmese migrant, quoted from HRW, 2018)*

Some injured fishermen did not receive proper medical treatment or access to grievance mechanisms due to the situation of exploitation and forced labor. Registered migrants holding Pink Cards - the majority of whom work in the fisheries sector - are barred from accessing compensation for work-related accidents through the Workers' Compensation Fund by their employers. In fact, when a crew member is sick, he or she is vulnerable to losing their daily wages due to deductions and forcing sick fishermen to work without rest.

Health is also a factor of concern in Thai law, and policy instruments regarding this issue show compatibility with their international counterparts. Article 8 of the 2019 Law on the Protection of Labor in Fishing Occupations mandates the need for workers to have a medical certificate as proof of health clearance and this also applies to hearing and vision health. Workers are entitled, as outlined in section 9, to request repatriation in case of illness. To ensure this, proper food and accommodation are also the responsibility of the employer.

h. Child labor banned in fishing industry

The Thai government has banned children under the age of 18 from working on fishing vessels. Responsible boat owners should always check all necessary documents during the recruitment process, to ensure that no children are recruited.

At the unveiling of the Protection of Labor in Fishing Occupations Act of 2019, Thailand pledged to align the prevention of child labor and forced labor with international law. This commitment is notably reflected in the ratification of ILO Convention 188 in January 2019. This may seem like a promising prospect, but the real problem always lies in grassroots implementation, or lack thereof. This progress is in danger of stagnating, especially in Thailand's southern provinces.

Large-scale companies will show a tendency to comply with child labor, but intermediaries or small-scale companies are vulnerable to this problem. Article 44 of the Labor Protection Act of 1998 sets the minimum age for employment at 15 years old, and Article 45 also requires employers to notify labor inspectors if workers are under 18 years old. Article 46 mandates one hour of rest for child laborers after four hours of work, while article 47 employers start assigning them to work between 22:00 and 06:00. In contrast, Article 48 prohibits child laborers from working overtime or during holidays. Employers, as outlined in article 52, must allow child laborers to engage in education-related activities, and must provide wages to them if notified in advance. This is contained in the 2007



Employment in Fishing Convention issued by the ILO, where fishing companies must ensure that their workers must be at least 15 or 16 years old.

i. Limited freedom of association and collective bargaining

Thailand's current labor law stipulates that migrant workers are prohibited from forming or leading their own trade unions. Undang-undang ketenagakerjaan Thailand saat ini menetapkan bahwa pekerja migran dilarang membentuk atau memimpin serikat pekerja mereka sendiri. In particular, the Labor Relations Act (LRA) B.E. 2518 (1975) section 88 of the LRA stipulates that those who have the right to establish a trade union must be workers who work for the same employer, or workers who work in the same type of work (whether or not they work for the same employer), sui juris, and Thai nationals. Article 100 of the LRA provides that the trade union committee shall carry out [trade union] activities and act as the trade union representative. Article 100 of the LRA provides that the trade union committee shall carry out [trade union] activities and act as the trade union representative. However, according to article 101, a person who is eligible to be elected or appointed as a committee member ... must have the following qualifications ... (2) possess Thai nationality by birth.

Both provisions in the LRA violate international human rights conventions that Thailand has ratified. For example, the International Covenant on Civil and Political Rights (ICCPR) states in article 22(1) that everyone has the right to form and join trade unions for the protection of his interests. These rights apply to all persons, regardless of national or social origin, as set out in article 2 of the ICCPR. Similarly, article 8(1)(a) of the International Covenant on Economic, Social and Cultural Rights (ICESCR) states that governments undertake to ensure that the right of everyone to form trade unions and join trade unions of his choice will be protected. The ICESCR also states in article 2 that the rights in this treaty apply to all persons, regardless of national or social origin (HRW, 2018).

Thailand has not ratified the ILO conventions on Freedom of Association (No. 87) and the Right to Organize and Collective Bargaining (No. 98). However, as a member of the ILO, Thailand is bound by the ILO Declaration on Fundamental Principles and Rights at Work, adopted in 1998. Article 2 states that all Members, even if they have not ratified the convention, have an obligation arising from membership in the organization, to respect, promote and realize, in good faith and in accordance with the Constitution, the principles concerning fundamental rights which are the subject of the Convention, including "freedom of association" and the effective recognition of the right to collective bargaining.

k. Discrimination in fisheries

In the national context, Thailand's recognition of human rights is embedded

in its constitution. Article 4 of the 2017 constitution states that human dignity, rights, freedoms and equality of people must be protected. In contrast, Article 26 guarantees that the application of the law will not impose unnecessary burdens, nor will it restrict civil liberties, and that any important restrictions will be thoroughly explained to the public. The next section provides guarantees against unfair and discriminatory application of the law, as well as the provision of the right to privacy and dignity (Articles 27–28).

Back to the specific context of fisheries, companies in Thailand are also required to observe certain conditions when employing women, in addition to avoiding gender-based discrimination. Article 39 of the Labor Protection Act of 1998 prohibits employers from assigning pregnant female workers on vessels, a common occurrence in the fishing industry. They are also exempted from overtime work, and given days off on holidays. However, other workers who work in the administration of the fishing industry are allowed to work overtime on weekdays, provided that the pregnant worker has given her permission, and this arrangement does not affect her health.

## 2. Trading and Production

Thailand's fishing industry is vital to the Thai economy. Thailand's strength in exporting comes from continuous new product development and investment in production technology. Therefore, Thailand is able to produce a wide range of products from semi-finished products to high-value products to meet international standards and demands. However, workers in the fishing and seafood production industries in Thailand have not been completely free from human rights abuses, despite major reforms by the government. This can be seen in the following:

### a. Human trafficking and forced labor in the fish production industry

Forced labor is a violation of human rights. Reports of incidents of child labor, forced labor, discrimination, human trafficking and general disparities in working conditions frequently appear in the media, indicating a need to address labor protection issues in the industry. Thailand has the 14th highest prevalence of modern slavery in the region (Global Slavery Index, 2023). The Global Slavery Index (2023) estimates that by 2021, there are 401,000 people living in modern slavery in Thailand. This equates to a prevalence of 5.7 people in modern slavery for every thousand people in the country. Thailand has the 14th highest prevalence out of 27 countries in the Asia Pacific region, and ranks 79th out of 160 countries globally. In 2021, officials identified 354 people in human trafficking situations.

This practice of slavery is also influenced by the recruitment system and the absence of a work contract. ILO (2020) states that workers in the fisheries and seafood production sectors get jobs or are recruited through their family and

friends. Only 61% of workers in production signed contracts. Although still low, this number increased from 29 percent in 2017 to 61 percent in 2019, and 71 percent of them were women. This increase is mainly due to a larger proportion of workers in large factories. Migrant workers who work in seafood production stated that 8% received a contract upon arrival in Thailand.

It was found that 4% of workers recruited in Thailand paid an average upfront recruitment fee of 7,900 Thai Baht and 7% of those recruited in their home country paid a fee of 19,700 Thai Baht. This usually includes not only payments to employers, but also passport fees, work permits, health certificates, and travel expenses.

The ILO (2020), in its report showed that 27 percent of the 470 workers surveyed in the fisheries and seafood production sector reported they had experienced some form of forced labor in the past 12 months. The most commonly mentioned elements of forced labor were living in poor living conditions (13 percent) and working in degrading work environments (9 percent); 5 percent reported that they worked with limited freedom to leave, and 4 percent worked for other employers than the agreed time. Other elements mentioned were working longer than the agreement to pay debts (3 percent); being forced to work to help someone else get a job or money (3 percent); working on call at any time, 7 days a week (3 percent); working to help a family member who is forced to work (2 percent); and working reluctantly for an employer or recruiter (2 percent). About 15 percent of workers surveyed reported a combination of these elements - that is, that they experienced two, three, or four of these situations in the same job.

b. There are still wage deductions for workers

Seafood production workers earned an average income of 10,640 Thai Baht in 2019. This is a 15% increase compared to 2017's 9,270 Thai Baht. This increase was also influenced by the ILO's encouragement to employers to raise wages in order to attract workers and the worker survey sample was workers in seafood factories where salaries are generally higher. This increase is also influenced by the ILO's encouragement for employers to raise wages in order to attract workers, and the survey sample consists of workers in seafood processing plants, where wages are generally higher.

Thais also earn the highest salaries (THB11,460) in the seafood sector, followed by seafood workers from Myanmar (THB11,500) and seafood workers from Cambodia (THB9,550). However, there is wage equality between surveyed men and women

in seafood production. Monthly wage growth in the fish production sector has exceeded the growth of the legal minimum wage as a result of compliance with wage laws. Compliance with minimum wage requirements among surveyed fish production workers increased from 67 percent (2017) to 94 percent (2019) in seafood (ILO, 2020).

In 2019, among seafood workers, 77 reported receiving some pay records showing income, but only 19 percent of these showed deductions, while 21 percent of seafood workers received no pay records at all. The 2019 survey, 94 percent of seafood sector workers reported wage cuts: social security cuts were reported by 79 percent of seafood workers. Deductions for most types of accommodation (16 percent) and food (15 percent), although not permitted by law, were also reported. The average monthly deduction is THB870 (ILO, 2020).

According to Thailand's Labor Protection Act, salary deductions are only allowed for a few things: income tax, union dues, debts to savings and loan cooperatives, worker fines and losses incurred in the workplace, social security and savings fund contributions, salary advances, and some document fees including passports. Other deductions including those for accommodation, food, water, clothing, and equipment are illegal and are costs that must be borne by the employer.

c. Child labor persists in seafood production

The closure of migrant schools in Thailand in 2019 plunged hundreds of children into dangerous work to survive. The country's seafood industry has come under the spotlight again. Ten schools for migrants in Ranong Province have been closed following raids in August 2019 by Thai officials. The raids targeted teachers from Myanmar who were working without proper documents (dw.com, 2020).

