Cost of a Catch
Systemic Forced Labor and other Abuses in the Fishing Sector
Introduction

Human trafficking and other human and labor rights abuses are widespread in the global seafood sector. The US Department of State notes risk of human trafficking in over 30 countries in its 2015 *Trafficking in Persons Report*. These abuses can be found at all levels of the seafood supply chain, from vessels, to aquaculture farms, to processing plants.

The seafood sector, which includes fishing, aquaculture, and fish processing, is one of the world’s fastest growing industries. Over 58 million people work in seafood, more than half of them full-time. Over 84 percent are in Asia, with another ten percent in Africa.

Along with the expansion of the seafood sector has come an increase in illegal, unreported, and unregulated (IUU) fishing of wild fish stocks. IUU fishing refers to all activities in defiance of legal and regulatory controls, including activities such as fishing without a license, in a closed area, with prohibited gear, in excess of a quota, and/or taking of prohibited species. IUU fishing has contributed to sharply declining world fish stocks through overfishing, which in turn has led vessels to undertake longer and longer voyages in order to find fish, thereby increasing the vulnerability of workers, who are stuck aboard for longer and longer periods of time. As fishing jobs have become less appealing to potential workers, due to long hours and poor conditions, and as catching fish has become more labor-intensive due to the declining resource base, the resultant shortages of workers have led some employers to turn to deception and force to access the labor needed to remain profitable.

Labor abuses are not limited to the “at sea” segments of seafood supply chains. Abuses have been documented in unloading and sorting dock and port work, processing of feed and packaging, and on fish farms as well.
on fish farms as well. However, while the land-based segments of supply chains lend themselves more easily to traditional compliance approaches, at-sea segments present special obstacles to company compliance efforts – such as building management systems and monitoring labor standards. Ensuring that long-haul fishers have access to grievance mechanisms despite their isolation at sea, and regulating highly informal recruitment and hiring, usually through unregistered brokers, are uniquely challenging. Verité has been helping companies navigate these challenges by tailoring monitoring and capacity building to strategies to the realities of the industry.

The Problems

**Trafficking and Abuse of Migrant Labor:** Migrant labor is increasingly used in the seafood sector as a means to address local labor shortages and reduce costs. Fishers are generally recruited in their home villages or ports, and a worker may pass through a series of agents, each adding an additional debt burden through fees for their services. This recruitment-related debt burden can act as a binding force for fishers, preventing them from resigning or advocating for better conditions, for fear of losing their jobs. Working conditions are often obscured until the migrant is on board the vessel, possibly already in international waters, with no means of recourse. All workers on fishing vessels, including migrant workers, are routinely required to surrender identity documents such as passports, thereby restricting their freedom of movement in foreign ports. Although some larger vessels can stay at sea for a year or more at a time, lack of access to legal documentation can powerfully inhibit a worker’s ability to escape, even if he does gain access to port.

Specific recruitment and hiring schemes for fishing vessels are highly dependent on local context, the size of the boat, and the type of fishing undertaken. Fishers employed on larger boats may have relatively formal employment agreements with the captain of the vessel or fleet owners, but written contracts or work agreements are very rare. Workers may be recruited through formal or informal labor recruiters, to whom they owe debt for their job placement. Often, workers recruited through brokers will have no advance knowledge of their actual eventual employer, with whom they may be required to spend months, or even years, at sea, in a state of total dependence on them for access to food and even drinking water.
In Thailand, the systematic reliance of the fishing sector on trafficked migrants from Cambodia, Myanmar, and Indonesia has been well documented. Recent media stories and NGO reports – including unpublished Verité research – have documented horrific abuses of these migrants at the hands of Thai vessel captains. Many migrants to Thailand pay fees to brokers who promise high-paying jobs in construction or manufacturing, only to find themselves sold to boat captains upon their arrival. There have been many accounts of such workers being subjected to extreme violence, inhumane, and hazardous conditions, and up to 20 hours a day of forced work. Some have been locked in chains and kept at sea for years. In one case documented in Bloomberg News, an Indonesian man sought work through an employment agency in Jakarta specializing in placing crews on foreign fishing vessels. Promised a relatively high salary, he borrowed money to pay a fee to secure his job. The labor agent rushed him through a contract in English, which he could not read. The contract compelled the worker to surrender 30 percent of his salary, which he would forfeit unless he completed his contract. He was to be paid nothing for the first three months of work, and if he did not perform work to the fishing company’s satisfaction, he could be sent home and charged for airfare. He was required to work as many hours as required by the boat captains. In this case, the worker was on a South Korean owned vessel operating in New Zealand waters, illustrating the complexity of relevant jurisdiction, and the challenges involved in trying to reign in such abuses through legal regulatory frameworks.

