SUPERMARKET RESPONSIBILITIES FOR SUPPLY CHAIN WORKERS' RIGHTS

CONTINUING CHALLENGES IN SEAFOOD SUPPLY CHAINS AND THE CASE FOR STRONGER SUPERMARKET ACTION

This paper was produced by Oxfam's worldwide campaign team, with research and analysis on Indonesia co-authored with the Sustainable Seafood Alliance Indonesia.

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Cover photo: Shrimp at an auction site in Indonesia. Photo: Adrian Mulya/ Sustainable Seafood Alliance Indonesia

This paper follows on from the global campaign report *Ripe for Change*: R. Willoughby and T. Gore. (2018). Ripe for Change: Ending human suffering in supermarket supply chains.

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The Sustainable Seafood Alliance Indonesia

Major civil society organizations in Indonesia established the Sustainable Seafood Alliance Indonesia ('Alliance') to fight together for the improvement of the welfare and rights of vulnerable Indonesian actors in seafood value chains, including Indonesian fishing vessel workers, fisherfolk, aquaculture farmers, processing plant workers and consumers. Alliance members are the People's Coalition for Fisheries Justice (KIARA), Surabaya Institute of Labor Solidarity (ISBS), Indonesian Seafarers Association (KPI), Indonesian Consumers Foundation (YLKI) and Indonesia Legal Aid Foundation (YLBHI). The Alliance works with seafood farmers, workers and consumers; conducts research; advocates for companies to comply with Indonesian laws, and for the Indonesian government to enforce and implement these laws. The Alliance also conducts campaigns to mobilize Indonesian citizens and consumers to care about these issues.

International food supply chains provide employment for tens of millions of women and men around the world, demonstrating the potential for private sector actors to fight poverty and inequality. Yet far too many work in appalling conditions. The ongoing challenges in seafood supply chains are illustrative of the problems that can arise and the need for stakeholders to tackle their root causes. This is one of a series of in-depth studies to supplement Oxfam's global campaign report, *Ripe for Change: Ending human suffering in supermarket supply chains*.

This report assesses recent progress in realizing workers' rights in seafood supply chains originating in Southeast Asia; provides new evidence of ongoing workers' rights challenges in US and European supermarket shrimp supply chains beginning in Indonesia and Thailand; and explores the need, in particular, to address the buyer power of supermarkets and other lead firms to squeeze value from their suppliers.

The results of Oxfam's Supermarkets Scorecard on the 'Workers' theme reveal the further steps that supermarkets can and should take to identify and address their impacts on supply chain workers' rights around the world, in line with their responsibilities under the UN Guiding Principles on Business and Human Rights.

Boat workers in Thailand unload fish before they select and divide them and transport them to a factory or cold storage. Photo: Suthep Kritsanavarin/Oxfam

INTRODUCTION

WORKERS' RIGHTS VIOLATIONS ARE ENDEMIC IN SUPERMARKET SUPPLY CHAINS

Tens of millions of people work in global food supply chains. The International Labour Organization (ILO) has estimated that 22 million people work for food manufacturing companies alone.[1] But that is only the tip of the iceberg. Millions more work in formal and informal roles as hired hands on small-scale farms, as seasonal labour on huge plantations, onboard fishing vessels at sea, or in primary processing and packaging roles at markets and ports around the world.

Yet for far too many, these jobs are marked by poverty wages and appalling working conditions – falling to the left on Oxfam's work spectrum shown in Figure 1. Far too few fall on the right.

The extensive research published at the launch of Oxfam's new campaign reveals numerous examples of human and labour rights violations in supermarket supply chains.[2] From dire working conditions endured by women picking fruit and vegetables in southern Italy,[3] to exposure to dangerous chemicals on pineapple plantations in Costa Rica[4] and poverty wages paid to tea pickers in India,[5] our research confirms a widely documented conclusion:[6] that workers around the world are suffering in order to stock supermarket shelves.

FIGURE 1: WORKING CONDITIONS IN GLOBAL SUPPLY CHAINS VARY CONSIDERABLY[7]

UNSUSTAINABLE **WORK SPECTRUM** SUSTAINABLE

ILLEGAL ROAD
Does harm

Forced labour, denying workers their human rights and freedom.

E.g. Forced labour in the Brazilian orange juice industry.

Photo: Agência de Notícias do Paraná/Cocamar

LOW ROAD
In-work poverty
Subsistence only.

Work on legal-but-low wages, excessive hours, often insecure. No worker voice.

E.g. Unrest and poor nutrition in the Cambodian garment sector.

Photo: Heather Stilwell/ Clean Clothes Campaign

MEDIUM ROAD
Does some good

Wages above legal minimum, secure contracts. Workers' committee.

E.g. Slowly improving work in a Kenyan flower packhouse.

Photo: Oxfam

HIGH ROAD
Does good

Secure work on a living wage, based on a collective bargaining agreement.[8]

E.g. Bags produced by employee -owned Abahizi Dushyigikirane in Rwanda, which ensures the lowest artisan salary covers costs for one adult and one school-aged child to live a decent life and save.

Photo: Shutterstock

Source: Adapted from R. Wilshaw. (2014). Steps to a Living Wage in Global Supply Chains. Retrieved from: https://policy-practice.oxfam.org.uk/publications/steps-towards-a-living-wage-in-global-supply-chains-336623. E. Soule et al. (2017). A Social Enterprise Link in a Global Value Chain: Performance and Potential of a New Supplier Model. Georgetown University Women's Leadership Institute, Georgetown University, Washington, DC.

AN EGREGIOUS CASE: LOW-SKILLED WORKERS SUPPLYING SUPERMARKET SHRIMP

Some of the most egregious examples of such abuse to have hit media headlines in recent years concern the use of forced labour[9] in supermarket shrimp supply chains originating in Southeast Asia.[10] Both the challenge to workers' rights in this sector, and examples of progress following the introduction of various measures in recent years, are described in Section 1. However, new research by Oxfam and the Sustainable Seafood Alliance Indonesia, presented in Section 2, reveals that grave problems persist for the women and men working to supply shrimp and other types of seafood to major supermarkets in the US and Europe.

Our interviews with workers on Thai fishing vessels,[11] described in Box 5, suggest that forced labour and other appalling employment practices are still in use. Our findings echo those of other recent reports,[12] meaning that supermarkets sourcing shrimp and other seafood from the region still have urgent questions to answer about the conditions of fisheries workers behind the products they sell.

However, for women, who make up 80–90% of the workforce at shrimp and other seafood processing plants,[13] the challenges take place on land, not at sea. Oxfam and the Sustainable Seafood Alliance Indonesia interviewed workers from some of the biggest shrimp processors and exporters in Thailand and Indonesia respectively, that among them supply or have supplied supermarkets such as Ahold Delhaize, Albertson's, national entities of Aldi North and Aldi South, Asda, Costco, Edeka, Jumbo, Kroger, Lidl, Morrisons, Rewe, Sainsbury's, Tesco, Walmart and Whole Foods.[14] Workers reported numerous examples of entrenched 'low road' working conditions, summarized in Box 6.

* * *

WORKERS PEELING SHRIMP IN INDONESIA COULD EARN LESS THAN €0.02 FOR PEELING A 225G PACK OF SHRIMP THAT SELLS IN DUTCH SUPERMARKET ALBERT HEIJN (OWNED BY AHOLD DELHAIZE) FOR €5.[15]

* * *

For example:[16]

- Among the suppliers in Thailand, wages were so low that over 60% of women surveyed were categorized as severely food insecure and extensive overtime was reported to be routine. Many had paid recruitment fees, incurring significant debts, to secure their jobs.
- Among the suppliers in Indonesia, women reported working unpaid hours in order to hit targets of up to 19kg of shrimp peeled per hour of their shift, just to make the minimum wage. This means, for example, that workers peeling shrimp in Indonesia could earn less than €0.02 for peeling a 225g pack of shrimp that sells in Dutch supermarket Albert Heijn (owned by Ahold Delhaize) for €5.[17]
- Workers at some processing plants reported that toilet breaks and access to drinking water are strictly controlled. One worker in Thailand reported that just nine toilets were available for 1,000 workers; another in Indonesia that only a couple of drinking glasses were available for hundreds of workers – with some complaining of urinary tract infections.
- Across the sector, work is exhausting, verbal abuse by supervisors routine and access to effective trade unions strictly limited.

Melati, a former shrimp processing worker in Indonesia, shows a shrimp cocktail. Photo: Adrian Mulya/Oxfam

Such wages and working conditions are especially shocking when compared to incomes and wealth at the other end of the supply chain.

- It would take a woman processing shrimp in Indonesia or Thailand over 6,000 years to earn the annual salary of the highest paid executive at Walmart and over 2,000 years in the case of Tesco.[18]
- Just 10% of the cash returned to shareholders of the biggest three US supermarkets – Walmart, Costco and Kroger – in 2016 is equivalent to the amount needed to lift over 600,000 Thai shrimp processing workers to a living wage.[19]

SUPERMARKETS CAN DO MORE TO RESPECT THEIR SUPPLY CHAIN WORKERS' RIGHTS

As Oxfam's campaign launch report argues, the root causes of workers' rights violations in food supply chains relate both to the increase in the power of supermarkets and other lead firms to squeeze value from their suppliers, and to the lack of collective power of workers in many countries from which they source.[20]

This case sheds more light on these trends. New research for Oxfam, described in Section 3, suggests that supermarkets in Germany, the Netherlands, the UK and the US have, on average, increased their share of the money their consumers spend on shrimp sourced from Indonesia and Thailand – as with many other supply chains – while the share left for actors in the producing countries has steadily declined.[21]

In the context of downward pressure on prices from supermarket buyers, stringent quality standards and escalating production costs, the least powerful actors in shrimp and many other supply chains tend to pay the heaviest price. Despite various public policy reforms in countries such as Indonesia and Thailand, the rights of workers, particularly migrant workers and women workers, are still not adequately protected.

Even the biggest supermarkets can't fix these problems on their own, but Oxfam's Supermarkets Scorecard reveals that there is much more that the sector can and should do, individually and collectively, to ensure that the rights of its supply chain workers are respected. The scores awarded under the Scorecard's 'Workers' theme, described in Section 4, show, for example, that:

- None of the assessed supermarkets have in the last three years published a decent Human Rights Impact Assessment of the impact of the company's activities on workers in its supply chain.[22]
- None have made commitments to engage trade unions to remove barriers to workers' freedom of association, or to ensure suppliers are paid enough to enable their workers to be paid a living wage.

It doesn't have to be this way. While Oxfam's new benchmarks are challenging, there is a strong business case for achieving them, including business opportunities in higher quality products, more resilient supply chains and a more honest relationship with supermarkets' customers. Oxfam is calling for supermarkets to lead the food sector as a whole to shift power towards workers to ensure their rights are respected.

Key recommendations are summarized in Section 4 for supermarkets to know and show the impact of their companies with respect to workers' rights in food supply chains, and to act on this analysis both within and beyond their own supply chains.

* * *

SUPERMARKETS IN GERMANY, THE NETHERLANDS, THE UK AND THE US KEEP, ON AVERAGE, THE BIGGEST AND A GROWING SHARE OF THE MONEY THEIR CONSUMERS SPEND ON SHRIMP SOURCED FROM INDONESIA AND THAILAND, WHILE ONLY A SMALL AND DECLINING FRACTION IS LEFT FOR THEIR SHRIMP SUPPLIERS IN THOSE COUNTRIES.

* * *

1. THE RISKS TO WORKERS' RIGHTS IN SUPERMARKET SHRIMP SUPPLY CHAINS

THE BOOMING GLOBAL TRADE IN SEAFOOD

The world seafood trade is booming, expanding more than 500% between 1976 and 2014.[23] Seafood today is the most traded food commodity by value, worth more than $150bn per year,[24] and a bigger source of export revenues for developing countries than many other agricultural commodities – such as meat, tobacco, rice and sugar – combined.[25]

Two factors explain this remarkable growth story. First, rocketing demand for seafood, especially in rich countries: global consumption has risen at twice the rate of population growth over the past five decades.[26] Second, the spread of aquaculture farming[27] alongside the availability of low-cost labour in developing countries has enabled the huge expansion of production to meet this demand.[28]

However, while the sector now provides jobs for some 56 million people,[29] and nutrition for many more, far too many workers in developing countries do not share in its spoils.

These problems are exemplified by the case of shrimp. For decades it was the most traded seafood by value, only dropping to second place behind salmon in 2013.[30] The scale of consumer demand for shrimp in rich countries is clear. Americans consume 1.8kg (approximately four pounds) of shrimp per person each year, more than any other seafood.[31] Europe is the biggest importer of seafood in the world, with shrimp one of its most consumed seafood commodities.[32]

* * *

SEAFOOD IS THE MOST TRADED FOOD COMMODITY BY VALUE – A BIGGER SOURCE OF EXPORT REVENUES FOR DEVELOPING COUNTRIES THAN MEAT, TOBACCO, RICE AND SUGAR COMBINED – PROVIDING JOBS FOR 56 MILLION PEOPLE.[33]

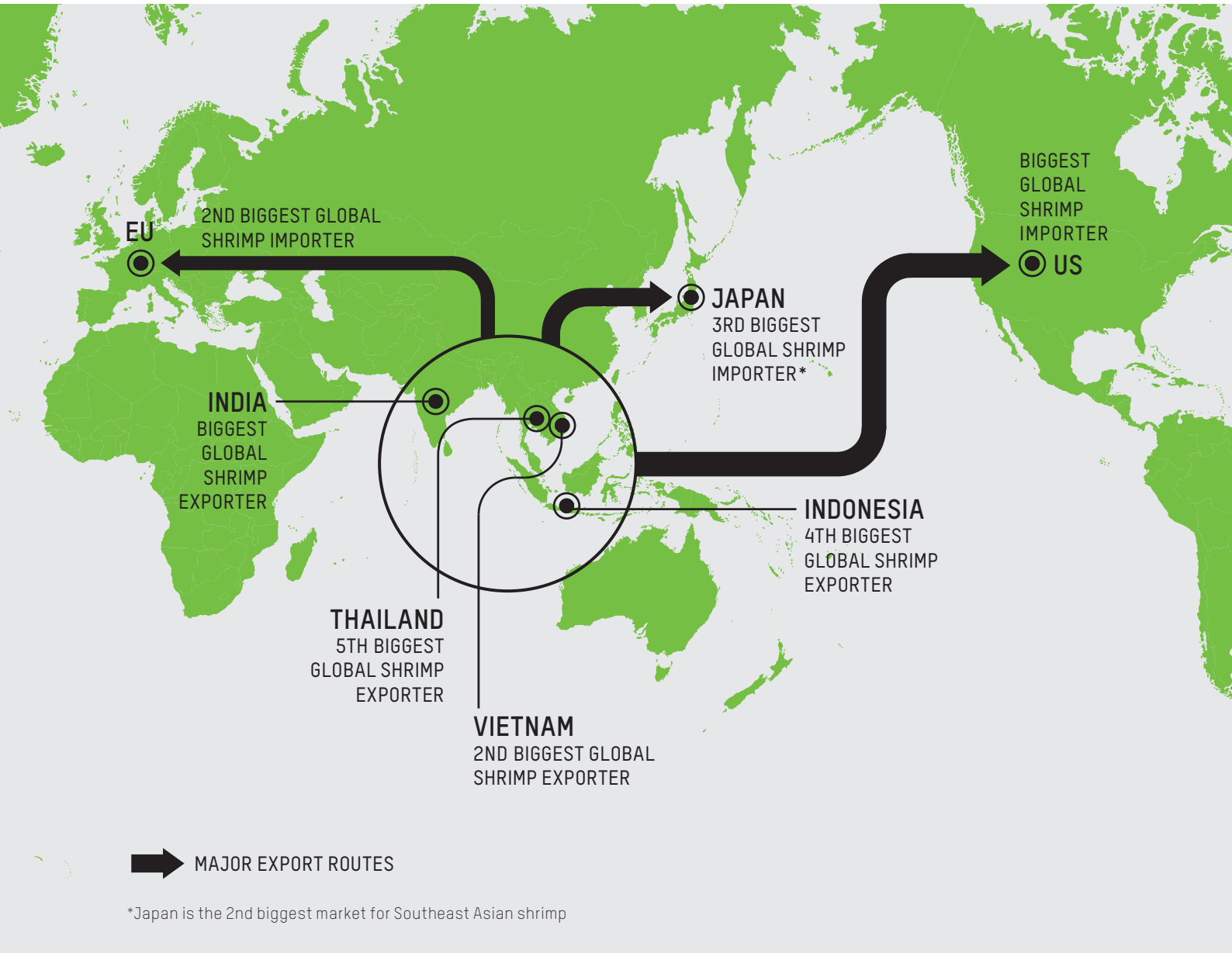
* * *

Shrimp at an auction site in Indonesia. Photo: Adrian Mulya/Sustainable Seafood Alliance Indonesia