Chit Su, a 15-year-old teenager, has been trapped in her rented room for over a year, cracking crab shells with her grandmother. She has been doing this since the closure of schools for migrants from Myanmar last year in southern Thailand. Even after working together with her grandmother, the wages they earn per day are still lower than the minimum wage standard. She and her grandmother earn 240 baht per day. This wage is far below the minimum standard in Ranong, which is 315 baht (IDR 149,000). Apart from their daily needs, the money was mostly used to pay off their family debt, which amounted to 8,000 baht (IDR 3.77 million) (dw.com, 2020).

Thailand prohibits children under 15 years old from working, as well as prohibiting children under 18 years old from performing hazardous work. Despite the ban on child labor, according to the Bureau of International Labor Affairs (2022) there are at least 13% (1,302,267 people) of children working in Thailand where one of the activities is in shrimp and seafood processing.



Pekerja anak dalam rantai nilai produksi udang dan makanan laut telah diidentifikasi di perusahaan informal skala kecil yang melakukan pengolahan primer (yaitu pemilahan, pengupasan, dan pemotongan udang). Other child laborers in the fishing industry supply chain include children working at docks and fish markets, on aquamarine fish farms, in the informal small-scale processing sector, and in larger packing and processing plants.

d. Freedom of association and collective bargaining

Migrant workers may join Thai trade unions but are prohibited under the Buddhist Era Thai Labor Relations Act (BE) 2518 (1975) from establishing and leading trade unions. This prohibition is a violation of the ILO's core labor standards that protect the right to organize and bargain collectively. About half of all workers surveyed in 2019 said they would like to join a union or other worker-focused organization. Among those who said they would like to join an organization, most said they would like to join a migrant worker association (27 per cent) or a trade union (19 per cent). Despite this, only 3 percent of workers surveyed in 2019 joined any union or association.

e. Working hours above the minimum limit

Seafood production workers work 6.0 days per week or an average of 9 hours per day. If calculated per week, the number of working hours after deducting 1 hour of rest is 48 hours per week, which is above the policy limit of 40 hours per week. These figures are largely unchanged since the 2017 survey. Only 56 percent of workers reported being paid when they worked overtime. This means that another 44 percent are not paid when working overtime (ILO, 2020).

f. Access to primary services

The ILO survey (2020), shows that overall, seafood processing sector workers are known to have access to more facilities and amenities than fishers. This is due in part to the fact that they work on land. Thai workers have better access to basic service facilities (water, electricity, television, radio, bedding) than Cambodian and Myanmar workers.

g. Occupational safety and medical assistance

Out of 470 fishermen and seafood processing workers surveyed in 2019, 25 percent or a quarter (116 workers) reported they had experienced an occupational injury or illness that required them to take time off. These figures confirm the risks to worker safety and health, which 20 percent of seafood processing workers are at risk of experiencing. Seafood processing workers are at risk of illnesses associated with extreme heat or cold in the factory, slips and falls, and knife cuts.

The safety and health of workers is not only related to the number of working

hours, but also closely related to the safety of training for workers. The ILO report (2020) shows that women make up a larger proportion of workers who receive vocational training. A survey conducted in 2019 showed that 18% of seafood workers were provided with safety training during work.

Health and safety issues also relate to all forms of leave: weekly vacation days, sick leave, annual leave, and maternity leave. Not all workers are aware of their rights and may not necessarily reflect what is stated in the employment contract or verbally communicated by the employer. Almost all seafood sector workers (98 percent) reported that they get one day off a week, and about two-thirds (64 percent) are aware that they are entitled to sick leave. About 42 percent of women working in the seafood sector said maternity leave is available to them if they need it. Overall, an average of 1.9 employment rights (excluding overtime pay) are available or granted to those working in seafood processing (ILO, 2020).

Table 5.3 Summary of Human Rights Violations in the Fishing Process in Indonesia, Vietnam and Thailand

Indicators	Indonesia	Vietnam	Thailand
<b>Human and labor rights</b>			
Abuse and harassment	Beatings, threats, coercion and extortion of crew members	Sexual harassment is underreported because it is difficult to prove	Physical violence (beatings), threats of trafficking, and intimidation
Human trafficking and forced labor	Advance loans to crew members that are not in accordance with the agreement, withholding of identity documents, imposition of fines on advance loans, improper work.	Debt bondage, wage deduction system for crew members, inadequate ship conditions, lack of fixed salaries, deductions for food and water	Confiscation of identity documents (pink cards), long working hours, incorrect amount and method of payment, deduction of wages





Indicators	Indonesia	Vietnam	Thailand
Debt bondage in small-scale fisheries	Advance loans as debts and nominal does not match, debt repayment deducted from income, shipping costs cash bon system (debt) without evidence, unilateral salary deductions without evidence.	The broker charges the crew during recruitment (advance payment), wages are deducted from the debt but the debt continues to grow because there is no written record,	There is interest on loans that must be paid to brokers, operational costs imposed on workers, salaries deducted to pay off debts, non-transparent wage payments through brokers, framed for drug use.
Child labor	Children as crew members are rare but can still be found. Usually due to economic factors, the tradition of following parents to sail, dropping out of school and lack of government attention to child labor.	Children aged as young as 11 were found working on a Vietnamese vessel detained in Thailand for IUU fishing, child fishers often work on their family's vessels or with family members.	Child labor is prohibited on vessels and is ensured from the time of recruitment.
Freedom of association and collective bargaining	Crews are not members of labor unions due to lack of information	Trade unions are organized and run under the Vietnam Trade Union Charter, in accordance with the Party's line, guidelines and policies and the laws of the State so that trade unions lack independence and are unable to act as government pressure agents	Migrant workers are prohibited from forming or leading labor unions.



Indicators	Indonesia	Vietnam	Thailand
Income and benefits	There was no written work contract, falsification of sea work agreement documents, not receiving a copy of the sea work agreement, wages below the minimum wage, not in accordance with the agreement, no overtime pay, and deductions.	crew members have not signed employment contracts with shipowners, ship captains have higher incomes than crew members, delays in payment of salaries to crew members	There was no employment contract or no copy of the contract, payment of wages was withheld, deductions were made, wages were below the minimum wage, migrant workers' wages were half that of Thais, overtime was not paid.
Adequate rest	Crews can work 19-22 hours a day while sailing, with no proper resting place and overworked due to target catches.	The crew rested between 1 and 2 hours of fishing 3 times as the vessel operated 24 hours a day.	The average working hours of excess crew were 16 hours and some spent 19 - 24 hours a day, with work at the Port not counted as working hours.
Access to basic services	Lack of food supplies, drinking water, beds, kitchens and toilets are either not available or inadequate.	A ship was found to be carrying only low-quality, expired, or even spoiled food	Unavailability of toilets or proper sleeping places
Work Safety	Work accidents, lack of adequate safety equipment	No work safety guarantee for crew members	Inadequate work environment: no personal protective equipment, slippery floors, no toilets or beds or working in hazardous places such as near dangerous machinery, electrical wires, or hot exhaust pipes, no OHS training.

Indicators	Indonesia	Vietnam	Thailand
Medical assistance	There are only first aid kits	There are still many marine workers who are licensed to sail with fake health certificates and do not receive health and safety training.	Inadequate medical treatment during work accidents, lack of compensation during work accidents, deduction of wages when unable to work due to illness.
<b>Right of access</b>			
Indigenous peoples' resource use rights	Encounters with illegal migrant fishermen		
Corporate responsibility and transparency	Crews or fishermen are not aware of the tax mechanism, tax is paid directly by the company.	Lack of transparency in fishing, unclear identities of vessels or owners are difficult to monitor, fishing vessels are not required to fly any flags when operating in Vietnamese waters so illegal vessels have a low risk of being caught and penalized by regulatory authorities.	
<b>Equality</b>			
Complaints reporting and access to resolution	Crews or fishermen are unaware of the reporting mechanism, the system provided by the government is less responsive	There is no access for children with disabilities to report cases of human rights violations or abuse.	
Stakeholder participation and collaborative management	Children with disabilities are rarely consulted and taken into account in decision-making.	Lack of government supervision and prosecution of cases of human rights violations committed by the private sector.	

Indicators	Indonesia	Vietnam	Thailand
<b>Ekuitas</b>			
A fair chance to benefit	Revenue is calculated based on the catch	The ship's captain received 1.5 times more compensation than other crew members	There are differences in treatment, wages and rights between Thai nationals and migrant workers.
Discrimination	There are no women found in the arrest process, women are involved in the administrative and post-arrest processes	Small-scale fishermen are unable to fish in Vietnamese waters because they are outnumbered by large-scale vessels that are more liberated.	There are no women working on ships

Table 5.4 Summary of Human Rights Violations in Fish Trade and Processing in Indonesia, Vietnam and Thailand

Indicators	Indonesia	Vietnam	Thailand
<b>Human and labor rights</b>			
Abuse and harassment	Verbal violence or yelling, physical violence between workers, withholding of wages (not paid on time), processing workers are very afraid of their supervisors.		
Human trafficking and forced labor	Withholding of identity, target-based work system, difficulty in obtaining permission not to work, withholding of wages.	company-enforced overtime work	Paying recruitment fees, for migrant workers the cost burden includes passport fees, work permits, health certificates and travel expenses.



Indicators	Indonesia	Vietnam	Thailand
			Poor working conditions, limited freedom, humiliated, working longer hours to pay debts, willing to work if called at any time during the week.
Debt bondage in small-scale fisheries	Recruitment through brokers		
Child labor	No child labor found	Child labor in seafood production	Child labor is mostly from children of migrant workers, child labor in production (sorting, peeling, and cutting shrimp), very low wages below the minimum wage, income is used to cover family debts.
Freedom of association and collective bargaining	Not joining a labor union for fear of being intimidated by the company	Workers have no independence because labor or trade unions must be affiliated with state bodies	Migrant workers are allowed to join Thai trade unions but are prohibited from establishing and leading trade unions.
Income and benefits	Workers have no employment contracts, wages below the minimum wage, unpaid overtime, excessive working hours of up to 18 hours a day, no employment or health insurance.	Home-based businesses and home industries recruit informally and do not have work contracts, low wages below the minimum wage, excessive working hours, overtime wages are not paid properly,	No employment contract or no copy of signed employment contract, deduction of wages for accommodation and food, no record of payment of wages/salaries and not paid for overtime.