Trafficking of migrants for work on fishing vessels is not limited to the Southeast Asia region. For example, in the Sea of Okhotsk, to the east of mainland Russia, two illegal crabbing vessels run by organized criminal organizations have made use of workers trafficked from Ukraine by labor recruiters. There has been documented abuse of Filipino and Nigerian workers in UK fishing enterprises as well. In Japan, labor exploitation has been identified in the seafood sector in conjunction with the Industrial Trainee and Technical Internship Program. Workers are initially recruited and hired by labor brokers in their home country, and workers in the training program often pay substantial fees to secure their jobs, leaving them vulnerable to bonded labor, even though such fees are technically illegal.
Casual/Irregular Labor: The use of casual or irregular labor in seafood work also contributes to the likelihood of labor abuses on fishing boats. In Verité’s experience, even on large-scale vessels, contracts or work agreements are nearly non-existent, leading to a lack of formal protection for workers. Further complicating employment relationships in fishing, payment on both large and small fishing vessels is often based on the traditional “share” system, in which worker pay is based on an allotment of net proceeds from the catch after expenses for output (food, fuel, etc.) are deducted. Under the “share” system, workers are considered ‘partners’ in the fishing venture rather than employees, and are therefore denied legal protections available to other classes of workers. The “share” system also means that crew members must share in the risks normally associated with being owners. If a voyage does not clear a profit, workers may not be compensated at all, leaving them vulnerable to debt.\textsuperscript{12}The many fishers who are paid under some version of the “share” system often lack visibility into the calculation of boat profits, and therefore of their wages. For example, workers interviewed by Verité in the Philippines’ tuna sector noted that they are barred from observing the catch being weighed, leaving them reliant on employer honesty, with many workers at least believing that they are being cheated in the payment of their wages.\textsuperscript{13}

On land, fish processing facilities have also grown increasingly reliant on “casual” labor rather than permanent employees, with owners and managers taking advantage of the flexibility informal arrangements afford them to respond to lower and more unpredictable catches. For example, Verité research into the tuna sector in the Philippines found that canning facilities have shifted to hiring nearly all of their workers through labor cooperatives, a change that provides them with a highly flexible labor pool and allows them to avoid direct employment relationships and the costs of benefits for workers that direct relationships would entail. The growing casualization of the canning work force has had a particular impact on women, who make up the bulk of the canning workforce and are often the wives or female family members of the fishers. Workers employed through employment agencies face constant labor insecurity, as their contracts generally range from five to six months. Workers employed by cooperatives also face job insecurity, since one of the requirements for them to maintain their cooperative membership is to keep themselves employed. They may reapply at the end of each employment period, but there is no guarantee they will be re-hired. Due to the decrease in catch due to overfishing, employees across the tuna sector in the Philippines expressed fear that voicing any grievance would result in their being “black-listed” from the entire industry, a fear that seriously limits workers’ capacity for self advocacy. In areas such as the General Santos Region of the Philippines, where the fishing sector represents the vast majority of economic activity, the threat of black-listing is experienced as a severe menace.\textsuperscript{14}
Hazardous/Undesirable Work: The International Labour Organisation (ILO) identifies fishing as a highly hazardous sector. Fishers on vessels routinely face hazards and conditions of work that are exacerbated by poor weather conditions, a constantly moving work environment and the lack of medical care on the open water. While on board, fishers are routinely exposed to sun and salt water without protective clothing, slippery/moving work surfaces, malfunctioning gear, regular use of knives/other sharp objects, entanglement in nets, large waves, inadequate sleeping quarters, inadequate sanitation, and a lack of fresh food and water. Should someone become ill while on board a vessel, it can be difficult to seek medical care in a timely manner. When setting nets or hauling in a catch, workers may be required to work around the clock without breaks for days. Collisions or shipwrecks are also a risk.

