

June 11, 2008

VIA E-MAIL

Charita Castro Office of Child Labor, Forced Labor, and Human Trafficking Bureau of International Labor Affairs U.S. Department of Labor 200 Constitution Avenue, N.W. Washington, DC 20210 Email: ilab-typra@dol.gov

Re: Request for Submission of Testimony on the Use of Child Labor and Forced Labor in the Production of Goods Internationally

Dear Ms. Castro:

The Southern Shrimp Alliance ("SSA"), founded in 2002, is a non-profit alliance of the hard-working men and women of the U.S. shrimp industry. The SSA is the national voice for shrimp fishermen and processors in eight states: Alabama, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, and Texas. The SSA is committed to defending and advancing the interests of the domestic industry, which means ensuring that all shrimp being sold to U.S. consumers, domestic and foreign, meet the same level of integrity, quality and safety as those offered by SSA's members.

The SSA submits the following comments in response to the Department of Labor ("DOL") Request for Submission of Testimony on the use of child labor or forced labor in the production of goods internationally, as published in 73 Fed. Reg. 21,985 (Apr. 23, 2008).

I. <u>Introduction</u>

The U.S. shrimp industry produces the highest quality shrimp at competitive and fair wage prices, but our way of life has been systematically under attack from importers and exporting countries that refuse to adhere to fair labor standards, food safety standards, and international trade law obligations. These fundamental violations of international standards and obligations have produced unfairly traded shrimp imports that have flooded the U.S. market. As a result, U.S. shrimpers and processors are no longer able to make ends meet and our families, local businesses and the communities that depend on shrimping are also facing serious financial difficulties.

As the popularity of shrimp consumption has increased in the United States and in other countries, unscrupulous importers and exporting countries have exploited workers in developing countries to produce mass quantities of shrimp products without regard for the quality of the product, the safety of the workers, or the surrounding environment.¹

Farm-raised in crowded and dirty ponds, with almost no quality or labor standards control, imported shrimp develop in poor sanitary conditions, in ponds with high feces concentrations, banned antibiotics, and toxic chemicals.² As a result, imported farm-raised shrimp often contain the same harmful antibiotics, pesticides, salmonella, and filth.³

Similar disregard is given to the labor conditions and standards of foreign shrimp production facilities. Mounting evidence from numerous sources, including the DOL's "Findings on the Worst Forms of Child Labor,"⁴ has shown that children and forced laborers in shrimp production facilities are made to toil for long hours without adequate pay, safety precautions, or even basic human necessities, such as bathroom breaks, in order to meet unrealistically high production quotas.

No one in the supply chain of imported shrimp appears willing to accept responsibility for protecting even the most basic of human rights, such as protecting children and women from being forced into involuntary servitude. Turning a blind eye to such fundamental labor violations seems pro forma in an industry driven solely by profit margins. The profit margins of foreign exporters, U.S. importers, and even U.S. retailers all seem to take precedence over other aspects of the production process of imported shrimp.

¹ <u>See e.g.</u>, The Solidarity Center, "The Degradation of Work: The True Cost of Shrimp" (Jan., 2008) (attached as Appendix A to the SSA's submission); Written Testimony of Thea Mei Lee, Policy Director, American Federation of Labor Congress and Industrial Organization, for the Department of Labor (May 7, 2008), available at <u>http://www.dol.gov/ilab/programs/ocft/pdf/20080423e.pdf</u>; U.S. Agency for International Development, "A Gendered Analysis of the Shrimp Sector in Bangladesh" (2006) <u>available at http://www.usaid.gov/bd/files/gendered analysis shrimp.pdf</u>.

² See James Owen, "Shrimp's Success Hurts Asian Environment, Group Says," NATIONAL GEOGRAPHIC NEWS (Dec. 20, 2004), <u>available at http://news.nationalgeographic.com/news/2004/06/0621_040621_shrimpfarm.html</u> (discussing the Environmental Justice Foundation's "concerns over the levels of antibiotics, disinfectants, fertilizers, pesticides, and other chemicals used by shrimp farmers to maximize profits and combat disease."); Center for Science in the Public Interest, "Global and Local: Food Safety Around the World" at 14-16 (June 2005), <u>available at http://www.cspinet.org/new/pdf/global.pdf;</u> Diedtra Henderson ,"Chicken from China?," THE BOSTON GLOBE (May 9, 2007), <u>available at http://www.boston.com/business/articles/2007/05/09/chicken_from_china/</u> ("In China, some farmers try to maximize the output from their small plots by flooding produce with unapproved pesticides, pumping livestock with antibiotics banned in the United States, and using human feces as fertilizer to boost soil productivity. But the questionable practices don't end there: <u>Chicken pens are frequently suspended over ponds where seafood is raised, recycling chicken waste as a food source for seafood, according to a leading food safety expert who served as a federal adviser to the Food and Drug Administration.") (emphasis added).</u>

³ In contrast, wild-caught American shrimp is premium-quality seafood caught by American shrimpers, who adhere to strict U.S. labor laws, and delivered fresh to local docks.

⁴ <u>See</u> U.S. Department of Labor, Bureau of International Labor Affairs, "2006 Findings on the Worst Forms of Child Labor" at 257 (Aug. 31, 2007) <u>available at www.dol.gov/ilab/programs/ocft/PDF/2006OCFTreport.pdf</u> (reporting, for example, that in Madagascar's coastal areas, "children work in fishing, deep sea diving, and in the shrimp industry.").

The behavior of such importers and the exporting countries that court them will never change unless they are made to take responsibility for the quality and safety of imported shrimp. While the ultimate objective is mandatory enforcement of international labor standards, including an absolute prohibition on the trade of goods produced by child labor or forced labor, the DOL's list of goods from countries produced by child labor or forced labor is a step in the right direction towards increased transparency of foreign labor violations. By exposing and highlighting these deplorable conditions, importers and exporting countries may finally be forced to accept responsibility for their production standards.

The SSA strongly supports the testimony given by Thea Mei Lee, Policy Director of the American Federation of Labor Congress and Industrial Organization, during the DOL's May 28, 2008 hearing on the development of the list of goods from countries produced by child labor or forced labor. In addition to Ms. Lee's testimony regarding the child labor and forced labor conditions of foreign shrimp industries in countries like Thailand and Bangladesh, the SSA offers the following additional information about violative shrimp farming labor conditions in Thailand, Bangladesh, and Cambodia.