Indicators	Indonesia	Vietnam	Thailand
Adequate rest	Excessive working hours of up to 18 hours a day to meet company targets and more pay, no breaks no leave entitlements, limited opportunities for worship.	An average of three hours of overtime per day without a clear calculation of wages, excessive working hours, difficulty in fulfilling workers' leave.	Excessive working hours of up to 48 hours per week, not all workers are aware of their rights, one of which is leave.
Access to basic services	No break room, cafeteria, and lactation room available.		
Work Safety	Lack of personal protection equipment, unsafe workplace conditions, slippery causes work accidents.		Only a few workers receive safety training
Medical assistance	No medical treatment for sick workers, sick workers are forced to work		
<b>Right of access</b>			
Indigenous peoples' resource use rights			
Corporate responsibility and transparency	The compliance with government policies such as labor protection, tax payment and corporate responsibility (waste and CSR) has not been fully implemented by every company.	There is no company transparency in terms of fulfilling workers' human rights	

Indicators	Indonesia	Vietnam	Thailand
<b>Equality</b>			
Complaints reporting and access to resolution	Unavailability of prevention, complaint, and case handling for laborers/workers	The law does not provide specific guidelines on what protection workers can get from sexual discrimination or harassment. There is also no specific policy or protection regarding whistleblowers.	
Stakeholder participation and collaborative management			
<b>Equity</b>			
A fair chance to benefit		Women earn 2.5 times less than men in the informal aquaculture sector.	Thai workers get better work facilities than migrant workers/laborers
Discrimination	Pregnant women are dismissed from work	Few women hold management positions, and none in supervisory roles, women workers are employed on short-term contracts and are therefore vulnerable to easy dismissal (and no maternity benefits) if they become pregnant.	Discrimination against migrant workers such as wage differences and treatment of workers.

The two tables above show that there are similarities in cases that occur between the three countries, namely Indonesia, Vietnam, and Thailand. Most cases of human rights violations occur during fishing, but cases of human rights violations are also found in trade and processing. In general, during the arrest process, workers or crew members are vulnerable to physical violence such as beatings, threats and coercion. Unfortunately, cases of harassment are believed to be underreported due to lack of access and difficulty of proof. The informal recruitment system of crew members through intermediaries also leaves workers vulnerable to human trafficking and forced labor. Workers or crew members also



work inadequately as seen from low wages below the minimum wage, excessive working hours, unpaid overtime, unsafe workplaces, and unfulfilled access to basic services. Lack of transparency in fishing is one of the factors that most drives Illegal, Unreported, and Unregulated (IUU) fishing worldwide. Lack of governance and transparency in the fisheries sector also encourages child labor on vessels.

Furthermore, workers in trade and processing are vulnerable to human rights violations such as identity confiscation, target-based work systems that result in long working hours, low wages below the minimum wage, no employment contracts, withholding and deduction of wages, risk of work accidents due to the unavailability of adequate personal protective equipment and OHS training. Child labor is also still found in the shrimp processing (sorting, peeling, and cutting), generally child laborers receive very low wages below the minimum wage and below the average income of adult workers and their income is used to cover family needs. Workers also often lack awareness of their rights and are not confident to raise their grievances. Similarly, sexual harassment of workers is likely to be under-reported in fisheries processing companies.

On the gender aspect, when it comes to the seafood industry as a whole, including fishing, aquaculture, seafood processing and all related services, women represent half of the total working population worldwide (World Bank, 2012; OECD, 2014). Perempuan merupakan kontributor penting dalam industri penyediaan pangan yang penting ini dan oleh karena itu merupakan agen penting bagi perubahan. Women participate in all segments of the industry, but to varying degrees. They are mostly workers in subsistence aquaculture, in traditional and industrial processing, in the trade and sale of fresh fish, in environmental organizations, and occupy mostly administrative positions. On the other hand, although the trading and processing process is dominated by female workers, few women hold management positions and are more vulnerable to being laid off when pregnant. Very few women work in the fishing industry and hold leadership positions.

The global need to combat labor exploitation is increasingly urgent. This responsibility can be carried out by every country. The involvement of businesses such as companies is instrumental due to the increasing consumer interest in traceability of fish by suppliers without any losers. The real challenge to eliminating labor exploitation and human trafficking in the fisheries sector lies in addressing the root causes that drive this illicit trade, namely corruption, poverty, high levels of income inequality, climate change and the decent work deficit - all factors currently listed in the UN Sustainable Development Agenda 2030 (Blue Justice, 2016).



## 5.3 Analysis of policies to fulfill human rights in fish processing companies in Indonesia, Vietnam and Thailand

In this section, all data and information written is intended for information purposes only, not as a tool for conducting business, legal, market, and financial or investment analysis of the corporate entity being analyzed. This research is designed to serve as a source of information and does not override any laws or other policies or procedures. The PRAKARSA is not responsible to any party in relation to the use or interpretation of the information contained in this research report.

### 5.3.1 Policy Analysis on Fish Processing Companies in Indonesia

This research also looks at the existing sustainability policies of fish processing companies in Indonesia. The research team used data from trademap.org which provides information in the form of a list of companies in Indonesia. There are a total of 66 companies engaged in fish and seafood processing, but only 18 companies have trade turnover data. The research team selected 3 companies by considering trade turnover, number of employees, and the availability of sustainability information published by the company.

Table 5.6 Indonesian companies in the fish processing sector (ranked by revenue turnover)

Name of the Company	Revenue Turnover (USD)	Number Of Employees
Sekar Bumi Plc.	134,819,859	1.022
Dua Putra Utama Makmur Plc.	54,179,840	218
Dharma Samudera Fishing Industries Plc.	47,906,194	550

#### Dua Putra Sekar Bumi, Plc. (SKBM)

Dua Putra Bumi, Plc. (Sekar Bumi), first established in April 1973, is a pioneer of frozen shrimp processing in Indonesia. Sekar Bumi is mainly engaged in manufacturing frozen food products, namely Value-Added Frozen Seafood and Frozen Processed Foods. Under the Value-Added Frozen Seafood product line, we produce shrimp, fish, squid and other value-added seafood products. In addition, Sekar Bumi also produces shrimp and fish feed, as well as cashew nuts. These products are sold domestically and internationally in America, Europe, Australia, Japan, South Korea and other Asian countries under the brands FINNA, SKB, Bumifood and Mitraku.

#### Dua Putra Putra Utama Makmur, Plc (DPUM)

Dua Putra Utama Makmur Plc. (DPUM) has been producing premium quality seafood since 2012. This company was established in 2012. The company's business performance began

by exporting to Malaysia in 2012, then continued to expand to China, South Korea, Thailand, Japan, and Singapore in 2014. The cold storage capacity was expanded at the company's headquarters to be able to store 3,000 tons of products. In 2015, the company conducted an Initial Public Offering (IPO) of its shares on the Indonesia Stock Exchange (IDX). This corporate action is carried out with the aim of obtaining funds that are used for investment, market development, technology, and human resource development. In the same year, the company was also certified by the US Food and Drug Administration (FDA). The company continued to expand its cold storage capacity in 2016 to 25,000 tons, and in the same year, the company also obtained international certifications as well as several other awards such as the British Retail Consortium (BRC) Food Certificate, Hazard Analysis Critical Control Point (HACCP), which is a certificate stating that DPUM products have passed chemical, biological, and physical tests, and are free from hazardous and toxic materials. In terms of quality management, DPUM products have obtained ISO 9001 certificates and halal certificates from the Indonesian Ulema Council (MUI).

### **Dharma Samudera Fishing Industries, Plc. (DSFI)**

Dharma Samudera Fishing Industries, Plc. (DSFI) initially focused on skipjack and red snapper fishing business activities with export sales targets. Over time, in 1983, the company started its first production operation marked by the establishment of a factory in Kendari, Southeast Sulawesi. Furthermore, in order to expand its market share, the company expanded into an integrated fish processing industry that includes processing activities. Since then, DSFI has been able to produce processed marine products that contain high protein and added value, such as fish fillets, tuna, octopus, squid, and other value-added products.

Table 5.7 Mapping of fish processing companies in Indonesia

Indicators	Dua Putra Plc.	Dua Putra Utama Makmur, Plc.	Dharma Samudera Fishing Industries Plc.
<b>Human and labor rights</b>			
Abuse and harassment	N.a	Revealed	Revealed
Human trafficking and forced labor	Revealed	Revealed	Revealed
Debt bondage in small-scale fisheries	N.a	N.a	N.a
Child labor	Revealed	Revealed	Revealed
Freedom of association and collective bargaining	Revealed	Terungkap	N.a

Indicators	Dua Putra Plc.	Dua Putra Utama Makmur, Plc.	Dharma Samudera Fishing Industries Plc.
Income and benefits	Revealed	Revealed	Revealed
Adequate rest	Revealed	Revealed	Revealed
Access to basic services	Revealed	N.a	N.a
Work Safety	Revealed	Revealed	Revealed
Medical assistance	Revealed	Revealed	Revealed
Gender-equal pay	Revealed	Revealed	Revealed
Protection for women workers	N.a	N.a	Revealed
<b>Right of access</b>			
Indigenous peoples' resource use rights	Revealed	Revealed	N.a
Corporate responsibility and transparency	Revealed	Revealed	Revealed
<b>Equality</b>			
Complaints reporting and access to resolution	Revealed	Revealed	Revealed
Stakeholder participation and collaborative management	Revealed	Revealed	Revealed
<b>Equity</b>			
A fair chance to benefit	Revealed	Revealed	Revealed
Discrimination	Revealed	Revealed	Revealed
Gender	Revealed	Revealed	Revealed

*Source: Company reports processed by the research team*

Based on the mapping of human rights due diligence indicators contained in Table xx above, in general, the three companies that are the objects of this study have publicly committed to respecting human rights. This is evident in the company's published sustainability reporting policy. All companies have also made commitments to address modern slavery and forced labor, and all three companies extend these commitments to their direct suppliers, through codes of conduct with suppliers or corporate partners.