Fishing crews are generally overseen by a captain or boss. The captain or boss has a high financial stake in a profitable voyage, incentivizing abusive management practices including actual or threatened physical abuse (hitting, violence with weapons, denial of rest), verbal abuse (yelling, threats), and other forms of intimidation. In some cases, captains may force or encourage workers to use amphetamines or other drugs as a way to combat fatigue. Crew members have reported witnessing murders of crew members at the hands of bosses.

Fish and shrimp processing workers also face a high exposure to hazardous work conditions. Previous studies of these worksites have identified a wide variety of risks, including mechanical and electrical accidents, excessive noise levels, extreme cold, aggravation of respiratory conditions including asthma, skin and eye infections, and musculoskeletal injuries. Workers may also be exposed to “bioaerosols containing seafood allergens, microorganisms and toxins.” Workers in shrimp processing facilities in Bangladesh interviewed by Verité reported being denied access to bathroom facilities for entire shifts, which can cause urinary tract infections and gastrointestinal disorders.

Unique Vessel Identifier

Being able to track fishing vessels in spite of changes in ownership, flags, or vessel name is crucial for supply chain mapping and controlling risk of IUU fishing and human rights abuses. However, there is no universal record of fishing vessels. Vessels over 100 tons are required to have an IMO number which is unique to a vessel over its life time. However, the vast majority of the global fishing fleet is exempt from this requirement due to their relatively smaller sizes. Though there have been repeated calls for a mandatory global registry, progress appears to be stalled.
Workers aboard fishing vessels are inherently isolated. Fishing vessels, particularly those involved in long-distance fishing, are increasingly able to stay at sea for long periods of time – even up to several years. Rather than regularly docking, these vessels can “transship” caught fish and fuel via smaller runner vessels. This may mean that the crew of these ships have no access to port, leaving them unable to escape, report abuse, or seek assistance. While aboard vessels, workers rarely have access to means of communication with the outside world. They are often out of reach of cell phone communication, and may be barred from using other onboard communication devices such as radios or satellite phones. Depletion of fish stocks may also contribute to longer voyages, as vessels journey further and further from port, leaving workers on board for longer periods of time. Verité research has found that in some cases, vessel operators deceive workers regarding the length of the voyage or the geographic itinerary, sometimes taking crews into illegal fishing zones or the sovereign waters of other countries, where they may unwittingly be vulnerable to detention or arrest if caught.

**Long, Complex, Non-Transparent Supply Chain:** The long, complex, and varied nature of seafood supply chains decrease transparency and increase the risk of labor abuses in the sector. Fish and shellfish are harvested in open waters or raised via aquaculture in ponds, tanks, or bounded coastal waters. After harvest, fish are packed and transported to processing facilities or wholesalers. Processors convert the fish to consumer products such as canned, frozen, or smoked products, and fillets or other fresh products. Some fish may pass through multiple levels of processing, while others, such as certain kinds of shellfish, are transported live. Wholesalers receive both processed products, as well as more minimally processed fresh fish, from both foreign and domestic sources. The wholesalers then distribute the products to retailers and restaurants. Some fish products and by-products are not used for human consumption, but are instead used in fish and animal feed. Product is co-mingled at many levels, including during transshipment, in port markets/auctions, and by brokers and wholesalers. All of these different sites and processes are associated with specific challenges for companies seeking to bring their supply chains into labor compliance.
The Solutions

While the challenges associated with seafood supply chains present a number of challenges, there are concrete steps that companies can take to lessen the risk of labor abuses in the production of their goods.

1. **Map the supply chain:** Supply chain mapping allows a company to trace the chain of custody – and points of accountability – at all levels of production, from harvesting or procurement of raw materials, to processing and packaging, to sale. The supply chain for each product – including growers, processors or manufacturers, suppliers, vendors, agents, traders – will be unique, so supply chain mapping should be conducted on a product by product (or service) basis. Identifying first tier or “direct” suppliers is a straightforward process, but it can be more challenging to identify the suppliers’ suppliers, and then their suppliers, comprising the second, third, (etc.), tiers of the supply chain.

