

FISH FOR EXPORT:

Working in the wild capture seafood industry in Indonesia



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"Keeping Hygienic" (Photo by Jeremia Prasetya)

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Executive Summary

Indonesia is the world's second largest producer of seafood after China and lands the most wild-caught tuna in the world. In 2018, seafood exports, primarily to the US, Japan and the EU, amounted to USD\$5 billion. Tuna – Indonesia's most valuable export – quadrupled in value between 2000 and 2016 to US\$569 million per annum. Since 2014, President Joko Widodo and Minister of Marine Affairs, Susi Pudjiastuti, have embarked on a far-reaching and internationally hailed programme to professionalise the industry. This has included introducing new protections of fishers, activities to improve the livelihoods of small-scale fishers in a sustainable way, technologically advanced as well as robust action to tackle illegal fishing, inviting foreign investment in export-related infrastructure and advocating for the reduction of international import tariffs.

This research explored the employment conditions of fishers and factory workers processing wild catch for export. We interviewed almost 200 fishers, factory workers, governmental and non-governmental stakeholders, suppliers, recruiters, global retailers and buyers in ten different ports and factory processing sites in Indonesia. We sought to produce robust evidence-driven recommendations to help brand-owners, buyers and suppliers based in the EU and US to better understand where and how they can address any labour abuse risks within their supply chains in Indonesia. The research team also aimed to work with the Indonesian government which has made this issue a priority. To our best knowledge, this is the first study to publish an in-depth review of employment practices within the Indonesia wild catch export industry. The research was led by Dr Katharine Jones, Centre for Trust, Peace and Social Relations (CTPSR), Coventry University in partnership with the Issara Institute, Centre for Sustainable Ocean Policy, Universitas Indonesia and IOM Indonesia. The research was funded by British Academy, the UK's national body for the humanities and social sciences, through the joint BA/DfID Programme, 'Tackling Slavery, Human Trafficking and Child Labour in Modern Business'. A separate briefing paper targeted at global retailers and buyers has been produced by project partner, Issara Institute.

Findings on Recruitment

Most recruitment of fishers is conducted informally through Captains, social networks, and 'walk-ups'. *Calo* (brokers) are also utilised by Captains and companies where the above generates insufficient crew members. *Calo* can be responsible for exporting fishers through deducting money from their *kas bonn* payments (cash advance), charging for accommodation and other items. Particular problems were noted around Benoa harbour where the *preman* ('gangsters') were also involved in the recruitment business. *Calo* were additionally sometimes given a 'labour enforcement' responsibility by companies to guarantee that fishers do not leave without paying back their *kas bonn*. *Calo* were also sometimes given the responsibility by companies of disbursing fishers' payments at the end of a voyage, which provided an extra opportunity for extortion.

How factory workers were recruited depended on whether the workforce was local or were internal migrants. Where the factory was able to recruit from the local community, companies tended to informally advertise opportunities via the existing workforce. They also used banners at the factory gate. In addition, significant numbers of individuals migrate to areas where there are known to be job opportunities in processing factories, for instance around Muara Baru port. There, factory representatives were easily able to informally advertise opportunities in the surrounding neighbourhoods where internal migrants live. Where factories had to find workers from further afield, they tended to use – and pay for – the services of a recruitment/outsourcing agency. We did not find any evidence that factory workers were charged recruitment fees.

Findings on Contracts & Earnings

Very few fishers had been provided with a written work agreement (PKL) as required by law, and only very few fishers were paid a salary, also as required by law. For the most part fishers were still paid a share from the sale of the catch ('profit-share'). Such payments (made at the end of the voyage) lacked transparency. Multiple deductions were made (for supplies, *kas bonn* advance, *calo* costs) which further obscured what fishers have been paid. Crew were also deducted the cost of operational supplies (e.g. oil, fishing nets) even where the vessel was owned by a company. Fishers we interviewed were often in a perpetual cycle of paying back personal debt (*kas bonn*) and operational (vessel) debt incurred if the catch was not good.

In factories, we found overwhelming use of short fixed-term contracts over long periods of time, contrary to the law. We also found a high use of day labour, especially in the port areas, where agreements were made verbally and payments were made on a piece-rate basis. We also found evidence of the use of outsourcing of entire workforces in factories. Generally speaking, working conditions appeared to be worse in these cases. Widespread non-compliance with legally mandated provincial or city minimum wages in factories appeared to be common.

Working Conditions

Conditions on board vessels were variable dependent on the Captain, company and/ or seaworthiness of the vessel. Fishers we interviewed usually had sufficient to eat and had access to fresh drinking water, although commonly lacked hygiene facilities and appropriate sleeping areas. As is common in fishing, sometimes there were long hours involved in voyages and fishers had little sleep. Physical violence on board appeared to be relatively isolated, although verbal admonishments were reported to be common. Implementation of the regulation requiring fishers to have basic safety training (BST), a seaman's book, and sea working agreement was not yet in evidence. Nor was the much-vaunted vessel level human rights certification. Although companies, Captains and Harbourmasters had heard of the latter regulation, there was widespread lack of knowledge about what it meant. Moreover, fishers did not (yet) appear to be obtaining access to health and life insurance as required under the new laws. Worryingly, we also found some evidence that Captains were retaining crew ID cards until the *kas bon* is repaid.

Fishers and factory workers who participated in the research had a low awareness of their legal rights. Fishers in particular were not aware that they were entitled to be paid a legal minimum wage and to have a written sea working agreement (PKL). We found trade unions to be virtually absent in fishing, lacking the financial and physical resource to organise, advocate for and / or do legal casework for domestic fishers. They however recognised the urgent need to so and were keen to embark on this.

For factory workers who had written fixed-term contracts, working hours appeared to be more or less respected. For day or outsourced workers paid by piece-rate, extremely long working hours were common. Access to leave was reported to be variable and menstral leave commonly reported to be denied by employers regardless of the type of contract. We found that trade unions were present in some factories, but that their ability to organise and to represent workers was variable dependent on the company. We also heard cases where the employer had dismissed the entire workforce when they had tried to

organise. We found no discernible evidence of access to company grievance mechanisms for either fishers or factory workers.

International sourcing by US and EU buyers and retailers

When asked about their sourcing practices from Indonesia, buyers and retailers who participated in the study reported lacking labour related intelligence outside of the typical audit compliance framework. Ethical trade and responsible sourcing teams voiced concerns that there may be serious labour issues in Indonesia. They reported not yet receiving concrete information and details needed to elevate risk levels and drive greater attention to the working conditions in the industry. Worker voice, as the primary source of information or verification, was largely reported to be absent. Responsible recruitment practices, which have been gaining attention by global buyers in other Asian countries such as Thailand, Malaysia, and the Philippines, is not yet receiving much attention in the Indonesian seafood industry. Responsible sourcing teams reported not knowing the recruitment practices of their suppliers nor if this should be a concern.

Supply chain visibility and traceability was also a significant concern for responsible sourcing from Indonesia. Some buyers expressed very serious concerns regarding labour conditions on Indonesian vessels and at Indonesia ports, the vessel conditions, and vessels operating under other flags. Risks were also associated with the species being sourced. However, some of those importing tuna were working in partnership with the International Pole & Line Foundation and an Indonesian pole and line association (AP2HL), and therefore working hard to improve social and environmental conditions. Buyers noted greater confidence on reducing sourcing risk when partnering with on-the-ground organizations.

The ability to assess working conditions aboard vessels was also highlighted as a labour concern. Media has highlighted the plight of foreign migrant workers trafficked in Indonesian waters and risk regarding Indonesian fishermen trafficked on to boats in Africa and Northeast Asia. Responsible sourcing teams were hopeful that various technology and worker voice tools could help identify and address vessel-level labour conditions.

Conclusions & Recommendations

- Our focus for this report is action which we believe the Indonesian government – rather than international business – can take. Our recommendations for business are addressed in a separate briefing paper. Our view here is that the Indonesian government has already taken some critical steps to improving the protection and rights of fishers. We applaud and welcome those steps. Our proposed recommendations are intended to advance the process which has already begun. We draw attention to two main conclusions from our findings. Firstly, that in many cases, the right legal framework is in place – both for the protection of fishers as well as for protection of factory workers. There is a lack of implementation and enforcement of many of these laws however. Secondly, hampering the ability of fishers in particular – but also factory workers – to secure their rights under the legal framework, is a lack of access to trade unions and other forms of worker organisations. We recommend that the Indonesian government should:
1. Establish a Presidential inter-agency Task Force to Protect & Empower Fishers with an overarching mandate to develop, implement and coordinate regulation – including enforcement – on all matters pertaining to the protection and empowerment of fishers. At a minimum, the Task Force should include representatives from the Ministry of Marine Affairs and Fisheries, Ministry of Manpower and Ministry of Transportation.
 2. As a matter of priority, the Task Force to Protect & Empower Fishers should enforce the implementation of the PKL (sea working agreement).
 3. The Task Force should provide companies with written guidance (or an amendment to the regulation drafted if deemed necessary) to clarify that they must pay fishers the relevant legal minimum wage rate.
 4. The Task Force should draft an amendment to the current regulation to require companies to provide fishers with a written receipt which itemises: *kas bon*, deductions, salary, premi, any allowances.
 5. The Task Force should issue new regulation to clearly restrict the use of *calo* to recruitment only. Any 'guarantee' or 'enforcement' role should be prohibited along with any role in disbursing *kas bon* or wages. *Calo* should be prohibited from charging fees (in any form) to fishers. In the long term, the Task Force (with the Ministry of Manpower) should look to formalise the use of *calo* in fishing as recruiters currently are for (international) migrant fishers and for seafarers.
 6. The Task Force should provide written guidance to companies clarifying that vessels containing more than 10 crew can be legally considered workplaces for the purpose of trade union activity and collective bargaining.
 7. The Task Force should develop and implement a programme of work aimed at improving basic literacy and educational levels of fishers.
 8. The Ministry of Manpower should enforce and implement the legal restrictions on the use of fixed-term and outsourced agency contracts in seafood processing factories.
 9. The Ministry of Manpower should provide companies with written guidance to remind them of the statutory duty to pay workers (whichever contract they are on) the relevant legally mandated minimum wage.
 10. The Ministry of Manpower should explore how to provide education opportunities (from literacy to career specific opportunities) to seafood processing factory workers.

1. Introduction

Seafood is big business. It is one of the most traded food commodities worldwide and generates more revenue than meat, tobacco, rice and sugar combined.¹ An increased appetite for fish in western food markets coupled with technological innovation which allows fresh catch to be transported around the globe has quadrupled trade over the past half century.² The European Union (EU), the US and Japan account for around two-thirds of the global value of seafood imports³. For business and for consumers seafood is a success story. However, for our oceans and for the people in the low-income countries catching and processing fish the costs and risks of this global industry are substantial. According to the United Nations, nearly 90 percent of the world's marine stocks are now fully exploited, over-exploited or completely depleted.⁴ And for the past decade, journalists and human rights organisations have reported the trafficking, forced labour and even murder of fishers in the Asia-Pacific.⁵

Why conduct research on working conditions in Indonesia? Indonesia is the world's second largest producer of seafood after China and lands the most wild caught tuna in the world. Less than 10% of Indonesia's wild catch goes for export, with the majority produced for domestic consumption. Nevertheless, since exported sales are significantly more profitable, this 10% amounted to almost USD\$5 billion in value in 2018. Tuna – Indonesians' most valuable export – quadrupled in value between 2000 and 2016, to USD\$569 million per annum.⁶ The US is the primary destination of Indonesia's exports (30%) with exports of seafood increasing 130% in the past five years, followed by Japan (23%) and Europe (13%).⁷ Tuna is exported largely fresh and whole to Japan, or loined and canned to Australia, Hong Kong, the US, the EU, Singapore and South Korea. By volume, skipjack tuna – which is usually canned – accounts for the largest volume of wild capture landing (approximately 25,000 tonnes).⁸ Other than tuna, Indonesia exports wild caught crab, snapper, grouper and sardeles.

This research is timely. In 2014, then incoming President Joko Widodo launched his ambition to transform Indonesia into the world's leading maritime power.⁹ The new Minister of Marine Affairs, Susi Pudjiastuti, set highly ambitious new export production growth targets of up to 80% for the industry. Since then the Indonesian government has embarked on a far-reaching and internationally hailed programme to professionalise the industry. This has included introducing new protections of fishers, activities to improve livelihoods of small-scale¹⁰ fishers in a sustainable

way, technologically advanced as well as robust action to tackle illegal fishing, inviting foreign investment in export-related infrastructure and advocating for the reduction of international import tariffs. Indonesia had long been subject to substantial illegal fishing, primarily by Thai, Taiwanese and Chinese industrial-sized trawlers whose unsustainable and destructive fishing methods had caused a dramatic decline in overall fish stocks.¹¹ Acting on requests from the government, since 2014 the Indonesian navy has impounded and blown up over 400 foreign vessels (owned by Thailand, Taiwan and China) found to be illegally fishing in Indonesian waters.¹² The Indonesian government also banned the use of refrigerated transhipment vessels to which the trawlers had previously off-loaded their catch allowing them to remain sea for longer and to go further.

Targeted at protecting the industry and (successfully) increasing fish stocks, the government's actions also had a significant impact on the Indonesia's fisheries workforce as well as on catch methods and production. Foreign fishing trawlers (some of which were part-owned by Indonesian companies) were crewed by migrant fishers – from Cambodia, Myanmar, Laos and Thailand – as well as those from Indonesia. A 2015 Associated Press investigation directed the world's attention to the Indonesian islands of Benjina and Ambon where 1,300 migrant fishers were rescued from Thai fishing vessels.¹³ Engaged in catching fish which ended up on the shelves of well-known supermarkets, the fishermen had, in some cases, endured years of violence and abuse at the hands of the vessel captains and owners.¹⁴ As of 2019, international migrant fishers are no longer evident in the Indonesian fishing industry which produces for export. In contrast to the situation in neighbouring Thailand, in Indonesia, the seafood workforce – both in fishing as well as in processing – is predominantly Indonesian. Acting quickly in response to international media attention, the Indonesian government ratified ILO 2006 Maritime Labour Convention with a unanimous vote in the House of Representatives in 2016. A series of regulations aimed at protecting fishers followed (see Section 2). Action on tackling illegal fishing has been accompanied by domestic and international investments in sustainability and marine conservation. Between 2007 and 2015, the philanthropic sector provided USD\$113 million in funding and the development aid sector provided US\$84 million in ocean-related grants in Indonesia.¹⁵ As Indonesia hosted the 2018 Our Oceans Conference in Bali, the global centrepiece of governmental commitments to ocean sustainability, the first Indonesian tuna fishery achieved

Marine Stewardship Council Certification standard for sustainable fishing.¹⁶ At the same time, the International Pole & Line Foundation has embarked on helping build Indonesia's global promotion of its sustainably caught one-by-one tuna.¹⁷

This research explored the labour conditions of fishers and factory workers processing wild catch for export. We sought to produce robust evidence-driven recommendations to help brand-owners, buyers and suppliers based in the EU and US¹⁸ to better understand where and how they can address any labour abuse risks within their supply chains in Indonesia. The research team also aimed to work with the Indonesian government which has made this issue a priority. To our best knowledge, this is the first study to publish an in-depth review of employment practices within the Indonesia wild catch export industry.¹⁹ This report documents the findings of the study. Section 2 provides an overview of the seafood industry in Indonesia. In Section 3 we address 1) how fishers and factory workers are recruited, 2) how fishers and factory workers are contracted and what they are paid, and 3) their working conditions. In Section 4 we present a brief overview of global retailers and buyers sourcing from Indonesia. We conclude with a set of recommendations aimed at the Indonesian government which are drawn from our findings. Our collective view is that the government has already taken some critical steps to improving the protection and rights of fishers. We applaud and welcome those steps. Our proposed recommendations are intended to help advance the process which has already begun, while also addressing the need to better support the (largely female) workforce in processing factories. A separate briefing paper has been produced by project partner, Isssara Institute, targeted at global retailers and buyers.

1.1 About the study

The research team aimed to conduct a nuanced exploration of the interactions between seafood workers' (fishers and factory workers) employment conditions, international seafood sourcing mechanisms, implementation of international initiatives on social sustainability, certification and labour rights as well as Indonesian government regulation. We did not set out to look for examples of forced labour and human trafficking which has thus far been the focus of most of the human rights studies on seafood production in South East Asia, in particular in Thailand. This was largely because we

wanted to take a political economy approach to unpacking the national and transnational complexities which impact on employment conditions at local level where workers are engaged in export industries. In addition, we did not think that the same level of egregious conditions existed in Indonesia as in Thailand, especially not in the wake of governmental action against illegal fishing.