The high value of trade turnover and the large number of employees owned by these companies make it interesting to know whether these companies are able to comply with human rights values and how they are implemented in company policies and then realized in daily performance. In general, the companies in the table have complied with

international laws and conventions relating to human rights, such as ILO conventions 138 on the minimum age of labor and ILO 182 on the worst forms of child labor, Law No. 13 of 2003 on labor and child labor, Law No.2 of 2022 on job creation, and Law No. 11 of 2020 on job creation.

The main business line of companies engaged in fish processing, of course, is inseparable from the fishery value chain process which starts from the acquisition of raw materials, namely by capture or cultivation. The acquisition of raw materials comes from direct capture through vessels owned by the company or from third parties. The company also conducts import-export trading processes. Based on the business process, the value chain of the company is very long and there are many interested parties involved.

The fisheries sector is sensitive to the issue of human rights violations, especially in the fishing sector. As part of a responsible value chain process in sustainability, the company should ensure that the parties involved in its business processes, starting from employees and suppliers, are protected from human rights violations.

Based on the results of the mapping of company compliance with human rights due diligence indicators, there are several indicators that have not been revealed in the company's accountability report, including those related to debt bondage that occurs in small-scale fisheries/fishermen. This may be reasonable, as fish processing companies not only have their own vessels to obtain raw materials, but also obtain them through third parties, which may be obtained through Fish Auction Sites (TPI) and Fish Landing Ports (PPI). Furthermore, access to basic services and protection of women workers also do not appear to be the focus of company policies.

Taking the three companies with the largest revenue turnover based on trademap.org data, it can be seen that the company's commitment to human rights implementation is still normative, but has not yet reached the stage of human rights due diligence processes and steps to investigate them. The Business & Human Rights Resource Center (BHRRC) in 2019 in its report on 'Modern Slavery in Pacific Supply Chains of Canned Tuna: A Survey and Analysis of Company Action' states that knowledge of supply chains is essential for companies to monitor and address actual and potential instances of modern slavery. Businesses must conduct human rights due diligence to 'identify, prevent, mitigate and account for how they address adverse impacts on human rights', including those directly linked to the company through its business relationships.

Companies are generally not fully disclosing in human rights due diligence efforts, and some companies have not even started this process at all. Although companies are able to provide information on their approach to due diligence, this is generally limited in detail and substance, focusing only on the initial identification of risks, and not on managing and acting on those risks.

Returning to the principle that there are three important pillars that play a role in realizing



the implementation of human rights due diligence, namely: government (to protect), corporation or company (to respect), and access to remedy (Greenpeace, 2018). Strict and accountable oversight to address the human rights emergency in Indonesia, especially in the extractive sector, such as fisheries, is still not optimal. A reliable monitoring organization can also act as a bridge to the business and technical processes of fisheries. In Indonesia, there is the Indonesian Pole & Line and Handline Fisheries Association (AP2HI), which was established for the needs of pole & line and handline industry players to unite their aspirations in a legal organization. As one of the largest global tuna providers, the pole & line industry in Indonesia has helped coastal communities to earn a livelihood.

AP2HI members cover the entire tuna processing chain, from fishermen and fishing companies to the processing industry. Our efforts in helping sustainable fisheries can be achieved by actively innovating the industry to maintain its efficiency so that it can meet the regulatory needs of the international market. We also encourage the use of Indonesia’s natural resources in a fair, transparent and sustainable way. In addition to AP2HI, there is also the Indonesian Fishery Product Processing and Marketing Producers Association (AP5I) as a forum for entrepreneurs and professional associations in the field of processing, production and marketing of fishery products, will fight for the unity, progress and development of Indonesian fishery businesses and participate in national development. AP5I will move within the corridors of the applicable laws and regulations issued by the Government of the Republic of Indonesia and authorized agencies.

### 5.3.2 Policy Analysis on Fish Processing Companies in Vietnam

In order to consider the sustainability policies of large fish processing companies in Vietnam, the research team used data from trademap.org which provides a list of Vietnamese companies. There are 265 companies in total, but only 224 companies have turnover data and the top 3 turnover data are shown in the table below. The research team selected 3 companies by considering turnover and the availability of information on sustainability policies.

Table 5.8 Indonesian companies in the fish processing sector (sorted by revenue)

Name of the Company	Revenue Turnover (USD)	Number Of Employees
C.P. Livestock Vietnam Corporation - Cpv	2.071.345.140	16.000
Minh Phu Hau Giang Seafood Joint Stock Company	378.983.419	6.000
I.D.I International Development and Investment Corporation - I.D.I Corp	332.470.969	2.000



## **C.P. Livestock Vietnam Corporation – Cpv**

CP Pokphand Co. Ltd. (“CPP” or the “Company”) is an investment holding company incorporated in Bermuda. CPP and its subsidiaries (the “Group”) are leading agri-food conglomerates in China and Vietnam. Our agri-food business covers the entire spectrum of production and sales of animal feed products, livestock farming, animal husbandry and sales, to production and sales of value-added processed food products. With our integration strategy, we can offer safe and nutritious products across the entire food production value chain. We have been operating in China since 1979 and in Vietnam since 1993. In the 1990s, we were one of the first foreign companies to enter Vietnam. Today, the group is one of the largest agri-food players in Vietnam. Their business covers the entire agri-food value chain, from the manufacture and sale of animal feed products, animal husbandry, farming and sale of livestock and aquatic animals to the manufacture and sale of value-added processed food products. As a pioneer in the commercial animal feed market, the Group operates several feed mills across the country, offering complete feed products and concentrates. Today, we are the market leader in the animal feed industry. We manufacture a complete range of animal feed and aquaculture products. By utilizing CP Group’s nutritional know-how, we provide some of the most efficient animal feed products to farmers in Vietnam. An extensive distribution network consisting of direct sales and thousands of exclusive dealers ensures our quality products are available throughout Vietnam.

## **Minh Phu Hau Giang Seafood Joint Stock Company**

Minh Phu is the number one seafood company in Vietnam and a world leader. The products are currently available in more than 50 countries and regions, with a turnover of more than VND 12,000 billion per year. Through comprehensive and responsible ownership of the value chain; Minh Phu aims to build a complete ecosystem that delivers good value to all relevant members, putting Vietnam on the map as a leading provider of quality shrimp. At Minh Phu, the company continues to combine experience, creativity and responsibility throughout the shrimp production value chain, from start to finish. Its mission is to provide the best, freshest and most nutritious Vietnamese shrimp products to the global market; at the same time, it provides consumers with peace of mind and an exceptional experience at every table, at every meal.

What makes Minh Phu different is that the company produces its products not only based on casual consumption but also driven by historical values, culture, and sustainable development goals such as ensuring food safety, protecting the environment, balancing social benefits, and benefiting from the products.

Minh Phu’s future strategy is to create a comprehensive shrimp value chain that puts Vietnam on the map as a supplier of high-quality shrimp. Minh Phu focuses on creating

shrimp products with unique value to create a distinct competitive advantage that other competitors do not have. In 2015, Minh Phu built a “global shrimp value chain” strategy, through connections and end-to-end production lines to obtain the highest production efficiency at the most optimized cost.

In 2013, Mitsui&Co. invested in Minh Phu Hau Giang Joint Stock Company, and in 2016, Mitsui&Co. fully entered the shrimp farming business by acquiring a 35.1% stake in its parent company, Phu Seafood Joint Stock Company, the world’s largest shrimp integrator from farming to processing and sales. As a shareholder, Mitsui participates in the management of Minh Phu Hau Giang Seafood Joint Stock Company. The company has obtained environment-related certifications, under the ASC, BAP and Global Good Agricultural Practice (GAP) systems to meet the needs of buyers and consumers who seek products that are produced responsibly and care for the environment. A certification 7 under this aquaculture system indicates that a company has met global standards for food safety and sustainable production management. The complete production chain is verified from broodstock, farm, feed and processing. There are currently 35 countries applying this standard to 30 species of finfish, crustaceans and molluscs worldwide.

### **I.D.I International Development and Investment Corporation - I.D.I Corp**

Since I.D.I started its journey in 2008, the company has learned and transformed in many ways. From humble beginnings, when a few pioneers realized the opportunities of Vietnam’s exceptional pangasius species, I.D.I has evolved into a leader in the field. I.D.I achieves success by developing and following an integrated strategy whose goals and mission align with all of our guiding principles: Planet, People and Product. With a clear and defined sustainability vision, strong global presence, and leadership experience, we are committed to building not only a winning organization, but also enduring values in the world and the food industry.

Table 5.9 Mapping of fish production companies in Vietnam

Indicators	C.P. Livestock Vietnam Corporation - Cpv	Minh Phu Hau Giang Seafood Joint Stock Company	I.D.I International Development and Investment Corporation - I.D.I Corp
<b>Human and labor rights</b>			
Abuse and harassment	Revealed	N.a	Revealed
Human trafficking and forced labor	Revealed	Revealed	Revealed



Indicators	C.P. Livestock Vietnam Corporation - Cpv	Minh Phu Hau Giang Seafood Joint Stock Company	I.D.I International Development and Investment Corporation - I.D.I Corp
Debt bondage in small-scale fisheries	Revealed	N.a	N.a
Child labor	Revealed	N.a	Revealed
Freedom of association and collective bargaining	Revealed	Revealed	Revealed
Income and benefits	Revealed	Revealed	Revealed
Adequate rest	Revealed	N.a	Revealed
Access to basic services	Revealed	N.a	Revealed
Work Safety	Revealed	Revealed	Revealed
Medical assistance	Revealed	Revealed	N.a
Gender-equal pay	Revealed	Revealed	N.a
Protection for women workers	Revealed	N.a	N.a
<b>Rights over assets</b>			
Indigenous peoples' resource use rights	Revealed	Revealed	Revealed
Corporate responsibility and transparency	Revealed	N.a	Revealed
<b>Equality</b>			
Complaints reporting and access to resolution	Revealed	Revealed	Revealed
Stakeholder participation and collaborative management	Revealed	N.a	Revealed
<b>Equity</b>			
A fair chance to benefit	Revealed	Revealed	Revealed
Discrimination	Revealed	Revealed	Revealed
Gender	Revealed	Revealed	N.a

*Source: Company reports processed by the research team*

The companies sampled in this study are companies with the largest turnover rate list in Vietnam based on trademap.org data. With a high scale of revenue turnover, these companies not only expand to the national scale of their country, but also to a global scale,





by trading exports to various countries. Based on trademap.org data, the main export destinations of these three companies are to the American and European markets.

