THE USAID OCEANS AND FISHERIES PARTNERSHIP

LEARNING SITE: BITUNG, INDONESIA

OVERVIEW

In 2016, the USAID Oceans and Fisheries Partnership (USAID Oceans) conducted a study on the labor profile of Indonesian fisheries, with a particular focus on Bitung, North Sulawesi. The study was undertaken by Verité, a global non-profit organization that conducts research, training, and advocacy for safe, fair, and legal work conditions. The study researched labor conditions in Bitung’s tuna sector and identified ways that labor and social concerns could be integrated with the program’s Catch Documentation Traceability (CDT) system. Initial scoping studies were conducted in February and March 2016 with in-depth field studies conducted in October 2016. Research was conducted following Indonesia’s moratorium on foreign fishing vessels, which was announced in 2014 and lifted in November 2015. The moratorium banned foreign fishing vessels from Indonesia’s waters, and in 2015 was expanded to include trawl and seine net fishing. The moratorium had a significant effect on fisherfolk, as all fishing boats above 30 gross tons were prohibited from sailing, and small boats without completed documents were also grounded.

FINDINGS

TYPES OF WORK AND DEMOGRAPHICS

**Vessel Based Work**

On vessels, the main occupations are fisher, captain, engine crew and cook. Workers range from 15 to nearly 60 years old and originate from Gorontalo, Bitung, Sangihe Islands, Nusa Tenggara Timur and the Philippines. In Bitung, there are Filipino fishers working on Indonesian boats and Indonesian fishers on Filipino boats. Many of these workers go back and forth between Indonesia and the Philippines, often without identity or work documents.

**Land Based Work**

Male and female land-based workers interviewed were between 18 and 62 years old, from the Indonesian villages of Gorontalo, Bitung, Manado, Kotamobango, Sangihe and from the Philippines. In factories, men are usually assigned to receiving, skinning, scrubbing and loading the fish; women’s tasks include skinning, scrubbing, packing and loading fish. Research findings showed that women are heavily engaged in processing fish, with the total percentage of women factory workers between 60-80 percent.

**Gender Roles**

In general, fishing is an economic activity that tends to be dominated by men, and women are usually involved in activities related to processing and the commerce of seafood. Previous research has noted that men are culturally considered to possess the appropriate strength, courage and knowledge to fish, while women’s work has always been portrayed as complementary or supplementary to the main work of fishing.

This gendered structuration also characterizes the fishing industry in North Sulawesi. All fishers, fishing crew, graders, collectors and land-based support crew (engaged in weighing, cleaning, icing and boxing) are men. The only women researchers encountered were traders, fish sellers, seafood processors or land-based/factory workers. This gendered division of labor has resulted in women’s exclusion from higher value work in fishing. The USAID Oceans Gender Analysis is a reference for a deeper study of gender arrangements in fishing communities and an understanding of the value of women’s work.

**WORKING CONDITIONS**

The study did not make any determination on the prevalence of forced labor; however, several risk indicators of forced labor and human trafficking were detected using the International Labour Organization’s definition. Identifying specific risk indicators as they manifest in the sector, and factoring in the mechanisms that render workers “invisible” – or beyond the pale of protective regulations – can provide insight into the types of risk and vulnerability faced by workers.
Working Hours

**Vessel based:** Workers sleep whenever they can, as there are no fixed working hours while at sea. Fishers interviewed said that it takes between 30 minutes and three hours to catch a single tuna, depending on the fish’s size and endurance. At the time of the research, most hand-line boats stayed at sea anywhere from three to five days due to sea patrols and other logistical limitations. Before the moratorium, ships stayed out at sea for weeks or even months.

**Land based:** Working hours and benefits vary across companies and particularly between canning companies and fresh loins/product factories. Workers at all facilities visited reported working seven hours a day on average. In most cases, they were also required to work unpaid overtime on occasion (although overtime is sometimes paid). One facility took pay deductions of USD $.20/minute for toilet breaks or lateness, while another facility provided benefits such as transport allowance, family allowance and free food during overtime shifts.