THE GROWTH OF LONG, COMPLEX SUPPLY CHAINS

A complex web of global supply chains has emerged to meet this demand. Most start in Asia, the source of 89% of world shrimp production, with India, Vietnam, Ecuador, Indonesia and Thailand the top exporters in 2016, and the US, EU and Japan their top destination markets, as shown in Figure 2.[34]

FIGURE 2: ASIAN EXPORTS ARE CRITICAL TO MEET GLOBAL DEMAND FOR SHRIMP



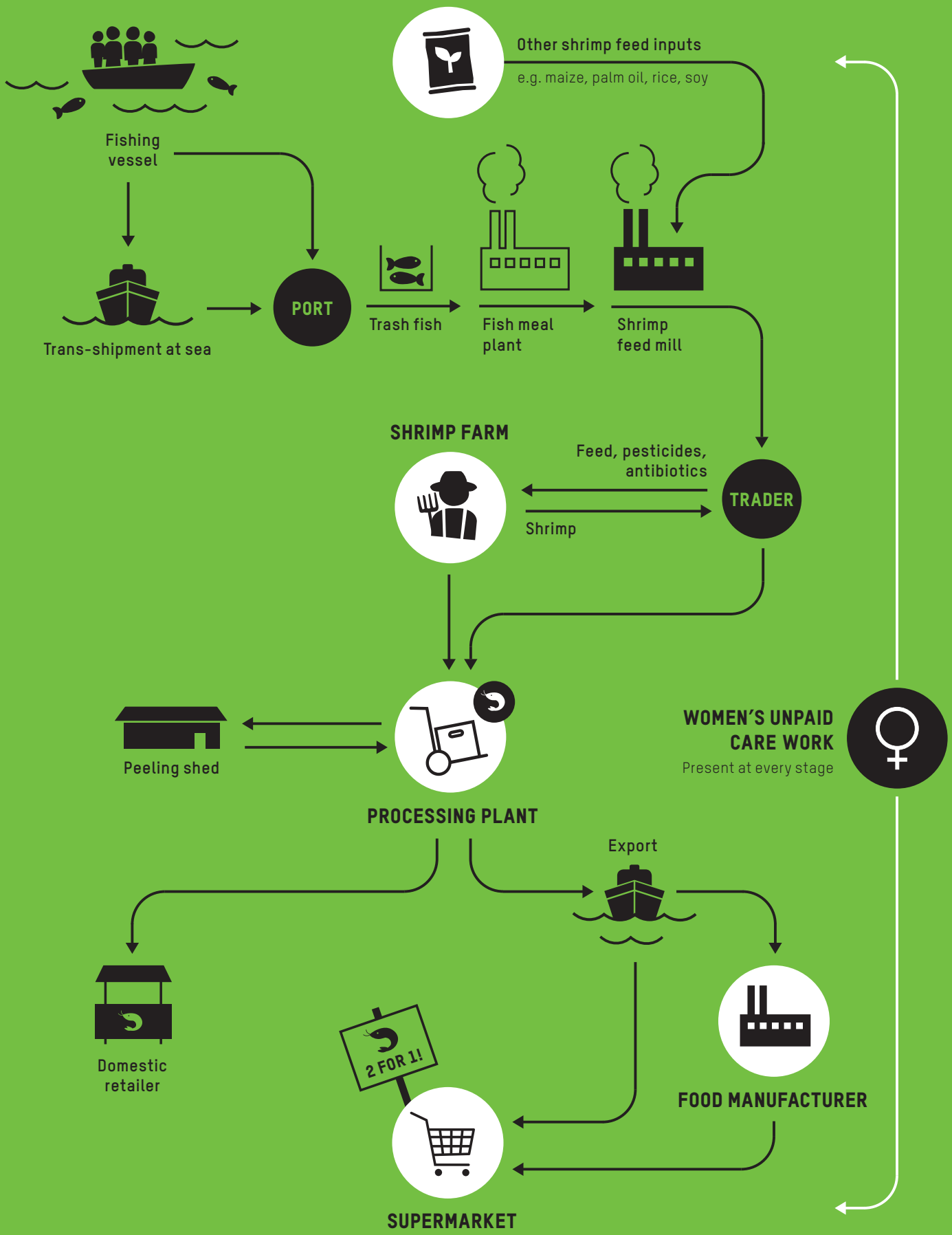
*Japan is the 2nd biggest market for Southeast Asian shrimp

Source: Figure created by Oxfam using 2016 data from FAO. (2017). Increased production of farmed shrimp leads to improved international trade. Retrieved from: http://www.fao.org/in-action/globefish/market-reports/resource-detail/en/c/989543/

But the precise journey to the supermarket shelf, as represented in Figure 3, is long and murky, involving many actors. For supermarkets and other retailers, even knowing who is involved in producing their goods beyond their first tier of suppliers – let alone the conditions of their workers – has for years been all but impossible.

FIGURE 3: SHRIMP SUPPLY CHAINS ARE LONG AND COMPLEX

SHRIMP VALUE CHAIN: SOUTHEAST ASIA



Source: Figure created by Oxfam.

As shown in Figure 3, upstream, trawler vessels collect 'trash fish' – low-quality, damaged or juvenile fish[35] – which can be sold for milling into shrimp feed.

A mix of small- and larger scale aquaculture farmers cultivate the shrimp larvae in large ponds, applying feed, pesticides and antibiotics, before selling their produce, often via local traders, to large shrimp and seafood processing companies.

Here the shrimp are peeled, prepared and packed for transportation either to domestic or export markets, where they are sold fresh, frozen or as an ingredient in processed convenience food. They can be sold via specialist food manufacturers or directly to supermarkets and other retail outlets.

ENDEMIC LABOUR RIGHTS CHALLENGES

Buried in the multiple tiers of these supply chains, endemic labour rights violations have been widely documented.

At sea...

Fishing is regarded by the ILO as one of the most dangerous occupations in the world.[36] Boats can 'hide' in international waters, out of regulatory oversight,[37] leaving workers highly vulnerable to exploitative practices. In recent years, several high-profile investigations have exposed rampant use of forced labour[38] among primarily migrant workers aboard Indonesian and Thai vessels linked to the supply chains of major supermarkets and other retail outlets in the US and EU.[39]

The European Commission gave Thailand a 'yellow card' warning on illegal, unreported and unregulated (IUU) fishing in 2015, essentially a threat to ban all fishery imports from the country unless conditions improved, which remains in place.[40] Largely as a result of findings in the fishing sector, Thailand was downgraded to the lowest rating in the annual US Trafficking in Persons Report, although in recognition of some improvements it has subsequently been placed on its Tier 2 Watch List.[41]

...and on land

The problems do not end when fishing boats arrive in port. For women workers in particular, this is where they begin. As shown in Figure 4, the shrimp value chain is segregated along gender lines,[42] with men concentrated in fishing and commercial aquaculture activities, and women primarily in processing and providing a range of unpaid roles on aquaculture farms as well as in the home.

In many ways, this division of labour is typical of the shift to more 'flexible', 'feminized' employment[43] seen in many food supply chains (see Section 2 of the main report launching Oxfam's new campaign). Women's work at ports and in shrimp processing plants is, like women picking grapes in South Africa or pineapples in Costa Rica, marked by informality. Employment is often subcontracted; where contracts exist at all they are short-term, and pay is frequently based on piece rates that encourage excessive hours.[44]

Forced labour has been documented in land-based workplaces too. Further investigations in Thailand exposed the forced labour of women and men in so-called 'peeling sheds' – informal, back-street operations, subcontracted by larger processing firms to keep labour costs to a bare minimum – in the supply chains of major US supermarkets and other retailers.[45]

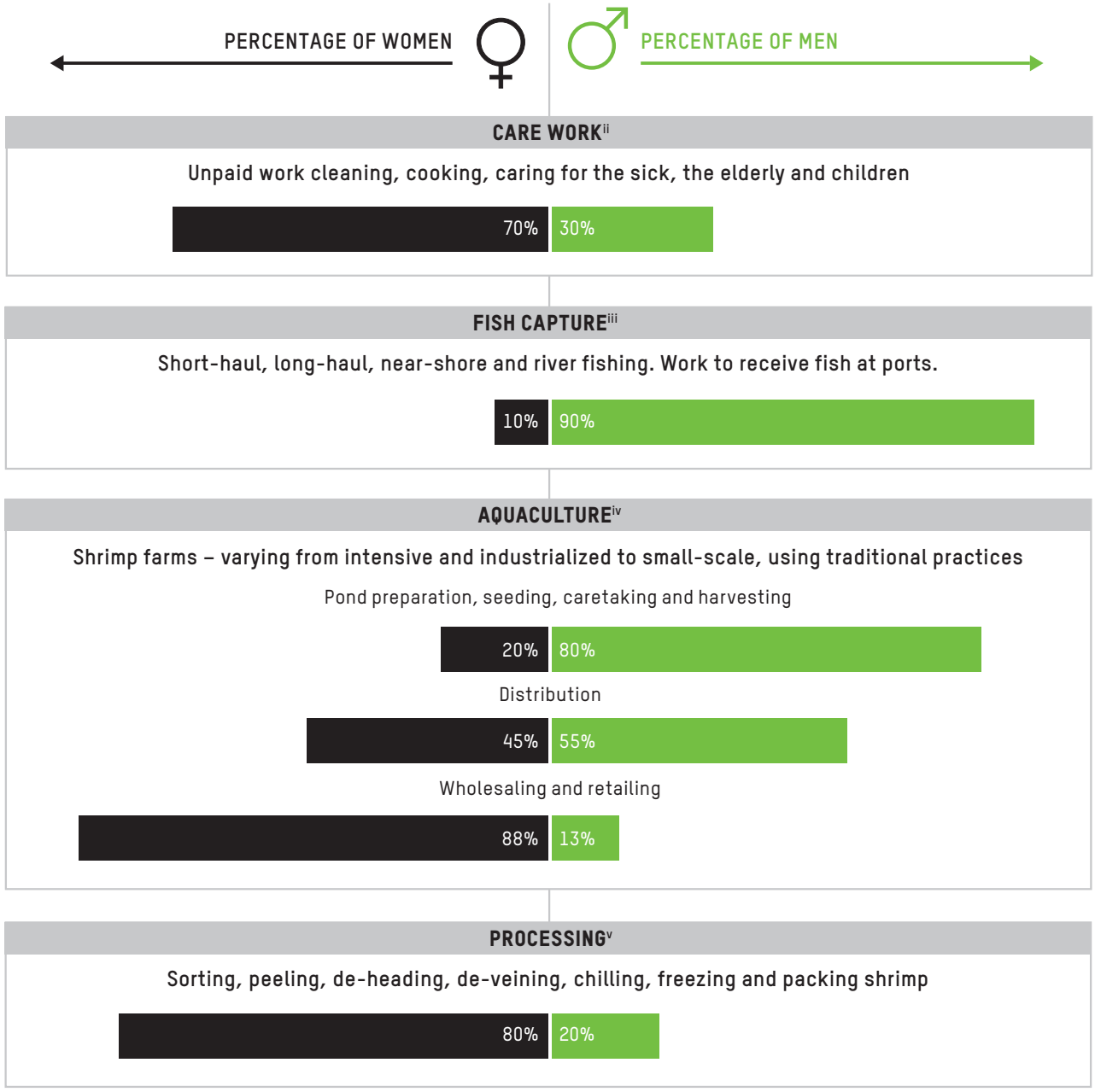
* * *

THE DIVISION OF LABOUR BETWEEN WOMEN AND MEN IN SHRIMP SUPPLY CHAINS IS TYPICAL OF THE SHIFT TO FLEXIBLE AND FEMINIZED EMPLOYMENT IN MANY FOOD COMMODITIES, MARKED BY USE OF LABOUR SUBCONTRACTORS, SHORT-TERM CONTRACTS, LOW PAY BASED ON PIECE RATES AND EXCESSIVE WORKING HOURS.

* * *

FIGURE 4: SHRIMP SUPPLY CHAINS ARE SEGREGATED ALONG GENDER LINES

Illustrative division of labour between women and men in global shrimp value chains in Southeast Asia[i]



i Due to the dearth of consistent gender-disaggregated data available for the region, the figures given have been based on available secondary sources covering a range of countries and Oxfam's own research findings in Southeast Asia. They should be considered purely illustrative of the kind of gender segregation that marks the sector as a whole. **ii** Based on an average of estimates for the division of unpaid care work in two countries in the region: Vietnam and Cambodia, which could indicate care work responsibilities for national and migrant workers respectively in shrimp supply chains. ActionAid. (2016). Make a House Become a Home. Hanoi: Action Aid, found that women undertake on average approximately 60% of unpaid care work in Vietnam; and OECD. (2014). Gender, Institutions and Development Database 2014, indicates that women undertake 80% of unpaid care work in Cambodia. **iii** Across Southeast Asia, men dominate commercial fishing jobs. For example, under Thai law, women are not permitted to work in the sector. See ILO. (2018). Baseline research findings on fishers and seafood workers in Thailand. Based on Oxfam's research findings in Thailand, some women work informally at ports. **iv** Estimates based on figures from the Thai aquaculture sector in: D.A.M De Silva. (2011). Faces of women in global fishery value chains: Female involvement, impact and importance in the fisheries of developed and developing countries. NORAD/FAO Value Chain Project. **v** Oxfam estimate based on research findings in Indonesia and Thailand and secondary sources including: D.A.M De Silva. (2011). Op. cit.; Verité. (2016). Research on Indicators of Forced Labour in the Supply Chain of Tuna in the Philippines; and C. Baga et. al. (2010). The Global and Local Markets of Penaeus monodon in Bohol Island, Philippines: Gender Role in HACCP Implementation. See endnote for more details.[46]

To get the minimum wage, Budi, a shrimp processing worker in Indonesia, had to peel up to 950 shrimps within one hour. In order to try and meet the targets, she had to cut her breaks down to just eating and avoid going to the toilet. She reported sometimes standing for nine hours during her shift. Photo: Adrian Mulya/ Sustainable Seafood Alliance Indonesia

SIGNS OF PROGRESS

In the years since these cases received international attention, both governments in the region and private sector actors have introduced a plethora of new initiatives, some of which are described in Boxes 1 and 2. These demonstrate a growing awareness of the labour rights challenges in the sector, some important benefits of which are beginning to show for workers.