The evidence on the labor conditions and standards of these shrimp farms can lead to only one conclusion: shrimp products from Thailand, Bangladesh, and Cambodia must be placed on the DOL's list of goods from countries produced by child labor or forced labor.

II. <u>Thailand</u>

Forced labor and child labor are a critical and pervasive problem in Thailand's shrimp industry. U.S. Ambassador Mark Lagon, Director of the U.S. Department of State's Office to Monitor and Combat Trafficking in Persons, recently confirmed that Thailand's shrimp industry

[A]re modern-day forms of slavery, plainly put. <u>It's essential that people know</u> with absolute certainty that the flow of shrimp into the U.S. market is tainted by shrimp that's processed in the hands of those in slavery.⁵

As indicated in the report issued by the Solidarity Center, "The Degradation of Work: The True Cost of Shrimp," shrimp production at many processing plants in Thailand is characterized by grueling and hazardous working conditions, grossly inadequate compensation, abuse of migrant workers and human trafficking victims, and exploitation of minors.⁶

Both native Thai and migrant shrimp-factory workers experience oppressive working conditions. In a comprehensive 2007 survey conducted by partner organizations of the Solidarity Center, Thai workers at a major shrimp processing company reported frequent exposure to abrasive chemicals, poor air and drinking water quality, and unavailability of medical care.⁷

⁵ Paul Eckert, "US Official Decries Shrimp Industry 'Slavery," REUTERS (Apr. 23, 2008), <u>available at http://www.reuters.com/article/companyNews/idUSN2342204020080423</u> (emphasis added).

⁶ The Solidarity Center, <u>supra</u>, note 1, at 17-24.

⁷ <u>Id.</u> at 19.

Further, the survey found that if production quotas were not met, these workers were denied wages and forced to work overtime.⁸ Employee absences from work due to illness would often result in punishment for some workers.⁹ Finally, compensation at shrimp processing plants went as low as 146 baht (US\$4.60) for a full day's work.¹⁰

Migrant workers are subjected to even harsher labor standards than native Thai workers. According to a study conducted by the International Labour Organization and Thailand's Mahidol University, "fishing workers are among the most exploited when compared with other migrant sectors."¹¹ Almost two-thirds of the boat workers worked over 12 hours per day.¹² Most of the fish processing migrant employees worked 12 hours per day with only 4 days off per month.¹³

Migrants working in the Thai seafood industry are mostly from Burma (Myanmar). The U.S. Department of State's Human Trafficking Report found estimates of "up to 100,000 undocumented Burmese adults work in the Thai seafood and fishing industry alone."¹⁴ In addition, reports have found that many Burmese and Cambodian men and boys are "trafficked onto commercial fishing boats" in ports on the Gulf of Thailand and the Andaman Sea.¹⁵ A 36-year-old Bama woman from Mon State, Burma testified to her husband's and children's work as the following:

My husband is fishing on a boat – he's always out at sea – he is paid 4000 baht (US\$ 130.70) per month... My sons – 15 and 16 – are working with my husband on the boat. I am sad to see my kids working at such a hard job. They are paid 2,000 baht (US\$ 65.35) to 2,500 baht (US\$ 81.69) per month.¹⁶

http://www.ilo.org/public/english/region/asro/bangkok/child/trafficking/downloads/underpaid-eng-volume1.pdf. ¹² Id.

¹³ Id. at 85.

¹⁵ <u>Id.</u>

⁸ Id.

⁹ <u>Id.</u>

¹⁰ <u>Id.</u> at 22.

¹¹ International Labour Organization (ILO), Mekong Sub-regional Project to Combat Trafficking in Children and Women, "The Mekong Challenge: Underpaid, Overworked and Overlooked, the Realities of Young Migrant Workers in Thailand (Volume 1)" at 82 (2006), <u>available at</u>

¹⁴ U.S. Department of State, "Trafficking in Persons Report" at 34 (June 12, 2007), <u>available at http://www.state.gov/documents/organization/82902.pdf</u>.

¹⁶ Amnesty International, "Thailand: The Plight of Burmese Workers" at 8 (June 2005), <u>available at http://www.amnesty.org/en/library/asset/ASA39/001/2005/en/dom-ASA390012005en.pdf</u>.

In August 2006, more than 30 Burmese migrant fishing workers were found to have died from infectious diseases and lack of medical care on fishing boats found off the coast of Thailand. "The bodies of victims were tossed overboard, discarded like common refuse."¹⁷

Sureeporn Panpueng, a researcher at Mahidol University's Institute for Population and Social Research, found that employers prefer hiring foreign workers, especially young children, because they are low-paid and easy to control.¹⁸ Further, according to an investigation of a shrimp factory in Samut Sakhon, Thailand conducted by Reuters in March 2007, "of the 200 people working in the barn-like factory . . . nearly half appeared to be in their early teens or younger."¹⁹

According to the Labour Rights Promotion Network ("LPN"), there are approximately 20,000 Thai and foreign <u>child workers</u> in Samut Sakhon province.²⁰ 111 of these children are working directly in the fisheries industry; 303 of the children interviewed by LPN were working in fisheries-related jobs.²¹ Almost all of the children working in fisheries and fisheries-related industries could not attend school.²² These young children were also subjected to some of the harshest working conditions in Thailand. Their daily tasks on fishing boats include cleaning the boats, carrying heavy loads, pulling fishing nets, and sorting and packing fish.²³ Children in fisheries-related jobs were required to "peel shrimp, wash fish, prepare squid, transfer items off of rafts, and dry, boil, and shell various kinds of seafood."²⁴ Such hazardous tasks were performed with only minimal safety equipment (<u>i.e.</u>, gloves).²⁵

Thailand's Office of Labour Protection and Welfare -- the agency responsible for ensuring fair and adequate labor standards for the entire nation -- is staffed with only 15 persons.²⁶ Violations of child labor prohibitions often result in only the issuance of a warning against the employer.²⁷ The U.S. Department of State's Human Trafficking Report also found out that "[c]urrent anti-trafficking legislation in Thailand . . . fails to criminalize bonded labor or

- ²⁴ Id.
- ²⁵ Id.

²⁶ <u>Id.</u> at vi.

²⁷ Id.

¹⁷ U.S. Department of State, <u>supra</u> note 14, at 9.

¹⁸ "More Companies Using Child Labor," BANGKOK POST (Dec. 15, 2006), <u>available at http://www.humantrafficking.org/updates/572</u>.

¹⁹ Ed Cropley, "Child Laborers Toil in Thai Seafood Factories," REUTERS (Apr. 24, 2007), <u>available at http://www.boston.com/news/world/asia/articles/2007/04/24/child_laborers_toil_in_thai_seafood_factories/</u>.