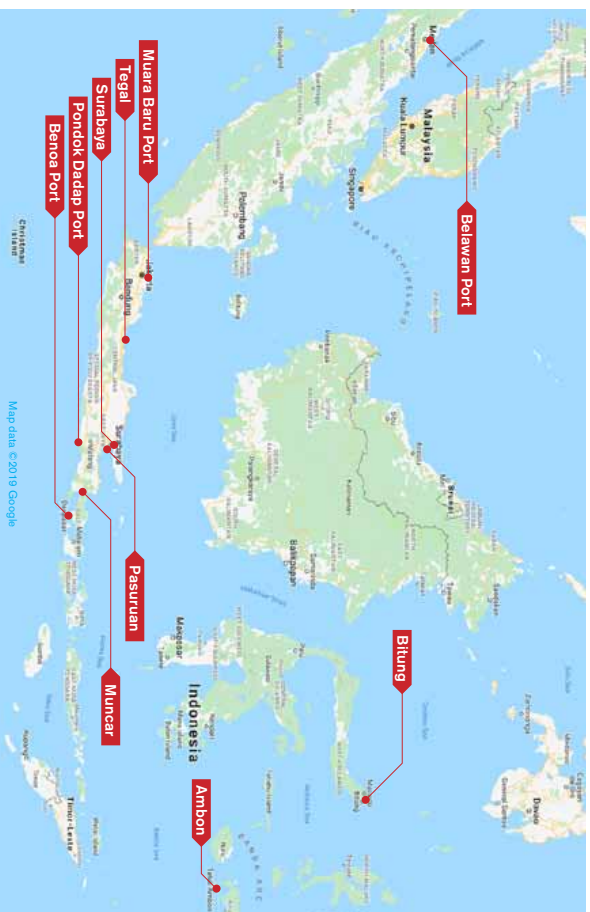
We researched three areas:

1. We mapped employment and recruitment conditions of fishers and factory workers engaged in the wild catch export industry, including how these are influenced by Indonesia's legal framework;
2. We explored how US and UK buyers and retailers source seafood from Indonesia, and the nature of their business relationships with their suppliers in Indonesia;
3. We reviewed the initiatives aimed at improving labour conditions in the seafood industries internationally.²⁰

The research was led by Principal Investigator, Dr Katharine Jones, Associate Professor, Centre for Trust, Peace and Social Relations (CTPSR), Coventry University in partnership with the Isssara Institute, Centre for Sustainable Ocean Policy, Universitas Indonesia; IOM Indonesia; Ms. Dina Nuryati. The research was funded by British Academy, the UK's national body for the humanities and social sciences, through the joint BA/DFID Programme, 'Tackling Slavery, Human Trafficking and Child Labour in Modern Business'. The funding programme aimed to support interlinked research and policy interventions, identifying and sharing what works at scale in different contexts.

The study was implemented using qualitative research methods. The research team collected data utilising semi-structured interviews and focus groups between December 2017 and March 2019. In total, ten field-sites in Indonesia, all playing a widely recognised and substantial role in the seafood export industry, were selected by the project team. These included Benoa Port (Bali), Bitung (North Sulawesi), Muara Baru Port (Jakarta, Special Capital Province of Jakarta), Ambon (Maluku, Eastern Indonesia), Belawan Port (North Sumatra, Pasuruan (East Java), Murcar (East Java), Surabaya (East Java), Pondok Dadap Port (East Java) and Tegal (Central Java).

Figure 1: Indonesia fieldwork sites



Bahasa Indonesia-speaking research staff conducted a total of 194 interviews and focus groups. This included: 50 fishers, 25 canning factory workers, 42 stakeholders (government officials, NGO and fishermen's association representatives), 11 recruiters and 36 supplier company representatives. The fishers and canning workers were interviewed were primarily engaged in catching or processing tuna.

An additional 7 interviews with global retailers and 20 interviews with international experts in the industry were conducted. The majority of interviews in Indonesia were digitally recorded with informed consent and then translated and transcribed. The interviews that were not digitally recorded instead relied on extensive handwritten notes. Thematic analysis was carried out to best capture the issues being raised and the relative importance of these concerns from across the sample.

Inevitably, the research team faced a number of challenges in conducting research in a variety of different field-sites across Indonesia, not least, firstly,

the issue of conducting deep research at a localised level versus generating a broad sweep of knowledge (depth versus scale). We found some differences in how the industry functioned – and therefore in workforce conditions – between the regions within Indonesia. It is important to say that we did not seek to quantify or map prevalence of labour risks, and do not make any claim to this in our findings. We are however confident that we have identified key trends and patterns in the industry which are reflected below. Secondly, in practice, other than in the case of tuna which is virtually all exported, separating domestic from export production (catching and processing) was problematic. Much catch is not specifically destined for export until it is definitively sold as such, and production for domestic consumption and for export is intertwined. Thirdly, both fishers and factory workers were often too frightened to talk to researchers, fearing potential retribution from their employers. Fourthly, companies were also difficult to access. A combination of previous negative publicity from local and international NGOs and a fear of being politicized for the upcoming Indonesian Presidential election made businesses very reluctant to speak to researchers.

As elsewhere in the world, women and men tend to do different types of work in seafood production. Work at sea on board vessels is almost entirely carried out by men. Larger vessels (up to 150 GT) are operated by up to 30 crew, including a Captain, engine-master, cook, deck boss and deckhands. According to previous studies and participants interviewed for this research, teenage boys aged under 18 are also relatively commonly engaged on vessels in Indonesia.²⁴ Voyages may last anywhere between a week and a year, depending on how quickly they meet their targeted catch and / or fill the ice boxes they have on board to preserve their catch. In general, the larger the vessel (by gross tonnage) the further they can go and the longer they can remain at sea.²⁵ Women and girls tend to engage in work on-shore in primary processing and packaging, although men also do these on-shore jobs, especially heavy lifting in the port areas as well as skilled cutting, for example of tuna. Increasingly, the significance of women's work in all aspects of traditional and industrial fisheries is however

2. Seafood for Export in Indonesia

2.1 Seafood workforce in Indonesia

Almost two thirds of the Indonesian population live in coastal areas and the majority of these are engaged in fishing as their main or supplementary occupation. In total, an estimated 7 million people are engaged in the production of seafood in Indonesia, with 2.7 million engaged in the wild capture of fish, 3.3 million in aquaculture and over one million in processing and marketing.²⁶ Many of those engaged in wild capture are small-scale fishers who use traditional fishing methods. However, not all these are subsistence fishers or producing for domestic markets. Even individual and family-based fishers export their catch to the global economy, albeit through a series of intermediaries.²⁷ For example, in the peak of the tuna fishing season, in one day a skilled fisher can catch one or two tuna weighing between 40 and 70 Kg each. During the season, in theory, tuna can be sold at 70,000 IDR (US\$5) direct to buyers per Kg. Albacore tuna can be sold at auction for between 52 to 58,000 IDR (US\$3.70 – US\$4.15) per Kg.²⁸ However, many fishers in Indonesia – as elsewhere – are chronically poor regardless of whether they are small-scale single operators or employed by large vessel owning companies. They can rarely access these prices and hence profits. This is due to structural and generationally enforced cycles of debt, which when combined with an vocation notorious for fluctuating catches, prices, and poor earnings produces economic conditions not conducive for economic or social mobility.

As elsewhere in the world, women and men tend to do different types of work in seafood production. Work at sea on board vessels is almost entirely carried out by men. Larger vessels (up to 150 GT) are operated by up to 30 crew, including a Captain, engine-master, cook, deck boss and deckhands. According to previous studies and participants interviewed for this research, teenage boys aged under 18 are also relatively commonly engaged on vessels in Indonesia.²⁴ Voyages may last anywhere between a week and a year, depending on how quickly they meet their targeted catch and / or fill the ice boxes they have on board to preserve their catch. In general, the larger the vessel (by gross tonnage) the further they can go and the longer they can remain at sea.²⁵ Women and girls tend to engage in work on-shore in primary processing and packaging, although men also do these on-shore jobs, especially heavy lifting in the port areas as well as skilled cutting, for example of tuna. Increasingly, the significance of women's work in all aspects of traditional and industrial fisheries is however

recognised.²⁶ In primary processing and packaging, women's work ranges from receiving, grading, cleaning (gutting and scaling), cooking (only if destined for canned/frozen export – the cooking process can be steaming or baking), and then packaged prior to being held in cold storage pre-export. Factories range in size from less than 100 workers to over 6,000.

I am working as a staff assistant in the boiling section. So in the division of cutting, it belongs to the females. So if it's cutting phase, us the males also help them to cut because if the cutting is not done, we can't boil anything. So after the fishes are cut, we put them in a pan, and we boil them. After we finished boiling, we remove their spines and spikes. When we have done boiling them, it's easier to cut them in half. We take the spines with piners. Then we grill them.
(Male factory worker, Candi, Bitung)

As noted above, the workforce in fishing and in the processing factories is largely Indonesian.²⁷ Internal migration within Indonesia is however common. A significant amount of the Indonesian fisheries workforce originate from the northern coast of Central Java, which has a reputation for being both a region of fishing as well as producing international migrant fishermen. Several villages and neighbourhoods (known as 'kampung' in Bahasa Indonesia) are named after destination countries of the international fishing industry. Respondents referred to the capacity of the Javanese to work hard, their bravery and their willingness to remain at sea for long periods of time.²⁸ This perception means that the Javanese are the preferred workforce for Indonesian vessel owners and Captains.

In addition to the domestic labour force in seafood over 150,000 Indonesians work overseas as fishers on vessels owned by Taiwan, China, Japan, Thailand and Korea.²⁹ These fishers come from the same regions in Indonesia as men who work in the domestic fishing industry. For example, according to the district Ministry of Manpower Office in Tegal, between 4000 and 6000 fishers depart overseas from Tegal every year. This is almost certainly a substantial undercount as many fishermen travel overseas irregularly, either by choice or because this is the route which their recruiter has selected for them. For instance, more than 7000 Indonesian fishers per year sign in and out of foreign vessels just at one port in Cape Town, South Africa.³⁰

2.2 International supply chains

Tuna and other large pelagic fish species are predominantly caught in Eastern Indonesia, and in the Indian and Pacific Ocean. The majority is landed in Ambon, South Sulawesi, Benoa and Muara Baru (Jakarta). Ports vary significantly in size. For instance, in Benoa, which predominantly exports large pelagic species (tuna, snapper, and marlin), between 10 and 15 companies own 1,000 vessels which dock there. Belawan which exports squid (exported frozen), tiger prawns, chub mackerels, red snapper and spotted grouper, hosts about 20,000 vessels (from 1 to 2 GT up to 150 GT).³¹ Each port contains processing units which do the immediate cleaning and gutting of fish before it is transported to cold storage units while awaiting export. These are usually located within nearby industrial areas.

Some Indonesian companies own their own vessels, storage and processing facilities along an integrated production chain (from catch to cold storage, up till processing). For these companies the catch is generally landed at ports, stored in cold storage units at the port before being loaded into freezer trucks and taken to be cleaned, gutted, and filleted at processing facilities elsewhere. The type of processing depends on whether the catch is to be exported fresh, frozen or canned. Other Indonesian companies only own processing / and or storage facilities and source fresh catch direct from artisanal fishers, from auctions or from middlemen which they then process and export. Some also source wild catch from other (vessel owning) companies in Indonesia at a cost of approximately USD\$1,350 USD per ton (depending on current market rate).³² This outsources most of the risk associated with running their own fleet. Tuna companies in Indonesia mainly operate within business associations including both vessel owners and processors. These include: ASTUN³³ (over 200 members representing the tuna industry), AP2H³⁴ (represents the tuna pole and line industry), ATLL³⁵ (represents tuna longline industry), APK³⁶ (represents canning factories) and APG³⁷ (represents export-oriented fish processors).

Typically the Indonesian companies sell to an agent located in Indonesia who represents the overseas buyer which buys on behalf of the international retailer/ food company, although some have their own direct

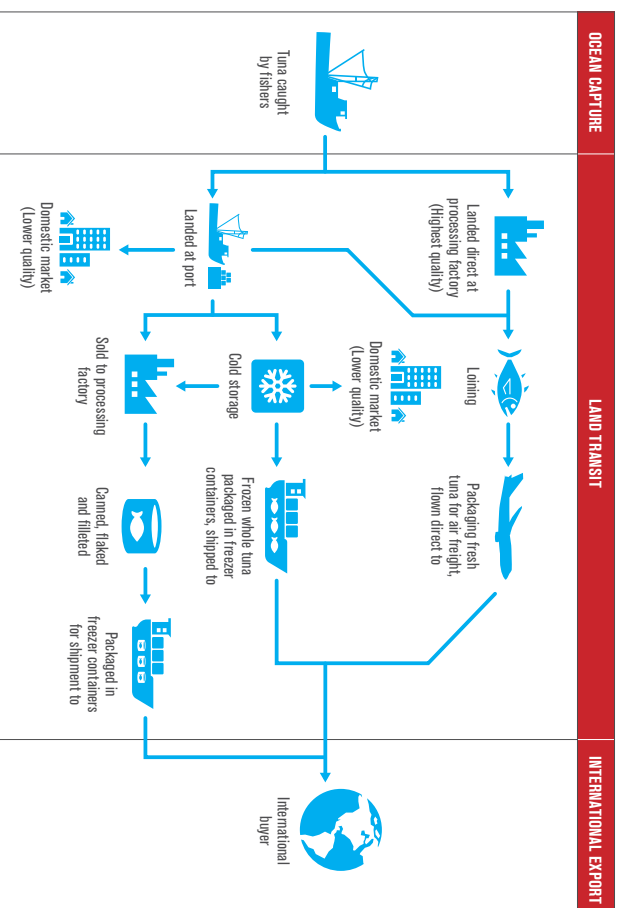
connections to buyers. Indonesian suppliers may also sell to intermediary brokerage companies. For buyers, intermediaries provide connections to vetted local suppliers and do inspections for quality. They also train and provide technical support to suppliers to meet environmental and sustainability standards that may be required by a buyer. For suppliers/processors, intermediaries provide connections to global buyers and support in meeting standards that can lead to more trade.

Figure 2: Example agreement between supplier and buyers³⁸

An agreement between supplier and buyer may be set at 500 tons, with the price guaranteed at USD\$2,000 USD per ton, over the course of three months. The contract expires upon either the quota being reached, or the time expiring. If the quota is reached with more time to go on the contract, there is usually a grace amount of 50 tons that will be bought at the agreed price, but if it is anything over that, the price will be renegotiated to current market price. For example, the price may drop from USD\$2,000 USD per ton to USD\$1,900 USD per ton. Each contract is renewed with a new price.

Where companies to export to may depend on existing partnerships as well as consumer demand. Tuna (skipjack, albacore, yellowfin), snapper and grouper are generally exported to Japan, EU and US. Europe and Japan import whole and processed tuna fish, whereas the US only imports tuna loins, either fresh or frozen. On the other hand, European buyers are the largest consumers of yellowfin tuna from Indonesia, according to an industry representative. Destination markets also depend on the quality of the fish. For instance, fish exported to the EU is required to include catch documentation which certifies the country of origin, and all the harvesting and production processes which should meet designated health and safety standards. Fish which does not meet these standards can be rejected causing a significant loss to the exporter/ importer.

Figure 3: Example of a Tuna Supply Chain



Fresh fish in the form of whole fish or filets/loins is exported via international air freight, and processed catch is exported in containers.³⁸ Singapore – a major financial hub for many primary industries – is usually the first transit destination for US and EU markets. Fresh fish is exported to Japan via Malaysia.⁴⁰ Indonesian exports to the EU are subject to an up to 24% import tariff (depending on product). The Indonesian government has therefore advocated for the reduction and removal of import tariffs into the EU to compete more fairly with the Philippines, Thailand and Vietnam which enjoy free trade agreements. In December 2018, Indonesia concluded a free trade agreement for seafood with the EFTA countries (Norway, Switzerland, Iceland and Liechtenstein), with a similar agreement with the EU expected to follow in the coming years.⁴¹ For now, some Indonesian companies therefore export their catch via the Philippines which has a free trade agreement with the EU, according to one industry interviewee.⁴² Indonesian tuna is also sometimes

transported to Thailand and the Philippines for processing because of the cheaper labour costs there.