BOX 1: REFORMS BY THE THAI GOVERNMENT

- The government introduced a 2014 Ministerial Regulation to Protect Workers in Marine Fishing, a 2015 Fisheries Act and a 2018 Royal Ordinance on the Management of Foreign Workers Employment.[47] Coordination between relevant agencies and departments has greatly improved.[48]
- A Command Centre to Combat Illegal Fishing (CCCIF) has been established, which is introducing a victim-centric approach to Naval officers who may come across migrant workers.[49] It is also rolling out an electronic catch-verification system at 32 port control centres and vessel monitoring systems on 6,500 boats to increase traceability.[50]
- The Ministry of Labour has made a significant commitment to protect the wellbeing of workers, irrespective of their legal status, improving coordination with local NGOs to do so. As a representative of the ministry told Oxfam, 'protection of migrant workers can only work with the government in collaboration with civil society, as they know the challenges of migrant workers'. A significant investment in translators is helping to break down language barriers.

The ILO notes some significant improvements:[51]

- The proportion of workers receiving written contracts has increased from around 6% in 2013 to 43% in 2017. However, few still have a copy of their contract, are presented with one in their own language, or are aware of their options if terms are broken.
- Wages have also increased, from around THB 6,500 ($203) per month in 2013 to THB 9,900 ($310) per month, before deductions, in 2017. However, wage deductions, the withholding of wages and excessive overtime remain routine.
- Since the reforms, the incidence of child labour seems to have fallen to less than 1%.

The results of the Civil Society Coalition for Ethical and Sustainable Seafood surveys[52] also indicate progress with respect to regularization of fisheries workers:

- 62% of respondents among 300 Thai fishing industry workers surveyed reported holding a passport or certificate of identity – a significant improvement on findings in earlier surveys.

* * *

'THE WARNING FROM THE EU IS A WAKE-UP CALL, WE KNOW WE HAVE A PROBLEM AND WE WILL TRY TO FIX THE PROBLEM, THE AIM IS NOT JUST TO STOP THE YELLOW CARD. THE AIM IS TO FIX THE WHOLE FISHERY SECTOR, TO MAKE IT SUSTAINABLE.'

* * *

Dr Adisorn Promthep, Thai Department of Fisheries

BOX 2: REFORMS BY THE INDONESIAN GOVERNMENT

- The Minister of Marine Affairs and Fisheries is at the forefront of making the UN Guiding Principles on Business and Human Rights (UNGPs) a reality. Indonesia has mandated human rights certification in the seafood industry, even exceeding UNGPs guidance. The Ministerial Regulation on Fisheries Human Rights Certification Requirements and Mechanism was signed in 2015, requiring vessels to have a human rights policy, means of due diligence and a remediation system for cases of violation. The certification mechanism – involving detailed reports about workers' wages, contracts, freedom from coercion and other conditions – was launched in 2017.
- A programme on Combating IUU Fishing, including a Moratorium on Foreign Vessels, has been established, and a Taskforce on Prevention and Eradication of IUU Fishing formed.
- The ratification of the Maritime Labour Convention 2006 was a significant step that demonstrated the commitment of the government to protect Indonesian vessel workers in the wake of the Benjina case.[53] However, capacity for labour inspection is limited and cross-ministry efforts are needed to ensure the law is fully implemented.
- Indonesia's Minister of Labour has expressed his concerns about the declining number of unionized workers in the seafood sector. Through his ministry, he encourages all workers to have freedom of association, not only those who work in state companies.

* * *

'WE DO NOT WANT (SLAVERY-LIKE CONDITIONS) LIKE WHAT HAPPENED IN BENJINA TO HAPPEN AGAIN. WORKERS NEED LEGAL RECOGNITION AND HUMAN RIGHTS.'

* * *

Susi Pudjiastuti, Minister of Marine Affairs and Fisheries, 25 January 2017[54]

Shrimp and workers at an at an auction site in Indonesia. Photo: Adrian Mulya/Sustainable Seafood Alliance Indonesia

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'IN THE CONTEXT OF INDONESIA, ONE OF THE SOLUTIONS IS TO STRENGTHEN THE ROLE OF LABOUR INSPECTORS, […] STRENGTHENING CROSS-SECTORAL COOPERATION [IN INDONESIA] AND COOPERATION BETWEEN COUNTRIES, ESPECIALLY IN THE REGION.'

* * *

Hanif Dhakiri, Minister of Labour, 27 March 2018[55]

BOX 3: PRIVATE SECTOR INITIATIVES

- In 2016, the **Thai Frozen Foods Association** made a progressive step to ban the use of peeling sheds for *exported* goods. While this immediately put thousands of migrant workers out of work, a number of large processing companies, encouraged by some supermarkets, have since brought all processing workers in-house. Media reports have, however, found peeling sheds still in use, including for exports.[56]

- **Thai Union**, a leading Thai seafood exporter, is partnering with Nestlé and Verité to launch a 'demonstration' boat to showcase what decent working conditions on boats would look like;[57] has adopted a policy banning trans-shipment of goods at sea (which allows vessels to evade regulatory oversight);[58] has established worker welfare committees and worker rights training in processing facilities, working with the Migrant Workers' Rights Network;[59] has transitioned to electronic payments for workers;[60] has stopped using sub-contracted 'peeling sheds'; has announced zero worker recruitment fees and new direct hiring policies;[61] and publishes a comprehensive statement under the UK Modern Slavery Act.[62]

- **CP Foods**, another leading Thai exporter, is also improving traceability and reimburses recruitment fees to the migrants it directly hires.[63] It has also set up a neutral third-party hotline for employees through the NGO Labour Rights Promotion Network (LPN),[64] though it is yet to be seen if workers will trust it enough to use it.

- Another leading Thai exporter, **Seafresh**, sends staff to countries of recruitment to inform candidates of employment conditions at Seafresh before they sign their work contract, which is provided in migrants' own languages. The company works with the Issara Institute to inform candidates of their rights and about access to independent support in Thailand, and holds an induction on arrival in Thailand in which specific rules and conditions are explained in workers' own languages.

- **Nestlé** disclosed a third-party assessment that found forced labour in its shrimp supply chain.[65]

- **Tesco** has undertaken human rights due diligence on its entire seafood supply chain;[66] engaged with the International Transport Workers Federation (ITF); and worked with other companies to develop the Seafood Ethics Action Alliance as a forum for pre-competitive action, including supporting the ILO Work in Fishing Convention. More than 50% of Tesco's seafood feed now comes from (IFFO[67]-certified) by-products of the tuna industry.

- **Plus** has committed to source only Marine Stewardship Council (MSC) or Aquaculture Stewardship Council (ASC) certified seafood where it is available – in the Netherlands around 65% of all seafood products carried the ASC or MSC label in 2017[68] – and AEON and Sainsbury's have targets to do so by 2020, although both schemes have limitations in terms of workers' rights (see Box 4).[69]

- The **Issara Institute** has partnered with a number of retailers, manufacturers and exporters to develop an Inclusive Labour Monitoring approach[70] as an alternative to standard social audits. The approach is based on continuous monitoring of working conditions informed by input from workers via a 24-hour telephone hotline, as well as expert interviews, management interviews, community visits and workplace risk assessments.

- Since 2016, the **Leadership Group for Responsible Recruitment**, a group of international brands including Mars, Marks & Spencer, Tesco, Unilever and Walmart convened by the Institute for Human Rights and Business, has been working together to address the issue of how migrant workers are recruited and in particular the common practice of workers having to pay recruitment fees to secure employment abroad. Reflecting the Dhaka Principles for Migration with Dignity (and based on international standards), the Employer Pays Principle is a commitment to ensure that no workers should pay for a job and that the costs of recruitment should be borne not by the workers but by the employer.[71]

- **The Seafood Task Force** is an international industry alliance of retailers and manufacturers seeking to collaborate on addressing social and environmental issues linked to IUU fishing, including through improving traceability, developing an industry Code of Conduct and discussing issues such as recruitment fees.[72] Members include a number of US and European supermarkets and retailers (including Ahold Delhaize, Aldi US, Costco, Morrisons, Safeway, Target and Walmart), major Thai seafood exporters (including CP Foods, Marine Gold, Seafresh, the Thai Royal Frozen Association and Thai Union), and a range of other seafood importers and manufacturers. The Task Force's meetings suggest a growing awareness of the scope of social and environmental problems in the sector. However, membership is voluntary, tangible outcomes remain unclear and meaningful NGO and worker involvement, while appreciated, is strictly limited.[73] NGO members in the External Stakeholder Advisory Group must sign a non-disclosure agreement, severely limiting their capacity to act as effective industry watchdogs, and leading many stakeholders to form an external CSO Coalition (see Box 7).

- A pilot of **Blockchain** traceability – using the technology behind Bitcoin – has tracked tuna 'from ship to plate' between Indonesia and the UK, with the potential to radically enhance transparency in supply chains. Information is unedited and coded, with fishers and other producers along the value chain sending SMS messages to register their catch and log subsequent moves and processing.[74]

A fishing boat worker in Thailand shows his hands, which are covered in fish scales. Photo: Suthep Kritsanavarin/Oxfam

BOX 4: IS CERTIFICATION HELPING?

In 2016, certified seafood – i.e. seafood carrying labels such as MSC, Friends of the Sea, ASC or Best Aquaculture Practices – accounted for 14% of total seafood sales, with a value of $11.5bn. Global sales growth of certified seafood in the past decade has been spectacular, growing 10 times faster than conventional seafood. ASC has achieved growth rates of up to 98% per year between 2012–2015, largely thanks to new commitments from European and US supermarkets such as Aldi North, Lidl and Walmart to source certified seafood.[75]

While this huge sales increase demonstrates that the industry has the potential to rapidly adopt new practices, there is still a long way to go until certified seafood guarantees decent work and respect for human rights, as well as a fair deal for farmers and environmental sustainability. Of particular concern is the lack of adequate treatment of social issues, such as workers' and farmers' rights, as opposed to environmental issues like over-fishing.

While the ASC standard does considerably better than MSC and many others in this regard,[76] shortcomings remain. Social standards are assessed only with regard to farm-level activities – excluding, therefore, workers' rights issues in processing plants or in the production of fishmeal. The ASC standard also remains inaccessible to small-scale producers, who enjoy only limited representation in the scheme's governance arrangements, and offers little scope for ensuring they can benefit from an increased share of the end consumer price in the chain.[77]

Boat workers unload fish from their boat at a jetty in Thailand.
Photo: Suthep Kritsanavarin/Oxfam

Diya, a mother of six children, and her family have been in Thailand for about 10 years. Diya's husband works in a fish canning factory and one of her sons works on a boat, but over time the family has accumulated debt and now owes about 30,000 THB a month in interest alone. Some of Diya's debt burden is due to paying fees to get jobs. Photo: Suthep Kritsanavarin/Oxfam

2. NEW EVIDENCE OF CONTINUING CHALLENGES

Despite the recent areas of progress explored in Section 1, new research from Oxfam, the Sustainable Seafood Alliance Indonesia[78] and others – including the International Labour Organization (ILO),[79] Human Rights Watch (HRW)[80] and the Civil Society Coalition for Ethical and Sustainable Seafood (the CSO Coalition)[81] – carried out over the past year shows that serious problems remain.

Many major US and European supermarkets sourcing from the region still have questions to answer about whether the rights of workers that supply them are adequately respected. Box 5 describes findings of interviews in Thailand with workers onboard fishing vessels, and Box 6 describes findings of interviews in Indonesia and Thailand with workers at shrimp processing plants. Names have been changed throughout to protect identities.

BOX 5: FORCED LABOUR CONTINUES ABOARD THAI FISHING VESSELS POTENTIALLY SUPPLYING US AND EUROPEAN SUPERMARKETS

In 2017, Oxfam researchers spoke to 19 male migrant workers in Thailand about their experiences aboard fishing vessels and at ports. The research methodology and limitations are described in Annex 1.[82]

Workers reported examples of employment practices that constitute forced labour according to the operational indicators and guidelines developed by the ILO,[83] and horrendous human and labour rights violations, including fee-based recruitment processes, deception with regard to wages and working conditions, withholding of wages, retention of identity documents, excessive overtime, and shocking physical and verbal abuse. Some examples of the research findings are highlighted below.

Fee-based recruitment processes

- Although legal channels for workers to enter Thailand have improved, most of the workers interviewed by Oxfam described migrating without documentation, sometimes travelling under arduous, dangerous and demeaning conditions. Workers described paying brokers anywhere from THB 2,000 to 15,000 ($60–450) in transport fees, with typical payments in the range of THB 4,000 to 6,000 ($120–180), and between THB 4,000 and 8,000 ($120–240) in fees to obtain jobs on fishing boats, at ports and at some factories. By comparison, many seafood processing workers (see Box 6) who migrated through formal channels reported paying considerably more: as high as THB 50,000 ($1,460) in some cases.
- Often these costs are financed through advances or loans from brokers or employers that are subsequently repaid through deductions from a worker's already low earnings, placing them in a position of debt bondage[84] that severely restricts their freedom to leave their employer.

* * *

WORKERS DESCRIBED PAYING BROKERS BETWEEN THB 2,000 AND 15,000 ($60–450) IN TRANSPORT FEES, AND BETWEEN THB 4,000 AND 8,000 ($120–240) IN FEES TO OBTAIN JOBS ON FISHING BOATS, AT PORTS AND AT SOME FACTORIES.

* * *

Deception with regard to wages

- Several Myanmar fishers in forced labour situations reported that, despite being promised THB 9,000 ($270) a month, they received irregular monthly payments of between THB 1,500 and 6,000 ($45–180) – just $1.50–6.00 a day – without explanation. When one of these fishers told his employer that he could not support his family on this, the employer slapped him in the face.

Excessive working hours

- Long hours and being cheated out of pay topped fishers' lists of complaints. When catches are large or when nets need repairing, fishers on Thai boats reported working without sleep – much less overtime pay – over multiple days. Fourteen-hour days are common,[85] and many reported being at sea for 27 or 28 days a month.

* * *

SEVERAL MYANMAR FISHERS SAID THEY RECEIVED IRREGULAR MONTHLY PAYMENTS OF BETWEEN THB 1,500 AND 6,000 ($45–180) – JUST $1.50–6.00 A DAY.