²⁰ Asian Research Center for Migration, "Assessing the Situation of the Worst Forms of Child Labour in Samutsakhon" at i (2006), <u>available at http://www.arcm.ias.chula.ac.th/Downloads/Abstract/B31-AE.pdf</u>.

²¹ <u>Id</u>.

²² <u>Id.</u> at ii.

²³ <u>Id.</u>at iv.

trafficking perpetuated against men."²⁸ Furthermore, "the government has not yet demonstrated progress in law enforcement efforts to combat labor trafficking."²⁹

III. <u>Bangladesh</u>

The shrimp industry in Bangladesh has many of the same child labor and forced labor violations as Thailand's shrimp industry. Adverse working conditions have been widely documented by USAID, the Environmental Justice Foundation and the Solidarity Center.³⁰ These organizations have found such labor violations as exploitation of female workers and children, poor health and safety standards and use of contract laborers to keep wages unreasonably low.³¹ According to the Solidarity Center:

Workers at five different processing companies noted an oddly similar practice – a straight 26-hour shift that takes place every other Friday morning and ends on Saturday morning the next day. None of the workers reporting this abusive practice mentioned being paid overtime for the excessively long hours.³²

Women commonly experience sexual harassment and abuse at shrimp fry fisheries, shrimp farms and shrimp processing plants. Sexual abuse, including rape, is prevalent among unmarried Muslim women who work in the shrimp industry.³³ In addition to the physical and psychological scars, these women are further victimized as outcasts in their communities and often are unable to be married.³⁴

Children are made to work under hazardous conditions in shrimp farming, fish drying, and shrimp processing. One Bangladeshi child laborer explained, "Whether we have cuts on our hands and feet, we have to carry on de-heading. If not, they will get employees from other places."³⁵

Shrimp fry fisheries employ <u>thousands of children</u>, some as young as six years old, to collect shrimp. This requires them to spend up to eight hours per day in brackish waters, dragging mesh nets and sorting catch. Consequently, these young children suffer from serious health problems including skin and respiratory diseases, sunstroke, urinary problems and

³² <u>Id.</u>

 34 <u>Id</u>.

³⁵ <u>Id.</u> at 23.

²⁸ U.S. Department of State, <u>supra</u> note 14, at 197.

²⁹ <u>Id.</u>

³⁰ <u>See, e.g.</u>, The Solidarity Center, <u>supra</u>, note 1; U.S. Agency for International Development, <u>supra</u> note 1; Environmental Justice Foundation (EJF), "Desert in the Delta: A Report on the Environmental, Human Rights and Social Impacts of Shrimp Production in Bangladesh" (2004), <u>available at</u> <u>http://www.ejfoundation.org/pdf/desert in the delta.pdf</u>.

³¹ The Solidarity Center, <u>supra</u>, note 1, at 27.

³³ Environmental Justice Foundation (EJF), <u>supra</u> note 30, at 22.

hepatitis. For these sacrifices, Bangladeshi child laborers earn just between 0.45 and 1.10 for a whole day's work.³⁶

Women and children in Bangladesh are also subjected to debt bondage by fishing industry intermediaries ("dadondars") who make advance payments ("dadon") to fry catchers on the condition that they sell them their catch at market price. Impoverished fry catchers normally accept these advance payments during the lean season, and in harvest time, are forced to "surrender their catch to dadondars" to pay back their debt.³⁷

Further, the seafood industry in Bangladesh is subject to very little regulatory oversight. Employers are likely to illegally hire children as young as 11 years old, since Bangladeshi law only requires children to attend school up to 10 years old, which leaves a three-year gap between the completion of mandatory education and the minimum working age of 14 years old.³⁸

IV. <u>Cambodia</u>

Child labor in the seafood industry is also a significant problem in Cambodia. Child workers in Cambodia have reported complaints of headaches, fever, colds, cuts from peeling crabs or shrimps, lower back aches and stomach aches.³⁹ Children were further engaged in hazardous activities on seafood boats, such as rough sea conditions, boat engine accidents, seasickness, falling overboard, falls on the boats, and severe sleep deprivation.⁴⁰

The Government of Cambodia is reportedly reviewing and assessing its first 5-year plan against trafficking and sexual exploitation of children. The government then plans to finalize and implement a subsequent 5-year plan (2006-2010).⁴¹

While Cambodia is a signatory to the Coordinated Mekong Ministerial Initiative against Trafficking, the Cambodian government, "by its own admission, currently does not have the capacity to properly enforce and monitor laws relating to child labour."⁴² Furthermore, "no employer has to date been brought to court for violating current child labor laws."⁴³

³⁶.<u>Id.</u>

³⁷ A. Atiq Rahman, et. al., <u>Shrimp Farming and Industry : Sustainability, Trade and Livelihoods</u> at 393 (2006).

³⁸ U.S. Department of Labor, <u>supra</u> note 4, at 29-30.

³⁹ United Nations Children's Fund (UNICEF), Understanding Children's Work, "Children's Work in Cambodia: A Challenge for Growth and Poverty Reduction" at 32 (Apr. 2006), <u>available at http://www.ucw-project.org/pdf/publications/standard_cambodia_rpt_20april2006_SENT.pdf</u>.

⁴⁰ <u>Id.</u>

⁴¹ U.S. Department of Labor, <u>supra</u> note 4, at 78.

⁴² <u>Id.</u> at 47.

⁴³ <u>Id.</u> at 48.

V. <u>Conclusion</u>

The evidence on the shrimp industries of Thailand, Bangladesh and Cambodia unequivocally demonstrate that shrimp imports from these countries are produced by child laborers and forced laborers. As such, the DOL must place such violative goods on its list of products from countries produced by child labor or forced labor. This list will bring much needed attention to the deplorable labor conditions of foreign shrimp production facilities. It is our belief and hope that such attention will spur foreign exporting governments and U.S. importers to mandate stricter adherence of international labor standards for all shrimp products entering the United States.

Please contact me should you require clarification of any aspect of this submission.