The government needs to prioritise free trade agreements with the USA and Europe. Because neighbouring nations (Thailand, Philippines) have existing Free Trade Agreements with these countries/economic bodies, Indonesia is non-competitive. This combined with the 5% import tax on fish being imported to Indonesia significantly makes it harder for us to do business. (Indonesian company representative)

On the other hand, tuna companies in Indonesia do not only process Indonesia-landed catch. As tuna is a migratory species, to consistently meet international demand companies sometimes import additional fish from Taiwan, Korea and Japan at approximately USD\$1,500 per ton (depending on current market rate) for processing in their factories. Imported fish attracts a 5% import duty,⁴³

Currently, as the international market demand for Indonesian fish outstrips the supply, Indonesia has leverage over the price. However, the Indonesian government moratorium on foreign vessels (to tackle illegal fishing) was also widely acknowledged to have impacted negatively on the export industry. As it stands, the (ex-) foreign vessels are prohibited from fishing in Indonesian waters. An industry interviewee estimated that the volume of the export market reduced by 50% in the two years after 2015. Exports from Indonesia to China and Thailand in 2015 decreased by 17% and 42%, respectively.⁴⁴ Tuna catch and production was impacted especially hard, and an industry representative attributed a dramatic decrease in 70% of tuna vessels landing catch in Bena harbour (from 799 to 247) to the ban on transshipment.⁴⁵ Consequently, around half of the production facilities in Bitung closed and/ or dramatically reduced their workforces.

Figure 4: Impact of action to tackle illegal fishing on export production

We had a contract to export a certain number of fish but because we could only get a little number of fish due to the moratorium, we couldn't meet the demand. That decreased the company's income and increased the cost. Whereas we could gain much income and spent little cost by having a set of fishing vessel and Transshipment container vessel. We spent little cost because the fishing vessel would just need to stay on the sea while the container one would pick up the fish and then turn back again. By the implementation of the moratorium, our fishing vessel needs to go and back here again which is a huge operational cost. Our business was so down because of this. We felt the impact a lot in the first and second year of the implementation. There must be many workers having no job when the moratorium was implemented. They were finally jobless and it was the same if they tried to look for a job in other companies. The impact was so great that the economy of Bitung was totally down. There were many vessels able to operate before the moratorium. That means there were many crews earning money. It even had an impact on the ojek (motorcycle taxi). The crews would use the ojek service to take them to work and to go back. (Indonesian company representative, Benaol).

2.3 Legal and policy framework

The following section presents Indonesia's legal framework governing work in the seafood industry (fishing, factories, business). The purpose of this section is to act as a reference point. In practice, our research found widespread non-compliance with the legal framework, especially in fishing. At some times this was willful non-compliance. At others, it was because the regulation was still new and requires more time to be implemented, as well as requiring more guidance and resource for the key actors to do so. The Indonesian government has made great strides in attempting to better protect its domestic fishers and the research team acknowledges their efforts in this regard.

2.3.1 Work in fishing

Protection of fishers who work domestically derives from Law 7 (2016) Protection and Fisherman Empowerment, to address gaps in coverage in the existing framework of laws.⁴⁶ This requires owners to provide health and life insurance as well as granting fishers access to legal aid⁴⁷ An associated regulation provides for the implementation of a standard sea working agreement (PKL) which should set out working hours, wages, health and life insurance, and other employment conditions.⁴⁸ The engagement of fishers aged under 18 is banned. Vessel owners and operators are legally required to provide adequate meals and fresh drinking water on board. For the first time, the law also requires fishers to be paid "regularly and on time", a basic salary, overtime/ or waiting time, production bonus ('premi') and a sailing allowance (see Table 1 below for example legal minimum wage rates). The law also explicitly details that salaries should be paid from the moment of signing the PKL until its expiration date, including while fishers are waiting to depart. Since the sector is informal, Indonesia has no specific regulation governing recruitment into the fishing sector.

Figure 5: Salary requirements under ILO Convention 188 on Work in Fishing

- The owner of fishing boat, fishing boat operator, fishing crew agent or fishing boat captain who employs fishing crew at Indonesian-flagged Fishing Vessel shall ensure the wage standard of fishing crew:
- The basic salary should be at least two times regional minimum wage or provincial minimum wage
- Sailing allowances per day of at least 3% of basic salary;
- The production bonus given to the fishing crew is at least 10% of the total production value distributed to all fishing crew according to occupation and workload
- Overtime pay per hour is at least 25% (twenty five percent) of sailing allowance per day.
- Payments should be made in 50% cash and 50% through a bank account.

Fishers on vessels above 35 GT also required to have a BST-F (Basic Safety Training – Fishing) certificate and a *Buku Pelaut* (Seaman Book). The *Buku Pelaut* is obtained through the Ministry of Transport, Directorate-General of Sea Transportation, while the BST-F is delivered through institutions accredited by the aforementioned government body. Most fishers that have these documents have been through formal schooling in fisheries (at the vocational school level), and are sent for traineeships aboard operational fishing vessels – organized on behalf of them by the school and business owners.

Figure 6: ILO Convention 188 on Work in Fishing

Since 2014, Indonesia's policy has been to move towards ratification of ILO Convention 188 Work in Fishing and the associated Recommendation.⁴⁹ This makes fishing vessel owners and skippers responsible for the safety of fishers, all of whom should be above the age of 16, and commits the former to ensuring that fishers have periodic health examinations. The Convention also prohibits charging fishermen for the job, requires any recruiters active in the sector to be licensed, gives fishers the right to a rest period as well to have a written work agreement, and sets standards for accommodation on the vessels. While not yet ratified in Indonesia, the fisher regulation implemented in 2016 goes some way to address the standards within the Convention.

2.3.2 Work in factories

Legal protections of workers in fish processing and canning factories are contained in Indonesia's Labour Law (2003)⁵⁰ and Trade Unions (Law 21/2000)⁵¹ under the responsibility of the Ministry of Manpower. In general, an employer is prohibited from employing children under 18 years of age.⁵² All workers are required to have a contract of employment. However, a contract of employment need not be in writing except for fixed-term contracts, which are required by law to be in Bahasa Indonesia (Indonesian) and written using the Roman alphabet. However, if the employment relationship is entered into verbally (as with open-ended/ permanent contracts), the employer is obliged to prepare a letter of assignment in place of a contract. Local and foreign workers have to be treated equally, although there may be specific requirements / barriers for employment specified in the work permit. For factories, the Regulation on Corporate Social and Environmental Responsibility (TJSL) requires companies to prioritise the hiring of staff from the local area.⁵³

Fixed-term contracts can legally only be used for work which is definitively temporary in nature or seasonal work. This however is not what we found during the course of this research (see Section 3 below). Fixed term contracts cannot be used for longer than three years with the same employee.⁵⁴ They should not be used for work which is permanent in nature. By default, contracts

should become permanent after three years.⁵⁶ Factories can use job placement (outsourcing) agencies which are legally considered to be the employer, and which must have official written permission to operate. However, agency (outsourced) workers must have a written contract of employment with the agency with the term of their employment specified. The same limits on fixed-term employment apply as with other types of employers. Agencies are barred from charging workers a fee.

Salaries must be consistent with the relevant regional or city minimum wage.⁵⁶ Again, this is contrary to what we found. If they fail to meet these standards, employers can be subjected to a criminal sanction in jail for a minimum of one year. Overtime at a rate of 1.5 times the hourly wage (for the first hour, double thereafter) is supposed to be payable from either the seventh hour or the eighth hour, depending on the length of a company's normal workday.⁵⁷

Figure 7: Legal working time in factories

The Labour Law (13/2003) prescribes 'normal working hours' as no more than seven hours per day, 40 hours per week, and six days per week. With the written agreement of the employees (and the union, if the employees are unionised), a five-day, eight hours per day, 40 hours per week basis can be used. After every continuous period of work of four hours, an employee is entitled to at least 30 minutes' rest time. Reasonable time to perform religious observances must also be given, especially for the Muslim prayer, which is to be carried out five times a day. An employee must be given a weekly rest day after every six consecutive days of work. The normal rest day is Sunday. Each employee is entitled to one day of leave with pay for every 23 working days, up to a maximum of 12 days per year. Leave may be taken in parts, but one part must be a period of at least six uninterrupted workdays. These provisions also apply to contract employees.



"Mackerel Tuna being weighed prior to auction"
(Photo by David Visser)

The Labour Law details the circumstances in which employers can and cannot dismiss employees, including seafood processing factory workers. We found widespread examples of non-compliance with the law, as detailed in Section 3 below. For instance, employers are specifically prohibited from firing women when they become pregnant, are breastfeeding or when they get married. Workers cannot legally be dismissed as a result of trade union activity. Redundancy is treated as dismissal without cause unless evidence is provided for its grounds. The Trade Unions (Law 21/2000) specifies that a labour union can be established by at least 10 employees in any business industry, but must seek registration from the Ministry of Manpower. If a company has a registered labour union, the labour union can enter into a collective labour agreement with the management of the company. The collective labour agreement is valid for two years, but can be extended. In general, discipline and grievance procedures are regulated by company regulation or work rules. If a dispute occurs, the employer or employee may also file the dispute with the relevant office of the Ministry of Manpower. Indonesia has specialist labour courts that exclusively handle employment law disputes located in each province. According to the Labour Law, whistleblowers cannot be discriminated against, and any witnesses / victims in a subsequent court proceeding must be given a guaranteed legal protection.

Table 1: Provincial / City Minimum Wages for all workers (fishers and factory workers)

Location	Provincial/City Minimum Wage
Muara Baru Port, Special Capital Region of Jakarta	3,940,973 IDR (USD\$280) (UMK – Governor Regulation Number 11.4 of 2018)
Belawan Port, Northern Sumatra Province	2,969,834 IDR (USD\$211) (UMK – Governor Decree Number 188.44/1365/KPTS/2018)
Tegal Regency, Central Java	1,747,000 IDR (USD\$124) (UMK – Governor Decree Number 560/88 of 2018)
Benoa Port, Denpasar City, Bali	2,553,000 IDR (USD\$181) (UMK – Governor Regulation Number 91 of 2018)
Pasuruan, East Java	3,899,937 IDR (USD\$277) (UMSK – Governor Regulation Number 1 of 2018)
Muncar, East Java	3,861,518 IDR (USD\$274) (UMK – Governor Decree Number 188/665/KPTS/013/2018)
Bitung, Northern Sulawesi	2,132,779 (USD\$151) (UMK – Governor Decree Number 188/665/KPTS/013/2018)
	3,051,076 (USD\$217) (UMK – Governor Regulation Number 433 of 2018)

2.3.3 Industry in Indonesia

The fishing industry in Indonesia encompasses pre-production, production, processing, and marketing activities. At least four government agencies are responsible for issuing licenses to operate, namely Ministry of Marine Affairs and Fisheries, Ministry of Transportation, Ministry of Labor, and Ministry of Trade. Their responsibilities overlap with those of the provincial and local governments, and the division of authority between the various departments and agencies is far from clear cut. A full examination of the complexities of the legal framework is not possible within this report.

All fisheries enterprises require a business license (SIUP). Businesses which only conduct onshore processing and/or marketing business are exempted from this obligation. They must however be granted a technical licence from the Minister of Marine Affairs and Fisheries (KKP), such as a Certificate of Fish Cultivation Worthiness and in the event of export transactions, Health Certificate. The latter document issuance falls within the responsibility of BKRFM⁵⁸ of the Ministry of Marine Affairs and Fisheries. Apart from KKP, basic business licenses are also issued by Minister of Trade, such as Trade Business License⁵⁹ and Certificate of Origin (OOO). Fisheries enterprises (off-shore), in addition to SIUP, also require two further licenses: a fish capture license (SIP) and fish carrying license (SIKP). Authority to issue the licenses is delegated by the Minister to the Directorate General of Catch Fisheries and Provincial Government⁶⁰ for fishing vessels above 30 GT and vessels of 5-30 GT, respectively. They are followed by a vessel seaworthiness certificate (SLO), and port clearance (SPB), and other administrative/technical documents that are prerequisite for obtaining both documents.

Early in her tenure, Minister Pujastuti established a National IUU TaskForce (SATGAS 115) to coordinate government action on illegal fishing. The Ministry of Marine Affairs and Fisheries is also currently in the process of implementing the human rights certification that was outlined in 35/PERMEN-KP/20154, in response to what happened in Benjina and Ambon. Each fishing company is meant to have a separate human rights checks system and certification that is government audited. A similar project is being piloted by SATGAS 115 this year, in which they link this certification to the issuance of fisheries business permits, in capture fisheries and in processing. The law – in the certification – covers the basic protections for fishermen governed by Convention 188. Further, in complementing the Ministerial Regulation Number 35, Minister Pujastuti also established Ministerial Regulation Number 42 of 2016 on Sea Working Agreement.⁶¹

2.3.4 Challenges and gaps in the legal and policy framework

Interviewees identified a number of challenges in effective governance of the seafood industry in Indonesia when it comes to workforce issues. In particular, the lack of explicit institutional responsibility for fishers' labour

rights is a problem for implementing and enforcing the recent swathes of positive regulation. Industry, NGO and government stakeholders all referred to the lack of policy coherence between the various agencies with responsibilities for fisheries. In particular, there is a gap in protection of fishers' labour rights. Although in theory the Ministry of Manpower should be responsible for all workers – including fishers' – rights, in practice, as fishing has traditionally been regarded as an informal occupation in Indonesia, the Ministry does not get involved. In theory, the new human rights certification gives the responsibility for on board vessel audits to the Ministry of Marine Affairs, but as yet, this not being implemented. The Ministry of Transportation also has responsibility through the port Harbormasters' duties to inspect labour-related documents, such as the seaman book and P.K.L (sea working agreement). In Fisheries Port, however, the Harbormaster is assigned by the Minister of Marine Affairs and Fisheries as the responsible person for labour on board fishing vessels, including both aforementioned documents. One government employee noted that because of the lack of clarity in responsibility there was an overall lack of political will needed to force different government agencies to overcome their conflicting interests to work together to pass the laws necessary and ratify C188.



“Legal port waterfront – offloading the night’s catch” (Photo by David Visser)

3. Findings

3.1 Labour recruitment

How workers – fishers and factory employees – are hired and by whom can make the difference between a positive employment experience and one which is exploitative.

Figure 8: Findings on recruitment (of fishers and factory workers)

- Most recruitment of fishers is conducted informally through Captains, social networks, and ‘walk-ups’
- *Calo* (brokers) are also utilised by Captains and companies where the above does not generate sufficient crew members. *Calo* are often responsible for extorting fishers through deducting money from their *kas bon* payments (cash advances), charging for accommodation and other items. Particular problems were noted around Benoa harbour where the *peman* (gangsters) were also involved in the recruitment business.
- *Calo* were additionally sometimes given a ‘labour enforcement’ responsibility by companies to guarantee that fishers do not leave without paying back their *kas bon*. *Calo* were also sometimes given the responsibility by companies of disbursing fishers’ payments at the end of a voyage, which provided an extra opportunity for extortion.

- How factory workers were recruited depended on whether the workforce was local or internal migrants. Where the factory was able to recruit from the local community, companies tended to informally advertise opportunities through the existing workforce and banners posted at the factory gate. In addition, significant numbers of individuals migrate to areas where there are known to be job opportunities in processing factories, e.g. around Muara Batu port. Factories reported being able to easily able informally advertise opportunities, especially for day labour, there through surrounding neighbourhoods where internal migrants live. Where factories had to find workers from further afield, they tended to use – and pay for – the services of a recruitment/outsourcing agency. We did not find any evidence that factory workers were charged recruitment fees.

3.1.1 Recruitment of fishers

In Indonesia, most recruitment of fishing crew is conducted informally. Domestic fishing crews (ABK) are recruited in three ways: through kinship networks, via “walk-ups” and through intermediaries, known as *calo*. Firstly, where possible, vessel Captains (‘*kapang*’) recruit their crew from among their friends, extended kin and neighbours. This is a preferred method, partly because it is cheap and easy, but also because it is assumed to be better for relationships between fishers on board vessels. Company interviewees indicated that for crew, only their ID card and a willingness to work is necessary, but that they require Captains and those operating the engine to have evidence of competency certification. Companies rely on the Captain to find the crew he wants and are only involved in this process where Captains are not able to find sufficient labour.

Oh, I already knew the Captain. He is from the same village as I am. After being there for a while and getting to know more people, I went home for a bit – but as soon as I arrived he called me again and I went back. It tends to happen like this there. (Fisherman interviewed in Bitung)

Secondly, vessel Captains operating out of the large ports of Muara Baru, and Bitung, recruit their crews from among the men who hang around port areas seeking work. Men who have disembarked from voyages as well as fishers who live locally ‘walk-up’ to vessels seeking their next job. They may live locally, or have previously migrated from elsewhere in Indonesia looking for work.