With companies involved in the international trade process, in addition to 'conventional' trade rules, there is a new and increasingly important dimension to trade: sustainability. The existence of sustainability-derived regulations has the potential to affect all aspects of global trade, from raw materials, semi-finished products, and the end of a product's life cycle, as well as business partners and suppliers throughout the value chain. Therefore, sustainability can be an enabling or hindering factor. Businesses cannot ignore this issue if they want their business to succeed in the long run. Changes in consumer behavior, purchasing strategies in supply chains, and the drive towards sustainable investment increasingly depend on, and still take into account, a company's overall sustainability rating and credibility (<https://www2.deloitte.com/>).

Based on the three companies in Table xx above, only C.P. - Cpv has a published sustainability report, Minh Phu Hau Giang Seafood Joint Stock Company the research team did not find an independently published sustainability report, but Minh Phu Hau Giang Seafood Joint Stock Company is affiliated with Mitsui&Co Corporation, and Mitsui&Co Corporation stated that as a shareholder, Mitsui participates in the management of Minh Phu Hau Giang, a Vietnamese company engaged in shrimp processing and export. The company has obtained environment-related certifications, under the ASC, BAP, and Global Good Agricultural Practice (GAP) systems, to meet the needs of buyers and consumers seeking products that are produced responsibly and with care for the environment. Certification in this aquaculture system demonstrates that a company has met global standards for food safety and sustainable production management. The complete production chain is verified from handling, feed, and processing.

### **I.D.I International Development and Investment Corporation - I.D.I Corp**

The research team also did not find a published company sustainability report, the company conveyed the form of efforts made related to sustainability aspects through the company's website.

As is the case with the three companies in Indonesia that are the subject of this report, companies in Vietnam also appear to have normative commitments to human rights implementation, but have not yet reached the stage of human rights due diligence processes and measures to investigate them. The Business & Human Rights Resource Center (BHRRRC) in 2019 in its report on 'Modern Slavery in Pacific Supply Chains of Canned Tuna: A Survey and Analysis of Company Action' states that knowledge of supply chains is essential for companies to monitor and address actual and potential instances of modern slavery. Businesses must conduct human rights due diligence to 'identify, prevent, mitigate and account for how they address adverse impacts on human rights', including those directly linked to the company through its business relationships.

Companies are generally not fully disclosing in human rights due diligence efforts, and some companies have not even started this process at all. Although companies are able to provide information on their approach to due diligence, this is generally limited in detail and substance, focusing only on the initial identification of risks, and not on managing and acting on those risks.

Vietnam is one of the most dynamic fisheries countries in Southeast Asia, with 2025 miles of coastline, over 3000 islands, and many freshwater rivers and estuaries. Coastal provinces and cities in Vietnam account for more than half of the population, and most workers are employed in maritime-related fields. More than 10% of the Vietnamese population's main source of income comes from fishing. Therefore, the seafood and fisheries sector is vital to Vietnam's economy, both for food security for its own population, for export abroad, and as an economic driver through employment. Vietnam's aquaculture and fisheries sector has grown by 5% annually since 1985, with exports also increasing year-on-year. Today, Vietnam is the world's fourth-ranked seafood exporter, exporting shrimp, tuna and other marine products worth 1.6 billion USD in 2021. Based on data up to August 2021, Vietnam's largest export destinations are the United States, Japan, China, and the European Union (Lee, medium.com, 2023).

However, with a lucrative fishing industry comes a number of prevalent problems. Unfortunately, Vietnam has become a clear example of how rampant and unregulated expansion of the fishing industry has led to overuse and depletion of marine resources. Many coastal ecosystem damages are caused by overfishing by vessels using IUU labor. Although Vietnam has focused on sustainable development in its seafood industry, many small-scale fisheries have attributes that are not conducive to developing a robust monitoring system, as it is difficult to oversee so many independent, unconnected vessels. Hence, it causes the same problem when vessels sail farther from their coastlines and more often fish illegally in the waters of neighboring countries far from their home shores.

#### **5.4.3 Policy Analysis on Fish Processing Companies in Thailand**

In order to consider the sustainability policies of large fish processing companies in Thailand, the research team used data from trademap.org which provides a list of Thai companies. There are 152 companies in total, but only 127 companies have turnover data and the top 3 turnover data are shown in the table below. The research team selected 3 companies by considering turnover and the availability of information on sustainability policies.



Table 5.10 Indonesian companies in the fish production sector (sorted by revenue)

Name of the Company	Revenue Turnover (USD)	Number Of Employees
Thai Union Group Public Company Limited	4.183.246.383	1.806
Seafresh Industry Public Company Limited - Cfresh	219.699.535	2.000
KF Foods Limited	143.617.325	2.362

### **Thai Union Group Public Company Limited – Tu**

Founded in 1977, Thai Union has a long history of commitment to seafood expertise and innovation. Started as a processor and exporter of canned tuna, the company built our business on excellence in customer service and product quality. The company now has an international OEM business and a global portfolio of consumer-favorite brands, with ambitious growth plans rooted in a commitment to sustainability and forward-looking innovation. Thai Union is a global seafood leader with ambitious growth goals and a dedication to sustainability and innovation. The company's brand portfolio includes consumer favorite products that have been bringing nutritious and delicious seafood to tables around the world for more than a century.

For 40 years, Thai Union has achieved global market leadership based on its expertise and interest in seafood. The company strives to provide healthy and delicious food to consumers around the world while advancing the sustainability of the seafood industry as a whole. Through acquisitions and organic growth, the company's ambitious expansion strategy has established a diverse portfolio of global brands. Spanning three continents, the company's brands are consumer favorites and market leaders with a wide array of products including shelf-stable seafood, frozen and chilled seafood, PetCare, which have added value. Spanning three continents, the company's brands are consumer favorites and market leaders with a wide array of products including shelf-stable seafood, frozen and chilled seafood, PetCare, which have added value. The company's consumer-favourite brands in North America, Europe, Asia and the Pacific have a global reach, with product development based on local insights and market preferences. Through strategic mergers and acquisitions, the brand range is expanding its market share worldwide. The company's commitment to innovation, sustainable growth, quality and consistency facilitates our competitive advantage.

### **Seafresh Industry Public Company Limited – Cfresh**

Seafresh Industry Public Company Limited is a Thailand-based company engaged in the manufacturing and export of frozen shrimp. Offers frozen raw shrimp and value-added



frozen shrimp, including boiled shrimp meatballs, shrimp sushi and others. The company distributes its products under the brands Seafresh, Sea Angel, GO-GO, Thai Chia, Phoenix, C Angel and Ultra. Their products are exported to Asia, the European Union, the United States, Canada, Australia, New Zealand and others. Its raw materials are obtained from shrimp farms in the southern region of Thailand. The company operates a factory in Chumphorn province. Its subsidiaries consist of Seafresh Industry Invest Limited.

Seafresh Industry Public Company Limited is engaged in the manufacturing and distribution of frozen raw shrimp, processed shrimp, vegetables and fruits, and other seafood products including other services. This company produces and distributes frozen shrimp products and other seafood products, such as squid, scallops, salmon, and others both domestically and internationally, covering regions around the world, including North America, Europe, Asia, and Oceania. The company also offers frozen raw shrimp, cooked frozen shrimp, processed shrimp such as breaded shrimp, tempura shrimp and sushi shrimp, vegetables and fruits. The brands include Seafresh, Sea Angel, Phoenix, Thai Chia, and Go-Go. Anak perusahaannya meliputi Seafresh Group (Holdings) Limited (SGH), Sea Farms Limited, Blue Earth Foods Limited, Sea Farms, Inc, Prochaete Innovation Limited, Sea Farms Nutrition Limited (SFN), Sea Farms Nutrition, Inc, Mudwalls Farm Limited, Mudwalls Farm Limited, 44 Makanan Terbatas, dan Seafresh IHQ Company Limited.

### **KF Foods Limited**

In 1972, a partnership of Australia, Thailand and Hong Kong took a leap of faith to build the first tuna canning factory in Thailand called SAFCOL (THAILAND), LTD. for export. The name was changed to Kingfisher Holdings, Ltd. in 1989 and Maruha Nichiro Corporation of Japan, one of the largest seafood companies in the world, joined Kingfisher as a shareholder in 1990. This partnership has increased Kingfisher's access to the Japanese market and raw material sourcing around the world. Over the years, Kingfisher Holdings, Ltd. established wholly-owned subsidiaries in Canning (Southeast Asian Packaging and Canning, Ltd.), Frozen Seafoods (KF Foods, Ltd.), Cold Storage (OCCL), and domestic sales in Thailand (Kingfisher 108, Ltd.), in joint ventures.

Companies create value for customers in rapidly changing market needs. This is achieved through an upwardly integrated supply chain for better quality control through Hazard Analysis and Critical Control Points (HACCP), Good Manufacturing Practices (GMP), SSOP, BRC, and other global standards. By continuously upgrading the facilities and utilizing new production technologies at KF Foods Limited, the company can meet the dynamic market demands with the best products for sustainable business success.