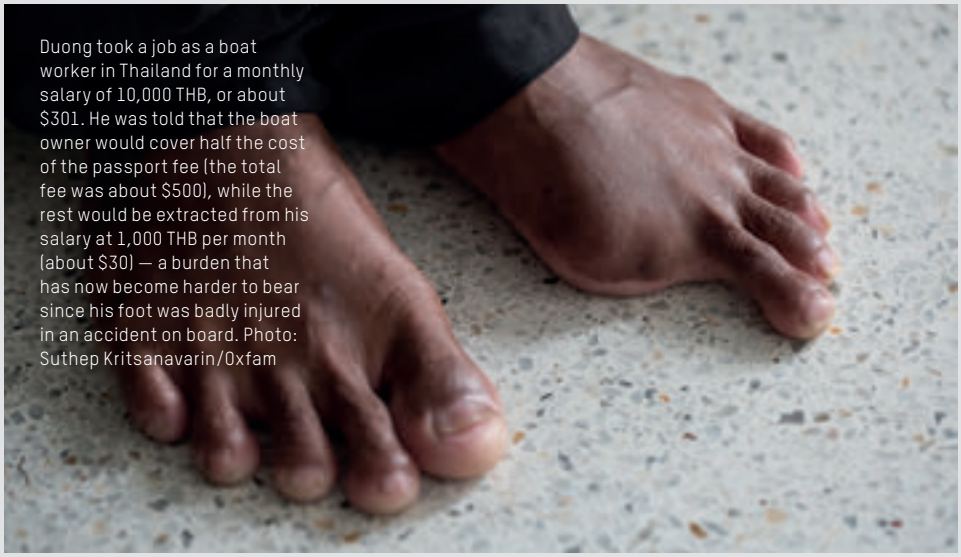
* * *

Withholding of wages and retention of identity documents

- Chhay, a 50-year-old Cambodian migrant in Thailand, told Oxfam that after he had not been paid his wages for four months, he informed his employer that he wanted to change jobs, for which he needed his identity and immigration documents. His employer said he would only return the documents if Chhay paid off a fabricated debt of THB 2,500 ($75).

Physical abuse and dangerous working conditions

- Aung Kyi, a 51-year-old Myanmar migrant to Thailand, recounted that while moored at port, he had been beaten by a deckhand with a golf club that dented his skull in several places and left his right arm dysfunctional. The captain then sailed the vessel out to sea for three days, trapping him on board without urgently needed medical care. Other workers described the hazardous working conditions onboard vessels, and high risks of personal injury, including lost limbs.



Duong took a job as a boat worker in Thailand for a monthly salary of 10,000 THB, or about $301. He was told that the boat owner would cover half the cost of the passport fee (the total fee was about $500), while the rest would be extracted from his salary at 1,000 THB per month (about $30) — a burden that has now become harder to bear since his foot was badly injured in an accident on board. Photo: Suthep Kritsanavarin/Oxfam

* * *

'I LOST A TOE WHILE WORKING ON A BOAT. I WAS BRINGING A BIG CONTAINER OUT OF THE FREEZER ROOM WHEN THE STRONG WIND SHUT THE DOOR AND HIT ONE OF MY TOES [...] IT IS A RISKY PLACE TO WORK ON A BOAT [...] I THINK THERE WERE NOT ENOUGH MEASURES TO ENSURE THE SAFETY ON A BOAT.'

* * *

Duong, fishing vessel worker in Thailand (left)

Food insecurity

- Fishers described going hungry at sea, recounting, for example, that vessels could go out for five days carrying only three days of food supplies. In response to an Oxfam survey used to assess food insecurity, 14 of 16 respondents were classified as severely food insecure.[86] This means they had frequently cut back on meal size or number of meals and/or run out of food, gone to bed hungry, or gone a whole day and night without eating in the previous month.

Many of these conditions were also noted by workers interviewed by the Sustainable Seafood Alliance Indonesia at ports in Indonesia where tuna and other seafood catches supply export markets in Japan, the US and Europe. Workers reported that contracts were either not used or were informal, with little clarity on terms at the point of recruitment. Many described working excessive hours around the clock. Paid wages were reported by several workers to be below the level of the Jakarta minimum wage, with bonus payments made entirely at the discretion of the captain and used as a means of enforcing discipline.[87]

The supermarket connection

These findings, together with the recently published evidence from the ILO, HRW and the CSO Coalition, show that any supermarket sourcing shrimp or other seafood from the region still has urgent questions to answer about the conditions of the fisheries' workers behind the products they sell.

While traceability of those products to individual fishing vessels remains a challenge, the burden of proof should rest with the supermarkets to demonstrate to all their stakeholders that their supply chains are free of such examples of worker exploitation, and where they are not, that they are taking adequate steps to address such issues.

BOX 6: LOW PAY, PRECARIOUS WORK AND DEGRADING CONDITIONS FOR WOMEN AND MEN IN INDONESIAN AND THAI SHRIMP PROCESSING FACTORIES

In 2017, researchers from Oxfam and from the Sustainable Seafood Alliance Indonesia also interviewed, between them, over 100 primarily women workers at some of the biggest shrimp and other seafood exporters from Thailand and Indonesia, respectively, who among them supply or have supplied many of the biggest supermarkets in Germany, the Netherlands, the UK and the US, among others.[88] The research methodology and limitations are described in Annex 1.[89]

The studies in these two countries found a number of common problems reported, such as sub-contracted employment and informal or temporary contracts; low pay, often based on piece rates, and excessive working hours; unsafe, unsanitary and degrading working conditions; and/or gender discrimination. While some of the exporters whose workers were interviewed noted to Oxfam that not all of the practices described are present in their operations or supply chains, many such practices are typical of the 'flexible' and 'feminized' employment practices that supermarket suppliers around the world have tended to resort to as a means of cutting labour costs and/or responding to short-term changes in demand.[90] Some examples of the findings are given below.

Recruitment fees, sub-contracted and precarious employment

- Migrant workers in Thai seafood processing plants also described payment of recruitment fees subsequently deducted from wages – a situation which can lead to debt bondage.[91] Some reported financing debt repayments through salary deductions of around THB 1,000 ($30) per month – a deduction of around 15% from wages, and a powerful restriction on their opportunities to change employer. One individual informed Oxfam that he paid $150 in recruitment fees to obtain a job at a seafood processing plant, but in his first year, faced deductions of THB 18,000 ($529) to cover his journey.
- In Indonesia, interviewees claimed that at one processing plant, thousands of workers – 80–90% of them women – were contracted through outsourcing companies, which effectively limited the company's responsibilities to those workers and violated Indonesian laws on outsourcing.[92] The significant risks for the women became clear when some 12,500 workers were reportedly fired at the end of 2016 and start of 2017, virtually all of them without notice or severance pay, including those with many years' service at the company.[93] Workers reported being asked to sign a fake resignation letter, suggesting they had voluntarily resigned.

* * *

'I WORK AT A SHRIMP-PEELING FACTORY [...] WE PAY THE BROKER BACK WHEN WE GET OUR SALARY LITTLE BY LITTLE. BUT WE HAVE TO PAY THE INTEREST. I JUST PEEL SHRIMPS. ALL DAY. I FEEL TIRED AT THE END OF THE DAY.'

* * *

Cho, shrimp processing worker in Thailand

- Interviewees reported that another processing company systematically placed workers on a series of short-term contracts of around two months, in violation of Indonesian labour laws,[94] keeping workers in a highly vulnerable position, acutely aware that they could lose their job at any time. With such temporary contracts, women are effectively denied access to trade union representation and lose access to benefits such as severance pay.

* * *

'THEY JUST HANDED ME PAPERS AND I JUST SIGNED THE THING. I HAD NO IDEA WHAT IT WAS ABOUT. AFTER TWO MONTHS OF WORK, I REALIZED IT WAS THE CONTRACT [...] IT WAS TOO LATE FOR ME. IF I KNEW FROM THE BEGINNING, I WOULDN'T SIGN THE CONTRACT AND MY LIFE WOULDN'T BE IN THIS SITUATION.'

* * *

Prak, processing worker in Thailand

* * *

'WORKERS WERE ASKED TO GATHER ACCORDING TO THEIR OUTSOURCING COMPANY. LISTS OF NAMES WERE ANNOUNCED ON EACH OUTSOURCING COMPANY BOARD. THE WORKERS EACH RECEIVED TWO ENVELOPES. ONE ENVELOPE WAS THEIR MONTHLY PAY AND THE SECOND ENVELOPE WAS A LETTER OF RESIGNATION.'

* * *

Charles, shrimp processing worker in Indonesia

Ara is a single mum who worked for six years at a shrimp processing factory in Indonesia. She only had short-term contracts during that time. Sometimes the income was not enough, so she had to borrow money to take care of her son. Photo: Adrian Mulya/ Sustainable Seafood Alliance Indonesia

* * *

'I WORKED FOR SIX YEARS ONLY BEING CONTRACTED FOR TWO MONTHS [AT A TIME]. WE FELT UNEASY WORKING, ESPECIALLY IN THE SECOND MONTH WE WOULD FEEL UNEASY.'

* * *

Ara, former shrimp processing worker in Indonesia (left)

Low pay, use of piece rates and excessive working hours

- In Thailand, workers reported being paid daily wages at the legal minimum wage, or on a piece-rate basis, typically working six days a week. Piece-rate workers from one factory complained to Oxfam how previously the rates per kilo had been prominently displayed inside the facility but now these signs had been removed and supervisors at the weighing stations would not inform workers of the rate when asked.
- Hla Hla Win told Oxfam how, without overtime, she earned just THB 7,200 ($216) for a full month's work peeling shrimp at a factory in Samut Sakhon. Srey Neth estimated that although she makes only THB 7,800 ($234) for 26 days of full time work a month without overtime, her household expenditure in Thailand amounted to about THB 6,600 ($198) per month, mostly for food. After five months working at the seafood factory, Srey Neth is still in debt to the company for her recruitment fee and needs to make repayments of THB 500 ($15) to them every two weeks.
- All migrants working in seafood processing interviewed by Oxfam reported requesting or willingly agreeing to overtime whenever available.[95] Migrants told Oxfam how they would work an average of three or four overtime shifts per week, with some workers engaging in overtime every working day.
- Pay is so low that seafood workers across the three provinces in Thailand[96] recounted that if they do not work overtime they cannot buy 'non-essential' items such as clothing, much less support their families back home. A survey used to assess levels of food security revealed that the majority of women Oxfam spoke to in Thailand are considered severely food insecure. Our survey responses suggest that women are cutting out meals altogether, while men are compromising on food quality.

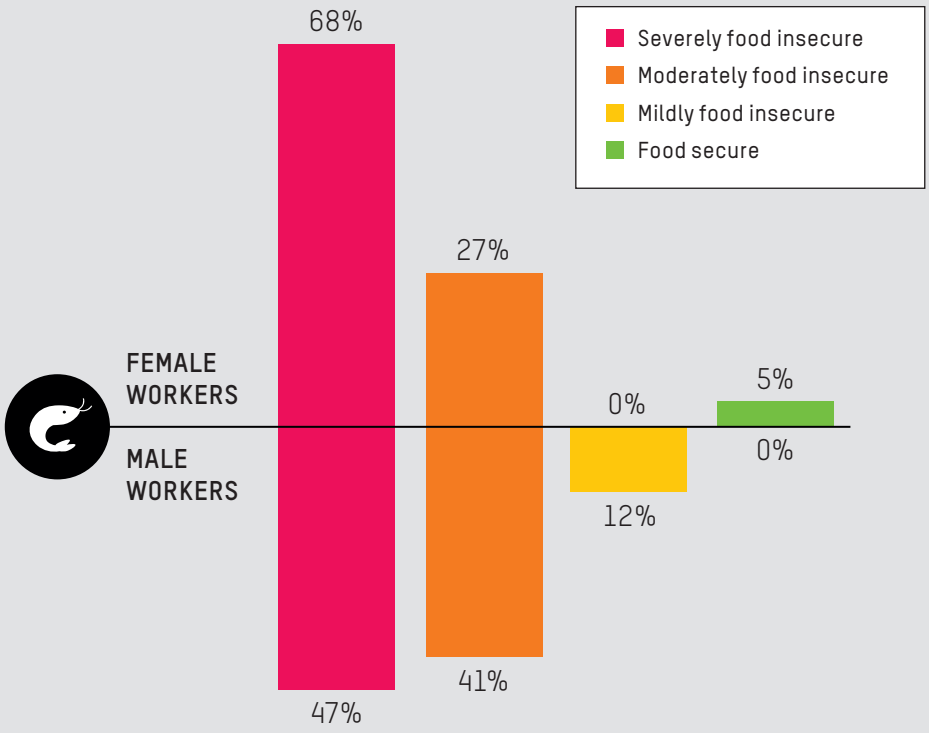
* * *

I HAVE TO WORK ABOUT NINE-AND-A-HALF TO 10 HOURS EVERY DAY. THAT IS NORMAL. WE START WORKING AT 5:30 PM AND IF WE START A BREAK FOR DINNER AT 6:00 PM, WE HAVE TO COME BACK AND RESTART WORKING AT 7:00 PM. AND THERE IS NO LONG BREAK UNTIL 4:30 AM. SHOULDN'T WE TAKE A BREAK?'

* * *

Khin, seafood processing worker in Thailand

FIGURE 5: HOUSEHOLD FOOD SECURITY ACCESS SCALE SURVEY RESULTS AMONG THAI SEAFOOD PROCESSING WORKERS[97]



Source: Research conducted by Oxfam and partners. A description of the methodology is available in Annex 1.[98]

- In Indonesia, interviewees said that payment of local minimum wages of between IDR 1.7m ($127) to IDR 3.2m ($239) per month[99] is linked at some plants to achieving quotas of around 19kg/hour of processed shrimp. Many women told the researchers they are unable to meet their quotas within the eight-hour working day, with many working approximately one hour extra per day unpaid and/or cutting break times, in violation of Indonesian labour law related to the local minimum wage.[100]
- Workers at one plant in Indonesia also reported systematic use of a two-month training period in which wages – approximately IDR 1.2m ($88) per month – were significantly lower than the local minimum wage. Some also reported being denied their legal right to sick leave.[101] Workers at another plant noted they were not awarded the statutory minimum four days of leave a month.

Unsafe, unsanitary and degrading working environment

- Across Indonesia and Thailand, processing workers reported unsafe, unsanitary and degrading working environments. Many workers reported that toilet breaks are tightly controlled and used as a form of discipline. For example, one group of workers in Thailand reported that only nine toilets were available for over 1,000 workers. Workers in Indonesia similarly described not using the toilet for fear of a warning letter, verbal abuse from supervisors and because the lost working time means they might not meet their quotas. In both countries, examples were given of women contracting urinary tract infections.

* * *

'I FELT DIZZY, MY NECK ACHED, AND MY LEGS ALSO ACHED. THERE WAS ABSOLUTELY NO SEATING SO I COULD NOT SIT DOWN [...] BUT WHAT COULD I DO? I ALSO COULD NOT RELAX BECAUSE THE WORK SYSTEM WAS TARGET-BASED. IF WE TOOK TOO MANY BREAKS, RELAXED, IT WAS IMPOSSIBLE TO REACH THE TARGET.'

* * *

Budi, shrimp processing worker in Indonesia

* * *

'ATTENDANCE WAS USED TO ASSESS WHETHER WE WERE REALLY SERIOUS ABOUT WORK OR NOT. IF YOU STAYED HOME BECAUSE YOU WERE FEELING UNWELL, IT WOULD IMPACT YOUR CONTRACT. IF WE SKIPPED WORK MORE THAN TWO TIMES A MONTH, WE WOULD GET A SHORTER CONTRACT.'

* * *

Dewi, former shrimp processing worker in Indonesia

- Some workers at plants in Indonesia noted that access to water was similarly controlled, for example, with permission required to drink, just a couple of glasses provided for hundreds of workers, and only low quality water provided. Others noted they did not drink because of the effect of the lost time on meeting their quota.
- Several workers in Indonesia described the exhausting nature of work in a physically demanding environment, including close to freezing temperatures and exposure to hot water and chlorine. Workers reported occasional fainting on the factory floor and some workers complained of white spots developing on their hands from handling chemicals. In many plants across both Indonesia and Thailand, workers said they are expected to provide their own safety equipment.