Respectfully submitted,

John Williams

John Williams Executive Director Southern Shrimp Alliance

Attachment

Attachment A

The Degradation of Work

solidarity center

The True Cost of Shrimp

Solidarity Center 888 16th Street NW, Suite 400 Washington, DC 20006 www.solidaritycenter.org

Cyclone Sidr

In November 2007, Cyclone Sidr, a Category 4 tropical storm, hit the south and southwest coast of Bangladesh. According to the United Nations Food and Agriculture Organization, more than 3,400 people were killed and 8.5 million were affected by the storm. The local shrimp industry sustained severe damage, particularly shrimp farms in the areas of Satkhira, Khulna, and Cox's Bazar districts. Shrimp processing plants and workers' housing in the path of the storm also sustained significant damage. The Solidarity Center office in Bangladesh, in cooperation with local partner organizations, is responding to the disaster with monetary support and program assistance to help workers and their families recover from the devastating impact of the storm.

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Uncredited Photos: Solidarity Center

The Solidarity Center is an international nonprofit allied organization of the AFL-CIO established to provide assistance to workers around the world. Working with trade unions, nongovernmental organizations, community organizations, and governments, the Solidarity Center supports programs and projects to advance worker rights and promote broad-based, sustainable economic and democratic development in 60 countries. The Solidarity Center engages in a wide range of technical assistance, educational, and other activities to help workers build democratic and independent trade unions and promote human and worker rights around the world.

In addition to extensive work with trade unions and community organizations in Thailand and Bangladesh, the Solidarity Center has begun to document worker rights abuses and provide assistance to workers employed in shrimp processing plants. In the course of assisting these workers, the Solidarity Center noticed supply chain pressures and worker rights abuses similar to those associated with other global industries such as garment manufacturing.

The Solidarity Center's shrimp industry programs and research were funded by the United States Agency for International Development and the National Endowment for Democracy. The opinions expressed herein are those of the Solidarity Center and do not necessarily reflect the views of our funders.

This report is the second in the Degradation of Work series.

The Degradation of Work The True Cost of Shrimp

How Shrimp Industry Workers in Bangladesh and Thailand Pay the Price for Affordable Shrimp

Solidarity Center staff members in Washington, DC, served as the primary authors and editors of this document. Solidarity Center field staff in Bangladesh and Thailand coordinated program activities, relayed research information, and provided critical editorial assistance. Special thanks go to partner unions and civil society organizations in Thailand, Bangladesh, and the United States for their research and editorial advice.



Methodology Statement

Worker Interviews

The Solidarity Center maintains field offices in both Bangladesh and Thailand. Through partnerships with local trade unions and other nongovernmental organizations, the Solidarity Center monitors labor conditions in each country's shrimp industry and develops programs to assist shrimp workers.

Collecting accurate information in Bangladesh and Thailand is challenging. Workers in the shrimp industry work long hours for low pay and are completely dependent on their wages to support not only themselves but also their immediate and extended families. Workers simply cannot afford to lose their jobs and thus fear employer retaliation for speaking with interviewers. For this reason, the names of worker interviewees have been changed or they remain anonymous throughout the report.

In Thailand, the Solidarity Center has worked with partner organizations since 2005 conducting interviews and providing legal and other outreach services to migrant and Thai workers in the shrimp industry. The Solidarity Center's primary partner organizations are the Federation of Trade Unions – Burma (FTUB), the Seafarers' Union of Burma (SUB), and the Labour Rights Promotion Network (LPN).

In Bangladesh, the Solidarity Center's work has built upon long-standing contacts with workers in the garment industry. In cooperation with partners such as the Bangladesh Legal Aid Service Trust (BLAST), the Solidarity Center provides legal aid and outreach to workers in the garment and shrimp industries, as well as workers in Bangladesh's Export Processing Zones. Solidarity Center staff conducted interviews with shrimp workers seeking legal aid and visited workers in shrimp processing hubs such as Chittagong and the Khulna district.

Supply Chain Research

Much of the industry research cited in this report was conducted by the Solidarity Center based on worker interviews and partner organization reports. Factories identified as having substandard labor practices or labor abuses were linked to their broader global supply chain partners by using the Port Import Export Reporting Service (PIERS) — a comprehensive database of import and export information on cargo moving through ports in the United States, Mexico, Latin America, and Asia. PIERS reports on shipments from factories into the United States often included the importing company, the brand name of the shrimp, and/or the retailer. Brand names listed by PIERS were cross-referenced in the U.S. Patent and Trademark Office's Trademark Electronic Business Center (<u>http://www.uspto.gov/main/trademarks.htm</u>) to identify the owner of the trademark. Knowing which company owns a trademark also helped link brand names to their retailer.

Solidarity Center research findings should not be taken to imply that all shrimp processed, bought, and/or sold by the Thai, Bangladeshi, and U.S. companies named and listed in this report are tainted by labor abuses.

Foreword

Degradation of Work

The True Cost of Shrimp

Foreword By Ellie Larson, Executive Director

The Solidarity Center promotes workers' rights, the rule of law, and democratic development on the simple premise that dignified work is possible for everyone, everywhere. Sustainable economic development is only achievable in conjunction with respect for worker rights and all human rights. Unfortunately, there are some corporations and employers who have yet to accept the legal, ethical, and moral standards of basic human rights and decent work. These companies are often neglectful of their responsibilities as corporate citizens in the communities where they operate. This report highlights that neglect in the shrimp industry by examining the often-extreme problems facing shrimp processing workers in Bangladesh and Thailand.

As in any modern industry, technology has revolutionized the production and distribution of seafood. Today, highly perishable products, once caught solely in the wild, can be farmed, processed, packed, and shipped to destinations worldwide in a matter of days. One of the most lucrative of those products is shrimp. In little more than 30 years, the shrimp industry has been revolutionized through an unprecedented increase in efficient production, resulting in tremendous profitability for producers. However, the "shrimp boom" is sustained through a staggering, largely hidden, cost to workers, their families, and the environment. Not for the first time, the drive to make a product for the world market quickly and cheaply leaves a trail of abuse, misery, and damaged lives. The true cost of shrimp is not what is seen on a supermarket price tag or a restaurant menu.

Bangladesh and Thailand are both major locales for shrimp production and processing. The Solidarity Center focuses on these two countries in this report. In both, companies use the lack of labor rights and weak labor law enforcement to exploit shrimp processing workers. Yet, it is these workers who make the shrimp industry profitable. Through the work of Solidarity Center partner unions and organizations, we begin to tell their story.

Solidarity Center staff and local allied organizations labored diligently to document concerns about the lack of corporate social responsibility within the shrimp industry. Our research uncovered prevalent labor rights and human rights violations — unpaid wages, unsafe and unhealthy workplaces, and the harsh physical mistreatment of workers. Child labor, forced labor, physical intimidation, and sexual abuse of shrimp industry workers are also carefully documented in these pages.