Table 5.11 Mapping of fish processing companies in Thailand

Indicators	Thai Union Group Public Company Limited - Tu	Seafresh Industry Public Company Limited - Cfresh	KF Foods Limited
<b>Human and labor rights</b>			
Abuse and harassment	Revealed	N.a	Revealed
Human trafficking and forced labor	Revealed	Revealed	Revealed
Debt bondage in small-scale fisheries	Revealed	N.a	N.a
Child labor	Revealed	N.a	Revealed
Freedom of association and collective bargaining	Revealed	Revealed	Revealed
Income and benefits	Revealed	Revealed	Revealed
Adequate rest	Revealed	N.a	Revealed
Access to basic services	Revealed	N.a	Revealed
Work Safety	Revealed	Revealed	Revealed
Medical assistance	Revealed	Revealed	N.a
Gender-equal pay	Revealed	Revealed	N.a
Protection for women workers	Revealed	N.a	N.a
<b>Rights over assets</b>			
Indigenous peoples' resource use rights	Revealed	Revealed	Revealed
Corporate responsibility and transparency	Revealed	N.a	Revealed
<b>Equality</b>			
Complaints reporting and access to resolution	Revealed	Revealed	Revealed
Stakeholder participation and collaborative management	Revealed	N.a	Revealed
<b>Equity</b>			
A fair chance to benefit	Revealed	Revealed	Revealed
Discrimination	Revealed	Revealed	Revealed
Gender	Revealed	Revealed	N.a

Businesses must conduct human rights due diligence to ‘identify, prevent, mitigate and account for how they address adverse impacts to human rights’, including impacts directly linked to the company through its business relationships (BHRRC, 2019).

Based on the analysis of human rights due diligence indicators in the three companies with the largest revenue turnover in Thailand, it can be concluded that of the three companies, only one company has reported its human rights due diligence with steps taken and comprehensive information, namely Thai Union. Other companies generally did not prove the existence of effective due diligence procedures, indicating only some form of due diligence or even simply recording the fact of a due diligence policy or process, without further detail. While most companies include human rights as a general due diligence consideration, only Thai Union has due diligence policies and procedures that specifically address the risks to workers in their supply chains.

This finding is in accordance with the results of the analysis of Tuna companies by BHRRC in 2019, where the report states that in general, companies do not fully conduct human rights due diligence on company practices, but are only limited to the form of description of corporate social responsibility with no real implementation steps to resolve human rights issues.

Companies generally fail in their human rights due diligence efforts, and some companies have not started this process at all. While half of them were able to provide information on their approach to due diligence, this was generally limited in detail and substance, focusing only on the initial identification of risks, and not on managing and acting on those risks. Companies are unaware of, or not acting to fulfill, their human rights due diligence requirements (BHRCC, 2019).

BHRRC (2019) in its report conducted in-depth interviews with several tuna processing companies to see the implementation of human rights due diligence of these companies. One of the companies that became the object of research by BHRCC is Thai Union. The following summarizes the results of the BHRCC report on Thai Union:

Thai Union reported that they have a policy, or contractual clause in their standard supplier agreement, to implement a ban on modern slavery throughout their supply chain. Thai Union has a separate policy that not only requires suppliers to prohibit the use of ‘forced or compulsory labor’, but also requires this prohibition to apply to all fishing vessels used by suppliers that the company sources supplies from. Thai Union has also mapped out its entire supply chain. Companies need to do more to achieve visibility across their supply chains to detect and prevent continued abuse.

Thai Union has due diligence policies and procedures that specifically address the risk that workers in their supply chain may be exposed to conditions of modern slavery. The Thai Union shows leadership and has implemented the most practical measures, both in terms of numbers and diversity, to combat modern slavery. Thai Union provided detailed



information outlining how the company conducts employee human rights training in conjunction with the Migrant Worker Rights Network (MWRN) and Labor Rights Promotion Network (LRPN), the company's digital traceability program, an Ethical Migrant Recruitment Policy containing specific protections for migrant workers, and engagement with external stakeholders.

An example of better practice: Thai Union's digital tracing program uses satellite connectivity and mobile apps to enhance digital tracing through its 'electronic Capture and Trace Data system'. Part of this program includes the 'Fish Talk' chat app that connects workers at sea with operations ashore, allowing crew members to communicate with family and friends ashore. An independent evaluation reportedly found that the chat app 'Fish Talk' has improved worker morale and worker retention on fishing vessels.

Thai Union reported oversight of the recruitment process through the implementation of an Ethical Migrant Recruitment Policy. An independent evaluation reportedly found that the chat app 'Fish Talk' has improved morale and worker retention on fishing vessels. Migrant workers, who are far from the security of kinship and friendship networks, and often experience language barriers, are particularly vulnerable to exploitation and abuse. Thai Union has introduced specific measures aimed at protecting migrant workers, and provided detailed information on these measures, which include separate company policies and engagement with the Migrant Workers' Rights Network.

Trans-shipment, which is the practice of offloading fish catches to transport vessels at sea, allows fishing vessels to remain at sea for long periods of time, and facilitates abuse. Thai Union only allows trans-shipment from vessels using longline fishing methods (which involve longer time at sea) if the vessel also has independent observers to monitor worker conditions.

From the BHRCC Report (2019), they concluded that Thai Union has a robust human rights due diligence procedure that details specific actions in the due diligence process, rather than aspirational statements. Thai Union's Diligence Framework consists of several pillars - policy, risk assessment, preventive detection, remediation, continuous monitoring, and disclosure.

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Part 6

# Potential Reform and Integration of Incentives and Human Rights Fulfillment in the Fisheries Sector



## PART 6

# Potential Reform and Integration of Incentives and Human Rights Fulfillment in the Fisheries Sector

Fisheries incentives in Southeast Asian countries need to be reviewed to avoid adverse impacts on intragenerational and intergenerational equity. To address this, Merayo et al. (2019) proposed several considerations related to fisheries subsidy reform to ensure environmental efficiency and equity. Some aspects that need attention are reform options, elements of reform success and institutional strengthening. These aspects are relevant for Southeast Asian countries that need to reform fisheries incentives. The following are some of the things that can be done and can be adapted to the needs of each country:

### 6.1. Reform options

#### 1. Eliminating incentives

Removing subsidies or incentives means removing all government funds allocated to the fisheries sector. This move will inevitably generate resistance due to the likely high short-term losses to the fisheries sector and local communities. However, in the long run, this measure can provide benefits by restoring fishery resources that can offset these short-term losses.

#### 2. Decoupling incentives

Reforming the subsidy by decoupling it from its link to fishing means changing the way the government pays fishers, so that it is no longer dependent on the amount of fish caught. Instead, the goal is to keep supporting local community incomes and to help reduce poverty. With this approach, the government can provide more stable and reliable financial assistance to fishers, without encouraging overfishing that could potentially damage the environment.

#### 3. Reorienting incentives

Redirecting or reorienting subsidies towards fisheries management, law enforcement, or research is a step that can have a positive impact on the environment and equity in the fisheries sector. By choosing this option, public funding will be directed towards improving the sustainability of fisheries, rather than encouraging overexploitation.

#### 4. Conditioning Incentives

Conditioning subsidies means setting payments to fishermen or fishing communities considering certain criteria to run their operations sustainably. Under this approach, financial assistance from the government is provided on terms that lead to sustainable practices in fishing, resource management, and environmental protection.

#### 5. Skema pembelian kembali

A buyback subsidy scheme has been a common option to reduce excess capacity in the fishery. Under this scheme, boat owners are compensated to destroy their boats and leave the fishing sector. However, evidence shows that the results of this scheme are not always satisfactory. Capacity removal has proven to be limited, and the resulting reduction in fishing activity is not worth the cost of the scheme (Clark et al., 2005). This suggests that buyback subsidy schemes are not always effective in addressing overcapacity issues in fisheries, and may require a more holistic and multifaceted approach to ensure their success.

In Southeast Asia, decisions about the type of fisheries subsidy reform will be heavily influenced by the complex regional context, including cultural diversity, economic conditions, and unique environmental challenges. Furthermore, the political feasibility and social preferences of the local community will also be decisive factors in determining the direction the reforms take. With all of these factors in mind, policymakers should seek to find the most suitable solutions to improve the sustainability of fisheries resources, protect the environment, and promote social equity across the Southeast Asian region.

## 6.2. Elements for successful subsidy reform

### 1. Stakeholder engagement and social support

Participation and support from various parties is very important in political reform. In the context of fiscal reforms, stakeholder and public engagement is necessary to ensure that implemented policies reflect social distribution and equity preferences. Perceptions of policy fairness can vary from country to country, so we cannot assume that the fairest option will always bring consensus on reform. However, it is important for the defeated party in the reform process to be willing to accept some losses for the sake of general welfare or increased fairness. The IMF emphasizes the need for ongoing dialogue with stakeholders and civil society to keep them engaged in the reform process.

### 2. Political Commitment

Taking reform measures in the context of a broader government agreement can help gain support from political parties or other interest groups. According to Lejour (2016), the support of a political majority in government and strong political leadership are also crucial to ensure the success of reforms. However, the reform process often

takes a long time and involves different interest groups, requiring strong and sustained political commitment (IMF, 2013).

### 3. Transparent communication

Effective communication of the benefits of reform, the costs of subsidies, and who will be the beneficiaries is essential to overcome political inertia and opposition (UNEP 2001, Commander 2012, IMF 2013). Through clear and informative communication campaigns, the public will be more aware of the benefits of reform, which can encourage support from political organizations. Moreover, good communication also helps to build the government's credibility regarding reform outcomes (IMF 2013). While there may be opponents who may experience losses in the short term, effective communication can help convince them to support reforms for greater future benefits (Inchauste and Victor 2017).

### 4. Compensation measures and complementary policies

When undertaking subsidy reform, it is important to consider the use of compensation packages and supporting policies. Subsidy reforms often cause harm to some vulnerable sectors or groups. Therefore, public interventions can help ensure livelihood continuity and gain public support for such reforms.

The design of the compensation package, including its type, size and duration, should be tailored to the needs of each affected group, such as women, the elderly or indigenous communities. However, the implementation of compensation packages and complementary measures is often closely linked to institutional capacity, and can be challenging in low-income countries.

The political economy framework is used to evaluate the design of subsidy policies by considering the distribution of benefits and costs of reforms in society. In many cases, well-organized interest groups influence policy, often at the expense of the public interest. In the context of fisheries, subsidies tend to favor small and powerful groups such as large fleets.

In order for reforms to be efficient and fair, it is important for the government to ensure that the general population and vulnerable target groups benefit more, while powerful interest groups benefit less. To gain the support of the latter interest group, the government could offer alternative benefits, such as improved management, as a complementary policy to subsidy reduction that could credibly increase the economic value of the fishery.