We have two ways of recruitment. Firstly, we’d prioritize those nearby as most of the people here in Air Tembaga are fishermen. If the people here couldn’t meet the standards, then we’d hire through an announcement. A vessel needs a solid team so we usually count on the captain to take care of the crew recruitment. But we never close a possibility for the nearest people around here to work with us as long as they can be cooperative and understand each other. Usually, before accepting them as crews of vessel, we’d interview them first and gave them an understanding about working on the sea. Secondly, we usually recruit the crews/employees based on acquaintance. So we don’t randomly take crews/employees as we use references when recruiting them. There is a trust. (Indonesian company representative)

Thirdly, intermediaries known as 'calo' recruit crews on behalf of Captains and fishing companies. Captains and vessel owning companies utilise calo where they are unable to find sufficient crew members, largely when there is no available local labour force. We observed calo in Benoa, Blitang and Muna Baru. Their use was confirmed by interviews with fishers and with company representatives operating in these ports. Like the Captains, calo find crews from among their own extended social networks and visit the villages and neighbourhoods ('Kampung') in coastal communities which are known for fishing. These include Tegal, Sumatra, West Nusa Tenggara and East Nusa Tenggara. They also operate in port areas referring the "walk-up" crews to available vessels. For brokering the employment, calo may charge a fee to the Captain, the company or to the recruit. While some may have other jobs, supplementing their income through recruitment, others do this full-time. Some are former fishers, others work part-time in processing work. Calo are similar to those who are known as brokers, dealers, sponsors elsewhere in the world.⁶⁸ In Benoa and Ambon, interviewed fishers highlighted the propensity for local "gangsters" known as "preman" to also be involved in this work.

We bring them by a plane. Once found and gathered a number of the crew that we need, we would buy them a ticket... they're mostly from Java. When we got them from there we would buy them a flight ticket from Java to Bali... Then to Ambon, transi in Makassar. My friend from Java organises this all for a fee of 100,000 IDR (USD\$710) per crew. (Vessel Captain operating out of Ambon and Benoa)

The company mostly looks into their former experiences like what vessels they ever worked on, what their role was, and many others. For example, have they ever worked on the long line vessel? The company then asks them to take on the test that held directly on the vessel by the captain.... we don't pay the [recruiter] in advance. We pay them based on how many crews they have recruited. We give them a money for 'loaning' the vessel crews. (Benoa company interviewee)

As in Thailand and elsewhere, interviewees for this study had sometimes experienced exploitation at the hands of the calo. Usually, first-timers to the industry were the most vulnerable to exploitation by calo – as fishers became more experienced, they learnt how to obtain work through existing networks rather than calo. Most frequently mentioned was through the fees charged by calo to

fishers. The fee is typically structured as a cash advance (known as a 'kas bon') which is paid to crews as a down-payment before embarking the vessel. The kas bon money, which comes from the vessel owning companies, is used to buy food and other household supplies to maintain families while fishers are at sea. Traditionally, the kas bon functions as an informal system of credit which supports fishers and their families while they are at sea. Advances are deducted from the fishers' earnings at the end of the voyage: '(They usually take a cash bond before heading toward the sea either for themselves or for their family. So the company pays them first and then cut it from the income. It depends on their needs, if it was only for their needs on the sea, they would take 500,000 IDR (USD\$35). It depends on the needs in the house.' (Company representative). In other words, the kas bon in itself is not extortion, although it is sometimes used that way by calo. Calo – and companies – use the offer of a kas bon to attract fishing crew. This then becomes a personal debt through which extortion can sometimes occur.

My family and all my neighbours are fishermen. We come from the "Fishermen Kampung"... Someone I knew came to my village and told me they could give me money. I was told that I would get 3 million IDR (USD\$200) to go to Benoa. I took a bus from my village to Benoa. This took four days. I worked on a longline ship with people from my village. (Fisherman interviewed in Benoa)

Some calo however utilise the opportunity to extort money from fishers before and after the voyage. Interviewees related examples – of their own as well as of others – where calo persuade recruits to leave home with promises of large cash advances which are not then handed over. Calo commonly retain the bulk of money from the company for themselves.

Yes, and there are a lot of middlemen in the port, middlemen for ABK (fishers). Well they will persuade the candidates. I don't know what they say exactly but they will say sugar coated stuffs... Like yesterday, I have a friend from one ship, he was sent by a middleman. He only got 500,000 IDR (USD\$35) from the actual amount of 3 million (USD\$210). [of kas bon from the company]. So how much did the middleman get? 2.5 million (USD\$175) cash advance. Cash advance for the calo! (Fisherman interviewed in Tegal)

Calo interviewed for this project confirmed that while crews typically only receive a small amount of kas bon – for example, three to four million IDR (USD\$210-280), companies actually forward 10 million IDR (USD\$700) to them (the calo) for each fisher recruited. Between 6 and 7 million IDR is retained by calo as their fee while the full advance of 10 million IDR (USD\$700) is deducted from the fisher's salary at the end of the voyage.

As well as extracting a portion of money from the kas bon, calo also find ways to extort additional money from crews. Calo in Benoa organise temporary accommodation (known as "the mess") for fishers who arrive in Bali but have a few days or weeks to wait until their ship departs. High rents are sometimes deducted from the portion of the kas bon which is given to fishers. Calo also encourage recruits to buy food, alcohol and to access sex workers, the cost of which is also deducted from the kas bon. In Benoa, researchers saw it was clear that the calo had interests in the local shops, restaurants and sex work industry in the port area. As the kas bon is typically given immediately prior to fishers' departure, they are not able to challenge such deductions.

Calo in Indonesia do not just extort fishermen monetarily, they also function as a guarantee or bond to Captains and fishing companies that the crew will remain with the vessel. This is because, for companies, advancing a cash kas bon has the risk that the recipient will decide to leave with the money and abandon the voyage leaving them out of pocket. For companies, advancing the kas bon through the calo passes to them the responsibility that they will ensure that the fisher gets – and stays – on the vessel until the end of the voyage and he has earned sufficient to repay the advance. According to a government interviewee, if the crew member leaves, the calo is responsible for replacing the money to the company or replacing the crew. In effect, in these cases, calo indirectly and directly function as labour 'enforcers'.

This system has also a flaw that, sometime the vessel crews who has been paid the cash they runaway. Nothing we can do, we've been fooled. We got loss, you can imagine the total cash receipt around 2 million IDR to 3 million (USD\$142 – USD\$213) for four persons, it is huge amount of loss. So, to whom we can report this case? Is it police? But we don't have any evidence to prove they were fool us. (Company representative, Benoa)

It is for this reason, calo argue, they retain the six million IDR as 'jaminan' (guarantee money) from the company kas bon: '(The other 6 million rupiah, (USD\$419)) is our guarantee. We guarantee them. If they run away, the companies make us pay. They lose money. It is us that bear the debt. And the burden. So we keep that until they finish their contract.' (Calo interviewed in Benoa port)

Usually, the agencies call up and ask me whether we need any vessel crew or not. If we say yes, they will send some individual to us. Later, we will give them some fee... It is not that much around 200,000 IDR (USD\$14) for one person. Let's say that they send 10 fishermen, then we give them 2 million IDR (USD\$ 142) but we usually give them another responsibility. If the fisherman runs away after receiving the kas bon, for example the vessel departs tomorrow, and today we give them kas bon. (Company representative, Benoa)

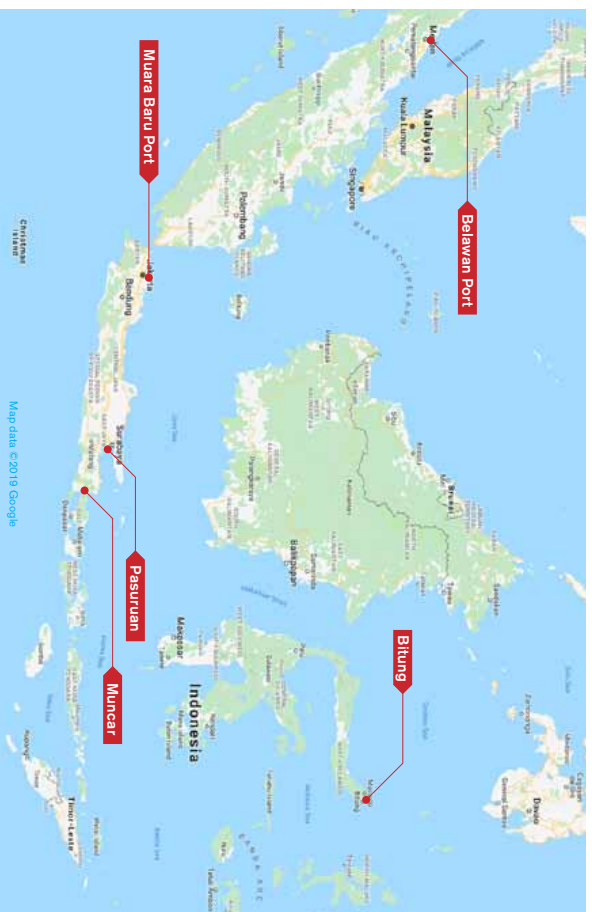
In Benoa the role of the calo does not end with brokering recruitment or arranging the kas bon prior to departure. They are often responsible for disbursing payment of their recruits' wages at the end of the voyage. This enables them to take charge of all the money flowing to the crew they have recruited, from the kas bon which is advanced to the crew to the deductions which are made from their crew's salary. According to interviewed fishers, calo also try to extract more money at this point. There may be extra charges applied without any credible evidence they have been made, and fishers may even be forced to buy their tickets back home through the calo at inflated costs: 'After a trip, we usually get our pay. The frustrating thing is we usually get pulled aside by the preman [calo], who are waiting for us in their cars, and strongly encourage us to go spend our money at their shops. They make us buy our tickets home through them too.' (Fisherman interviewed in Benoa port)

Interviewees reported that at times, calo took all of their recruits' wages through such deductions, leaving fishers with no money at the end of a voyage. This can be used to force fishers to get back onto the vessel for a further voyage rather than go home. It can be, in this sense, a continuous debt cycle:

When I wanted to go home for Lebaran [Eid], I left but I did not receive any money. My captain told me that he had paid my wages to the calo. But the calo threatened me and told me that I had spent all my wages. They have agreed to pay me if I go back again. But for now I have no money. (Fisherman interviewed in Benoa port)

3.1.2. Recruitment of factory workers
 How the recruitment of factory workers (male and female) was carried out varied considerably according to the type of work, and whether the workers came from the local area or were recruited from elsewhere. Findings are based on interviews with factory workers in Muncar and Pasuruan, East Java; Muara Baru, Jakarta; Bitung, North Sulawesi; and Belawan, North Sumatra; with company representatives and with union and NGO staff and government officials.

Recruitment and retention of staff in factories is critical for Indonesia based companies. Labour costs often account for the bulk of production costs, and can make the difference between a profitable and a non-profitable factory. Factories require flexibility in their workforces to cope with the variability in the amount of catch landed as well as the seasonality of some species, for instance tuna. Moreover, labour turnover in such jobs means that recruitment needs to be carried out on an ongoing and costly basis. A factory manager in Jakarta estimated that he loses 10 to 15% of his workforce annually. As his factory employed 1800 workers divided into two shifts (1100 day shift, 700 night shift), they have to rehire, retrain and retain between 180 to 270 new workers each year.



Workers in processing factories are a mixture of internal migrants as well as those who live locally. They are usually but not always female. As has been found in other types of factories in the Global South, the preference for women workers is attributed by factory managers to women's better 'fine motor skills' (Factory manager, Jakarta). Prior research has found that what is called dexterity is however often more to do with the assumption that women are less likely to be organised in trade unions, and that they will work for less pay.

For companies, where they can recruit locally, they generally prefer to as this is cheaper and easier than recruiting (internal) migrants. Factories may also be located in a particular province not just because it is close to where the catch is landed but also because there is an available suitable workforce nearby. In these cases, recruitment is usually conducted informally which makes it easier to find workers locally. Factories find additional staff from those who approach them asking for work or from recommendations made by currently employed workers. When factories need additional staff, either to replace workers or because of an upturn in production, factories advertise the opportunities through their current workforce. They may also put up a banner at their gates advertising for workers. This type of recruitment works well when there is a large pool of locally available labour, such as in East Java where the factories employ the women who live in villages neighbouring the factory. Moreover, in Bitung, the downturn in production caused by the moratorium on ex-foreign vessels enabled those factories which remained open to easily find workers who had been laid off by their competitors.

*I got this job from a relative. ... Usually the leaders will source the employees from their relatives. If they have lack of relatives, they will ask from trusted employees like me. For example, I was asked to find three people to cut the fishes.
 (Factory worker in Candi, Bitung)*

Factories in Muara Baru are also able to easily recruit factory workers from among the large numbers of internal migrants who arrive daily from Java, Makassar and Serang amongst other places. Internal migrants are attracted by the opportunity to find better paid work in Jakarta than they can find in rural Indonesia. They live in the poor neighbourhoods areas surrounding the port area waiting for opportunities.

*I just came to this place straight away and applied to some companies before actually working in this port. ... There were people coming to my place/ house in Central Java to inform us about job vacancy in several factories located within Muara Baru Port. These people are my friend in the village.
 (Cold storage worker, Muara Baru)*

In Belawan or Sibolga ports, workers from north Sumatra but also Aceh. These people, from Aceh, come directly to Belawan since it is the nearest first tier harbor from their place. (Provincial Fishing Agency representative, Medan)

Factories which do the primary processing (cutting, cleaning) of fish which has just been landed and which are usually based in the port itself need flexibility to cope with additional landed catch. In this case, day workers who live locally may be hired as and when, with day by day opportunities circulated by the contracted workforce. The research did find some limited evidence of factories paying recruitment agencies to find workers where they were unable to find workers locally. For example, one factory in West Java now recruits workers from North Sumatra through an agency which is paid 100,000 IDR (USD\$7) per head. In some cases, agencies are also the employers of the workers (i.e. outsourcing agencies). The research team interviewed a group of female workers in Surabaya who had been recruited through such an agency, although they had been rehired on direct contracts once the outsourcing agency contract with the factory had ended. Factories may also use agencies to locate skilled workers, for instance tuna cutters, although in many cases even these more skilled workers are recruited from a more local population.

So, what they do is basically call for help from people nearby, who come from village and don't have fixed job here. Most of them come from Serang... in the surrounding area. ... They know it from their friend who work here, so after this worker go back to his/ her village, they will bring their friends with them to Muara Baru. (Cold storage worker, Muara Baru port).

3.2 Contracts & Earnings

Whether fishers and factory workers are engaged on a written contract of employment can make the difference as to whether they are paid the legal minimum salary, whether they can assert their legal rights and whether they can claim government assistance they are entitled to. What they earn impacts on their daily life, whether they can afford to feed themselves and their families and whether they can afford to send their children to school.

Figure 9: Findings on contracts & earnings (fishers and factory workers)

- Very few fishers had been provided with a written work agreement (PKL).
- Very few fishers were paid a salary. For the most part fishers are still paid a share from the sale of the catch (profit-share). Such payments (made at the end of the voyage) lack transparency. Multiple deductions are made (for supplies, *kas bon* advance, calo costs) which further obscures what fishers have been paid. Crew are also deducted the cost of operational supplies (e.g. oil, fishing nets) even where the vessel is owned by a company.
- Fishers are often in a perpetual cycle of paying back personal debt (*kas bon*) and operational (vessel) debts incurred if the catch was not good.
- In factories, we found heavy use of short fixed-term contracts over long periods of time (which is legally non-compliant). We also found a high use of day labour, especially in the port areas, where agreements are made verbally and payments are made on a piece-rate basis. In one case, workers had been (legally) forced to take early retirement and were re-hired on fixed-term contracts to avoid the company having to pay employment and social protections.
- We also found evidence of the use of outsourcing of entire workforces in factories. General working conditions appeared to be worse in these cases.
- We found widespread non-compliance with legally mandated provincial or city minimum wages in factories. As fishers were mainly paid via the profit-share mechanism, non-compliance with minimum wages is the norm rather than the exception.