The purpose of *The Degradation of Work: The True Cost of the Shrimp* is not to overwhelm the reader with depressing details of abuse, but to illustrate through these true stories the real cost of inexpensive seafood. Telling them is one way to encourage companies and governments across the shrimp supply chain to take positive action. We know sustainable economies can only be built on a foundation of adherence to the principle of workers' rights, so we at the Solidarity Center seek to open space for workers to improve their own lives through freedom of association and collective action.



Ranya Paew workers at the Baan Kredtrakarn Protection and Occupational Development Center for Girls, Bangkok, Thailand

In their own words . . .

"None of the workers have gloves or boots or any safety equipment to protect us from injury, or waste, or pollution. Only when foreign buyers come to the factory are we issued boots and gloves, and as soon as they are gone, these are taken away again.

"I make 2,000 taka (\$30) a month. The rent for my room in Chittagong city, including electricity, comes to 1,500 taka a month. This means I have only 500 taka (\$7.40) to spend on food, clothes, and anything else.

"Of course I would like higher wages. But I would also like some kind of leave during the year, either a holiday or anything. After working here for 16 years, I would also like a contract to show that my job is secure."

From an interview with
 " Alam," a shrimp processing
 plant worker in Chittagong,
 Bangladesh

"Three female migrant workers were picked up by a job broker and taken to the Thai-Burma border, where they joined other Burmese migrants. Forty-three migrants then took a boat to reach Ranong in Thailand, where a Thai guide led them through mountain routes for three days before finding transportation to Bangkok. In Bangkok, they stayed at the broker's sister's house for three days. The broker met them in Bangkok and took the three of them to the Ranya Paew seafood processing factory.

At the factory they learned from the boss that the broker had taken a fee of 13,000 baht (\$366) per person. They were also told that this was to be deducted from their pay. At midnight the next day they started work on their first shift, which lasted 18 hours until 6:00 pm the following evening.

They were beaten if they did not get up or if they were not on time for work. Between the three of them, they peeled around 110 pounds of shrimp a day and received a payment of 600 baht (\$17) every 15 days."

 Taken from testimony given to investigators by female migrant workers following the September 2006 police raid of the Ranya Paew shrimp processing plant in Thailand.

Shrimp Workers' Untold Story

This report, based on interviews with shrimp workers in Thailand and Bangladesh, highlights the arduous conditions that characterize work in their industry — long hours, low pay, abusive employers, informal work, unsafe and unhealthy working conditions, and the vulnerability of migrant workers.*

The common denominator is the \$13 billion global shrimp industry. Over the past 30 years, the rapid development of aquaculture, or seafood farming techniques, has made the mass production of shrimp possible and helped make it more affordable. While shrimp is now the most popular and widely traded seafood in the world, its rise in popularity and profitability is shadowed by its social and environmental costs. (See insert on pages 12 and 13.)

These costs are borne largely by workers in shrimp processing plants. They are integral to the profitability of companies along the shrimp supply chain, yet the world largely ignores their hardships. This report seeks to illuminate the social costs of shrimp by focusing on workers in two countries that depend heavily on shrimp aquaculture exports, Thailand and Bangladesh.

Thailand and Bangladesh are very different countries with different shrimp industries. Thailand is an established leader in the global shrimp trade. Its volume of exports dwarfs that of Bangladesh, a relative newcomer trying to

^{*} The term **"migrant worker"** is the internationally accepted term for a person who migrates for employment, whether temporary, seasonal, or permanent.



increase its role in the shrimp trade as it seeks to diversify its export base.

While working with garment industry workers in Bangladesh and with migrant workers in Thailand, Solidarity Center field staff and partner organizations became aware of increasing labor problems associated with the shrimp industry, and they noticed similarities between the two countries. These include low-wage sweatshop processing, use of child labor, and similar systems of labor brokering and subcontracting that drive wages down and hide abuses. For example, in Bangladesh, the Solidarity Center interviewed workers receiving monthly wages as low as 1,200 taka (\$17.80), while in Thailand, a recent raid on a processing plant exposed even lower monthly wages (400 baht, \$11.25).

In addition to industry research, Solidarity Center partners interviewed workers in more than 15 shrimp processing plants in Thailand and 10 plants in Bangladesh. With the Solidarity Center's assistance, our partners traced exports from these plants through the complicated supply chains that provide shrimp to major distributors and retailers in the United States. Though international business partnerships are constantly changing, labor exploitation in the shrimp industry is clearly pervasive and touches every organization involved. Addressing and remedying the industry's labor problems will require a commitment by shrimp businesses and governments to improve industry-wide regulations and enforce fundamental worker rights.

Precedents exist for improving labor conditions and worker rights in global industries. Footwear, apparel, and toy manufacturing, with similar business

models and global supply chains, have experienced far more public scrutiny in the area of worker rights. After denying the existence of problems for years, major apparel companies eventually yielded to consumer pressure by creating codes of conduct and allowing independent factory-monitoring programs. Nike has gone so far as to pledge to educate its workforce about unionization, recognizing that worker empowerment is the key to improved working conditions.¹ While the apparel industry is moving forward, the multibillion-dollar shrimp industry has been largely immune to pressure to improve working conditions and verify that worker rights are respected.

Although the global shrimp industry has yet to fully confront these issues, exposure of harsh working conditions and the stories of shrimp workers have started to surface in the international media.² As seafood restaurants, retailers, importers, and processing companies grapple with the challenges of global production, they must acknowledge these issues and advance change in the industry.

The Development of Shrimp Aquaculture

The degradation of work in shrimp processing is rooted in the industry's economic forces and the powerful companies involved. U.S. consumers play a major role in the demand for shrimp. On average, Americans eat more than three pounds of shrimp each year; about 80 percent of that shrimp is imported. In 2006 alone, U.S. shrimp imports were valued at over \$4 billion, making shrimp the most valuable seafood import into the United States.³ Roughly one-third of that shrimp came from

Addressing and remedying the industry's labor problems will require tough decisions and a commitment by shrimp businesses and governments to improve industry-wide regulations and enforce fundamental worker rights. Thailand, followed by China, Ecuador, Indonesia, and Vietnam.⁴

Many consumers do not realize that shrimp is imported over long distances and more likely to be farmed rather than caught in the wild. Aquaculture is the practice of cultivating fish, shrimp, and other marine life in large manmade ponds, as opposed to catching or harvesting them in open waters. Humans have practiced aquaculture for centuries, but it developed rapidly in recent decades, thanks to new technologies and farming techniques.