Dewi worked in a shrimp processing factory in Indonesia for eight years. She left because the factory moved and wages were lowered by half. She always had short-term contracts, so no right to maternity leave. She resigned when she was eight months pregnant and was rehired a month after the baby was born. Photo: Adrian Mulya/ Sustainable Seafood Alliance Indonesia

* * *

'AT THE DECAPITATION SECTION THE DISTANCE FROM THE TOILET WAS QUITE FAR. WE WOULD HAVE 10 MINUTES. IN THAT TIME, WE COULD FINISH TWO BUCKETS OF SHRIMPS. THAT IS WHY WE HAD TO HOLD IT IN, BECAUSE WE NEEDED THE MONEY. WE JUST CONTINUED, UNTIL WE COULDN'T STAND IT ANYMORE.'

* * *

Ara, former shrimp processing worker in Indonesia

* * *

'I WAS HOLDING MYSELF SO I DIDN'T HAVE TO PEE OUTSIDE THE LUNCH BREAK TIME. BEFORE GOING IN, I TIED MY SHIRT, TO PREVENT THE URGE BEFORE LUNCH TIME. I MADE A KNOT IN MY SHIRT.'

* * *

Dewi, former shrimp processing worker in Indonesia (left)

Gender discrimination

Oxfam and the Sustainable Seafood Alliance Indonesia found mandatory pregnancy-testing at recruitment to be common across the shrimp processing sector in both Thailand and Indonesia. Workers in Indonesia reported that pregnant workers would not have their contracts renewed or that those that reapplied after giving birth were taken on as 'interns' at the much lower rate of pay.

In Indonesia, several workers reported that their statutory right to menstruation leave[102] was not recognized, and even that women were not allowed to bring additional sanitary pads during menstruation, which required them to use the same pad for a nine-hour day or put on several pads before starting their shift.

The supermarket connection

A large number of these practices are very likely present in the shrimp supply chains of many of the biggest supermarkets from Germany, the Netherlands, the UK and the US, among others.

The following companies either confirmed or did not deny to Oxfam that they source or have sourced shrimp from one or more of the exporters at which workers interviewed for this research were employed:[103]

- Albertson's, Costco, Kroger, Walmart and Whole Foods headquartered in the US;
- Morrisons, Sainsbury's and Tesco, headquartered in the UK;
- Ahold Delhaize[104] and Jumbo[105] headquartered in the Netherlands; and
- some national entities of Aldi North and Aldi South, Edeka, Lidl and Rewe headquartered in Germany.

This means that each of these supermarket giants are selling or have sold products in their stores very likely linked to at least some of the workers' rights violations described above. The intention of the research was not to attribute specific labour rights issues to specific supplier companies, but rather to identify the kinds of issues that all supermarkets and other buyers should be aware of in seafood and many other food supply chains. The examples given here are wide-ranging enough to suggest that these challenges go beyond one or two problematic supply chains, but are instead systemic – going to the heart of the supermarket sourcing model.

* * *

'IF THERE WAS SOMEONE PREGNANT SHE WAS IMMEDIATELY TOLD TO GO TO THE COMPANY DOCTOR AND WAS NO LONGER CONTRACTED, SO HAD TO RESIGN.'

* * *

Bunga, former shrimp processing worker in Indonesia

While this briefing focuses on the challenges facing workers on vessels and in processing plants, conditions on aquaculture farms can be equally alarming. The Sustainable Seafood Alliance Indonesia's work with farmers in the Indonesian aquaculture sector, for example, reveals their struggles to earn a fair price for their shrimp, even where companies may have received Aquaculture Stewardship Council (ASC) accreditation.[106]

3. ROOT CAUSES

As the examples in Section 1 demonstrate, there have been areas of progress in recent years. At a minimum, awareness of the challenges around labour rights has increased; transparency around working conditions and traceability of products in complex seafood supply chains has improved; and significant numbers of workers have benefited from improved working conditions as a result of strengthened policies and new practices.

However, while many of these recent initiatives are welcome and provide an important foundation on which to build, too many still fail to tackle adequately the root causes of labour rights violations in shrimp and other international food supply chains. Until they do, challenges like those described in Section 2 will continue to arise. At the heart of the challenge lies the striking imbalances of power in supermarket supply chains, and the skewed distribution of economic rewards that results.

THE GROWING POWER OF SUPERMARKETS TO SET PRICES AND MAXIMIZE RETURNS

As explored in the main report launching Oxfam's new campaign,[107] the growth of supermarket power in food supply chains has helped create demand for labour exploitation in sourcing countries. In many food supply chains, supermarkets have become the dominant actors, able to use their position as gatekeepers to mass consumer markets to seek to continually depress prices from their suppliers, while insisting on exacting quality requirements.

New research for Oxfam – undertaken by the Bureau for the Appraisal of Social Impacts for Citizen Information (BASIC) – presented in the report confirms that as a result, not only do supermarkets capture the largest share out of all the actors in food supply chains of the end consumer price of food products, but that over the past 20 years their share has increased the most. Meanwhile the small share that is left for food producers has further declined, often, in the case of developing country producers, in the face of increasing costs of production.[108]

These dynamics appear to be well reflected in supermarket shrimp supply chains originating in Southeast Asia. As shown in Figure 6, BASIC's analysis for Oxfam suggests that between 2000 and 2015, the biggest winners in shrimp supply chains originating in Indonesia and Thailand have been the supermarkets, and the biggest losers the shrimp processors in those countries:

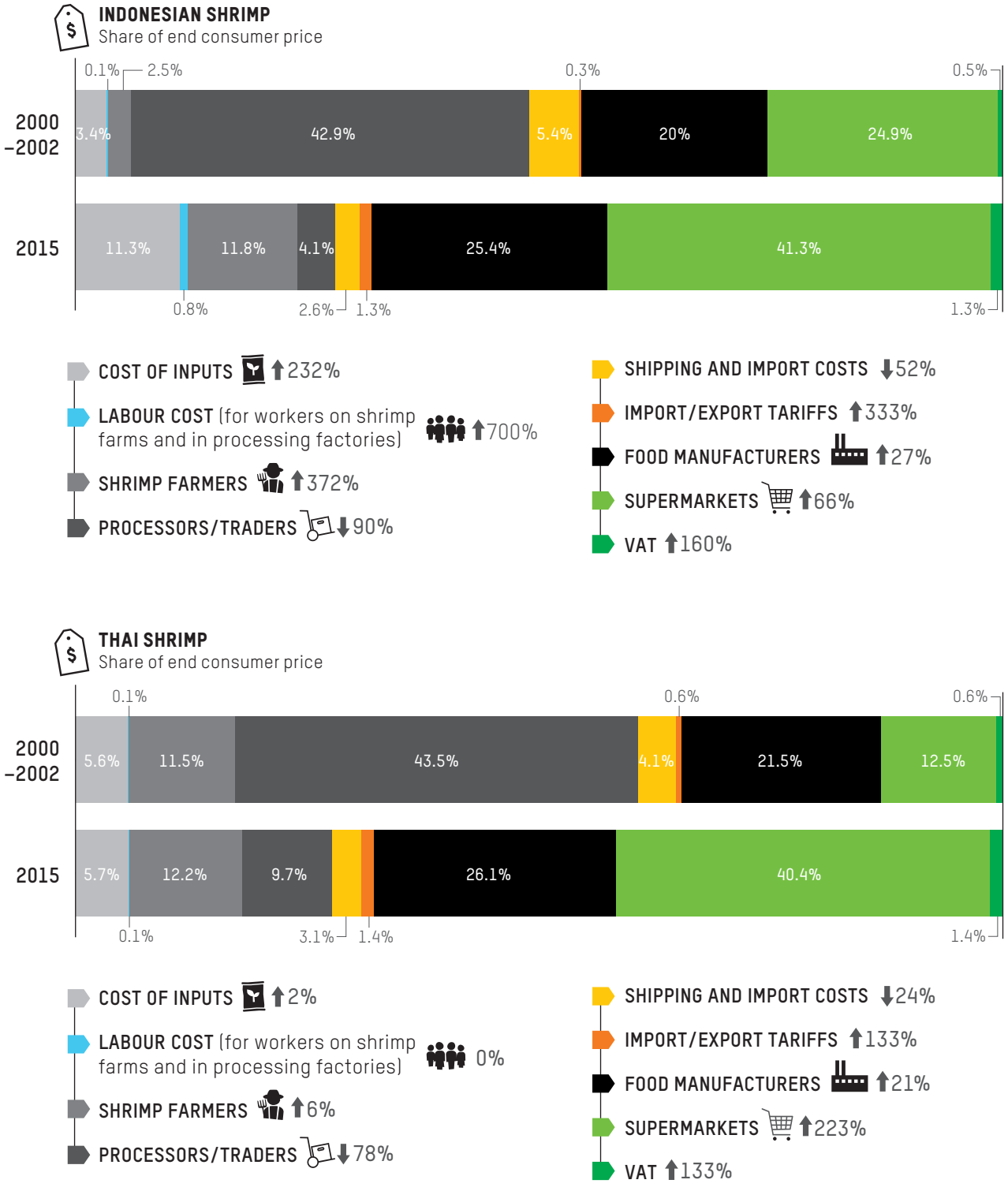
- Across Germany, the Netherlands, the UK and the US, the average consumer price for shrimp has risen 50% in this time, helping supermarkets on average across these countries to increase their share of the end consumer price of Indonesian shrimp from around 25% to 41% and of Thai shrimp from around 13% to 40%.[109]
- At the same time, the main losers appear to be the shrimp processing companies in both countries, whose share has dropped from around 43% to 4% in the case of Indonesia and from around 44% to 10% in the case of Thailand.

* * *

ON AVERAGE, SUPERMARKETS HAVE INCREASED THEIR SHARE OF THE END CONSUMER PRICE OF INDONESIAN SHRIMP FROM AROUND 25% TO 41% AND OF THAI SHRIMP FROM AROUND 13% TO 40%.[110]

* * *

FIGURE 6: SUPERMARKETS HAVE INCREASED THEIR SHARE OF THE END CONSUMER PRICE FOR INDONESIAN AND THAI SHRIMP, WHILE THE SHARE LEFT FOR SHRIMP PROCESSORS HAS BEEN SLASHED

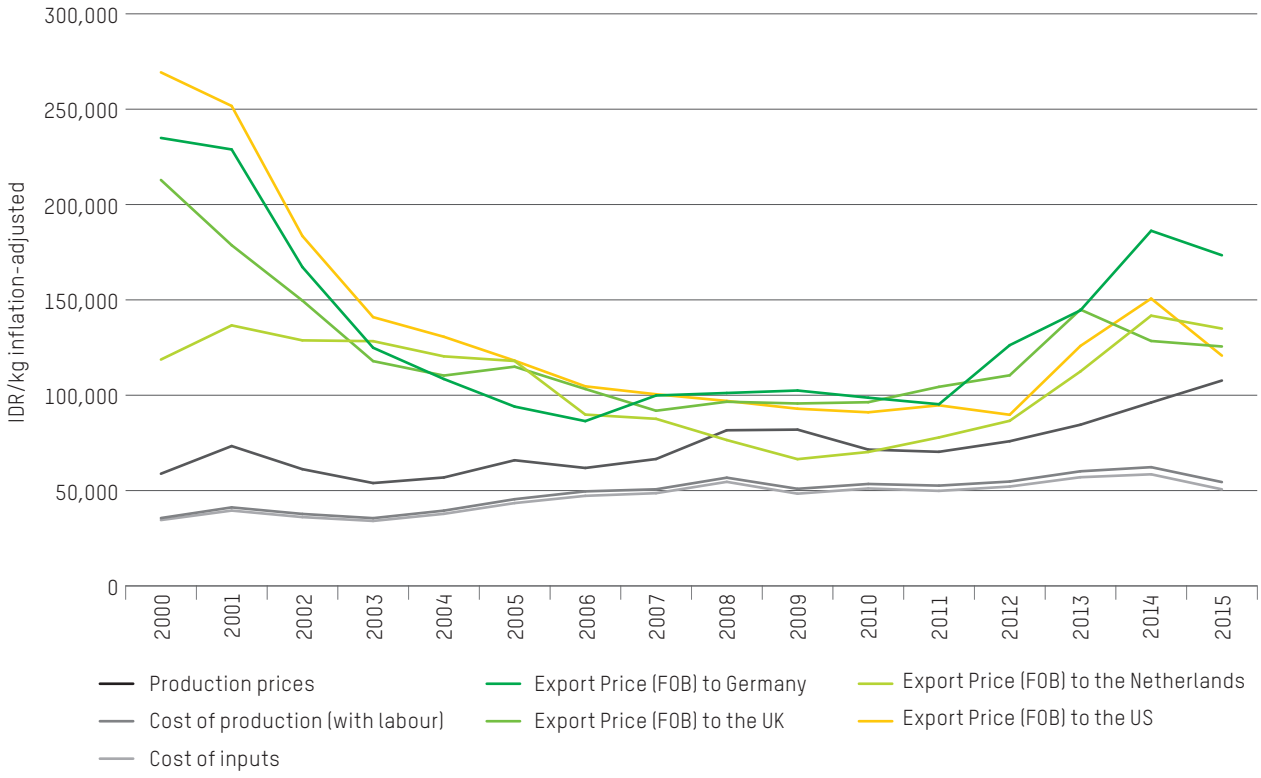


Source: C. Alliot et al. (Forthcoming). Distribution of Value and Power in Food Value Chains. Oxfam-commissioned research undertaken by BASIC. Based on a weighted average of four countries of consumption: Germany, the Netherlands, the UK and the US. See the methodology annex for more information.

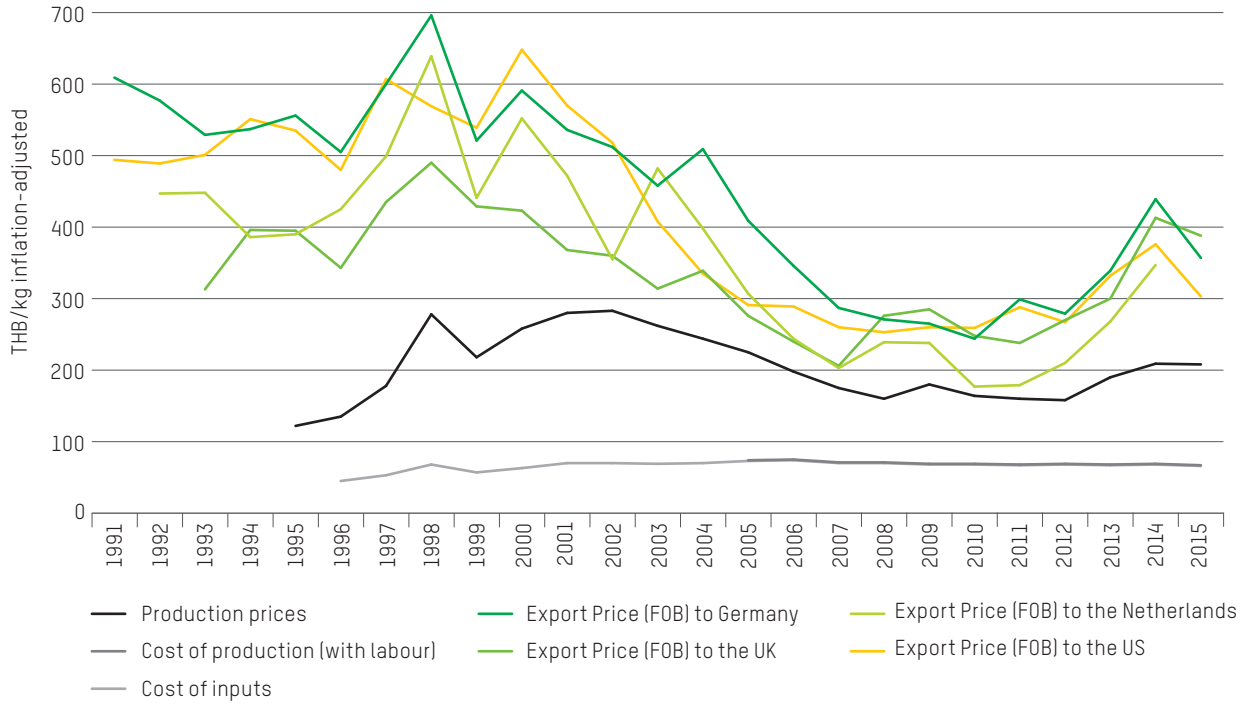
As shown in Figure 7, since the late 1990s in Thailand and 2000 in Indonesia, there has been a significant long-term decline in shrimp export prices (with a short-term price spike in 2013–14 in response to an outbreak of Early Mortality Syndrome disease that ravaged shrimp production in Thailand) – falling by a third or more in both countries.