Wages, Benefits and Deductions

**Vessel based:** Vessel-based workers do not receive a monthly salary, and their income depends on their agreement with the boat owner who determines the payment mechanism (usually a profit-sharing scheme). The fishers do not receive payment until the tuna is caught and sold. Filipino crew members usually earn double the amount of the Indonesian crew, regardless of whether it is an Indonesian or Filipino boat, as Filipino fishers tend to work alone and Indonesian fishers work as a team. Fishers are not provided with health insurance and are often vulnerable to mounting cycles of debt, as advances are commonly given to their family members before fishers return from their voyage.

**Land based:** Canning companies pay workers on a daily basis, and take-home pay varies. On average, workers at these plants earn less than the provincial minimum wage. All workers interviewed said that their employers facilitated the provision of health insurance (BPJS) and social security (JAMSOSTEK), with workers’ contributions deducted monthly from their salary.

Health, Safety and Security

**Vessel based:** Fishers often sustain nylon cuts and burns from hauling tuna out of the sea and are subject to poor weather conditions such as extreme rain, jyphoons, or high waves, patrols, and being hit by a larger ship. Workers seldom use gloves or any other type of personal protection equipment and none of the boats researchers visited had life vests or rubber rings.

**Land based:** In the processing plants, workers are constantly exposed to and inhale chlorinated air, as chlorine is used to sterilize boots and to wash workers’ hands. Floors are often wet and slippery, as before packing and freezing tuna loins, the loins are watered during the cutting process. Uncomfortable working conditions were observed, such as very hot or cold temperatures; denied access to toilets; and frequent hand and skin irritation due to chemical allergies.

Job Security and Vulnerability

Workers in Bitung’s tuna fishing sector faced increased vulnerability from the moratorium on foreign fishing vessels. For both sea and land-based workers the ban has led to an increased precariousness of employment and fear of job loss.

**Vessel based:** At the time of the field research, the moratorium on foreign vessels was still in effect, and the authorities were still monitoring, inspecting and arresting illegal and undocumented boats and workers. Many of the seized foreign boats were docked in Bitung, because either their license had expired or the issuance quota for licenses had been reached. Boat owners were penalized with a warning, and their licenses were either suspended or revoked. This served as a strong warning to illegal fishers in Indonesian waters. Some crew members, many of whom come from distant islands like Java and Flores, returned to their hometowns, but some did not have enough money to do so and remained attached to their grounded boats. Others found work with the few remaining active boats. Many were forced to wait until the grounded boats obtained a license, during which time the boat owner paid for food, in addition to a meager salary to guard and clean the boat.

**Land based:** During the moratorium, some salaried factory workers stayed home for months without payment. According to one factory manager, fish production dropped by more than 50 percent during the moratorium. Workers would wait for their company to call them in to work, and as a result, they were paid as daily workers.

Child Labor

**Vessel based:** Both direct observation and stakeholder interviews confirmed the presence of child labor on vessels. These young workers are still learning how to fish as skillfully as older workers but typically participate in a wide range of tasks on the vessels. Although the legal requirement for minimum age for fishers is clear, 18 years old or 15-18 years if the work meets specified...
conditions and is in a non-hazardous environment, child labor is a culturally acceptable practice and children are expected to learn fishing as a livelihood at age 13. Very few fishers receive a full education.

RECOMMENDATIONS

In general, even a robustly designed and fully functioning CDT system that collects relevant social information will not automatically lead to the detection of labor abuse. The most accurate data still needs interpretation and analysis by qualified experts familiar with the context so that stakeholders understand the implications that information might have for workers. After collection and analysis, remediation requires a coordinated multi-stakeholder effort that informs the continuous improvement of government and company policies, programs and procedures.

DATA COLLECTION

Recruitment and Hiring: Collecting additional data could provide transparency and standardization of the process. Useful data is summarized in the table below.