## 6.3. Strengthening Government Institutions

The lack of government institutional capacity is one of the main obstacles to subsidy reform. Despite political will and public support for reform, public institutions often lack the capacity to engage in alternative policy-making or the implementation of new transfer mechanisms, such as compensation packages or complementary policies.

According to Merayo et al. (2019), overcoming these barriers requires a focus on several areas, including the development of political and legal frameworks, improving human and financial resources, inter-agency coordination, and engaging civil society and international organizations.

#### 1. Political and legal framework

There are three factors that influence the use of subsidies in public policy: government objectives, fiscal organization, and the availability of other tools (Victor 2009). When reforming subsidies, it is important to focus on the supply side and evaluate alternatives that may be more effective and beneficial, as the amount of subsidy reflects the availability of other policy instruments.

A country's political system, whether authoritarian or democratic, can also influence subsidy reform. For example, authoritarian regimes tend to readily implement extensive, albeit inefficient, subsidy or transfer packages (Commander 2012). While subsidies are negatively correlated with government effectiveness, quality of laws and regulations, and low levels of corruption, stakeholder engagement and public support for subsidy reform require mechanisms for political dialog and resolution, which are more likely to be found in democratic regimes (Commander 2012). A stable and predictable policy environment can also facilitate fiscal reforms (Inchauste and Victor 2017).

Institutional factors relevant for subsidy reform include government decision-making, legal constraints, and public intervention in the economy (Inchauste and Victor 2017). An analysis of the institutional context of fisheries reform in Bangladesh suggests several steps to help countries transition to fisheries reform: strengthening regulations and enforcement mechanisms; improving governance at the local and national levels; establishing swift and effective legal mechanisms to deal with illegal fishing cases; and raising awareness of the benefits of fisheries reform and regulation. These measures require legislative changes as well as the allocation of adequate human and financial resources for fisheries management and enforcement. Policy design should incentivize fishers and encourage alternative income generating activities, while the support and involvement of stakeholders, such as fishers and traders, is also crucial (Islam et al. 2016).

#### 2. Human resources and finance

The importance of human and financial resources in subsidy reform is significant. One of the key prerequisites for a successful subsidy reform is the existence of an information system that allows the government to monitor and evaluate the impact of the reform (IMF 2013). The information gathered will be the basis for designing the reform, and will be incorporated into the communication strategy and stakeholder participatory engagement process. This will help the government identify potential beneficiaries and losers, and target compensation measures (Commander 2012,

Inchauste and Victor 2017).

In addition, the government also needs financial capacity, both technically and institutionally, to fund the necessary compensatory or complementary measures in any reforms that impact vulnerable groups (Islam et al. 2016). Although removing subsidies would free up public funds for investment in alternative policies, this process may take time, so the government must be able to allocate those funds in advance (Whitley and Burg 2015).

In addition, the government also needs the financial capacity, both technical and institutional, to fund the compensatory or complementary measures required in any reform that impacts vulnerable groups (Islam et al. 2016). In the context of subsidy reform, the government is also likely to need to reallocate resources among government agencies and adapt human and financial resources to the new scheme. For example, efficient and equitable reforms may target specific vulnerable groups rather than being applied broadly. This will not only require more information; governments will also need to allocate more human resources for such tasks, which may be problematic in low-income countries that are already constrained by limited resources.

### 3. Coordination between institutions

Subsidy reform for more efficient management of public funds requires adequate institutional and administrative capacity, as well as strong linkages and coordination between government agencies (Whitley and van den Burg 2015). The fisheries sector, for example, has a complex institutional and governance structure, involving formal and informal institutions and a wide range of public, private and civil society sector agents, which requires cooperation across government agencies and decision-making areas (Islam et al. 2016).

### 4. The role of civil society and international organizations

The level of organization within a country's civil society also plays an important role in the success of reforms (Inchauste and Victor 2017). All stakeholders should be involved in the reform process to maintain an open dialog with the government responsible for its implementation. However, if some key interest groups are not well organized, collaboration and consultation can be difficult. This can hamper support for reform from certain social segments if their voices are not significantly recognized in the process (IMF 2013).

International actors can also play an important role in this process by providing technical and financial assistance to governments, raising awareness, and encouraging public support (Whitley and van den Burg 2015). The pressure from multilateral institutions or international agreements such as those proposed by the WTO on fisheries subsidy reform can help governments implement policies that may be unpopular without incurring too much political cost (Krane 2018).







Part 7

## Closing



# Section 7

## Closing

### 7.1 Conclusion

#### **Indonesian, Vietnamese, and Thai government incentives for the fish processing sector**

Government incentives for the fisheries sector in Southeast Asia remain an important instrument in driving productivity. Government incentives for the fisheries sector in Southeast Asia remain an important instrument in boosting the productivity. Unfortunately, almost three-quarters of the assistance provided falls into the category of being able to increase fishing capacity, which leads to overfishing. These subsidies include all forms of capital input assistance and infrastructure investment that can reduce costs or increase revenue from fishing activities. For example, fuel subsidies are still a significant aid provided while having a direct link to overfishing. Each country has its own prioritization of subsidies to increase its fishing capacity, with Indonesia subsidizing the most fuel, Vietnam subsidizing the most marketing development and storage infrastructure, and Thailand subsidizing more tax benefits.

These Southeast Asian countries recognize the importance of avoiding the contribution of bad practices to sustainable development. Implementation of programs that are beneficial to investment in fisheries resources has also been implemented, but with a relatively low value of only 20 percent of the total incentives for fisheries. This category of incentives is highest in Indonesia in the form of support for processing management, research, and development of *Marine Protected Areas*. There is also a potentially ambiguous category of incentives that can either enhance fisheries resources or negatively impact them if they lead to overexploitation. This incentive is also still provided by many Southeast Asian countries, especially Malaysia which has the most ambiguous programs. Thus, in order to achieve a sustainable fisheries sector, it is necessary to reduce assistance that can cause adverse ecological impacts, while increasing efforts that promote improvement.





The research findings show that the motivation for incentivizing fisheries is not only for ecological reasons but also for social welfare and development reasons. Fisheries incentives in Indonesia, Vietnam, and Thailand have social implications in terms of fixed and variable costs, tax incentives, infrastructure development, labor policies, and social protection. However, the impact of providing incentives through various programs has also not fully achieved the planned objectives. There are unintended consequences such as government incentives may negatively impact the socio-economic conditions of the people living in the supply chain.

For example, fishing in over-exploited areas drives up the cost of fishing. There are many cases of crew wage deductions and other indications of forced labor while ship operators and owners still receive a decent income. There is also a lack of training provided to fishermen to improve their understanding of their rights to a safe and healthy working environment. This is also reinforced by the low participation of fishermen in social protection programs, which should be a protection facility because they have high risks in their business. Not to mention that the amount of incentives received by large-scale fisheries businesses compared to small-scale fisheries businesses also exacerbates the inequality condition. Furthermore, dwindling fish stocks pose a threat to coastal communities that depend on them for food and livelihoods.

The effort to encourage healthy productivity in the fisheries sector is not only about providing incentives to fishermen, but the state's commitment to ensuring human rights is also needed. This is represented in the ratification of international conventions relating to the protection of human rights in the fisheries sector in Indonesia, Vietnam and Thailand. However, there are currently several important conventions that have not been ratified by the three countries.

Firstly, the policy of protecting fisheries labor from forced labor in ILO C-188. Only Thailand has ratified Convention 188 into existing regulations. Second, the policy of protecting workers or migrant workers at the UN Treaty Body convention. Only Indonesia has ratified this convention into existing regulations. The third is protection from sexual harassment, in ILO-190. Indonesia, Vietnam, and Thailand has not yet ratified the convention as a basis for protecting against violence and harassment in the workplace, particularly in fisheries.

These three policies are crucial in protecting the rights of fisheries workers. Not only does it encourage healthy productivity for fishermen, but the ratification of international conventions makes the position of these countries stronger in protecting workers in the fisheries sector with global standards.

## Conditions for the fulfillment of human rights in the fish processing sector in Indonesia, Vietnam and Thailand

The protection of human rights is a state obligation, but the protection and fulfillment of human rights in Indonesia, Vietnam and Thailand remains a serious and fundamental challenge. There are still gaps in legal guarantees both at the national and regional levels, overlapping authorities, absence of protection and weak supervision of cases of human rights violations that occur resulting in the absence or weak fulfillment of human rights. Cases of human rights violations are still found in almost all fisheries supply chains.

Vessel owners and profit-driven industries contribute to the widespread use of forced labor, human trafficking, and slavery in fisheries supply chains. The fishing industry is one of the highest-risk industries for modern slavery. Cases of crew misconduct were most prevalent in the three countries studied. Where workers are often required to pay high recruitment fees that lead to debt bondage. Once on board, workers can be at sea for months, and face human rights violations such as hard labor with inadequate food, lack of clean water, insufficient sleep and rest in cramped, dirty and dangerous conditions, limited protective equipment or safety training, physical and verbal abuse, and even death. Such workers' pay may be inadequate or suspended indefinitely. Not only in the fishing process, workers in fish processing are also still vulnerable to human rights violations such as forced labor, long working hours, inappropriate working conditions, low wages, and gender discrimination.

Crews or laborers in fisheries are often neglected and often abandoned due to the government's inability to unravel the complexity of this issue. Weak supervision and transnational organized crime issues also add to the complexity of handling cases that are still based on the responsibilities of each country's jurisdiction. Conditions of labor exploitation occurring due to unequal power relations are also quite difficult to control, especially among migrant workers, women and children. While there is awareness and initial regulation in the countries we observed, the implementation of human rights and due diligence remains difficult in the absence of key institutions and political commitment.

Some of the companies seen in the study are still at a normative level regarding human rights issues. The corporate social responsibility program contained in the sustainability report is at the point that the company is responsive to potential human rights violations, but the exact steps in conducting human rights due diligence have not been explained. Broadly speaking, the company acknowledges that there is a risk of human rights violations, and discloses efforts to prevent them, but there is no detailed report on the company's responsibility to trace its *supply chain*. In the analysis of the company's sustainability report, Thai Union is an example of best practice in implementing human rights due diligence, starting from having clear and detailed human rights due diligence procedures, specific actions in the due diligence process, and not just aspirational statements. Commitment and implementation of human rights can also occur in companies that have realized the

importance of responsible business practices. In addition, market demand and assistance from associations are also among the concerns of businesses to implement human rights policies or human rights due diligence.