3.2.1 Contracts & earnings of fishers

Fishers in Indonesia are generally hired informally. Few of the fishers interviewed for the current study had received a written sea working agreement (known as the 'PKL' in Indonesia). This situation was validated by government interviewees, despite contracts signed by fishers and co-signed by Harbourmasters for all fishing vessels being legally required since 2016.⁶³ Previously, working contract stipulation only applied to vessels of 35 GT and above.⁶⁴ Working relationships are therefore reliant on the verbal direction of the Captain. Before embarkation, fishers have a brief discussion with the Captain about the expected length of the trip, what species they are intending to catch and how they will be paid: 'They don't have fair contract system between the workers and the owner. The contract system is only a verbal contract: "if you want to work on my vessel, please come on", it's only like that.' (Fisherman interviewed in Tegal). According to a government interviewee, without a written contract, it is extremely hard to obtain legally mandated health and life insurance and other government assistance. This also leaves fishers vulnerable to uncertainty over what earnings they will receive at the end of the voyage. They are unable to challenge when in disagreement with the Captain about how much they should receive. However, a small number of fishers interviewed who were hired on larger vessels sailing out of Benoa harbour confirmed that they had signed a PKL with the vessel owning company. When asked to share what the contents were, none was able to elaborate its contents. In some cases, this was because, according to fishers in Benoa, the company had retained the copy of their contract. This was said to be common practice in that port.

If it's a vessel that gets in then we only do it verbally. But we sign a contract for those working at the office. A contract for a crew with an ordinary skill is done verbally. (Indonesian company representative)

This research found that only the fishers on the larger vessels catching for export were provided with a daily wage by companies, as required under Indonesian law. For the most part, fishers, although catching for export, are still only provided with a percentage of the total amount of the sale of their combined catch from their vessel, with final payment made at the end of the voyage. In Indonesia as elsewhere, fishers operating vessels with their families and neighbours share more-or-less equally in the money which is made once the fish is sold.

Profit-share functions to ensure that families and friends operating boats together all profit from the joint operation: 'I met the Captain... he said it was good to work here and I'd be paid by sharing income... it depends on the number of tuna. If we gain a lot of them, the crews can receive more, otherwise they'll receive less.' (Fisherman interviewed in Ambon).

Company representatives indicated that they pay crew a basic salary dependent on their skill level which can be enhanced by a bonus ('premi') which is a proportion of the sale of the catch. Some company representatives felt (in contrast to what the fishers themselves believe and to other types of interviewees) that fishers earned quite well!

It depends on the skills. If the skills are sufficient, they can get higher salary, like being able to dive, to sew a net, and others. According to the market, the salary of an ordinary crew is 1.8 million IDR (USD\$128). They also receive an incentive for catch. The 1.8 million IDR (USD\$128) is the basic salary. The premium is based on the weight of the fish. The engine master can receive 2 to 3 million IDR (USD\$142 – \$213). The captain can receive 3 to 4 million IDR (USD\$213 – \$285) (Indonesian company interviewee)

We apply the income share for the fishing vessel. The agent (calo), the third party, who intervenes the wage after dealing with us. We count the wage based only on the haul. There's also a fixed wage, but I don't really know certainly. (Indonesian company representative) Where the catch is substantial, the profit-share amount crews receive may work out above what they would have received through a legally mandated daily minimum wage. However, this research has found that at most other times, what crews receive may work out less than the minimum wage due to deductions for *kas bon* and costs charged by calo – where one is involved – and by the Captain.

Ah, if we are lucky we receive 3 to 4 million IDR (USD\$213 to USD\$285) per month. Sometimes we get paid 60 thousand IDR (USD\$4) per day. Or sometimes it equals out to 70 or 80 thousand IDR (USD\$5 to USD\$5.50) per day. It depends if the fishing is good or not. (Fisherman interviewed in Tegal)

They are also paid below the minimum wage. Normally in Mura Bara they are paid 60 thousand IDR (USD\$4) per day before deductions for food and ancillary items. (Fisherman association representative, Jakarta)

What fishers receive in payments lacks transparency. The salary which fishers will be paid is supposed to be detailed in the legally required sea working agreement (PKL). Yet, one Harbourmaster interviewed at a major port willingly shared that he regularly signs off paperwork containing contracts which do not meet the regional minimum wages.⁶⁵ Many fishers we interviewed were unsure how fair their profit-share allocation was made, vis-à-vis other crew members on board who may be closer to the Captain. Fishers also only know how much they will receive when they are told at the end of the voyage. They are aware that what they think may be the price of the catch when they set out, and therefore what they might expect to earn, may not be the actual price when they get to port. This means that fishers are not able to plan for the amounts they will receive.

It doesn't matter whether the fish are fresh or frozen since we always hand over the catch to the company. All the payment (for the fishes) are done to the company directly. As I said, the company has many boats. So, they usually collect and weigh the catch at the port and take the catch directly to the company (factory). They will later pay us... If we unload them in the morning, we will receive the salary at night. (Fishermen, interviewed Bitung)

Where interviewees did not know or did not like the Captain, they were more likely to be suspicious that they had been 'cheated' out of their share. Interviewed crews and Captains also alleged that sometimes the companies tricked them out of their share, deceiving them about the price which they have managed to obtain for the fish. Many companies were alleged to only provide a verbal statement of what they had managed to sell the fish for: 'The trusted companies... always print the calculator as a proof. On the contrary, other companies are not do the same, they wouldn't give the details like ours did, they just informed us verbally. This makes us question the honesty of the company because of the possibility of manipulation.' (Captain interviewed in Benoa)

Even where companies do not deliberately deceive, Captains and crews were aware that they receive only a tiny proportion of the actual worth of their catch on the global market. The percentage which the company takes from the sales of the total catch was reported by interviewees to vary from company to company: 'We divided it by four with the company. For example, if we get 1 million IDR (USD\$71), 750,000 IDR (USD\$53) goes to the companies and 250,000 IDR (USD\$17) goes to us.' (Captain, interviewed in Benoa)

Companies also make deductions from the percentage which is allocated for the Captain and his crews for the cost of operational supplies which they have paid for the voyage. Although the companies own the vessels, the Captain and crew are responsible for paying for the fuel, sails, fishing nets, and food supplies used during the voyage. As Captain and crew do not have access to sufficient money to pay for their own supplies, the company advances them credit to cover the cost, which is then deducted from the profit-share. As with the *kas bon* and profit-share payment to crews, this is also an inherent way in which traditional small-scale fishing operates but which has been adopted by the large, immensely profitable companies that trade globally. Even though they are in effect employees of the company, Captains and their crews are typically jointly responsible for the operational costs of the boats:

We use income sharing system, if the unloading is done by a labourer then we're paying the labour, but we pay the crews by diminishing first the income by the operational cost then we share the net income with the crews. We get 150 million IDR (USD\$10,673) if it's 10 tons. That's the gross income. It's diminished first by the operational cost, just like the above example where 150 million (USD\$10,673) is less by 40 million (USD\$2,846) resulting in 110 million IDR (USD\$7,827). Half of this 110 million IDR (USD\$7,827) is given to the crews, and the other half is for the company. The income is shared again among them based on their position. The captain decides of the wage. Beside of the income sharing, we usually give the captain a fixed salary. It's usually 2,500,000 IDR (USD\$176) for the captain and around 2,000,000 IDR (USD\$142) for the engine master. (Indonesian company interview)

Overall, cost-and-profit-sharing allows vessel owners to share the costs and the risks with their crew despite the fact that they do not hold any ownership or decision-making power, as traditional kin do. Interviewees indicated that fishing crew are often consequently in debt, either personally or operationally, because their vessel caught insufficient fish to profit once operational costs were taken account of. Fishers also bear the risk if something goes wrong during the voyage, including where ice storage facilities break and the catch is spoiled.

It's hard if the fish is out of stock. So sometimes the debt could reach 30 million IDR (USD\$2,135). So we have to get the results up to 30 million IDR (USD\$2,135) to cover the costs. Because the costs are our debt. For example, we can get around 50 million IDR (USD\$3,558), but the cost supplies need to be paid, so we add to it. For example, the debt will be 45 million IDR (USD\$3,202). If the boss is understanding, he doesn't cut it all by once. He would cut it partly, sometimes by 15 million IDR (USD\$356) or 10 million IDR (USD\$712). But if the boss is not understanding, he would cut all at once. (fisherman, interviewed Bitung)

A couple months ago, my salary was "burnt" because the freezer was broken. So we didn't receive any salary [for] 3 months. They only gave us 500,000 IDR (USD\$35) as "pocket money", but what could you really buy with that money? That's why I was willing to be interviewed by you. I really hope that my experience won't be inherited to the younger generation. (fisherman interviewed Ambon)

Overall, due to the nature of the profit-share system, interviewees referred to fishing as being a gamble in which they did not know whether they could earn enough to support themselves or their families. It is the crews rather than the companies who are bearing the risks of the unreliable nature of fishing and unproductive and unsafe fishing trips. And it is for this reason that many fishers are, according to interviewees, continually in debt. It is debt which drives them to sea repeatedly and in search of new *kas bon*, while never earning enough to break the cycle of debt.⁶⁸

3.2.2 Contracts & earnings of factory workers

In contrast to the informal engagement of fishers, factory workers in some areas tended to be engaged on contracts of employment which set out hours of work, terms and conditions and salaries. This is with the exception of workers hired by the day, usually on port areas, to process with higher than expected catch landings. For instance, in Bitung and Bena, written contracts did not appear to be evident and terms and conditions were not clearly communicated. However, for those who were contracted, the research team found evidence of a significant use of short-term or casual contracts rather than open-ended (permanent) contracts.⁶⁹ Factory workers who were interviewed at Muara Baru had worked for three years continuously

at the same factory without being offered a permanent contract. Contracts were annually renewed. At another factory in East Java, female workers had similarly been denied a permanent contract even though they had already been engaged as short-term contract workers (annual renewal) for three years. As noted above, fixed-term workers by default must be transferred to an open-ended contract after three years. In this case, the workers had been promised that this would happen after one year of employment by three factory management. On fixed term contracts, women workers felt continually insecure that they may disappoint the bosses and not be rehired. When annual contracts ended during pregnancy, women workers interviewed in a focus group shared that the factory did not renew the contracts. This was to ensure that they did not have to pay maternity pay.⁶⁸

If we only become contract workers we always in uncertain conditions. We never know how our future is. Meanwhile we already working so hard but they keep to re-contract us again and again [on short-term contracts]! (Female participant in a focus group in Surabaya)

In Muara Baru, female factory workers were also engaged on short-term contracts but for an initial six months which were then annually renewable. The initial six months is presumably a probation period for the company, although this is explicitly forbidden in the Labour Law (2003). Verlie attribute the use of short-term contracts in Bitung to severe downturns in export production and hence profits in the wake of the 2015 action on illegal fishing (ban on transhipment and moratorium on use of (ex)foreign fishing vessels. Certainly, Bitung experienced the most severe impacts, however in other places, it seems that the use of short-term contracts is the norm regardless of production conditions. Workers we interviewed as well as trade union and NGO representatives indicated that only more skilled workers are engaged on open-ended (permanent) contracts. We also found evidence of the widespread use of agency outsourcing. In one case, in Surabaya, female workers interviewed alleged that contract workers had to wear different coloured uniforms. With this differentiation, interviewees alleged, factory management and supervisors were easily able to hide the workers when the inspectors arrived to bypass regulation restricting the use of outsourcing.

In general, wages for factory work were reported to be variable, ranging between 50,000 IDR (USD\$3.50) per day to 100,000 IDR (USD\$7) per day. In East Java, it is paid via ATM cards rather than cash, whereas in

other research sites, all method of payment was done in cash. Amounts varied according to the factory, the role and whether the workers were paid a minimum wage as required under provincial law or by piece-rate as contract workers. Piece-rate is where workers are paid by the amount they have achieved – usually measured by weight of fish processed – rather than by the day, week or month. Many workers – however they were paid – reported being paid below the legally required minimum.

Figure 10: Example of salaries paid in factories

- In a visit to a factory in Tegal, Central Java, we found women workers who were filleting fish, cleaning, and cutting tails and heads, earning between 70,000 (USD\$5) and 100,000 IDR (USD\$7) per day for cutting 400kg/1200 Kg.
- A female canning factory worker, Muncar, was paid 60,000 IDR (US\$4.25) per day, well below the 2,132,779 IDR (USD\$151.75) monthly legal minimum wage.
- Women workers in East Java were paid 200,000 (USD\$14.25) to 400,000 IDR (USD\$28.50) per week. This was much improved from the past when they had been hired as outsourced contract workers through an agency. At this time they had only received approximately 400,000 IDR (USD\$28.50) per month. It is still however below the legal minimum for workers in that province.
- A male factory worker in Muara Baru receives 3.7 million IDR (USD\$263) per month, just slightly under the legally required minimum of 3,940,978 IDR (USD\$280).
- In Bitung, factory workers reported being paid 800,000 IDR (USD\$57) per week, and 5,000 IDR (USD\$0.35) per hour of overtime. This is consistent with what Verlie's rapid appraisal for USAID found in 2018.⁶⁹ This is well below the legal minimum of 3,051,076 IDR (USD\$217).
- Skilled tuna cutters – often male – were reported to receive 3 to 4 million IDR per month (USD\$214 – 285), which is broadly consistent with legal minimums.

The salary is around 65,000 IDR (US\$4.50) per day. We come at 8 and go home at 5. After 5, it's overtime and our fee is 16,000 IDR (USD\$1.15) (per hour). Sometimes we are being chosen on Sunday because the salary is bigger. It we come on Sunday, we can get 100,000 IDR (USD\$7) per day. We receive the salary every Saturday.
(Factory worker, East Java)

We also get the overtime money in case of overtime. There used to be extra allowance as well, but only for the supervisor. At the moment, my salary is 3.7 million IDR (USD\$264), reduced by the 13,000 IDR (USD\$0.90) cost for daily lunch in company.
(Female factory worker, Muara Baru)

Factory workers we interviewed complained about their salaries. Some had chosen to leave jobs because they had not paid enough and had found a new job which paid better. We also found piece-rate payments were more likely in processing factories at the ports, where, as noted above, factories require flexibility in their workforces.

According to a worker interviewed at Muara Baru port, day labourers are paid 50,000 IDR (USD\$3.50) per tome. Also as noted above, the Indonesian government specifies city and regional minimum wages rather than an industry-wide wage. According to one industry representative however, companies tend – where using day labour – to calculate daily or hourly payments based on the minimum. However, he also acknowledged that given that payments for day labourers are not regulated, there can be bad practice and certainly lack of clarity.²⁸

The biggest problem [for companies] is that [their] raw material is seasonal. Most factories pay a 'borongan' (daily or hourly wage) or pay 2,000 IDR for one kilo (USD\$0.14). Government regulation is just for contract employees (3 million IDR/USD\$209) per month for Surabaya, close to this.) But many companies will calculate a daily or hourly wage based on this minimum wage, or what would be what normally can be completed based on daily/minimum wage. The issue is there is no regulation specifically for daily wage workers, so it's unclear and also some bad practice.
(Indonesian industry representative)

The same interviewee argued that the regional – rather than sectoral minimum wage – allowed companies to relocate factories to regions with lower wages to reduce labour costs. For instance, this is why, according to respondents, the relatively higher cost of labour in Benoa explains why there are relatively few processing factories there. On the other hand, another company representative of a factory in West Java who pays his staff by piece-rate complained that increases in minimum wage rates had been problematic for him, arguing that their productivity did not match those of his competitors in Thailand or the Philippines.

Why should I be paying more to my staff when they don't get better at their jobs? At their best they are cleaning 10kg of tuna an hour – it's normally 8 kg per hour – whereas in the Philippines or Thailand they clean 12kg an hour for the same money. It spikes my cost of production, and makes me uncompetitive compared to those countries."
(Representative of factory based in West Java)

Additionally, most companies pay the basic minimum wage, referring only to the legal basic minimum wage, without taking account of the workers' length of service, occupational competence, and education. Therefore, it is common to see experienced workers earning the same amount of money that the newly-recruited and inexperienced workers do. Interviewees in Muara Baru and Belawan claimed that there might a possibility for the workers to earn higher than minimum wage, by being appointed as foreman (*mandor*), but no clear procedures or requirements to this position were present. Therefore, interviewees, did not have any career path in this industry, whilst the law explicitly requires employers to formulate a wage structure and scale, and make it clearly available to their workers.²⁹

3.3 Working Conditions

Working conditions on board vessels and in seafood processing factories can be unpleasant and dangerous. Without a legally enforceable contract of employment, it is difficult for fishers and workers to assert their rights. Government inspections as well as access to trade unions is essential to protect workers and to provide access to remediation where necessary.

Figure 11: Findings on working conditions (fishers and factory workers)

- Conditions on board vessels were variable dependent on the Captain, company and/or seaworthiness of the vessel. Generally speaking, fishers usually have sufficient to eat and have access to fresh drinking water, although lack hygiene facilities and suitable sleeping areas. As is common in fishing, sometimes there were long hours involved and fishers had little sleep. Physical violence on board appears to be relatively isolated, although verbal admonishments were reported to be common.