Dubbed the "Blue Revolution," it was meant to ease the strain on overfished natural fishery stocks. Some hoped that aquaculture would even help alleviate world hunger through more plentiful, inexpensive seafood.⁵ The United Nations Food and Agriculture Organization (FAO) reported recently that "aquaculture continues to grow more rapidly than all other animal foodproducing sectors," growing from 3.9 percent of global food production (by weight) in 1970 to 32.4 percent in 2004.⁶

While easing world hunger is a noble ideal, export-led development is Blue Revolution's reality. Commercial seafood farming became a lucrative export industry, as low-cost production in developing countries fueled rising consumer demand in countries such as the United States, Australia, and Japan. As the costs associated with shrimp farming decreased, so did the price. By the mid-1980s, improved trade links and successful marketing in key countries led to a worldwide "shrimp boom" that has accelerated in recent years. Between 1985 and 2006, worldwide

Countries Exporting Shrimp to United States in 2006

Country	Kilograms	Dollars
Thailand	193,764,063	1,277,330,076
China	68,150,423	330,917,988
Ecuador	59,362,672	324,240,865
Indonesia	58,728,864	430,256,779
Vietnam	37,077,553	429,752,580
Mexico	35,377,915	321,855,936
India	27,277,253	252,020,487
Malaysia	20,348,912	136,428,485
Bangladesh	19,442,345	188,743,173

Statistics based on online data from the National Marine Fisheries Service, Fisheries Statistics Division, Silver Spring, MD, http://www.nmfs.noaa.gov/.

shrimp farming production grew from 213,635 to 2,675,336 tons per year. The speed of growth has been quite pronounced in the current decade, with global shrimp aquaculture production increasing by 21.7 percent yearly from 2000 to 2005.⁷ In light of lower costs and increased production, the once expensive delicacy steadily has become a ready substitute for other types of seafood and is now a standard item on most restaurant menus and in grocery store freezers.

Companies That Process, Import, and Sell Shrimp to Consumers

In 2002, shrimp overtook tuna as the most popular seafood in American homes and restaurants.⁸ Shrimp's popularity also makes it very profitable. Many companies import shrimp to the United States, ranging from large firms with annual sales in excess of \$100 million to dozens of small companies with less than \$5 million in sales.⁹ But despite their strength, importers are only one link in the supply chain. A wide array of companies from processors to



retailers are involved in the business of preparing shrimp and selling it to consumers.

Processing companies receive raw shrimp from farms or fishing boats. These businesses prepare and move processed shrimp along the value chain to importers. Most processing companies operate in a highly fragmented global market, with thousands of primary processors receiving raw shrimp and conducting initial work such as deheading, peeling, and de-veining. Secondary processing plants convert prepared shrimp into a more marketable product through cooking, packaging, and other preparations.¹⁰ (Initial and secondary processing often take place in separate facilities, though some larger factories do both.) All processing plants are labor intensive. Many are small operations that take orders from larger firms to process shrimp quickly under tight deadlines.

Importers commonly assemble large orders of shrimp from processing companies (or exporting middlemen) and sell to distributors, food service operators, and other retail outlets. With strong international links and industry ties, importers are major "gatekeepers" in the supply chain. Importers seek out processors that can meet orders quickly, and they wield tremendous power over processors in shrimp-producing countries. In the import markets, most distribution and retail companies prefer to rely on importers to assume the risk of buying and delivering shrimp within their specific price and quality guidelines.¹¹ For example, Red Chamber, a leading U.S. shrimp importer, counts both Wal-Mart and the Long John Silver's restaurant chain among its primary customers. A notable exception is the Darden Restaurant Group, an Orlando, Florida-based seafood retail company with its own importing operations and annual sales in 2006 of \$5.7 billion.¹²

At the end of the chain are the retail outlets — food service distributors, grocery stores, and restaurants that supply and sell the finished product to other outlets or directly to consumers. Consumers are familiar with supermarkets and major retailers like Wal-Mart, the fastest growing seafood retailer in the United States. Also well known are restaurants like Red Lobster, Darden's 650-location flagship chain, the largest single seller of seafood in the United States. Sysco Corporation, the largest U.S. food service company, purchases more than \$1 billion worth of seafood annually and is a key distributor of shrimp products to restaurants and institutions such as schools and hospitals.¹³

As a commodity, the price of shrimp fluctuates according to supply and demand, and price pressure is significant all along the supply chain. Retailers, sensitive to the risk involved with importing fresh food, press import companies for faster distribution, acceptable quality, and the lowest prices. Importers, aware that market fluctuations can affect prices, leverage their bulk purchasing power to demand speedy delivery from producers. Trapped between producers and importers are labor-intensive shrimp factories. Often, the factories' response to price pressure is to squeeze wages, neglect workplace health and safety regulations, and cut other corners that leave shrimp workers bearing the social cost of affordable shrimp.

Industry Standards Overlook Labor Conditions

The rapid expansion of aquaculture and the global shrimp boom have created a regulatory vacuum in the area of appropriate food safety, environmental, and labor standards. While numerous calls to address food safety and consumer health issues in the industry have resulted in some attempts at regulation or standardization, they are difficult to enforce, and attempts to address environmental and labor concerns are few or nonexistent.

The U.S. Food and Drug Administration (FDA) has responded to serious concerns about food safety and consumer health by developing the Hazard Analysis and Critical Control Points (HACCP) regulation, which applies to both domestic and imported seafood.¹⁴ To ensure compliance with HACCP, the FDA can inspect food at the point of entry into the United States. It can also inspect importers and overseas firms. But the agency lacks the capacity to inspect the imported food it regulates.¹⁵ In studies released in 2001 and 2004, the

Continued on page 14...

Often, the factories' response to price pressure is to squeeze wages, neglect workplace health and safety regulations, and cut other corners that leave shrimp workers bearing the social cost of affordable shrimp.