Most seafood companies already conduct some version of supply chain mapping or traceability mapping as part of commercial transactions or contracts and to comply with food safety regulations. In recent years, there has also been an emphasis on product traceability as a means to combat IUU fishing. That said, unless companies are working in a vertically integrated supply chain, most seafood companies currently only have visibility into where their product came from or is going to “one level up/one level down,” (levels typically documented through Purchase Orders (POs), invoices, bills, and landing lots.) Comprehensive mapping of a seafood supply chain would enable a company to trace product back to the original vessel or farm that harvested the fish – where risk of abuse is highest. For some companies, this may include tracing the suppliers of key inputs to final products – like the fish processed into fishmeal used in aquaculture farming. Identifying these sub-tier suppliers can help companies know where to focus their attention when they assess risk.

2. **Provide fishers with a grievance/communication mechanism:** When workers are at sea for long periods, they likely lack any means of communicating with their family or other support in the case of an exploitive or dangerous situation. Communication technology options for the high-seas are evolving rapidly, so staying abreast of and taking...
the opportunity to pilot new technologies should be a priority for companies. Port-based hotlines can reach workers when they return from voyages. Project Issara (http://www.projectissara.org/), for example, provides information for migrant workers in Thailand on labor rights, government registration, and processes, and allows them to report cases or seek assistance via a hotline.

3. Prevent unethical recruitment and hiring. As in other sectors with a high incidence of migrant workers, it is crucial that employers take action against unethical recruitment and hiring by labor providers. Particular priority should be given to remediating issues that increase a worker’s vulnerability to forced labor. Towards that end, companies should systematically work to eliminate recruitment and employment fees charged to workers by screening unethical labor providers, rewarding responsible providers with business, and monitoring the practices of any third-party contractor. Employers must ensure that workers are not in any way restricted in their access to their personal documents, and that they are paid in full and on time.

• Eliminate recruitment costs charged to workers: By establishing a no-fees policy, companies can ensure that workers do not become indebted as a result of finding a job. A no-fees policy should be a requirement in the company Code of Conduct, included in monitoring criteria, and an important consideration in the continuation of the business relationship with any supplier. Given the almost complete absence of demonstrated compliance with no-fees practice in the recruitment industry, robust assessments of recruiter capability and commitment to implement such policies must be undertaken by buyers. Companies should also require that workers be reimbursed for any recruitment fees that are illegal or in violation of the company no-fees policy. This practice returns money due directly to vulnerable workers, allowing them to escape from loans and recover family collateral.

• Ensure that workers retain possession of their personal documents: In order to guarantee workers’ freedom of movement, companies should ensure that the workers themselves maintain possession of their own passports and other identity documents. Employers should be required to provide such means as secure personal storage to ensure workers are never compromised in their ability to leave a vessel – or other workplace – at will. In Verité’s experience, prohibiting passport retention altogether is
the best course of action to ensure that workers’ freedom to leave an unfair, unsafe or inhumane job is never compromised.

- **Pay workers in full and on time:** As in other sectors, wage and payment structures should be clearly documented in contracts and verbally explained as appropriate in a language each worker understands. Waged fishing workers should be paid at least once a month, per the ILO’s Maritime Labour Convention. Workers should receive clear written accounts of payments due and amounts paid, including any exchange rate used and interest accrued. Payment records should be endorsed by both the worker and the captain or skipper. Any interest charged in cash or in-kind advances provided while workers are on-board should be minimal, and interest rates should be posted publicly. Fishers participating in a share system should have the way they will be paid clearly documented before leaving port, and should be able to witness any weighing and grading of the catch that impacts their earnings. Finally, fishers should be provided with means to transmit earnings to their families or other dependents while at sea.

4. **Develop systems for managing risk associated with informal labor brokers and small-scale employers (i.e. captains or skippers of small vessels):** Verité research has found that informal labor brokers and employers in particular are associated with abuses of workers on vessels. Although informal brokers and employers will be more difficult to monitor, and cannot be expected to have mature management systems in place, they may nevertheless be held accountable to basic standards of ethical practice. Captains or skippers on smaller vessels, for example, will likely not have formal payroll documents. However, they should be required to maintain basic documentation, such as handwritten records of when and how much workers were paid. Ultimately, all employers should have a transparent system that documents: the amount of work a worker performs; the wage system; how many hours worked or quota units completed; what overtime wages are if applicable; what deductions may have been made; and how much money is due and paid out per pay period. Workers should be able to receive some sort of pay-slip, even if handwritten, which both the worker and the boat captain can confirm is accurate.