- The regulation from the Ministry of Marine Affairs and Fisheries requiring fishers to have a sea working agreement is not (yet) being implemented widely across Indonesia. Nor is the vessel level human rights certification. Although companies, Captains and Harbourmasters, had heard of the latter regulation, there was widespread lack of knowledge about what it meant.

- Fishers are not (yet) obtaining access to health and life insurance as required under the new laws. There is a lack of clarity about who pays for this – companies or fishers – and in its absence, fishers' payments are sometimes being deducted by companies for the cost of this where it is provided.
- We found some evidence that Captains are retaining crew ID cards until the *Kas Bon* is repaid.
- Fishers and factory workers had a low awareness of their legal rights. Fishers in particular were not aware that they were entitled to be paid a legal minimum wage and have a written sea working agreement (PKL).

- For factory workers who had written fixed-term contracts, working hours appear to be more or less respected. For day or outsourced workers paid by piece-rate, extremely long working hours were common. Access to leave was variable and menstrual leave commonly reported to be denied by employers regardless of the type of contract.

- Trade unions are present in some factories, but their ability to organise and to represent workers was variable dependent on the company. We found cases where the employer had dismissed the entire workforce when they had tried to organise.
- Trade unions are virtually absent in fishing. They lack the financial and physical resource to organise, advocate for and do legal casework for domestic fishers. They however recognise the urgent need to so and are keen to embark on this. We found no discernible evidence of access to company grievance mechanisms.

3.3.1 Fishers' working conditions

Interviewees experienced highly variable working conditions on vessels, depending on how large the vessel was, how long it remained at sea, what species of fish they were catching (and therefore how intensive the fishing was), how seaworthy the vessel was and what company owned the vessel. While fishing was acknowledged to be an occupation which rarely involves standard hours because of the nature of the industry, interviewees reported that working hours were largely dependent on the Captain or the company's established working practices: 'The working condition can be inhumane. We can work for 24 hours a day sometimes. Sometimes we have to work at night with no rest. When all is set, we get a break, sometimes only four hours a day.' (Fisherman, interviewed Tegal)

According to interviewees, small areas on the boat, often shared with the kitchen facilities, are sometimes allocated for rest but fishers prefer to sleep outdoors because the inside spaces are too cramped: 'Another issue is the sleeping space/room, which is too small for 20 to 25 people, and thereby sometimes we can only sleep while sitting because there is not enough proper place.' (Fisherman interviewed in Tegal).

Fishers are not allowed to eat the seafood catch, which is intended for sale, with two meals of rice per day commonly allowed. In addition, crews typically have access to packets of instant noodles for snacks with the costs of these deducted from their salaries. While better than many situations reported by studies of the Thai industry,²² fishers interviewed however did report running out of food when the vessels had been at sea for long periods of time or when insufficient supplies had been purchased by the Captain.

Sometimes we weren't given enough food. We were only provided drink but no food... We may only cook the basic food because there is no snack. We have water, fresh water, but we bring it ourselves. We sometimes use melted ice block for drinking water. Sometimes the Captain wasn't really caring about the crews. He never gives us food and he eat everything himself. (Fisherman interviewed in Tegal)

That said, interviewees who had crewed squid boats, which are often at sea for ten months at a time, noted the working conditions to be especially challenging. In part, fishers associated this with the greater length of time at sea on such squid boats (up to ten months) and the type of fishing involved which necessitates working through the night. Bert Beri, a vitamin deficiency disease similar to scurvy and which has commonly been found in migrant crews on Thai, Taiwanese and Chinese vessels, was also discussed by Indonesian fishers who had crewed squid boats: *'Squid fishing also makes us get sick quite easily. People regularly get very swollen feet and beri beri. They are quite itchy, because they aren't given deck shoes and regularly get exposure to saltwater.'* (Fisherman interviewed in Tegal)

Studies on the Thai industry have found violence on vessels to be relatively common. For instance, one report found that one in five fishers experience violence.²³ In comparison, examples of physical violence on board Indonesian vessels were infrequently shared by interviewees, with the exception of some isolated incidences. Such incidents appear to be associated with specific Captains with reputations for violence, rather than structural or endemic throughout the industry in Indonesia. Violence in the form of punishment was usually associated with incidences where the valuable catch had been damaged.

There is a form of 'code' on board, with certain punishments. For example, if I make a mistake, during the rest time between sets of one to two hours I won't be allowed to rest. Notes are kept on this, so when our friends are sleeping we will be forced to stay awake... Say we toss the mainline and damage or lose it – that'll be counted. Or, we hook the fish in the wrong way, don't follow orders immediately – that also gets punished.... We use a gaff hook to lift them on board. We are meant to get them in the head so we don't damage the flesh. If we get the body of the fish, we get a punishment. (Fisherman interviewed in Tegal)

Working conditions on fishing vessels can be dangerous and extremely difficult whether the catch is for export or whether the fishing is undertaken within traditional, small-scale fishing. Yet, there are some differences. When fishers work on vessels owned by (primarily) exporting companies, Captains are under immense pressure from companies to ensure that they maximise the catch landed. This means maximising the work effort: *'The captains are responsible for the work environment. But they also receive immense pressure from the company. Say he is given a quota of 80 tons – but over a year, he only gets 50. He still needs to find that extra 30 tons.'* (Indonesian company representative, Ambon)

According to interviewees, one way that companies and Captains do this is through the use of calo, not just to recruit and management payments for fishers, but also to enforce compliance. Calo are also involved in enforcing compliance among crews perceived by Captains (or companies) to not be working hard enough or who want to leave in advance of their contract ending. This is a form of pressure to enable greater exploitation of individual workers as well as disciplining of the crew more generally via an extreme 24/7 work ethic.

The biggest one is Baitnese, but the underlings are usually from other places. They tend to be quite close too – usually related through marriage. Sometimes if a distant relative is unemployed, they'll call them up to be a field coordinator or to instruct the lazter ABK (fisher). The collecting division is where most of the 'punchers' are. Even before the vessel has properly docked, they'll be asking the ones who call sick, "What's made you sick?"; They'll take him to a doctor – if the doctor says the ABK isn't sick, the ABK will be taken to the office and beaten.' (Fisherman interviewed in Benoa)

Moreover, this research found some incidences of where fishers' identity cards were retained by vessel Captains to ensure that crews remain with the ship until the catch is landed and sold and kas bon are repaid. This appears to have arisen as a result of the recent changes in the law which require crew mandates, copies of PKLs and identity cards to be provided to the Harbourmaster before the vessel can depart the harbour. If catch sales do not cover the expenses of the trip, then the fishers assume responsibility for their portion of that debt and their ID may be retained, according to some of the fishers we interviewed. Interviewees understood the purpose of the retention of the ID card to be about guaranteeing that they would stay with the vessel: *'I just would like to say, don't just talk about slavery in abroad. In domestic vessels, there are many ABK (domestic) fishers exploited.'* (Representative from fisherman's association)

Interviewees spoke about having to return to sea with the same company, sometimes multiple times, to work off accrued debts. When their debt is not paid off, this means that they are unable to leave the vessel as they are not able to afford to go home: *'This is also a loan so I keep changing, but my ID card is being held... yes detained... Yes, guarantee that I won't change anytime... It's hard.'* (Fisherman, Bitung). NGO interviewees in this study however noted that the major difference between working conditions in the Indonesian domestic industry and those elsewhere where a migrant workforce is involved is that fishers can simply leave and go home if they did not like the work – even if they would be out of pocket financially. This is the case whether or not the Captain has his ID card. However, the risk of crew leaving when the Captain needs them to stay is not only one related to having sufficient workforce. It is also a direct financial risk if the company has advanced the crew kas bon. According to Captains interviewed, companies hold them responsible for this: *'Well, (crew running away) is part of the risk. The captain needs to be held accountable for that. Therefore, when the crew runs away, the captain will have to pay...'* (Captain interviewed in Ambon). In short, even where the fishing workforce are not migrants, to maximise profitability similar exploitative practices are deployed within the industry to intensify catch effort on board vessels while reducing the risks of fishers leaving.

We found little evidence that crew had had the required BST (Basic Safety Training) and Seaman's Book (required for fishers on vessels above 35 GT). While this is reportedly common (although as are fake certificates) for migrant fishers, as yet, it is not the norm in the domestic industry.

Fishers and companies indicated that largely for new crew members lacking experience, training will be conducted on board the vessel. Captains are expected to ensure that they have some skilled crew on board who can help with newer crew members. The Indonesian government has recently invested funding for organisations such as ATLU (Association of Tuna Longline Indonesia) and trade union, SPP1, to provide free training. However, we did not find evidence that this is as yet been widely taken up.²⁴

Since the year of 2009 until now, we admit that this rule (requiring crew to have BST and Seaman's Book) has never been strictly enforced in Benoa so that companies/business actor take this lightly. If the Government now decide to enforce the rule, then it takes to time to change the existing circumstances, particularly the mentality issue of the fishing crews. There is no way the companies willing to pay them the training fee if they are not committed to work for the company. (Indonesian industry representative, Benoa).

Crews demonstrated little awareness of their legal rights, accepting poor conditions as simply part of their lot in life as poor men who became fishers. Even where interviewees were aware of laws intended to protect them, which was not often, the informality within the system means that asserting these rights was usually not possible or because the law is not clear. For instance, respondents asserted that it is not clear whether fishers or companies should pay the life and health insurance as legally required under Law 7 (2016) (see above). As a result, some companies who have complied with the law on providing the insurance are deducting its cost from fishers' salaries (derived from the profit-share). Fishers in Indonesia are not generally members of trade unions because of the informality in the sector. Trade unions and fishermen's associations we engaged with during the course of the research are extremely keen to start advocating for and organising fishers. Unions such as SBMI²⁵, KNTI²⁶ and SPP1²⁷, and a fishers association, INFISA²⁸, currently advocate for migrant fishers, handling thousands of claims for unpaid salaries and forced labour each year. INFISA, KNTI and SPP1 have begun advocating on behalf of a small number of domestic fishers who, after finding them on social media, sought their legal assistance. PPI²⁹ has been advocating at policy level. Lacking resource and capacity none has been yet able to initiate organising activity. As fishers are largely itinerant, travelling from vessel to vessel, organising is likely to be highly-resource intensive.³⁰

At the same time, crews were acutely aware that if they complained to the companies about their treatment they were unlikely to be given much payment by the Captain or be able to arrange work in the future with that vessel. One company representative who participated in the research acknowledged that the company maintained a 'blacklist' of fishers who did not routinely show up for work.

I didn't feel comfortable to complain about salary on my first year. Many of my colleagues have been working for five to six years on that vessel. None of them complained about the salary. It was also because the captain and the "deputy" and "deputy II" are relatives. Of course if we complained about the work, of course he would defend his brothers. It's such a waste of energy, I thought. (Fisher, interviewed in Tegal)

If they're always absent or keep going back and back, their name will be on a black-list... If they don't show up for at least three days, we'll kick them off. That's why the operational workers should fill in the presence list, to see how many days they don't come to work. (Captain, Bitung)

The lack of clarity over which government department is responsible for labour rights in fishing is also problematic for implementing the regulations. Thus far, inspections on board vessels (for example under the human rights certification requirement) have focused on equipment and occupational health & safety rather than labour rights. Respondents indicated that even if fishers were minded to complain about their working conditions, they would not know who to complain to. A respondent who had attempted to advocate on behalf of a group of domestic fishers had first approached the relevant Harbourmaster (responsible for co-signing the PKL), before being sent to the local Ministry of Labour office and finally turned to SATGAS 115 in desperation. The case has not yet had a satisfactory resolution because of the lack of clarity over responsibility. Minister Pujasari, according to a government respondent, published a WhatsApp number online and asked for tips and information about illegal fishing, but the number came to be utilised more as an avenue for fishers to complain about their working conditions according to the official. No data was however shared about the number of cases dealt with.

There is an obligation of government to inspect labor condition at sea, they have make ensure the workers have a working contract, insurance, decent place, etc. But so far, the inspection mostly focus on the vessel itself not for the workers. (Trade union respondent)

When dealing with domestic cases, they are normally receiving them from family members. In cases of death, they may get minor restitution from the company or vessel owner. However, fishermen on smaller vessels (especially fishermen that don't have a domestic seaman's book) legally are given less by the company. However, what normally happens is that the company makes a small informal donation and expects that to be enough for the family." (Harbourmaster, Muara Baru)

3.3.2. On-shore factory working conditions

While the respondent sample of factory workers was relatively small, the research team has established five patterns. Firstly, working hours of factory workers who are engaged on fixed term or open-ended (permanent) contracts, seemed to be consistent with what was contained within contracts, with limited examples of non-payment of overtime.⁸¹ For instance, in Muara Baru, respondents reported working hours of between 8am and 4pm, and 8am and 1pm at the weekends, with Sundays considered as holiday time for the most part. Working time may also vary as a result of the seasonality of some species, such as tuna. In this case, workers were reduced during the 'off-season' to three days per week. Secondly, on the other hand, the working time of factory workers who are on agency (outsourced) contracts or who are paid by piece-rate (per ton of fish processed) rather than by salary, appears to vary significantly. For instance, one group of female workers in East Java engaged through an outsourcing agency had to work between 6am and 9pm to complete their production targets. NGO respondents indicated that in some factories in East Java, workers who are paid by piece-rate at times even have to work for 24 hours a day to meet production targets.

We work from Monday to Saturday. But, on Saturday, we only need to work half-day until 1 PM. Sunday is holiday. We are obliged to come to the factory every day, except for Sunday. In case of sick permit, we need to provide an official sick letter from doctor. As for other reasons, your absence will be used for your annual leave. (Cold storage worker, Muara Baru)



"Factory workers offloading frozen tuna"
(Photo by Jeremia Prasejya)

Secondly, we found variable terms and conditions in factories relating to annual leave, sick leave and maternity leave. Workers who engaged on contracts, even if these are short-term contracts, did appear to be given annual leave of around 12 days per year. They were however limited by the number of days they could take at the same time. The legally mandated menstruation leave appeared (in the limited number of cases included in the research) to be a type of leave not respected by employers.

Every worker will get 12 days leave in total for one whole year. However, we could not take the whole leave in one turn. There is a limit to our annual leave set by the employer that we could take in one turn. In one occasion, there are maximum three days that we can take, even for the major event like Eid al-Fitr. We can take four days after consulting with our employer, but the total leave in one year will stay the same, which is twelve (12) days. (Canning factory worker, Muara Baru)

Thirdly, work in fish processing factories is hard, dirty and generally unpleasant. It can sometimes be dangerous if workers are not provided with the correct clothing to guard against the temperatures of the cold storage or against the chemicals used in cleaning fish. However, respondents we spoke to for this research appeared, for the most part, to be provided with uniforms and correct health and safety equipment.

Yes, they have provided all of us these uniforms and we do not have to pay for that. The uniforms are aprons, shoes, caps, uniforms, and jackets. All of these are given for free. You know that our workplace is so cold because the place is full of ices. If you go to the freezer room, it will be colder. The temperature in the production place is around 4-6 Celcius. (Female Muara Baru)

We were not able to enter any of the factories engaged in exporting fish and have not been able to comment on how good or poor the working conditions were inside.⁸² However, respondents did acknowledge that processing is a difficult and dirty job, with that conditions are often far from ideal.

Of course, working in a fish processing factory is much harder than other jobs. The work hours are long – 12 hours a day – the smell is bad, and outside of set breaks there is no time for rest. (Company representative)

Figure 12. Verite's Rapid Appraisal In Billing Factories⁸³

Each work area in the fish processing facilities has its specific risks. Before packing the tuna loins into vacuum-sealed plastic bags and freezing them in storage, the loins are constantly watered during the cutting process, leading to wet and slippery floors. In the loining/skinning/scrubbing areas, workers' health risks include getting cut, exposure to chloric air, and fish allergies. In the sanitation area, the floors are always slippery because of the constant use of water to keep the area hygienic. In canning and seasoning areas, the machines pose most of the risks to workers. In addition to these dangerous conditions, Verite researchers observed electrical wires in the storage room and disorganized fishing lines. Some loining platforms with sharp edges are stacked near the storage room with only a narrow path through which to pass. In Indonesian processing plants, Verite researchers observed that workers were constantly exposed to and inhaled chlorinated air while working. Chlorine is used to sterilize boots before entering the processing factory room and to wash workers' hands. Temperatures are often extreme – either very hot or freezing. Workers are frequently denied access to the toilets. All workers interviewed from four different factories complained of skin allergies on their hands due to the constant submerging of their hands in solution used to freeze fresh tuna.