Health and Environmental Concerns

abor abuses are only the most recent problem associated with the global shrimp industry. For years, the industry has grappled with health and environmental concerns. In recent months the FDA banned the import of five types of farm-raised seafood, including shrimp, from China. The seafood was contaminated with trace amounts of banned carcinogens and antibiotics.¹ The food safety practices condemned in that case — like the irresponsible use of antibiotics — are not limited to China. They occur in other countries that mass-produce shrimp and other seafood for export. The health and environmental risks to humans and animals include the following:

Disease Outbreaks

A 2006 report by Food and Water Watch notes how densely stocked shrimp ponds — some as dense as 89,000 pounds of shrimp per acre — clog with waste, leading to disease outbreaks and parasite infestations.² Rapidly spreading viruses can have a devastating impact. Taiwan, for instance, lost a harvest in 1988 to an outbreak of Monodon baculovirus and its industry never recovered.³

Overuse of Antibiotics

To combat diseases, growers use antibiotic drugs and chemicals. As many as 13 different products are regularly used in a typical shrimp pond; these substances are dangerous to ingest and many are illegal for use in the United States.⁴ Two commonly used antibiotics, cholarmphenicol and nitrofuran, have been banned for use in food animals in the United States, because they are potentially carcinogenic.⁵ Between 2002 and 2006, the FDA singled out and returned individual shrimp shipments from China, Malaysia, Peru, Thailand, Venezuela, and Vietnam for unacceptable amounts of cholarmphenicol.⁶

Public Health Threats

Excessive use of antibiotics breeds antibiotic-resistant bacteria. For example, high levels of Vibrio bacteria which are resistant to antibiotics have been found in shrimp ponds. One type of Vibrio bacteria is the most common cause of food poisoning from seafood in the United States.⁷ A 1991-1995 outbreak of cholera in Ecuador that killed over 10,000 people has been attributed to a virulent Vibrio cholerae strain that developed in response to heavy use of antibiotics in Ecuador's shrimp supply.⁸

Photos (clockwise from above): Housing for shrimp processing workers in Khulna, Bangladesh; Coastal mangrove trees; Workers loading shrimp in Samut Sakhon.



Pesticides

Pesticides are used to kill off parasites and other organisms in shrimp ponds. The chemicals are potentially harmful if consumed by humans. Food and Water Watch notes that though the FDA is capable of checking for residues of 360 different pesticides considered harmful to humans, the agency only inspects 1 percent of seafood imports. Of the pesticides used globally, only one, formalin, is FDA approved for use in U.S shrimp farms.⁹

Water Contamination

In localities near shrimp farms, the runoff from ponds, often filled with animal waste products, excessive amounts of salt, or drug and chemical by-products, threatens rivers, streams, and other fresh water sources.¹⁰

Impact on Sea Turtles

The threat to various species of sea turtles by open-water shrimp trawlers has been a concern for decades. Turtle excluder devices (TEDs) have been developed to prevent the drowning of turtles in trawlers' nets. TEDs have been promoted among domestic shrimpers in the United States, and the government now requires countries that export to the United States to certify that their shrimp boats prevent damage to sea turtle populations.¹¹

Destruction of Coastal Areas

Wetlands — especially mangrove forests in countries such as

Thailand, Bangladesh, Vietnam, and Ecuador — have undergone large-scale removal to make way for intensive shrimp production. Mangrove forests are a very important part of coastal ecosystems and anchor the coast against tides and major storms. The loss of these forests harms local fishing industries and threatens the physical security of coastal communities.¹²

Community Displacement

In Asia and Latin America, shrimp farming has created economic insecurity by displacing traditional farms or robbing other farms and communities of potable water. Land-use activists in some countries have lost their lives trying to defend their communities from invasion by shrimp farmers, especially when they come into conflict with local elites and complicit authorities.¹³



Continued from page 11

While numerous calls to address food safety and consumer health issues in the industry have resulted in some attempts at regulation or standardization, attempts to address environmental and labor concerns are few or nonexistent. U.S. Government Accountability Office (GAO) noted major problems in the FDA's system of seafood inspections.¹⁶ For example, the GAO reports that the FDA made only modest improvements in the proportion of seafood products it tests at U.S. ports of entry, from 1 percent in 1999 to 1.2 percent by 2002.17 In 2002, the FDA inspected only 108 of roughly 13,000 foreign seafood firms that export seafood to the United States. Of the firms inspected, approximately 40 percent had serious violations that warranted regulatory action. However, the FDA waited an average of 157 days to issue warning letters to these firms, permitting potentially contaminated food to reach the U.S. market. Thus, almost half of the imports it inspected were in violation of HACCP, but the FDA does very little to protect the end consumer.

The FAO issued a set of international guidelines for the aquaculture and fishing industries in its 1995 Code of Conduct for Responsible Fisheries. The code promotes food safety and environmental conservation, but the FAO has no enforcement authority and must rely on UN member states to implement the provisions. In its most recent State of World Fisheries and Aquaculture report, the FAO warns bluntly, "[F]lagging political support for the Code undermines the momentum needed to carry forward initiatives that support its full implementation."¹⁹

Some shrimp companies promote voluntary international corporate standards set by the International Standards Organization (ISO), such as ISO 9000 for production management, ISO 14000 for environmental management, and ISO 22000 for food safety. According to researchers, some Thai companies have accepted ISO environmental and management standards to a limited extent, but these instruments remain voluntary for processing plants and farms and are not widely observed.²⁰

In the area of labor standards there are even fewer initiatives. Country-level ratification and implementation of the International Labor Organization's (ILO) Core Labor Standards remain spotty in Bangladesh, Thailand, and the United States. Governments, consumers, and other interested groups have not attempted to link these standards to specific problems in the shrimp industry. (See Appendix 2.) One organization, Social Accountability International (SAI), has developed a general set of voluntary company standards for worker rights (SA8000). However, in its most recent certification report, SAI certified no Thai or Bangladeshi seafood or shrimp factories.²¹

None of these efforts have addressed food safety, environmental protection, or worker rights as part of an attempt to improve the overall sustainability of the shrimp industry. Still, a few consumer groups have had some success in promoting greater awareness of shrimp industry practices. Increased scrutiny of food imports has reopened a dialogue about the industry's long-term sustainability and its social impact.

Aquaculture Certification Council

To counter growing complaints by health and environmental advocates about shrimp farming and to consolidate various industry guidelines, a leading shrimp industry trade association, the Global Aquaculture Alliance (GAA), recently developed a set of best practices guidelines and created a monitor-



ing agency, the Aquaculture Certification Council (ACC). The ACC has developed guidelines, known as Best Aquaculture Practices (BAP), for management of shrimp farms and processing plants. The organization is now working with a number of major retailers, such as Wal-Mart, to ensure that BAP-certified shrimp from ACC-approved facilities are sold in stores.²² The BAP has two sets of standards for farms and for processing facilities. These standards include property rights, community relations, worker safety, employee relations, mangrove and biodiversity protection, effluent and sediment management, soil/water conservation, waste disposal

and sanitation, HACCP standards, and record keeping.