FIGURE 7: EXPORT PRICES FOR INDONESIAN AND THAI SHRIMP HAVE FALLEN SIGNIFICANTLY

INDONESIA



THAILAND



Source: C. Alliot et al. (Forthcoming). Distribution of Value and Power in Food Value Chains. Oxfam-commissioned research undertaken by BASIC.
Export prices are based on free-on-board (FOB) contracts.

This context is critical to understanding the market forces driving the curtailment of workers' rights in shrimp processing plants, especially among small- and medium-sized suppliers. So long as such developing country suppliers – whether in supermarket supply chains for Southeast Asian shrimp, or those for Brazilian orange juice or Kenyan green beans explored in the main campaign report[111] – face downward pressure on price alongside ever more stringent quality standards and rising production costs, vulnerable workers can be forced to bear increased strain.

Living wages are not out of reach

However, this new analysis for Oxfam also confirms that paying workers a living wage in shrimp supply chains is not out of reach, even if doing so remains a complex challenge.[112] As shown in Table 1, the additional investment required to lift workers in Indonesia or Thailand to the benchmark of the Asia Floor Wage,[113] for example, is equivalent to between only 0.4% and 0.5% of the end consumer price in the assessed consumer countries.[114]

Even this marginal increase need not necessarily be passed on to consumers in the form of higher prices at the checkout, if the value generated is more fairly shared along the chain. As shown in Table 1, BASIC's analysis confirms that, between the mid-1990s and 2015, in Germany, the Netherlands, the UK and the US, supermarkets (or in some cases the food manufacturer importers they source from) have increased their share of the end consumer price in shrimp supply chains by an amount that is many times more than the additional investment needed to pay shrimp processing workers in Indonesia or Thailand a living wage.[115]

While this increased value accruing to these actors should not be assumed to be entirely profit, the analysis does suggest that there is sufficient value in the chain to pay living wages, if a means can be determined to more equitably distribute it to the benefit of workers.

* * *

THE ADDITIONAL INVESTMENT REQUIRED TO LIFT WORKERS IN THAILAND OR INDONESIA TO THE BENCHMARK OF THE ASIA FLOOR WAGE IS EQUIVALENT TO AROUND 0.3% OF THE END CONSUMER PRICE OF INDONESIAN SHRIMP AND AROUND 0.5% OF THE END CONSUMER PRICE OF THAI SHRIMP.[116]

* * *

TABLE 1: LIVING WAGES FOR SHRIMP PROCESSING WORKERS IN INDONESIA AND THAILAND ARE NOT OUT OF REACH

Country of production	Shrimp processing labour cost in 2015 (US$/kg)	Living wage gap for shrimp processing workers in 2015 (US$/kg)	Country of consumption	Living wage gap as % of consumer price	Supermarket (or manufacturer) share of value (US$/kg)
INDONESIA	$0.29	$0.15	Germany	0.4%	$3.33 (1996) → $7.78 (2015)
			The Netherlands	0.5%	$5.47 (1996) → $7.48 (2015)
			UK	0.5%	$2.17 (1996) → $8.05 (2015)
			US	0.4%	$4.28 (1996) → $16.16 (2015)
THAILAND	$0.35	$0.16	Germany	0.5%	$2.42 (2001) → $8.22 (2015)
			The Netherlands	0.5%	$6.02 (2001) → $7.86 (2015)
			UK	0.5%	$9.34 (2001) → $5.10 (2015) ($6.06 (2001) → $12.10 (2015))
			US	0.5%	$9.60 (2001) → $16.08 (2015)

Source: C. Alliot et al. (Forthcoming). Distribution of Value and Power in Food Value Chains. Oxfam-commissioned research undertaken by BASIC.

Susi, a former worker in the shrimp industry, used to live in a company dormitory in Indonesia. She didn't have a copy of her contract, and didn't feel able to say no to overtime — sometimes an extra three hours at the end of the day. She was too scared to complain to her boss or even other workers about her problems. Photo: Adrian Mulya/Sustainable Seafood Alliance Indonesia

THE LIMITED POWER OF WORKERS TO DEFEND THEIR RIGHTS

Ensuring that a fairer distribution of value within the shrimp – or indeed any other – supply chain, is actually passed through to the benefit of workers themselves requires workers who are empowered to bargain for it. It is therefore significant that, at the same time as the power of supermarkets and other lead firms in international supply chains has grown – creating demand for exploited labour in sourcing countries – the power of workers has been suppressed across a wide range of countries and sectors – creating a supply of labour that is vulnerable to exploitation.

As explored in the main launch report, the bargaining power of workers has diminished[117] at the same time as global value chains have expanded in the last 30 years. The ILO has observed a long-term decline in union membership rates in many countries,[118] and the International Trade Union Confederation (ITUC) has long documented efforts to supress workers' right to organize. Attacks on union members were recorded in 59 countries in 2017. Over three-quarters of countries deny some or all workers the right to strike.[119]

The organization of workers is particularly weak within food supply chains. In a global survey of nearly 1,500 companies in global supply chains, less than a quarter of food suppliers noted the presence of trade unions.[120] Even when they are present, they are often excluded from management discussions on wages or working conditions.[121]

The lack of representation is particularly acute for migrant workers and for women, as exemplified by the situation in shrimp supply chains. The ILO estimates that less than 2% of migrant workers in Thailand are part of trade unions, while collective bargaining agreements are unheard of.[122] As the Sustainable Seafood Alliance Indonesia research at shrimp processing plants in Indonesia reveals, one of the consequences of subcontracting employment and/or using short-term and/or informal contracts is to severely limit workers' access to trade union representation.

The lack of worker voice is also a major shortcoming of some of the labour rights initiatives launched in recent years. The Seafood Task Force, described in Box 3, exemplifies a top-down approach, driven by the concerns and interests of powerful supermarkets and their suppliers, almost entirely lacking the meaningful participation of frontline workers' organizations and civil society actors in Thailand.

There are some notable exceptions, also described in Box 3, designed to strengthen worker voice vis-a-vis employers. Thai Union's partnership with Migrant Workers' Rights Network to establish training and worker welfare committees is a notable step, as is the work of the Issara Institute, supported by a number of supermarkets, manufacturers and exporters, whose approach to Inclusive Labour Monitoring is predicated on offering new channels for workers' voices to be heard.

However, the recent research by the CSO Coalition reveals the extent of the challenge in building awareness of workers' rights and the confidence to use available grievance mechanisms. In surveys of 300 migrant workers in six coastal provinces of Thailand, 71% of respondents stated that they did not feel sufficiently informed of their labour rights, while 90% said that they had never reported a labour rights complaint.[123]

What these findings help to show is that no matter how sophisticated or innovative the technologies that are adopted, they will often fail even to uncover ongoing rights violations, let alone help to end them, unless the imbalance of power between workers and their employers is addressed. Ultimately, if this power imbalance is to be overcome, there is no substitute for the establishment of effective trade unions, full recognition of the right to freedom of association for all workers, and institutions of collective bargaining in workplaces. To this end, governments must ensure legal protections are in place and properly enforced, while supermarkets and their suppliers must ensure these rights are realized across their operations and supply chains.

As explored in Box 7, a number of examples are emerging of collective action in the seafood sector in Southeast Asia. Such examples hold the promise of workers and small-scale producers securing more meaningful changes in working conditions, and ultimately a fairer share of the value in shrimp supply chains.

* * *

'I WOULD LIKE TO HAVE A LABOUR UNION IN EVERY COMPANY IN ORDER TO BUILD MUTUAL AGREEMENT. THE AGREEMENT IS IMPORTANT MOMENTUM IN ESTABLISHING A CONDUCIVE INDUSTRIAL RELATIONSHIP'

* * *

Hanif Dhakiri, Indonesian Minister of Labour, 27 March 2018[124]

BOX 7: COLLECTIVE ACTION BY SMALL-SCALE FISHERS, SMALLHOLDERS, WOMEN AND WORKERS

- In Thailand, workers and civil society have united in the **Civil Society Coalition for Ethical and Sustainable Seafood**, to strengthen their position in dialogue with government and industry.[125] Oxfam has worked to make sure that fishers, workers and smallholders are primary members in this coalition, with the largest share of power, visibility and voice.
- Thai fishers and Oxfam have initiated **'Fisherfolk', a women and fisher-owned social enterprise** to counter power abuses and unfair prices from middlemen. Women own all the Fisherfolk enterprises, and the pilot is proving that sustainable artisanal fishing is possible.[126] Fishers and Oxfam are also building 'Blue Brand', a standard accessible to smallholders.[127]
- In the Philippines, **SENTRO-unionized fish workers** have been campaigning against unfair mass dismissals, company anti-union policies and the 'Cabo'[128] subcontracting system.[129]
- In Indonesia, after years of conflict and a decade of increasing debt, **aquaculture farmers' union P3UW in Dipasena** gained independence from its owner company that controlled prices of aquaculture inputs and prices for buying back shrimp. Now P3UW farmers can buy and sell from whomever they like.[130]

4. SUPERMARKETS CAN DO MORE TO RESPECT THEIR SUPPLY CHAIN WORKERS' RIGHTS

Governments may have the primary duty to ensure workers' rights are protected – and there is plenty more they must do in countries all around the world both to enact and enforce legislation to that end. But supermarkets have both the responsibility, under the UNGPs,[131] and the power to make a significant difference to workers' abilities to realize their rights.

Yet Oxfam's initial analysis of the sourcing policies and practices of a selection of major US and European supermarkets suggests that, while some are making more efforts than others, as a sector they can go much further in ensuring their supply chain workers' rights are respected.

STRENGTHENING SUPERMARKET SOURCING POLICIES AND PRACTICE

As some of the examples in Section 1 indicate, some supermarkets are taking steps to address workers' rights in their seafood and other supply chains.

Many have codes of conduct that require their suppliers to respect core labour rights, backed with auditing schemes. But as the evidence presented in Section 2 seems to indicate, current auditing approaches have proved of limited use in uncovering critical issues around workers' rights. The audit system is open to potential abuse by unscrupulous employers – for example, by coaching workers on what to say, keeping duplicate books showing wages and working hours, or issuing protective gear only when auditors visit. And even when employers are fully and openly complying with audits, workers will only speak freely outside the workplace and after building a high level of trust with an interviewer they see as independent from the employer.[132]

Others have deliberately sought to invest in initiatives that go beyond reliance on social audits, such as joining initiatives like the Seafood Task Force or supporting the work of Issara Institute. But to the extent that these efforts start to grapple with the root causes of workers' rights challenges described in Section 3, it is primarily to support the voice of workers in their workplaces. Largely missing, however, are efforts to meaningfully address the role of supermarkets' own purchasing practices – from price-setting to contractual terms – in helping to undermine the realization of workers' rights.

* * *

'IN OUR FACTORY, MANY VISITORS CAME TO OUR FACTORY AND TOOK PICTURES AND VIDEOS WITH THEIR BIG CAMERAS. THE [MANAGERS] COMMAND US TO SMILE, ACT HAPPY.'

* * *

Zay, seafood processing worker, Thailand, discussing audit inspectors

WORKERS' RIGHTS IN OXFAM'S SUPERMARKETS SCORECARD

Oxfam's Supermarkets Scorecard[133] uses publicly-available information to assess the supply chain policies and practices of leading supermarkets in several countries against benchmarks based on robust international standards and widely recognized good practice in four areas: transparency and accountability, workers, farmers and women.

Prak is a worker on a boat in Thailand. After getting sick, he was dismissed from his job and also told that he owed the boat operators 14,000 THB (about $438) — money that he doesn't have. But if he doesn't pay, Prak won't be able to get his passport back. Photo: Suthep Kritsanavarin/Oxfam

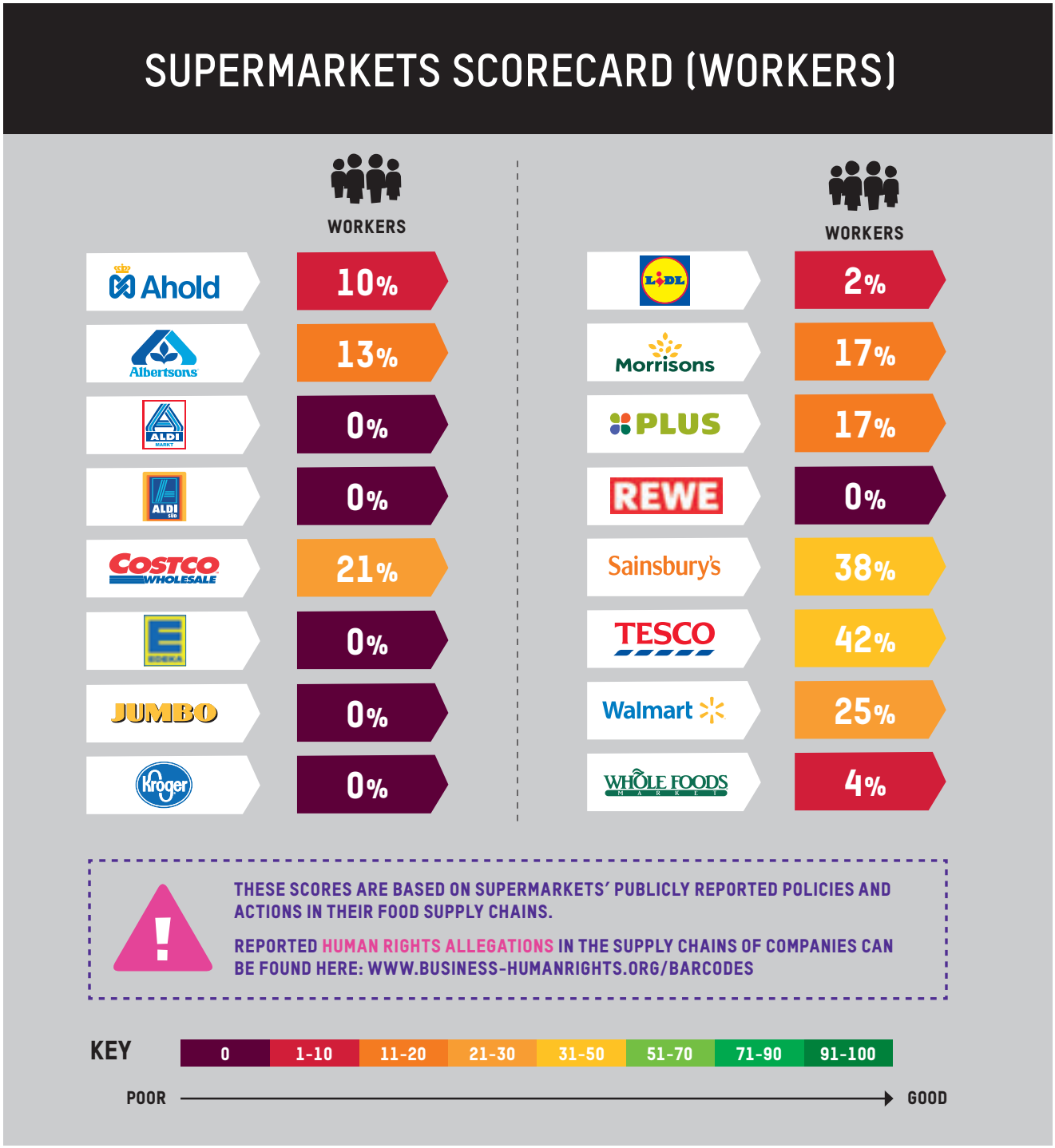
The initial analysis reveals that some of the biggest supermarkets in Germany, the Netherlands, the UK and the US can do much more to meet their responsibilities to protect women and men workers in their supply chains. Despite being the area in which the highest scores were achieved across our initial sample of supermarkets, no company scored more than 42% in the 'Workers' category, the average was a mere 12%, and some didn't score any points at all (see Figure 8).