Fourthly, NGO and trade union respondents argued that in general workers' knowledge of their legal rights are low. Within the factories formal company grievance mechanisms appear to be limited, although company representatives interviewed for the study did indicate that workers could approach human resources with any issues they had. One company included in the research positions a 'suggestions box' on the factory floor although the respondent could not remember the last time any worker had posted a complaint there. We found no evidence that workers commonly – or ever – lodged complaints with the provincial Ministry of Manpower offices.

Fifthly, the research found mixed evidence about the presence of trade unions in factories.⁸⁴ In Muara Baru, we found that unions were present, but their activity and ability to organise workers varied from worksite to worksite. While some companies are open to worker representation, others were reportedly less so. Trade union respondents reported cases of having to fight for recognition as is mandated for under the law so that they could advocate for and organise workers. Most seriously, workers who had tried to organise in one East Java factory had been dismissed as a consequence. These workers were too frightened to speak to the research team. In a different factory in East Java, workers had been forcibly 'early retired' at the age of 45, then re-hired on fixed-term employment contracts to avoid the severance pay which ending their open-ended contract would otherwise have required. In a third factory in East Java, on the other hand female workers had recently won a hard-fought fight to unionise and now 60% of the workforce were members of one of three trade unions present.

The salary is supposed to be based on district minimum wage, but here it doesn't apply, and it's happened for years. If someone try to complain, you will see the next day the workers must be disappear because of dismissed. (NGO respondent, East Java)

4. Responsible Sourcing from Indonesia

Responsible purchasing is integral to building supply chain resilience and improving lives. It can have a significant impact on workers. Much work has been conducted in recent years on integrating buying practices which incorporate social, labour and environmental concerns. Leading global brands have adopted public statements and codes of conducts with which they require their suppliers to comply. Companies now regularly meet with conservation groups and the use of ecolabelling has long been in place. More recently, national due diligence legislation such as the Modern Slavery Act in the UK combined with international media attention on the human rights abuses in the Thai and Taiwanese fishing industries has driven brands' attention to addressing labour risks in their supply chains.

The research team conducted several interviews with global brand and retailers who currently or previously sourced wild caught seafood from Indonesia. We found that buyers lack labour related intelligence outside of the typical audit compliance framework. Many ethical trade and responsible sourcing teams voiced concerns and suspect there may be serious labour issues in Indonesia. They however stated that they are not yet receiving concrete information and details needed to elevate risk levels and drive greater attention to the working conditions in the industry. Many responsible sourcing teams, especially those such as retailers, manage a global portfolio and thus have to balance competing budget priorities to support a wide range of products and initiatives that span labour, environment, traceability, and sustainability, among others. Risk assessments help determine the type of goods, locations, and context that, in turn, impact the resources and partnerships the business support. Industries and geographies that have been flagged as high risk or suppliers that are highly strategic will naturally receive greater attention than those that do not.

In the case of Indonesia, buyer internal systems do not seem to be picking up on serious labour issues. This is impacted by how information is collected and by whom. Interviewees report that most internal information on supplier workplace conditions come via technical audits, and food safety and health checks. Working conditions are not always probed in these instances, and when it is raised the typical approach is to seek input directly from the employer. Worker voice, as the primary source of information or verification, was largely reported to be absent. Responsible recruitment practices, which have been gaining attention by global buyers in other Asian

countries such as Thailand, Malaysia, and the Philippines, is not yet receiving much attention in the Indonesian seafood industry. Responsible sourcing teams reported not knowing the recruitment practices of their suppliers nor if this should be a concern.

Supply chain visibility and traceability was also a significant concern for responsible sourcing from Indonesia. Some buyers expressed very serious concerns regarding labour conditions on Indonesian vessels and at Indonesia ports, the vessel conditions, and vessels operating under other flags. Risks were also associated with the species being sourced. Tuna, for example, was identified as a significant challenge since it is frequently transported across many vessels. The details of these vessels and the working conditions aboard those vessels is often not known or unreported. However, some of those importing tuna are working in partnership with the International Pole & Line Federation and AP2H⁸⁵ and therefore are working hard to improve social and environmental conditions, and buyers noted greater confidence on reducing sourcing risk when partnering with on-the-ground organizations.

We have supply chain mapping in place for all suppliers so we have good visibility, but not full visibility of risk because don't have the information; a lot can be hidden... Red flags are further down the supply chain, at the farm level or the boat level, and the fish and the fish meal, less so at the processing facilities, which is more standard. (Global retailer)

I participated in the vessel audits. (There were) issues around lack of contracts between fishermen and captains, and who is paying who. Basic contracts and what the pay scale is and who is recruited was all pretty grey. (Global retailer)

Lastly, the ability to assess working conditions aboard vessels was highlighted as a labour concern. Media has highlighted the plight of foreign migrant workers trafficked in Indonesian waters and risk regarding Indonesian fishermen trafficked on to boats in Africa and Northeast Asia. Responsible sourcing teams are hopeful that various technology and worker voice tools can help identify and address vessel-level labor conditions but have not yet seen this come to fruition in their supply chains. There was a general perception that there needs to be strong government-led enforcement efforts and an industry-wide response to tackle labour risks at the fisheries level.

The global retailers and buyers interviewed for this study have all engaged on improving conditions for seafood workers in their supply chains. Their action includes having standards and codes of conduct which they expect their suppliers to adhere to. Suppliers interviewed noted that it can initially be difficult to implement codes of conduct, which may or may not be specific to their industry and sector. If specific certifications are required, there are potentially large costs that suppliers are often not able to bear (and which exclude potentially more sustainable smaller fisheries, due to an inability to pay for certification).

Figure 13: A partnership between a US subsidiary processor with a trade union⁶⁶

Bali Seafood, a subsidiary of North Atlantic International, an importer based in the US state of Maine, officially commissioned a processing plant on the Indonesian island of Sumbawa in April 2018 and shipped its first container of frozen snapper, grouper and tuna to the US three months later. By siting processing plants with freezing capability out in rural Indonesia closer to where the fishers and fish are, Bali Seafood aims to reduce waste in the supply chain, improve fish quality and boost development in a poor corner of the country. The processor's US exports are caught by some 400 to 500 artisanal vessels with an average of 2.5 crew members each. Bali Seafood aimed to improve conditions for its suppliers and employees as well as ensure sustainable management of coastal fisheries. The Sumbawa plant circumvents the typical procedure, processing the fish locally and cutting out most of the extra steps in the supply chain. Bali Seafood is working with Indonesian Seafarers Union (Kesatuan Pelaut Indonesia) on an initiative known as WAES: Workplace Agreements for Ethical Seafood. The International Trade Federation, an independent third party, intends to ensure the agreement is being followed.

Figure 14: AP2HI Tuna Association Code of Conduct⁶⁷

The Asosiasi Perikanan Pole & Line dan Handline Indonesia (AP2HI) Tuna Association has a code of conduct for its member which is an important step forward for the tuna exporting industry in Indonesia. The Association's vision is to pioneer tuna fisheries development through sustainable growth for business, society and an ecosystem approach to sustainable fisheries management. These commitments have been designed to ensure best food safety practices, responsible harvest of fishery resources, ethical labour practices and support regional and national fishery management measures. The intent is that the Code is a "living document" for its members will be regularly updated as the industry and regulatory standards evolve. It includes standards on legal compliance (e.g. vessel registration and use of transponders); no procurement of IUU fish; public facing policies on avoiding catch of endangered, threatened and protected species; ensuring health and safety on board vessels; compliance with legal requirements and best practice on fishing methods, traceability; and that members should have a public facing policy on forced labour and child labour as well as comply with national labour laws. However, as yet, the Code of Conduct, other than requiring their members to have a statement against forced labour and child labour, does not elaborate or delve into, for their member companies, what this means or looks like in practice. Moreover, as yet, the Code has not third party audit mechanism to monitor compliance. Until the statements are backed with clear guidance to their members on how to address potential forced labour situations as well as monitoring and corrective action, they remain merely on paper. They are nevertheless a welcome step.

5. Conclusions & Recommendations

The set of recommendations we present here are drawn from our findings as set out in the report above. Our focus for this report is action which we believe the Indonesian government – rather than international business – can take. Our view is that government has already taken some critical steps to improving the protection and rights of fishers. We applaud and welcome those steps. Our proposed recommendations are intended to advance the process which has already begun and we look forward to discussing these recommendations with the government. We draw attention to two main conclusions from the findings:

1. In many cases, the right legal framework is in place – both for the protection of fishers as well as for protection of factory workers. There is a lack of implementation and enforcement of many of these laws however. In some cases, it is willful non-compliance on the part of companies, for others it is down to a lack of clarity in the law. In the case of fisheries, underpinning this is the lack of institutional mandate to protect the rights of fishers.

2. Hampering the ability of fishers in particular – but also factory workers – to secure their rights under the legal framework, is a lack of access to trade unions and other forms of worker organisations. In some cases, companies directly deny this access; more broadly, unions lack resource to adequately support workers.

We propose recommendations to address both these conclusions. In addition to our targeted recommendations for the Indonesian government, we would also like to call on international donors to consider investing in – either through financial support or through the additional political leverage which they can bring – a number of the actions below. In particular, we believe that international donors should consider investing in capacity building labour organising in the domestic fishing industry. At present, the trade unions and fishermen's associations are not sufficiently resourced to conduct legal case-work on behalf of fishers, nor to organise them nor to engage in robust policy advocacy on their behalf. Legal case-work is absolutely essential to ensure that fishers' rights are respected where harms have been perpetrated. Organising will help prevent harm by ensuring that fishers are aware of their rights and know where to go when these are infringed. Policy advocacy and liaising with government at all levels helps governments regulate better. International donors could also support the development

of safe reporting channels for workers – especially fishers who currently lack any form of access to remedy. Safe reporting channels operated by civil society including trade unions can address deficits in trust between workers and governments. A set of recommendations targeted at global retailers and buyers are evidenced and presented in a companion briefing paper.

1. The Indonesian government should establish a Presidential Task Force to Protect & Empower Fishers.

At present, responsibilities are falling into the gaps between Ministry of Manpower, Ministry of Maritime Affairs and Fisheries and the Ministry of Transportation. This leaves fishers unprotected at central or provincial government level. Responsibility for labour rights in fishing should be clearly given to one agency/department. This Task Force should have an inter-agency coordination role as well as the mandate for enforcing the relevant regulations such as SATGAS 115 has responsibility for tackling illegal fishing and maritime security. The Task Force should assume the overarching responsibility for developing, implementing and coordinating regulation – including enforcement matters pertaining to the protection and empowerment of fishers. At a minimum, the Task Force should include representatives from the Ministry of Marine Affairs and Fisheries, Ministry of Manpower and Ministry of Transportation. To support its work, the Task Force could have an Advisory Council comprising representatives from trade unions/fishermen associations, international organisations and senior experts.

- a. This new allocation of responsibility should be clearly communicated to fishers and to companies in the form of an official communiqué.
- b. In the (as yet) absence of trade unions in fishing, the Task Force should establish a whistleblower telephone hotline and mobile app reporting system so that fishers can report any problems with salaries and illegal deductions, contracts and working conditions, including those associated with *calo*. Data on complaints and their resolution should be centrally collated by the Task Force and anonymised macro data publicised. The mobile app and telephone hotline number should be publicised at port areas and within the Harbourmaster office.

2. As a matter of priority, the Task Force to Protect & Empower Fishers should enforce the implementation of the PKL (sea working agreement).

At present, this is barely implemented or implemented poorly (for instance where companies do not provide fishers with a copy of this). If fishers do not have a contract then they are not able to advocate for their legally mandated rights, access insurance or other forms of government assistance. We believe Task Force actions should include:

- a. Provision of training / written guidance for Harbourmasters on what action to take when they receive a copy of a PKL for counter-signature which includes a below UM(S)R (legal minimum wage) rate. (E.g. reject the contract, report to the local / provincial Ministry of Manpower office.)
- b. Proper enforcement of the regulatory provision that companies must provide fishers with a signed copy of their PKL.
- c. Implementation of an awareness-raising campaign (through social media and the trade unions/ fishermen's associations) to alert fishers that companies are legally required to provide them with a PKL. The campaign should include reference to the hotline / mobile app reporting system so fishers can report non-compliance by companies.
- d. Formulate standard operating procedures on inspecting work conditions aboard fishing vessels, as set out in Part V of this Regulation, which shall be used by the Harbour Master. This should be accompanied with nationwide training courses on how to implement these standard operating procedures, as well as how to discern healthy and unhealthy work environments.

3. The Task Force should provide companies with written guidance (or an amendment to the regulation drafted if deemed necessary) to clarify that they must pay fishers the relevant legal minimum wage rate.

Companies and trade union respondents complained to the research team that the law as it stands is not currently clear or that it is not possible to meet them. Without clarity, it is easy for the 'good companies' to inadvertently break the law, and for 'bad companies' to easily avoid sanctions for non-compliance. It is the job of government to level the playing field between companies and to incentivise good practice whilst disincentivising non-compliance. Paying fishers a proper salary rather than only a share of the profits is however a substantial cultural shift towards professionalising the industry. This is not an easy step nor is it likely to be achieved quickly. To help achieve this, we propose that the Task Force do the following:

- a. Set up a tripartite working group comprising representatives of companies, trade unions/ fishermen's associations and government. This group should, as a matter of priority, identify where companies are reasonably finding it difficult to meet the salary standards and negotiate a sensible roadmap towards implementation.
- b. Provide official written confirmation to companies that they and not fishers are responsible for paying the costs of the legally required health and life insurance.
- c. Initiate an awareness-raising campaign (through social media and the trade unions) to alert fishers that companies are legally required to pay them the minimum wage for the province/ city. The campaign should include reference to the hotline / online reporting system so fishers can report non-compliance by companies.
- d. Ensure that provincial and city minimum wage rates are published online on the designated Ministry / agency's website so that these are easy for fishers to locate for reference.

4. The Task Force should draft an amendment to existing regulation to require companies to provide fishers with a written receipt which itemises: kas bon, deductions, salary, premi, any allowances.

At present, it is easy for companies to avoid compliance because of the lack of transparency in the verbally-agreed profit-share system. Receipts should be retained by the companies with copies provided to fishers. This will provide a transparency trail for international buyers and retailers to audit against. To help achieve this, the Task Force should mount a supporting awareness-raising campaign to fishers (through social media, trade unions and fisherman associations), alerting fishers that they should receive this. If they do not receive this, fishers should be invited to report this through the telephone hotline/ mobile app to be coordinated by the Task Force.

5. The Task Force should issue new regulation to clearly restrict and delineate the acceptable use of calo in sourcing fishing crew.

This should specify the circumstances in which calo can be used and how they can be used by companies. The research team believe that in principle recruiters are a valid – and often essential – part of finding labour. Nor do we wish to disrupt the potential for social protection which informal recruitment routes sometimes offer. However, their use is often associated with extortion and wider exploitation. To protect fishers, the new regulation should specify that calo can only be used during the recruitment phase and that this relationship should end once the PKL (sea working agreement) is signed. Companies should be clearly prohibited from devolving responsibility for payment of *kas bon* or wages to calo because of the risk of extortion. Companies should be responsible for paying wages and providing a written receipt as above. It is critical that the Ministry of Manpower, which has prior experience in regulating recruiters, is included in this work.

b. In the longer term, the Task Force (with Ministry of Manpower in particular) should review the possibilities for embarking on formalising – e.g. through licensing – the calo recruiters in the fishing industry to bring them into line with recruitment of seafarers and international recruitment of fishers.

6. The Task Force should provide written guidance to companies clarifying that vessels containing more than 10 crew can be legally considered workplaces for the purpose of trade union activity and collective bargaining.

a. This guidance should be accompanied by an awareness-raising campaign (through social media and the trade unions) to alert fishers that they can legally organise in trade unions and that vessels of above 10 crew can be legally considered a workplace.

7. The Task Force should develop and implement a programme of work aimed at improving basic literacy and educational levels of fishers.

As is widely known, the education levels of fishers are very low which precludes social and financial advancement within or outside the industry. This should include opportunities for taking basic school certificates as well as paralegal training. It should also offer routes into promotion opportunities in fishing companies, such as to Engine-master and captain roles. Advancement into these roles currently lacks transparency.

8. The Ministry of Manpower should enforce and implement the legal restrictions on the use of fixed-term and outsourced agency contracts in seafood processing factories.

