
Fishing for export: informal business practices within the Indonesian seafood sector¹

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What is the issue?

Seafood is one of the most traded food commodities worldwide and generates more revenue than meat, tobacco, rice and sugar combined. An increased appetite for fish in western food markets, coupled with technological innovation allowing fresh catch to be transported around the globe, has quadrupled trade over the past half century. For businesses and for consumers, seafood is a success story. However, for the people in low-income countries catching and processing fish, the costs and risks of this global industry are substantial. For years, journalists and human rights organisations have been reporting on the trafficking, forced labour and even murder of fishers in the Asia-Pacific. Yet, understanding of the relationship between working conditions in fishing in the region and the practices of international businesses in consumer markets is still limited.

The research evidence

This project represents the first comprehensive review of employment practices within the Indonesian export fishing industry. In contrast to the Thai and Taiwanese fishing sectors that engage primarily migrant fishers, the British Academy/DFID-funded project focuses on fishers in Indonesia who are mainly Indonesian nationals (although many are internal migrants). Findings record that some of the same risks of forced labour – in hiring and employment practices – exist even where the workforce is domestic rather than international. In particular, the research has shed light on the high rate of informality within the sector, as well as on the extensive reliance on existing social networks, especially in the case of smaller fishing vessels. These attributes manifest themselves mainly in recruitment practices, in the pervasive lack of written employment agreements, but also in terms of on-board workshare and discipline procedures. Importantly, these also impact on payment conditions, which are closely linked to bonded labour. Such informal employment relations, inherent in small-scale traditional fishing, have been co-opted by businesses as a means of reducing labour costs while maximising profits.

¹ This note is based on a British Academy-funded project *Learning lessons in tackling slavery and human trafficking in seafood supply chains: applying solutions for UK and other businesses sourcing from Indonesia*. The project is part of the British Academy/DFID programme on [Tackling Slavery, Human Trafficking and Child Labour in Modern Business](#).

² Professor Brad Blitz led the British Academy/DFID programme on *Tackling Slavery, Human Trafficking and Child Labour in Modern Business* between 2017 and 2019.

The research thus raises the issue of companies' moral and ethical responsibility in combatting and remedying forced labour within supply chains. The implications of the findings relate not only to companies supplying seafood from Indonesia, but also to countries hosting import businesses. In the absence of responsible sourcing practices on the part of transnational corporations, the business risks continue to rest jointly on local companies and workers, while the human rights risks are allocated to fishing crews. Another important finding of the research is that certain false assumptions of transnational companies as to the structure and small-scale fishing methods in Indonesia lead to general reluctance to investigate potential labour risks. Moreover, while workers have the right to organise, there is little evidence of unionisation or workers' associations to address labour issues in the sector. Workers often have scarce or no knowledge of their rights and possible protection mechanisms against exploitative labour conditions.

Policy and practice implications

- The modern slavery discourse and legislation should be broadened to improve the quality of policy responses.
- Governments should aim to regulate and provide guidance on employment conditions even in sectors that are considered informal.
- Sector-specific guidelines on responsible sourcing practices should be established and circulated among businesses. This could enhance adherence and should be incorporated into business governance policies.
- Companies should support workers' engagement in the process of due diligence and risk mitigation through increasing workers' representation in decision-making processes. Companies should also work much more closely with organisations that represent workers' interests.
- Businesses should urge their suppliers to instigate more formality in their labour procedures, and importantly in their recruitment processes and payment conditions. Tackling pervasive informality that is a hotbed for extreme labour exploitation enhances transparency.
- Global businesses should provide training to their suppliers on the long-term positive impacts of more formality in employment relations, particularly related to hiring and day-to-day employment practices. They should also provide support to local exporters to develop and provide skills training programmes to workers.