<table>
<thead>
<tr>
<th>Vessel based</th>
<th>Land based</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registry of:</td>
<td>Registry of:</td>
</tr>
<tr>
<td>All fishing vessel owners</td>
<td>All company facilities</td>
</tr>
<tr>
<td>All sea-based workers</td>
<td>All company suppliers</td>
</tr>
<tr>
<td>Written job description for each job function</td>
<td>Written job descriptions for each job function</td>
</tr>
<tr>
<td>Standard contracts or fishing agreements</td>
<td>Standard contracts or employment agreements</td>
</tr>
<tr>
<td>Vessel registrations</td>
<td>Government-issued and authenticated IDs</td>
</tr>
<tr>
<td>Data on capacity of each boat</td>
<td></td>
</tr>
</tbody>
</table>

POTENTIAL SOCIAL APPLICATIONS OF CDT

Field research uncovered issues in the following areas. For each area, the study outlined labor practice goals and red flags that can be used as indicators for these issues. CDT systems may be able to aid in the detection and avoidance of several of these issues by enhancing communication services (e.g., email, phone) to crewmembers, and the collection of Key Data Elements may support the detection of red flag conditions.

<table>
<thead>
<tr>
<th>Issue or Item</th>
<th>Labor Practice Goals</th>
<th>Example Red Flags</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vessel Location</td>
<td>Workers receive accurate information on length and location of voyage, return to port safely and family members receive information on whereabouts.</td>
<td>None observed</td>
</tr>
<tr>
<td>Worker Documentation</td>
<td>Workers have appropriate and legally required documentation.</td>
<td>Workers do not have any access to their personal documents.</td>
</tr>
<tr>
<td>Earnings and Wages</td>
<td>Workers know how their earnings are calculated.</td>
<td>Workers report limited or lack of access to grievance mechanisms or other benefits due to lack of access to their identity documents.</td>
</tr>
<tr>
<td>Worker Hours</td>
<td>Workers work no more than the total hours allowed by law or by company policy, whichever is stricter.</td>
<td>Workers do not receive pay slips or written calculations of share profits at all, and do not understand how wages or “shares” of profits are calculated.</td>
</tr>
<tr>
<td>Recruitment, Hiring, and Contracting</td>
<td>All workers have an employment agreement with their employer and are provided a copy.</td>
<td>Work hours exceed legal or company limits, whichever is stricter.</td>
</tr>
<tr>
<td></td>
<td>Employment agreements contain, at minimum, accurate information about wages</td>
<td>Not enough workers are employed to meet production targets, quotas, or actual catch/processing volume and/or number of workers does not increase to meet seasonal requirements.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sea-based workers report rest hours divided into small chunks that do not allow for restorative sleep.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Lack of a formal, standardized recruitment and hiring policy and procedures and/or use of informal recruitment agents.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Workers do not have written contracts or are in another language.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Contracts were signed after work already undertaken or after worker embarked on vessel.</td>
</tr>
<tr>
<td>Issue or Item</td>
<td>Labor Practice Goals</td>
<td>Example Red Flags</td>
</tr>
<tr>
<td>---------------------------------------------</td>
<td>--------------------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| Recruitment, Hiring, Contracting (continued) | and hours. For vessel workers, employment agreements contain information about the length and location of voyage.  
Workers do not pay any illegal or unexplained fees in their hiring and recruitment process.  
Workers are not engaged through an agency as a means to deprive them of benefits. | Contracts provided by workers and employers do not correspond.  
Workers report that terms of employment are not consistent with contract.  
Workers report signing blank contracts or other contract substitution.  
Contracts do not contain all detail required by law and company policy.  
Terms of contract violate company/supplier policy or the relevant laws of relevant states. |
| Housing/Living Conditions                   | Workers have access to adequate toilets, sleeping quarters and portable water.        | Workers report feeling unsafe, unsecure and/or having unsanitary or dangerous conditions.  
Workers cannot get enough rest to safely perform their jobs. |
| Grievance Mechanisms and Freedom of Association | Workers have access to confidential communication channels that they can use to express grievances.  
Information received from grievance mechanisms is collected in a manner that allows for remediation.  
Workers are free to exercise their rights to organize and bargain collectively. | There are no documented procedures for airing worker grievance.  
Complaints and feedback are not recorded or maintained.  
Workers do not have access to grievance mechanisms that are anonymous, transparent, effective and fair.  
Workers do not have continuous access to some form of grievance mechanism, including while they are at sea.  
Workers are prevented from organizing by threats, intimidation or other reprisals. |
| Health and Safety                           | Workers receive adequate protective equipment, safety training and medical care in the event of an illness or accident.  
Workplaces follow relevant legal standards. | Workers experience frequent illness or injury and do not have access to adequate treatment.  
Workers are not trained on safety measures and/or do not receive any or adequate protective equipment. |
| Freedom of Movement                         | Workers have unrestricted freedom of movement while in the workplace.  
Vessel based workers are allowed regular access to port and vessel operators without deception about the length of voyage. | Transshipment at sea is used (may greatly increase time sea-based workers spend on vessels between access to port).  
Workers do not have regular access to shore/port.  
The typical voyage is longer than four months. |
| Child Labor                                 | No children below age of 15 are employed in sector. Any hazardous activities are restricted to those 18 years and older. | Children under 15 are employed or age of workers is unknown.  
No age screening/verification mechanisms in place.  
Workers under 18 participate in hazardous tasks. |