At present, production relies on continually (and illegally) renewed fixed term contracts. Inspectors should take a more robust approach to clarifying and documenting which workers are on which contracts and for how long. Inspectors should seek anonymous reporting from the (largely female) workforce which does not put them at risk from their employers. The appropriate sanctions should be deployed against companies which do not comply.

a. The Ministry of Manpower should accompany this with an awareness-raising campaign (through social media and the trade unions) to alert factory workers that they can legally organise in trade unions. The campaign should include a telephone number / mobile reporting app to anonymously report where factories have not complied with the law.

9. The Ministry of Manpower should provide companies with written guidance to remind companies of the statutory duty to pay workers (whichever contract they are on) the relevant legally mandated minimum wage.

a. Companies should be required to retain written receipts of payments made to workers itemising any deductions or bonuses. Copies should be provided to workers.

b. Labour inspectors should cross-check a sample of written receipts of payments held by companies with those held by workers.

c. Labour inspectors should review factories for evidence of gender discrimination in pay and in terms and conditions of work. The Ministry of Manpower should set clear standards on this.

d. This guidance should be accompanied by an awareness-raising campaign (through social media and the trade unions) established by the Ministry of Manpower to alert factory workers that they are entitled to the relevant legally mandated minimum wage.

e. The Ministry of Manpower should work with companies to develop salary scales and structures linked to experience and skills to incentivise workers.

10. The Ministry of Manpower should explore how to provide education opportunities (from literacy to career specific opportunities) to seafood processing factory workers.

6. Endnotes

1. See Global fish industry to scale record in 2017. Financial Times September 6th, 2017 <https://www.ft.com/content/0a04ff90-9312-11e7-bdfe-eda2a3196c2c>

2. FAO (2018) *The State of the World's Fisheries and Aquaculture*. <http://www.fao.org/publications/en/>.

3. FAO (2018) *The State of the World's Fisheries and Aquaculture*. <http://www.fao.org/publications/en/..: p7>

4. UNCTAD (2018) 90% of fish stocks are used up – fisheries subsidies must stop. Available at: <https://unctad.org/en/pages/newsdetails.aspx?OriginalVersionID=1812>

5. E.g. see Issara Institute and International Justice Mission (2017) *Not in the same boat: prevalence & patterns of labour abuse across Thailand's diverse fishing industry*. <https://www.issaranstitute.org/library-publications-vidoes>;

Environmental Justice Foundation (EJF) (2018a) Human trafficking in Taiwan's fisheries sector. <https://ejf.org.uk/wp-content/uploads/downloads/2018/07/EJF-Briefing-Taiwan-2018.pdf>;

Greenpeace (2018) *Misery at Sea: Human suffering in Taiwan's distant water fleet*. [http://www.greenpeace.org/eastasia/Global/eastasia/publications/campaigns/Oceans/Misery at Sea-Final11.pdf](http://www.greenpeace.org/eastasia/Global/eastasia/publications/campaigns/Oceans/Misery%20at%20Sea-Final11.pdf);

McDowell R., Mason M., M Mendoza (2015) Slaves may have caught the fish you bought. <https://www.ap.org/explore/seafood-from-slaves/ap-investigation-slaves-may-have-caught-the-fish-you-bought.html>.

6. E.g. see <https://www.itdige.com/intelligences/luna/ID>

7. Eg. see <https://seafood-tip.com/sourcing-intelligence/countries/indonesia>

8. Packard Foundation (2018) *Trends in Indonesian Marine Resources and Fisheries Management*. <https://www.packard.org/insights/resource/trends-in-indonesian-marine-resources-and-fisheries-management/p47> Prepared tuna account for over a quarter of the total value derived from exports of seafood products.

9. At the time of writing, it seems that President Joko Widodo has won his April 17th 2019 re-election. The official result will however be confirmed on 22nd May.

10. Small-scale fishers are usually defined according to the size of their vessel.

11. See Packard Foundation (2018) *Trends in Indonesian Marine Resources and Fisheries Management*.

12. See <https://www.scmp.com/week-asia/personal/finance/article/2121483/attoood-indonesian-fisheries-minister-will-blow-your-mind>

13. McDowell R., Mason M., M Mendoza (2015) Slaves may have caught the fish you bought.

14. IOM (2016) *Report on Human Trafficking, Forced Labour and Fisheries Crime in the Indonesian Fishing Industry*. <https://indonesia.iom.int/sites/default/files/Human%20Trafficking%20Crime%20in%20Labour%20and%20Fisheries%20Crime%20in%20the%20Indonesian%20Fishing%20Industry%20-%20IOM%20.pdf>.

15. Packard Foundation (2018) *Trends in Indonesian Marine Resources and Fisheries Management*.

16. <https://www.msc.org/media-centre/press-releases/first-indonesian-tuna-fishery-achieves-msc-certification>

17. E.g. see <https://www.seafoodsource.com/news/environment-sustainability/indonesian-pole-line-association-launches-one-by-one-tuna-brand>

18. We focused on these two markets because Issara Institute's existing strategic partnerships are with retailers and buyers in the US and EU. Both markets have developed a stronger business/ human rights focus in recent years.

19. See Barclay, K., McClean, N., Adhuri, D., Sulik, R., Fahmy, M. forthcoming, *Assessing the Governance of Tuna Fisheries: Case Studies from Indonesia and Solomon Islands*. Report funded by the David and Lucile Packard Foundation, University of Technology Sydney. And forthcoming outputs from the Blue Communities project for which International Pole & Line Federation (ID, Alice Miller) is a partner. This project is exploring the capacity for sustainable interactions with marine systems for the benefit of the health, food security, livelihoods and well-being of coastal communities in South and Southeast Asia, including in Indonesia. <https://www.bluecommunities.org/Home>

20. A further paper which maps and reviews international initiatives will be produced later in the year. Issara Institute have produced a companion briefing targeted at international business.
21. Packard Foundation (2018) *Trends in Indonesian Marine Resources and Fisheries Management*.
22. Profits for individual fishers are often limited by the 'patron-client' relationships which are common across South East Asia. Under this system traditional fishers are advanced credit from their Pengangbak (patron) to purchase a vessel, nets and other suppliers. However, this is on the condition that they sell their catch to them at a lower price rather than they would receive at auction. This means that fishers are often locked into a cycle of debt. Patrons may be cold storage or other types of factory owners seeking to maximise and guarantee their supply of catch at low prices.
23. Data from interviews with Harbourmasters, fishers and stakeholders.
24. Verite (2018) Labor Conditions in the Tuna Sector. Bitung, Indonesia. The USAID Oceans and Fisheries Partnership (USAID Oceans)
25. Purse seine vessels are often out at sea between a week and two to three weeks, while longline vessels tend to be at sea for months at a time.
26. Eg. see The Importance of Gender in Fisheries. The USAID Experience. A.N. Satapornvat. <http://repository.seaidc.org/bitstream/handle/20.500.12066/1377/sp16-2%20gender%20in%20fisheries.pdf?sequence=1&isAllowed=y>
27. Bajau fishers and fishers of Filipino nationality and heritage are also relatively common around Bitung
28. Bugis and Buton ethnic groups are also prevalent in fishing
29. Data from stakeholder interview (government)
30. Data from stakeholder interview (government)
31. While not the focus of this study, the research team observed the open operation of banned trawlers in Belawan port, suggesting that in some places in Indonesia, illegal fishing continues.
32. Data provided by an industry representative during an interview
33. Asosiasi Tuna Indonesia
34. Asosiasi Perikanan Pole & Line dan Handline Indonesia
35. Asosiasi Tuna Longline Indonesia
36. Asosiasi Pengusaha Pengalengan Ikan Indonesia
37. Asosiasi Pengusaha Pengolahan dan Pemasaran Produk Perikanan Indonesia
38. Example provided by an interviewed industry representative
39. To Los Angeles, the journey takes 25-28 days and 30-35 days to New York
40. According to one NGO interviewees, very rarely is there any direct export from Indonesia – the fish is usually mixed in with other shipments before it reaches the final destination too. However, traceability was not the primary purpose of this research and we could not validate this. It is likely that at least some is mixed in this way since internationally, the practice is known to be fairly widespread.
41. See <https://www.etaa.int/free-trade/Free-Trade-Agreement/Indonesia> http://ec.europa.eu/trade/policy/countries-and-regions/countries/indonesia/index_en.htm
42. If not correctly labelled this contravenes strict country of origin rules
43. Data from interview with company representative
44. Global Business Guide Indonesia 2018. <http://www.gbgindonesia.com/>
45. According to interviewees, squid catch has become more important as tuna – known as the *prima donna* of Benoit – has declined.
46. As fishing is an informal occupation and historically fishers have not had legal contracts of employment the 2003 Labour Law did not explicitly cover their activity (although fishers were not explicitly excluded). The newly-enacted law marked Indonesia's attempt to move towards implementation of C188 Work in Fishing and set out definitions of 'fishers', 'small-scale fishers', 'fisherman workers', 'traditional fishers', and 'fisherman owners' to distinguish between these groups.
47. The law expressly penalizes any person who does not provide risk protection as referred to in Article 34 shall be liable to a maximum imprisonment of 3 (three) years and / or a maximum fine of Rp 5,000,000,000.00 (Five billion rupiah)
48. Regulation of Minister of Marine Affairs and Fisheries Number 42 of 2016 on Sea Working Agreement for Fishing Crew.
49. Available at: https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILQ_CODE:C188
50. Available at: <https://www.ilo.org/dyn/travail/docs/760/Indonesia%20Labour+Law+-+Act+13+of+2003.pdf>
51. Available at: https://www.ilo.org/dyn/natllex/natllex.v4.detail?p_lang=en&p_isn=57553
52. However, a child between the ages of 13 and 15 years may perform light work, provided that such work does not interfere with his or her physical, mental or social welfare and development.
53. Mandated in Article 74 paragraph (4) of Law Number 40 of 2007 concerning Limited Liability Companies. This is kind of Corporate Social Responsibility (CSR) for the corporate context in Indonesian society and is interpreted as a company's commitment to participate in sustainable economic development which will be beneficial both for the company itself and the local community.
54. A work agreement for a specified period of time may be made for a period of no longer than 2 (two) years and may only be extended one time for another period that is not longer than 1 (one) year. Article 59 (4) of Law Number 13 of 2003 on Labor.
55. Article 59 (7) of Law Number 13 of 2003 on Labor. This is further endorsed by Constitutional Court Decision Number 96/PUU-XII/2013 and Decision Number 07/PUU-XII/2014.
56. The provincial minimum wage (UMP) sets the minimum standard of wage within the respective province, while local minimum wage (UMK), which cannot be lower than the amount set by UMP, is only applicable to the respective city/regency. Sectoral minimum wage is only applicable for workers in certain leading sectors that are employed for less than one (1) year. Please note that the wage of workers that are employed for at least one (1) year need only to be complied with UMP/UMK. There is no sectoral minimum wage for fishing or seafood processing.
57. The hourly wage is calculated as 1/173 of the monthly wage.
58. Badan Karantina Ikan, Pengendalian Mutu dan Keamanan Hasil Perikanan (Fish Quarantine Inspection Agency).
59. The Minister delegates the authority of issuing trade business license to DKI Jakarta Governor and regent/major in all regions outside Jakarta. Trade Ministerial Regulation Number 36 of 2007 on The Issuance of Trade Business License, Article 8.
60. Ministerial Regulation Number 30 of 2012 stipulates that the license issuance for vessels of 5-10 GT is delegated to Regency/Municipal Government, while the 10-30 GT ones to Provincial Government, but Law Number 23 of 2014, which supersedes the former regulation, relocate Regency/Municipal Government's authority in this matter to Provincial Government.

61. The Regulation set clear standards for a sea working agreement, despite seen as contravening Government Regulation Number 7 of 2000 on the matter of eligible fishing vessels, and thus, signalling the Indonesian Government commitment in improving working condition in the fisheries industry.
62. E.g. see Jones, K., Dobree, P, Imru W., Morin S. (2017) *The Migrant Recruitment Industry: Profitability and unethical business practices in Nepal, Paraguay and Kenya*. Geneva. International Labour Organisation. https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_574484.pdf
63. Marine Affairs and Fisheries Ministerial Regulation Number 42 of 2016 on Sea Working Agreement for the Fishing Crews. There is an exception toward this rule, which is in the case of single operator fishing vessels, whose owner serve as the captain as well, Article 5 (1).
64. Government Regulation Number 07 of 2000 on Seamanhip.
65. Harbourmasters are required to countersign crew mandates, including the crew PKL before the vessel is allowed to depart.
66. To try and break the cycle of debt for their members, fishermen's association, INRSA, has recently purchased its own fishing vessel, engaging 20 fishing crew.
67. Based on interviews with factory workers, company representatives and stakeholders. This is consistent with the rapid assessment conducted by Verite in Bitung. Verite (2018) Labor Conditions in the Tuna Sector. Bitung, Indonesia. The USAID Oceans and Fisheries Partnership (USAID Oceans)
68. The labor law number 13. 2003 in chapter 79 point 1 c. mentioning for every workers who already work for 12 month continuously, they are entitled to 12 days annual leave as well as Health insurance based on Manpower Minister regulation
69. Verite (2018) Labor Conditions in the Tuna Sector. Bitung, Indonesia. The USAID Oceans and Fisheries Partnership (USAID Oceans)
70. In Bitung, Verite researchers found that canning workers were paid a daily rate and did not know whether they were paid overtime or not. Because they are paid on a daily basis, their take-home pay varied, and many were unsure exactly how much they earned on a monthly basis. On average, workers at these plants earned between IDR 89,000-96,000 a month, much less than North Sulawesi's provincial monthly minimum wage of IDR 2,450,000 (US\$ 172). Verite (2018) Labor Conditions in the Tuna Sector. Bitung, Indonesia. The USAID Oceans and Fisheries Partnership (USAID Oceans)
71. Article 92 (3) of Labor Law. Further details and procedures can be seen in Government Regulation Number 78 of 2015 and Labor Ministerial Regulation Number 1 of 2017 on Wage Structure and Wage Scale.
72. E.g. Issara Institute and International Justice Mission (2017) *Not in the same boat: prevalence & patterns of labour abuse across Thailand's diverse fishing industry*. <https://www.issara.institute.org/library-publications-videos>.
73. Issara Institute and International Justice Mission (2017) *Not in the same boat: prevalence & patterns of labour abuse across Thailand's diverse fishing industry*. <https://www.issara.institute.org/library-publications-videos>.
74. We did hear allegations during the course of the research that fees were being charged by brokers to the training programmes, although not for the two institutions named above. We were not able to verify this so have not included in the main body of the report.
75. Serikat Buruh Migran Indonesia
76. Kesatuan Nelayan Tradisional Indonesia
77. Serikat Pekerja Perikanan Indonesia
78. Indonesian Fisherman Association
79. Pergerakan Pelaut Indonesia

80. There were a number of allegations made during the research that at least some associations (but not the ones named in the report) were established by or had relationships with the company and therefore acted against fishers' interests. However, we were unable to verify this information and have not therefore included it in the main body of the report.

81. Research conducted by Verite in Bitung found that most workers worked for seven hours a day, although were often required to work overtime unpaid from time to time. Verite (2018) Labor Conditions in the Tuna Sector. Bitung, Indonesia. The USAID Oceans and Fisheries Partnership (USAID Oceans): P31

82. Where the workforce includes internal migrants (for instance around Muara Baru, Bitung and Benoa ports), factories often provide dormitories. The team did not however have an opportunity to visit these and were not able to ascertain whether rent was deducted from workers' salaries nor how much if so.

83. Verite (2018) Labor Conditions in the Tuna Sector. Bitung, Indonesia. The USAID Oceans and Fisheries Partnership (USAID Oceans)

84. An Oxtam and Sustainable Seafood Coalition report found similar things in a shrimp processing factory (from aquaculture – farmed shrimps) in a recent report. This can be found at: <https://oxfamlibrary.openrepository.com/bitstream/handle/10546/620480/cs-supermarket-responsible-workers-rights-seafood-210618-en.pdf;jsessionid=DBD591919A123CE4790A66A979B1D034?sequence=1> Internationally, the IUF (International Union) has supported action in Indonesia to get fixed-term contract workers onto permanent contracts in shrimp processing factories (again from aquaculture). See also <https://blogs.oxfam.org/en/blogs/18-07-30-like-to-join-women-seafood-industry> <http://www.iuf.org/lw/?q=node/5565>

86. See <https://www.undercurrentnews.com/2019/04/15/with-model-proven-us-distributor-turned-indonesian-processor-plans-new-plants/>

87. Available at: https://indonesiantuna.com/wp-content/uploads/2019/03/1-AP2H-Code-of-Conduct-English-v2_310518.pdf

85. Asosiasi Perikanan Pole and line and Hand line Indonesia

Notes