## 7.2 Recommendations

Based on the conclusions of the research findings, there are several recommendations that can be given from this research to several stakeholders:

### **ASEAN Secretariat:**

1. ASEAN countries need to accelerate the ratification of International Labor Organization (ILO) 188/2007 on Employment in Fishing and issue Regulations on the Placement and Protection of Fishing Vessel Crew.
2. The need for a declaration of protection for fisheries workers in ASEAN, encouraging policies to protect workers in the fisheries sector and mechanisms for cooperation between ASEAN and ASEAN member states, including on migration and human rights, as well as cross-border cooperation and actions of each country on migrant workers.
3. ASEAN Member States establish accessible and effective grievance and redress mechanisms for all workers to report violations and seek justice without fear of reprisal.

### **Pemerintah di setiap negara:**

1. Review incentive policies for the fisheries sector by increasing contributions for actors in the supply chain who are socio-economically vulnerable.
2. Evaluate the environmental and social equity impacts of incentives provided to the fishery to ensure support for long-term sustainability for targeted fishing communities.
3. Reform fisheries incentive policies, especially those that have a negative impact on fisheries resources and the welfare of people in the fisheries sector.
4. Improve synchronization of regulations and strengthen government institutions that regulate fisheries and multi-sectoral policies, especially on the issue of fulfilling human rights.
5. Review and update existing policies on incentivizing the private sector and their alliances towards the fulfillment of human rights to ensure human rights standards and best practices are applied.
6. Require human rights due diligence to be conducted by companies and create comprehensive guidance on this down the *supply chain*. Assistance and supervision on the implementation of Human Rights Due Diligence is conducted as a form of government incentives.

7. Establish policies to combat human trafficking and regulate labor protection in fishing, strengthen monitoring mechanisms for the implementation and compliance of labor laws and regulations in the fishing industry and promote fair recruitment and work-friendly environmental practices for the private sector.
8. Increased monitoring for the implementation of rules that already promote the fulfillment of human rights throughout the supply chain.
9. Introduce mandatory human rights due diligence by companies and establish comprehensive guidance on this.
10. Involvement of multi-stakeholders such as civil society organizations working at the grassroots and following up on reports provided.

#### **Fishing company:**

1. Companies should have an understanding of their supply chains, to monitor and address potential human rights violations throughout the company's upstream to downstream processes
2. Adopt human rights due diligence in company policies and public disclosure.
3. Develop an effective grievance and whistle-blower mechanism, in line with the UNGPs and other regulations, consult with stakeholders, ensure the reporting mechanism is accessible to all workers in the supply chain with security and without fear.
4. The company should conduct comprehensive mapping and monitoring of the *supply chain*, to know exactly the business processes in the chain to identify which chains are at high risk of potential human rights violations, so that it can take action to mitigate these risks. The company is also responsible for introducing, reviewing and implementing robust human rights due diligence measures throughout the supply chain. The collaborative role of multi-stakeholders such as CSOs and trade unions is needed in realizing human rights due diligence.

#### **Civil society organizations and academics:**

1. Civil society organizations and academics need to support governments and companies in identifying, monitoring and assessing actions taken by companies and governments to prevent human rights violations and ensure that no human rights violations occur.
2. Civil society organizations need to conduct studies on the fulfillment of human rights in supply chains directly connected to companies in a balanced, continuous manner, and mainstream responsible business issues.

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# LIST OF APPENDICES

Appendix 1 List of fresh and frozen fish processing companies in Indonesia that meet the research criteria

Fresh or frozen packaged fish

Fresh or frozen packaged fish						
No.	Company name	Number of product or service categories traded	Number of employees	Turnover (USD)	Country	City
1	Pt. Central Proteina Prima Tbk - Cp Prima	5	2041	486592180	Indonesia	South Jakarta
2	Pt. Centralpertiwi Bahari - Cpb	1	1806	226579500	Indonesia	Jakarta
3	SEKAR BUMI, PT TBK	4	1022	134819859	Indonesia	South Jakarta
4	Pt. Suri Tani Pemuka - Stp	2	125	81566200	Indonesia	South Jakarta
5	DUA PUTRA UTAMA MAKMUR, PT TBK	3	218	54179840	Indonesia	Pati
6	Pt. Dharma Samudera Fishing Industries Tbk - Dsfi	6	550	47906194	Indonesia	Jakarta
7	PT. KIRANA FOOD INTERNATIONAL	3	1000	37409000	Indonesia	East Java
8	PT. SYAM SURYA MANDIRI	1	600	22445400	Indonesia	East Kalimantan
9	PT. LAURA INDO	1	600	22445400	Indonesia	South Sumatra
10	INDU MANIS, PT	1	500	18500000	Indonesia	Gresik

Source: compiled from Tradmap.com





Appendix 2 List of fresh and frozen fish processing companies in Vietnam that meet the research criteria

Fresh or frozen packaged fish						
No.	Company name	Number of product or service categories traded	Number of employees	Turnover (USD)	Country	City
1	C.P. Livestock Vietnam Corporation - Cpv	6	16000	2071345140	Viet Nam	Bien Hoa
2	Sao Mai Group Corporation - Sao Mai Group	6	42	382971158	Viet Nam	Long Xuyen
3	MINH PHU HAU GIANG SEAFOOD JOINT STOCK COMPANY	1	6000	378983419	Viet Nam	Hau Giang
4	I.D.I International Development And Investment Corporation - I.D.I Corp	6	2000	332470969	Viet Nam	Cao Lanh
5	Southern Fishery Industries Company Limited - South Vina Co.,Ltd	1	1000	280366695	Viet Nam	Can Tho
6	Soc Trang Seafood Joint Stock Company - Stapimex	1	3500	253314443	Viet Nam	Soc Trang
7	QUOC VIET SEAPRODUCTS PROCESSING TRADING & IMPORT - EXPORT CO., LTD	2	2750	215000000	Viet Nam	Ca Mau

Appendix 2 List of fresh and frozen fish processing companies in Vietnam that meet the research criteria

Fresh or frozen packaged fish						
No.	Company name	Number of product or service categories traded	Number of employees	Turnover (USD)	Country	City
1	C.P. Livestock Vietnam Corporation - Cpv	6	16000	2071345140	Viet Nam	Bien Hoa
2	Sao Mai Group Corporation - Sao Mai Group	6	42	382971158	Viet Nam	Long Xuyen
3	MINH PHU HAU GIANG SEAFOOD JOINT STOCK COMPANY	1	6000	378983419	Viet Nam	Hau Giang
4	I.D.I International Development And Investment Corporation - I.D.I Corp	6	2000	332470969	Viet Nam	Cao Lanh
5	Southern Fishery Industries Company Limited - South Vina Co.,Ltd	1	1000	280366695	Viet Nam	Can Tho
6	Soc Trang Seafood Joint Stock Company - Stapimex	1	3500	253314443	Viet Nam	Soc Trang
7	QUOC VIET SEAPRODUCTS PROCESSING TRADING & IMPORT - EXPORT CO., LTD	2	2750	215000000	Viet Nam	Ca Mau



8	Nam Viet Corporation - Navico	1	3822	177073527	Viet Nam	Long Xuyen
9	Camau Seafood Processing And Service Joint-Stock Corporation - Cases	2	2900	156306375	Viet Nam	Ca Mau
10	PHUONG NAM COMPANY LIMITED	5	2700	152830300	Viet Nam	Soc Trang

Source: compiled from Tradmap.com

Appendix 3 List of fresh and frozen fish processing companies in Thailand that meet the research criteria

Fresh or frozen packaged fish						
No.	Company name	Number of product or service categories traded	Number of employees	Turnover (USD)	Country	City
1	Thai Union Group Public Company Limited - Tu	4	1806	4183246383	Thailand	Muang
2	MARINE GOLD PRODUCTS LIMITED	1	3000	225672457	Thailand	Muang
3	Seafresh Industry Public Company Limited - Cfresh	1	2000	219699535	Thailand	Muang
4	KF FOODS LIMITED	3	2362	143617325	Thailand	Muang
5	OKEANOS FOOD COMPANY LIMITED	1	3100	117778384	Thailand	Yan Nawa
6	THAI UNION SEAFOOD COMPANY LIMITED	1	1700	115746584	Thailand	Singha Nakhon
7	MAY AO FOODS COMPANY LIMITED	1	1300	90877656	Thailand	Bang Khun Thian

8	SIAMCHAI INTERNATIONAL FOOD COMPANY LIMITED	1		82403053	Thailand	Muang
9	SEA WEALTH FROZEN FOOD COMPANY LIMITED	1		81560342	Thailand	Yan Nawa
10	THE THAI ROYAL FROZEN FOOD COMPANY LIMITED	1	1100	81477989	Thailand	Muang

*Source: compiled from Tradmap.com*





**P R A K A R S A**

Welfare Initiative for Better Societies

The PRAKARSA is a research and policy advocacy institution, a “think and do tank”, based on civil society organizations. Prakarsa established to create a democratic, just, and prosperous society through ideas development, policy and institutional reforms, and evidence-based problem-solving innovations. The PRAKARSA focuses on fiscal policy, social policy, and sustainable development issues.

We conducts research activities, policy analysis, and training on a wide range of topics related to welfare issues. In executing its various activities, The PaRAKARSA consistently adopts collaborative and engagement approaches to collaborate with varied parties: governments, parliaments, civil society organizations, universities, think tanks, international organizations, private sectors, development donor agencies, and mass media.

We believe that this multi-stakeholder approach will strengthen our works and initiatives in the knowledge production and dissemination as well as the evidence-based policymaking process. We also believe that networking will facilitate and reinforce one another. Therefore, we have received support from various donors and participated in multifarious initiatives with The PRAKARSA partners.

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