Similarly, although informal brokers will not be able to produce copies of their legal registration, they can commit to not charging worker fees and to accurately explaining terms and conditions of work to job seekers. While informal brokers may not be able to
guarantee ethical behavior by brokers in sending countries, they can commit to asking simple questions of prospective workers to determine potential debt burdens. Finally, in supply chain segments where broker registration systems are weak or non-existent and informal brokers predominate, companies can move progressively towards direct hiring and/or contracting with brokers whose performance (through monitoring) has been determined to be ethical and legal.

5. **Consider and advocate for alternate methods of monitoring vessels:** Unlike fixed-site workplaces like processing plants or aquaculture farms, vessels, particularly those at sea for months, can be difficult to monitor. Technologies like Vessel Monitoring Systems (VMS) present a relatively low cost, satellite-based method of monitoring fishing vessels and their activities while at sea. While VMS or similar technology cannot on its own provide information on the working conditions on board a vessel, it can be used to indicate IUU fishing (which is associated with human rights abuses) and signal when vessels are remaining at sea for long periods of time without allowing crew members access to port. While VMS is not required for fishing vessels in most fisheries, companies can require that their supplying vessels opt-in to monitoring. The adoption of Unique Vessel ID numbers will also be crucial for long-term vessel monitoring.

6. **Integrate sea-farer specific standards into company code of conduct and auditable standards:** The International Labour Organisation (ILO) is the UN agency that sets internationally recognized labor standards. The ILO is a social partnership of governments, employers and trade unions. In 2007, the ILO adopted the Work in Fishing Convention (c188), which sets minimum satisfactory conditions for employment in the fishing sector. The convention sets standards for health, safety and medical care at sea, appropriate work and rest hours while at sea, and requirements for work agreements. Another Convention, the ILO Maritime Labour Convention, is not specific to fishers, but sets standards for seafarers more broadly, including on-board living conditions, pay schedules, work and rest hours, repatriation requirements, and access to medical care. Even in fisheries where these conventions have not yet been ratified, supplier agreements should be aligned with these requirements.
Who is Verité?

Verité, headquartered in Amherst, MA, is a global, independent, non-profit organization which provides consulting, training, research, and assessment services with a mission to ensure that people worldwide work under safe, fair, and legal working conditions. Since its inception in 1995, Verité has partnered with hundreds of multinational companies, suppliers, and international institutions across multiple industry sectors to improve working conditions and overall social and environmental performance within global supply chains.

Our work to align business and social impact has earned us recognition in the social entrepreneurship space, including an award as the Social Entrepreneur of the Year in the US for 2011 by the World Economic Forum-affiliated Schwab Foundation. Verité’s programs have been conducted in over 60 countries across Asia, Europe, and North and South America and across multiple sectors, including electronics, apparel, footwear, agriculture, food, hard goods, and toys.

Verité gathers information globally about labor practices, and makes this analysis available to investors, as well as to companies, suppliers, governments, NGOs, and trade unions. Our focus is on human rights and labor rights in the production of consumer goods and sourcing of raw materials. We conduct assessments that truly illuminate working conditions for companies, suppliers, and other stakeholders in global supply chains, and support this through trainings that effectively build the skills of managers, workers, and auditors.

As an NGO, Verité is recognized for its independence and unique credibility, as well as the usefulness of our information to businesses. Information is sourced from workers, NGOs and trade unions, and interpreted to help businesses reduce social risk in their supply chains.

From original research funded by the US federal government, Verité has published reports on indicators of forced labor in the Philippines tuna sector, the Indonesian small-scale fishing sector, and the Bangladesh shrimp sector. We have also conducted research on the recruitment mechanisms of migrants from Myanmar/Burma to the Thai shrimp sector and on the intersection of human rights, IUU fishing, seafood fraud, and organized crime in Ecuador.
Verité is currently working with large retailers and suppliers to audit and remediate forced labor in seafood supply chains in Thailand.

In October 2013, Verité – in partnership with Humanity United and the US Department of State – also convened a workshop on human rights abuses in the seafood sector; another workshop focusing specifically on recruitment and trafficking in fishing was convened in Bangkok in September 2015.

References