The analysis also reveals that:

- Only a handful of the assessed companies – **Costco**, **Morrisons**, **Sainsbury's**, **Tesco** and **Walmart/Asda** – have published policies setting out their expectations that suppliers comply with core ILO labour standards, such as prohibition of forced or child labour, or a commitment to safe and healthy workplaces.
- Even fewer – just **Albertson's**, **Sainsbury's** and **Tesco** – require their suppliers to demonstrate continuous improvement in labour standards over time, and, critically, support them to do so.
- Only one, **Sainsbury's**, has committed to eliminate trading practices that can undermine labour standards in supply chains, for example through ensuring appropriate pricing that takes into account production costs or secure and predictable order volumes.
- **None** of the assessed supermarkets have in the last three years published a decent Human Rights Impact Assessment of the impact of the company's own activities on workers in its supply chain.[134]
- **None** have set out commitments to engage trade unions and remove barriers to workers' freedom of association or to ensure suppliers are paid sufficiently to enable their workers to be paid a living wage.

- **None** have published a gender policy concerning the particular challenges facing women workers in their supply chains or are systematically tracking and disclosing gender disaggregated data with respect, for example, to wages or contract types. Only one – **Walmart** – has disclosed sufficient examples of support to suppliers to tackle the root causes of gender inequality in the sector.

FIGURE 8: WORKERS' RIGHTS IN OXFAM'S SUPERMARKETS SCORECARD



THE BUSINESS CASE FOR STRONGER ACTION

It doesn't have to be this way. Beyond the clear moral imperative to go much further in addressing the issues set out in this briefing, supermarkets have a clear business case for doing so, as depicted in Figure 9.

FIGURE 9: THE BUSINESS CASE FOR STRONGER ACTION ON SUPPLY CHAIN WORKERS' RIGHTS RESTS ON ADDRESSING RISKS OF INACTION AND SEIZING NEW OPPORTUNITIES

RISKS OF INACTION	OPPORTUNITIES
Damage to brand perception from current and future customers, heightened by the potential of new technologies to expose bad supply chain practice	**Increasing interest from investors and companies in contributing to the fulfilment of the UN Sustainable Development Goals**
Operational risks from supply chain disruption due to social unrest or food safety scandals	**Rising expectations from customers on provenance and sustainability**
New regulatory frameworks that put more responsibility on companies for ensuring transparency and due diligence	**Increasing pressure from the investment community for transparency** around supply chain labour practices
Legal risks from civil or class lawsuits and consequent reputational risks	**The attraction of and retention of millennial employees** within progressive companies
Unsustainable business model dependent on squeezing suppliers and workers	Increasing interest from the investment community for companies to **emphasize long-term over short-term profits**
Socio-political risks from growing inequalities, leading to populism and distrust of businesses and institutions	**Inclusion of companies in sustainability indices** – allowing access to a wider set of investors

Source: Various sources including Ethical Trading Initiative and Holt International Business School (2016), Corporate Leadership on Modern Slavery, London: Ethical Trading Initiative; UN Principles on Responsible Investment (2016), From Poor Working Conditions to Forced Labour - What's Hidden in Your Portfolio? A Guide to Investor Engagement on Labour Practices in Agricultural Supply Chains, London: UNPRI; Deloitte (2016), The Ripple Effect: How Manufacturing and Retail Executives View the Growing Challenge of Supply Chain Risk, London: Deloitte; and Price Water House Cooper (2016), Workforce of the Future: the Competing Forces Shaping 2030, London: PWC.

RECOMMENDATIONS

The protection of workers' rights in supermarket supply chains requires action from supermarkets, their suppliers and governments, tailored to address the differentiated challenges faced by women and men. A full range of recommendations is given in the main report, *Ripe for Change*, launching Oxfam's new campaign to tackle human suffering in food supply chains.

Oxfam's Supermarkets Scorecard also provides a detailed set of challenging but meaningful benchmarks for action by supermarkets based on internationally recognized standards and guidance.

A summary of key recommendations for supermarkets in particular are given below:

Know and show risks and impacts related to workers' rights

- Publish the names of product types, production sites and sourcing locations for all first and second tier suppliers, and update this information regularly.

- Commit to carry out a human rights due diligence assessment, aligned with the UNGPs, including a commitment to regular Human Rights Impact Assessments for high-human-rights-risk food products,[135] and to develop supply chain grievance mechanisms.
- Carry out an assessment of the number of female and male workers, and median wage levels at production site level for high-human-rights-risk food products, such as seafood, and track this gender ratio over time.
- Commit to estimate and publish the labour share of value for the lowest paid workers at each stage of the supply chain for high-human-rights-risk supply chains.

Commit to act in their own supply chains

- Ensure that company human rights and supply chain policies are publicly available; that they are aligned with relevant ILO conventions and national labour laws; apply to both companies' own operations and their wider supply chains; and include time-bound action plans for implementation and regular reporting of progress.
- In particular, such policies should:
    - Ensure that the use of labour brokers does not undermine freely chosen or regular work and that recruitment fees are paid by employers rather than workers.[136]
    - Include a gender policy, entailing commitment to health and safety protection for all women in their own operations and in their supply chain; the prevention of gender discrimination in hiring and promotion (including mandatory pregnancy testing); equal pay for equal work; and protection against sexual harassment during the recruitment process, in the workplace or while travelling to and from work.
    - Include a commitment to paying living wages for all workers, based on collective bargaining or an independently determined, established methodology. This should entail commitment to publishing the gap between prevailing wages of women and men workers (including where based on piece rates, and without overtime) and living wage benchmarks, and to factor such benchmarks as a non-negotiable cost into the company's price negotiations and contract terms with suppliers.
    - Commit to review and publish the company's buyer incentive policy, such that buyers are incentivized to respect human and workers' rights in supply chains.
    - Guarantee regular, meaningful and constructive engagement with trade unions and other forms of workers' association at all levels.

Commit to act beyond their own supply chains

- Advocate for governments to ensure that freedom of opinion, assembly and association are protected, ILO conventions are ratified and that strong statutory labour laws are implemented. These actions should be pursued through collaboration wherever possible.
- Actively participate in credible multi-stakeholder initiatives which effectively address labour issues in high-human-rights-risk food supply chains, and report regularly on the role they play.

NOTES

1 ILO. (2007). The impact of global food chains on employment in the food and drink sector. http://www.ilo.org/wcmsp5/groups/public/---ed_dialogue/--sector/documents/meetingdocument/wcms_161663.pdf

2 R. Willoughby and T. Gore. (2018). Ripe for Change: Ending human suffering in supermarket supply chains. Nairobi: Oxfam. Retrieved from: https://doi.org/10.21201/2018.1787

3 G. Ceccarelli and F. Ciconte. (2018). Human Suffering in Italy's Agricultural Value Chain. Arezzo: Oxfam Italia. Retrieved from: https://doi.org/10.21201/2018.2685

4 F. Humbert. (2018). The plight of pineapple and banana workers in retail supply chains. Berlin: Oxfam Germany. Retrieved from: https://doi.org/10.21201/2018.2654

5 Oxfam and Ethical Tea Partnership. (2013). Understanding Wage Issues in the Tea Industry. Retrieved from: https://policy-practice.oxfam.org.uk/publications/understanding-wage-issues-in-the-tea-industry-287930

6 See for example:

Human Rights Watch. (2002, 24 April). Ecuador: Widespread Labor Abuse on Banana Plantations. Retrieved from: https://www.hrw.org/news/2002/04/24/ecuador-widespread-labor-abuse-banana-plantations

R. Herre et al. (2014). Harvesting Hunger: Plantation Workers and the Right to Food. Retrieved from: http://www.iuf.org/w/sites/default/files/2014%20Harvesting%20Hunger.pdf

Fairtrade Advocacy Office, PFCE, Traidcraft and Oxfam Deutschland. (2014). Who's Got the Power? Paris: BASIC. Retrieved from: http://www.fairtrade-advocacy.org/power/183-projects/psc-main-page/870-the-report-on-imbalances-of-power-in-agricultural-supply-chains

SUPPLY CHA!NGE. (2016). Squeeze Out: The truth behind the orange juice business. Retrieved from: http://www.supplychainge.org/fileadmin/reporters/all_files/SC_Research_CIR_G2K_OrangeJuice.pdf

7 R. Wilshaw. (2014). Steps to a Living Wage in Global Supply Chains. Retrieved from: https://policy-practice.oxfam.org.uk/publications/steps-towards-a-living-wage-in-global-supply-chains-336623

8 Collective bargaining assumes freedom of association is in place where legally mandated. Freedom of association and the right to collective bargaining are fundamental rights underpinning all other labour rights. See http://www.ethicaltrade.org/resources/key-eti-resources/freedom-of-association-in-company-supply-chains for a guide for companies.

9 According to the ILO Forced Labour Convention, 1930 (No. 29), forced or compulsory labour is defined as 'all work or service which is exacted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily'. As the ILO notes, 'it refers to situations in which persons are coerced to work through the use of violence or intimidation, or by more subtle means such as manipulated debt, retention of identity papers or threats of denunciation to immigration authorities'. http://www.ilo.org/global/topics/forced-labour/definition/lang--en/index.htm

10 See, for example, the Guardian's investigation in 2015: https://www.theguardian.com/global-development/2014/jun/10/supermarket-prawns-thailand-produced-slave-labour; or the Associated Press investigation in 2015: https://apnews.com/b9e0fc7155014ba78e07f1a022d90389/ap-investigation-are-slaves-catching-fish-you-buy

11 Interviews with workers on Thai fishing vessels were conducted in September and October 2017. For more information on the research process see the methodology note in Annex 1. R. Willoughby and T. Gore. (2018). Ripe for Change: Methodology note. Nairobi: Oxfam. Retrieved from: https://doi.org/10.21201/2018.263

12 HRW. (2018). Hidden Chains: Rights Abuses and Forced Labor in Thailand's Fishing Industry. Retrieved from: https://www.hrw.org/report/2018/01/23/hidden-chains/rights-abuses-and-forced-labor-thailands-fishing-industry

ILO. (2018). Baseline research findings on fishers and seafood workers in Thailand. Retrieved from: http://www.ilo.org/asia/publications/WCMS_619727/lang--en/index.htm

The Civil Society Coalition for Ethical and Sustainable Seafood. (2018). Falling Through the Net: A survey of basic labour rights among migrants working in Thailand's fishing sector. Retrieved from: http://ghre.org/en/2018/05/21/cso-coalition-falling-through-the-net/

13 Oxfam estimate based on research findings in Indonesia and Thailand and secondary sources including:

D.A.M De Silva. (2011). Faces of women in global fishery value chains: Involvement, impact and importance in the fisheries of developed and developing countries. Retrieved from: http://www.fao.org/fileadmin/user_upload/fisheries/docs/The_role_of_Women_in_the_fishery_value_chain_Dr__De_Silva.doc, which estimated that women made up 95% of workers in frozen shrimp processing roles, 80–85% of workers in frozen fish processing roles in Vietnam; and 80% of workers in mackerel processing roles in Thailand.

Verité. (2016). Research on Indicators of Forced Labour in the Supply Chain of Tuna in the Philippines. Retrieved from: https://www.verite.org/wp-content/uploads/2016/11/Research-on-Indicators-of-Forced-Labor-in-the-Philippines-Tuna-Sector__9.16.pdf, which found over 80% of workers in canned tuna processing factories in the Philippines were women, with workers reporting that male workers were rarely seen on production lines.

C. Baga et. al. (2010). The Global and Local Markets of Penaeus monodon in Bohol Island, Philippines: Gender Role in HACCP Implementation. Retrieved from: https://genderaquafish.files.wordpress.com/2011/04/32-c-baga-penaeus-monodon.pdf, which found 80% of workers in shrimp processing roles in the Philippines were women.

14 See Box 6 for a description of the supermarket link to suppliers whose workers were interviewed for this research.

15 Several workers at one plant in Indonesia and a local expert reported that piece rate quotas had been based on targets as high as 19kg per hour. The relevant minimum wage in that region of Indonesia is IDR 3,296,712 per month, for a 40-hour working week. This amounts to an hourly wage of approximately €1.28, or €0.07 per kg in order to meet the 19kg target. See methodology note in Annex 1 for a full description of the calculation. R. Willoughby and T. Gore. (2018). Ripe for Change: Methodology note. Op. cit.

16 Note that not all of the examples cited were reported by workers at each of the shrimp and seafood exporters, but all workers interviewed reported at least some of the concerns that are summarized in Box 6. Some of the exporters whose workers were interviewed noted to Oxfam that some of the practices described are not present in their operations or supply chains.

17 Ibid.

18 The highest paid executive salaries in 2016 were $19,808,797 at Walmart and $6,423,965 at Tesco, based on data from S&P Capital. Workers at a plant in Indonesia reported monthly wages of IDR 3,152,100 per month after deductions for insurance. See Methodology Annex for a full description of the calculation. R. Willoughby and T. Gore. (2018). Ripe for Change: Methodology note. Op. cit.

19 At its root, the concept of a living wage is that a worker and their family should be able to afford a basic, but decent, lifestyle that is considered acceptable by society at its current level of economic development. Under this definition, workers and their families should be able to live above the poverty line and participate in social and cultural life. For more information on the concept and measurement tools, see R. Anker and M. Anker (2017). Living Wages Around the World. Cheltenham: EE Elgar. Available at: https://doi.org/10.4337/9781786431462 [paywall].

For this calculation, the Asia Floor Wage has been used as an estimate of a 'living wage'. The Asia Floor Wage was developed by a coalition including trade unions and human and labour rights organizations, and designed for garment workers in the region based on needs for housing, food, education and healthcare. While it is an imperfect estimate, it offers a useful benchmark for demonstrating the inadequacy of prevailing wages of shrimp and other seafood processing workers compared to wage levels that can sustain a decent standard of living for workers and their families in their countries of employment. See: https://asia.floorwage.org/. See Methodology Annex for a full description of the calculation. R. Willoughby and T. Gore. (2018). Ripe for Change: Methodology note. Op. cit.