**METHODOLOGY**

A Rapid Appraisal of labor and social welfare conditions was conducted in the fishing sector in Bitung, Indonesia in early 2015. Follow-up research was carried out at Manado, Bitung and Sangihe Island in Indonesia in October 2016 to validate labor risks flagged during the Rapid Appraisal. The research sought to gather data on various recruitment and employment practices, and the working and living conditions of tuna fishers and workers in the Bitung seafood industry. Field data-gathering included in-depth interviews and focus group discussions with a representative sampling of workers involved in different work processes in Manado, Bitung and Sangihe; interviews with management representatives, supervisors and labor agents; key informant interviews with government and civil society representatives; site observation of recruitment centers and transit points, work processes and transactions; physical inspection of employer- or labor agent-provided accommodations; and review of available documentation related to recruitment, hiring, employment and management of workers.

This research structure allowed researchers to validate in-field findings and informant interviews with desk research, enabling sound information and findings. The validation process serves to decrease the chance that any particular finding is simply the result of an anomaly or bias, but rather represents a larger systematic issue that can be confirmed by multiple sources. Qualitative information allowed researchers to provide deeper insight into the nature of labor-related risk, relationships between types of stakeholders, individual experiences as well as group norms.

Limitations of the approach stemmed from the fact that much of the work in the supply chain is highly precarious and workers legitimately fear losing their jobs. While researchers made every effort to protect identity of interviewees and conduct interviews in secure location, this pervasive fear may have limited informant willingness to speak openly about their full range of experiences.

The USAID Oceans and Fisheries Partnership (USAID Oceans), a partnership between the U.S. Agency for International Development and the Southeast Asian Fisheries Development Center (SEAFDEC), is working to strengthen regional cooperation to combat IUU fishing, promote sustainable fisheries, and conserve marine biodiversity in the Asia-Pacific region. The backbone of the program is the development and implementation of country-specific, financially sustainable Catch Documentation and Traceability (CDT) system. This CDT system will be integrated with existing government systems, will also incorporate human welfare data elements, and will be demonstrated within an Ecosystem Approach to Fisheries Management (EAFM) framework.

For More Information, contact info@oceans-partnership.org or:
Arlene Nietes Satapornvanit, PhD | USAID Oceans | Gender, Human Welfare, and Capacity Building Specialist
Arlene.Satapornvanit@oceans-partnership.org