20 R. Willoughby and T. Gore. (2018). Ripe for Change. Op. cit.

21 C. Alliot et al. (Forthcoming). Distribution of Value and Power in Food Value Chains. Oxfam-commissioned research undertaken by BASIC. See Methodology Annex for more information. R. Willoughby and T. Gore. (2018). Ripe for Change: Methodology note. Op. cit.

22 According to the relevant scorecard indicator, a decent Human Rights Impact Assessment is considered to be one which assesses the impact of the company's food supply chain activities on workers, and includes a published action plan for addressing the root causes of negative impacts identified in the assessment. This should include consultation with peers, governments and relevant local stakeholders, including civil society organizations and women's rights organizations; and engagement with female and male workers through participatory processes.

23 Food and Agriculture Organization. (2016). The State of World Fisheries and Aquaculture 2016: Contributing to Food Security and Nutrition for All. Retrieved from: http://www.fao.org/3/a-i5555e.pdf

24 E. Terazono. (2017, 6 September). Global fish industry set to scale record in 2017. Financial Times. Retrieved from: https://www.ft.com/content/0a04ff90-9312-11e7-bdfa-eda243196c2c [pay wall].

25 Food and Agriculture Organization. (2016). The State of World Fisheries and Aquaculture 2016. Op. cit.

26 World per capita fish consumption has increased from 9.9kg per year in the 1960s to 14.4kg per year in the 1990s and 19.7kg in 2013. While there has been steady growth in consumption in developing countries, it remains considerably lower than in developed countries, where per capita consumption in 2013 was 26.8kg. Food and Agriculture Organization. (2016). The State of World Fisheries and Aquaculture 2016. Op. cit.

27 Aquaculture or farming in water is the aquatic equivalent of agriculture or farming on land. Defined broadly, agriculture includes farming both animals (animal husbandry) and plants (agronomy, horticulture and forestry in part). Similarly, aquaculture covers the farming of both animals (including crustaceans, finfish and molluscs) and plants (including seaweeds and freshwater macrophytes). While agriculture is predominantly based on use of freshwater, aquaculture occurs in both inland (freshwater) and coastal (brackish water, seawater) areas. See http://www.fao.org/docrep/003/x6941e/x6941e04.htm

28 F. Natale, A. Borrello, and A. Motova. (2015). Analysis of the determinants of international seafood trade using a gravity model. Marine Policy, 60, 98–106. Retrieved from: https://doi.org/10.1016/j.marpol.2015.05.016

29 Food and Agriculture Organization. (2016). The State of World Fisheries and Aquaculture 2016. Op. cit.

30 E. Terazono. (2016, 8 January). Salmon leaps past shrimp in global fish market. Op. cit.

31 Undercurrent News. (2015, 30 October). US per capita shrimp consumption rises 11%. Retrieved from: https://www.undercurrentnews.com/2015/10/30/us-per-capita-shrimp-consumption-rises-11/

32 EUMOFA. (2016). The European Fish Market. Retrieved from: https://www.eumofa.eu/documents/20178/77960/The+EU+fish+market+-+2016+Edition.pdf/ca1e7801-c4da-4799-aa00-f3d1784a3021

33 E. Terazono. (2017, 6 September). Global fish industry set to scale record in 2017. Op. cit.

Food and Agriculture Organization. (2016). The State of World Fisheries and Aquaculture 2016. Op. cit.

34 FAO. (2017). Increased production of farmed shrimp leads to improved international trade. Retrieved from: http://www.fao.org/in-action/globefish/market-reports/resource-detail/en/c/989543/

Note that complete data for 2017 is not yet available, although the partial data for 2017 indicates that top shrimp exporters include India, Vietnam, Ecuador and China. See Food and Agriculture Organization. (2018). Globefish Highlights: A Quarterly Update on World Seafood Markets. Rome: FAO. Retrieved from: http://www.fao.org/3/I8626EN/i8626en.pdf

The research presented in this report focuses on exports of shrimp from Indonesia and Thailand because these are countries in which Oxfam has a history of working with partners on seafood issues on the ground. They are also the two countries which have, to date, received the most international attention with respect to workers' rights issues in international seafood supply chains, and where concerted efforts have been made to address these challenges in recent years – providing a good basis for assessing the effectiveness of a range of interventions. However, the focus of this report on these two countries in no way indicates that there are not labour rights challenges in shrimp supply chains in other countries and regions – indeed the research presented in the report launching Oxfam's new campaign on inequality in food supply chains suggests that these problems are not limited to one or two problematic sourcing countries or products, but rather are systemic in global food supply chains. See R. Willoughby and T. Gore. (2018). Ripe for Change. Op. cit. For this reason, Oxfam's recommendations, presented in Section 4, are explicitly designed to relate to all supply chains. Oxfam

expects food companies to undertake good due diligence to ensure they are not contributing to human rights violations as they enter any new sourcing market, and expects that where any such issues are found in their supply chains, they will work to support suppliers in resolving them.

35 Overfishing has created a market for trash fish in Thailand, which in turn has accelerated IUU fishing for it. Fishers reported to Oxfam that, though low-quality, this fish could be used for local consumption, but is instead turned into shrimp feed.

36 ILO. (2016, 16 November). ILO Work in Fishing Convention No.188 (2007) to enter into force. Retrieved from: http://ilo.org/beirut/media-centre/news/WCMS_535063/lang--en/index.htm

37 Vessels can remain at sea for extended periods, using trans-shipment of goods at sea to other vessels that return more regularly to ports, where inspections take place.

38 See endnote 9 for definition.

39 For example, the Guardian's groundbreaking six-month investigation in 2014. See the Guardian. (2014, 10 June). Revealed: Asian slave labour producing prawns for supermarkets in US, UK. Retrieved from: https://www.theguardian.com/global-development/2014/jun/10/supermarket-prawns-thailand-produced-slave-labour

The so-called Benjina Case was first exposed by an Associated Press investigation in 2015. See R. McDowel. (2015, 25 March). AP Investigation: Are slaves catching the fish you buy? Retrieved from: https://apnews.com/b9e0fc7155014ba78e07f1a022d90389/ap-investigation-are-slaves-catching-fish-you-buy

See also: I. Urbina. (2015, July 27). 'Sea Slaves': the human misery that feeds pets and livestock. New York Times. Retrieved from: https://www.nytimes.com/2015/07/27/world/outlaw-ocean-thailand-fishing-sea-slaves-pets.html; B. Palmstrom. (2014, 23 January). Forced to fish: Slavery on Thailand's trawlers. Retrieved from: http://www.bbc.com/news/magazine-25814718; and P. Winn. (2012, 21 May). Did these ex-slaves catch your lunch? Retrieved from: https://www.pri.org/stories/2012-05-21/did-these-ex-slaves-catch-your-lunch

40 Indonesia, on the other hand, was given a green light by the EU, due – according to the EU – to the Indonesian government's 'clear determination' to fight IUU. See European Commission. (2016, 17 May). Retrieved from: https://ec.europa.eu/commission/commissioners/2014-2019/vella/blog/eu-traffic-light-system-fight-illegal-fishing-gives-indonesia-green-light_en

41 US Department of State. (2017). 2017 Trafficking in Persons Report: Tier 2 Watch List. Office to Monitor and Combat Trafficking in Persons. Retrieved from: https://www.state.gov/j/tip/rls/tiprpt/countries/2017/271297.htm

Office of the United Nations High Commissioner for Human Rights. (2018). UN experts urge Thailand to show leadership on business and human rights. Retrieved from: http://www.ohchr.org/EN/NewsEvents/Pages/.aspx?NewsID=22916&LangID=E

42 Some of this is written into law. For instance, Thailand's labour law says women cannot work underwater, and, if pregnant, women cannot work on boats. Sections 38–39, Labour Protection Act 1998, Thailand.

43 'Feminized employment' refers here to the process by which women have become concentrated in the lowest paid, least secure roles in agri-food supply chains.

44 Piece rate pay is based on worker output (such as weight of shrimp peeled), rather than time worked. As the ILO notes: 'In developing countries, workers relying on piece-rate wages often constitute a vulnerable section of workers, with many working in the informal economy. Large numbers are women. Piece rate pay is also frequent in the textile, garment, footwear and leather industries, and in global supply chains.' http://www.ilo.org/global/topics/wages/minimum-wages/definition/WCMS_439067/lang--en/index.htm

45 M. Mason et al. (2015). Global supermarkets selling shrimp peeled by slaves. Associated Press. Retrieved from: https://apnews.com/0d9bad238bc24a059beeb4041aa21435/ap-global-supermarkets-selling-shrimp-peeled-slaves

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Verité (2016) found that over 80% of workers in canned tuna processing factories in the Philippines were women, with workers reporting that male workers were rarely seen on production lines.

C. Baga et. al. (2010) found that 80% of workers in shrimp processing roles in the Philippines were women.

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49 Interview, CCCIF, November 2017. See also CCCIF: http://www.thaistopiuufishing.com/

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85 In the Civil Society Coalition for Ethical and Sustainable Seafood survey, 32% of respondents estimated working more than 14 hours a day, 40% reported working 11–14 hours a day and 28% reported working six to 10 hours a day.

86 To underpin the launch of Oxfam's new campaign, Oxfam and partners conducted Household Food Insecurity Access Scale surveys with workers and small-scale farmers working in supermarket supply chains in a range of countries. A description of the methodology is available in Annex 1: R. Willoughby and T. Gore. (2018). Ripe for Change: Methodology note. Op. cit. Full results are available here: http://policy-practice.oxfam.org.uk/publications/ripe-for-change-methodology-and-datasets-620478

87 The Sustainable Seafood Alliance Indonesia. (Forthcoming 2018). Indonesia Seafood Workers and Farmers Case Study.

88 Ibid.

89 R. Willoughby and T. Gore. (2018). Ripe for Change: Methodology note. Op. cit.

90 R. Willoughby and T. Gore. (2018). Ripe for Change. Op. cit.

91 As noted by the Institute for Human Rights and Business, 'Large recruitment fees can leave workers in situations of debt bondage, a form of forced labour in which a person's labour is demanded as means of repaying a loan, trapping the individual into working for little or no pay until the debt is repaid. Individuals in debt are less able to bargain for better pay or working conditions or to assert their rights. Heavy indebtedness can seriously erode the value of remittances sent back home, with negative consequences for families and local economies in the country of origin.' IHRB. (2016). Recruitment Fees. Retrieved from: https://www.ihrb.org/pdf/reports/IHRB_Briefing_Recruitment_Fees-May-2016.pdf

92 Indonesia's 2013 Law No. 13 says that contracted workers should not be essential to a company's main production business.

93 Reported in interviews carried out in Indonesia by a research consultant in mid-2017. Unpublished.

94 Labor Law Act No. 13 Year 2003: Article 59 number 4: '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'.

95 Thai law requires overtime to be compensated at a rate not less than 1.5 times the normal hourly or piece rate, earning waged workers interviewed by Oxfam an additional 56 to 60 baht per hour.

96 Chumphon, Samut Sakhon, and Songkhla provinces.

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99 Indonesia legislation for minimum wage (MW) is stipulated under Labour Law Act No. 13 Year 2003 article No. 88, 89 and 90. The minimum wages are determined annually at both provincial and district levels. Relevant minimum wages in areas producing and processing shrimp include: the Surabaya legal minimum wage, which is IDR 3,296,712 per month; the Lamongan legal minimum wage, which is IDR 1,702,772 per month; and the Tulang Bawang legal minimum wage, which is IDR 1,771,000.

100 'The working hours as referred to under subsection (1) shall be arranged as follows: a. 7 (seven) hours a day and 40 (forty) hours a week for 6 (six) workdays in a week; or b. 8 (eight) hours a day, 40 (forty) hours a week for 5 (five) workdays in a week' Indonesian Labor Law Act No. 13 Year 2003 Article 77 number 2.

101 Indonesian Labor Law Act No. 13 Year 2003 article 93 number 2: '(1) No wages will be paid if workers/ labourers do not perform work. (2) However, the ruling as referred to under subsection (1) shall not apply and the entrepreneur shall be obliged to pay the worker/ labourer's wages if the worker/ labourer does not perform work because of the following reasons: a. The workers/ labourers are taken ill so that they cannot perform their work; which provides ill workers, be they temp or permanent, must be paid even if not working at all, 100% for the first 4 months. (...)'.

102 Law 13 year 2003: Article 81 (1): 'Female workers/ labourers who feel pain during their menstrual period and tell the entrepreneur about this are not obliged to come to work on the first and second day of menstruation.'

103 To establish linkages between supermarkets and seafood suppliers in Indonesia and Thailand, Oxfam conducted research using a combination of product-spotting in supermarkets, review of international shipping records in online databases, product information on retailers' websites, and other desk research. Supermarkets were subsequently asked to confirm that they source from those suppliers.

104 Ahold Delhaize confirmed to Oxfam that they source shrimp directly from one of the mentioned suppliers for their Ahold Delhaize US operations. The company also confirmed that its Dutch supermarket chain Albert Heijn has an ongoing sourcing relationship with the mentioned suppliers through a large intermediary supplier. The company also indicated that based on their information, they 'do not recognize the issues' described in the evidence Oxfam presented to them for comment.

105 In its response to Oxfam, Jumbo confirmed the link to one of the Indonesian suppliers featuring in Oxfam's research. Jumbo indicated at the same time that its main policy to address the issue of labour rights and living conditions in its supply chains, including for seafood, is through certification.

106 The ASC standard contains a criterion on 'fair and transparent contracts'. This does not, however, ensure better prices for farmers.

107 R. Willoughby and T. Gore. (2018). Ripe for Change. Op. cit.

108 Ibid.

109 This trend is based on a weighted average of the value distribution based on the identified countries of consumption. There is however differentiation in the trends in individual countries of consumption. In the UK and the Netherlands, for example, the BASIC research indicates that the largest share of the end consumer price in 2015 accrued to the food manufacturers, who are often the supermarkets' tier one suppliers, while in the US and Germany, supermarket shares more closely follow the average trend. In all four examples, however, the share reaching the processors/ traders has significantly declined in the assessed period.

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111 R. Willoughby and T. Gore. (2018). Ripe for Change. Op. cit.

112 R. Wilshaw. (2014). Steps to a Living Wage in Global Supply Chains. Op. cit.

113 The Asia Floor Wage is an imperfect estimate of a living wage, designed for garment workers in the region, but offers a useful benchmark for demonstrating the marginal share of the end consumer price represented by a significant, if still inadequate, increase in worker wages.

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115 For this calculation, the Asia Floor Wage has been used as an estimate of a 'living wage'. See note 19 for more details.

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133 See Section 4 of the main report (R. Willoughby and T. Gore. (2018). Ripe for Change. Op. cit.) for more detail on the initial scores of companies, and Annex 1 for more detail on the scorecard methodology. R. Willoughby and T. Gore. (2018). Ripe for Change: Methodology note. Op. cit.

134 According to the relevant scorecard indicator, a decent Human Rights Impact Assessment is considered to be one which assesses the impact of the company's food supply chain activities on workers, and includes a published action plan for addressing the root causes of negative impacts identified in the assessment. This should include consultation with peers, governments, and relevant local stakeholders, including civil society organizations and women's rights organizations, and engagement with female and male workers through participatory processes.

135 These should include consultation with trade unions wherever existing, civil society organizations and with the active involvement of affected people, and should differentiate between impacts on women and men and between migrant and local workers.

136 See the Employer Pays Principle: https://www.ihrb.org/employerpays/the-employer-pays-principle

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