On the surface, the guidelines appear to address many of the problems associated with the industry. For example, in the BAP's general overview of the standards shrimp farms are instructed not to "damage wetlands or reduce the biodiversity of coastal ecosystems." Processing plants are urged to "dispose of process water and sewage in a responsible manner." Both farms and processors are called on "to comply with local and national labor law to assure worker safety and adequate compensation."²³

Labor Guidelines Fall Short

Critics say that despite the BAP's positive tone, the guidelines are too weak outlining very general and simplistic steps that are not independently evaluated.²⁴ While the ACC's current certification questionnaires for farms and processing plants deal more extensively with issues of water quality, sanitation, and food safety, the sections devoted to labor issues completely fail to address the complex problems involved in a competitive global industry. (See Appendix 1.)

For example, in an industry known for processing plant shifts exceeding 12 hours a day, the BAP guidelines make no mention of working hours. Nor is there mention of how worker rights (much less environmental and food safety standards) are to be monitored in the thousands of small subcontracted facilities that take outsourced orders from larger certified facilities. While factories are generally asked to provide data on basic wage and benefit rates (and asked to self-certify if they pay these rates), there is no mention of whether or how these standards apply to the growing pool of contract, temporary, and otherwise informal workers in countries like Thailand and Bangladesh. And while migrant workers play a major role in shrimp processing in countries like Thailand, the guidelines make no mention of international migrant rights standards or best practices to prevent abuses like debt bondage, forced labor, and human trafficking.

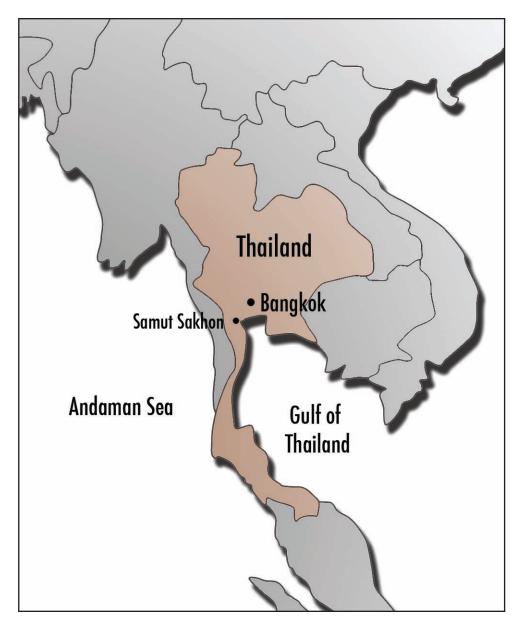
Although the BAP guidelines acknowledge that workers should have safe working environments and receive adequate compensation, they do not ensure these fundamental rights. And though facilities are generally exhorted to adhere to both national and international labor standards, they are evaluated only according to national and local minimums in the areas of wages, benefits, and child labor through data provided by the facility, not by an independent evaluator. The ability of the ACC's certified inspectors to conduct serious evaluations of labor issues is in some doubt. Inspectors generally have a wealth of professional expertise in specialties like fisheries management and HACCP standards. However, according to the ACC's website, none of them currently has specific expertise in labor law or ILO labor standards compliance.

Shrimp Processing in Thailand

Shrimp processing in Thailand takes place mainly south of Bangkok in the province of Samut Sahkon. The shipping and seaport hub of Mahachai handles over 40 percent of Thailand's shrimp processing.

More than any other country, Thailand has capitalized on the growth of shrimp farming, and it has been a key player in the shrimp industry's globalization during the past 20 years. Thailand has been the world's leading exporter of fisheries products since 1993, and the leading exporter of shrimp for nearly as long.²⁵ Shrimp exporting is estimated to be a \$2 billion-a-year business, accounting for roughly 2 percent of Thai GDP, which makes it Thailand's third largest source of export revenue.²⁶ Thai shrimp exports are expected to total over 336,000 tons in 2007, about half to retailers in the United States.²⁷

Between 1987 and 2002, the number of shrimp farms in Thailand more than quintupled from 5,889 to 31,179.²⁸ (Though aquaculture now dominates Thailand's shrimp industry, open-water shrimping also increased slightly during this period from roughly 85,000 tons in 1989 to 110,000 tons in 1998; it accounts for approximately 20 percent of all Thai shrimp.) In the past 25 years shrimp farming has grown in coastal areas on the Gulf of Thailand, in Andaman Sea provinces like Phangna and Phuket, and in some inland freshwa-



ter farming areas such as the Chao Phraya River Delta.²⁹ Northern Gulf of Thailand ports remain the most important for shrimp fishing and processing. Of the industrial clusters of shrimp and seafood processing plants in these semirural harbor areas, those in Samut Sakhon province are of primary importance to the industry. It is estimated that over 40 percent of Thailand's shrimp are processed in Samut Sakhon alone.³⁰ Map: Shrimp processing in Thailand takes place mainly south of Bangkok in the province of Samut Sahkon. The province's shipping and seaport hub of Mahachai handles over 40 percent of Thailand's shrimp processing.

Supply Chain Research - Thailand

Processing

Interviews conducted by Solidarity Center partner organizations identified 15 Thai factories in Samut Sakhon with substandard working conditions. All of these factories export some percentage of their products to the United States.

Importing

The importers buying from the factories are (in alphabetical order): Aqua Beauty/Charoen Pokphand Foods, Berdex Seafoods, Bumble Bee Seafoods, Daymon Worldwide Global Solutions, Eastern Fish Co., H&N Foods Group/Expack Seafood, Mazzetta Company, National Fish and Seafood Limited/Pacific Andes International, Ocean to Ocean/Icelandic USA, Pafco Importing Co., RT Foods, Supervalu, and Tai Foong USA.

Retailers

The Solidarity Center also identified nine supermarkets that sell these factories' processed shrimp: Costco, Cub Foods, Giant, Giant Eagle, Harris Teeter, IGA, Tops Markets, Trader Joe's, and Wal-Mart. (Other U.S. retailers and food service companies were not directly identified by Solidarity Center research.)

The brand names of the shrimp are: Asian Classic, Bumble Bee, Captn's Pack, Camaron Beach, Chef, Condal, Cub Foods, Giant, Giant Eagle, Gulf Classic, Harris Teeter, IGA, Member's Mark, Northern King, Ocean Jewel, Orleans, Royal Thai, Sail, Sam's Club, Seamazz, Tiger Bay, TOPS, Trader Joe's, Yankee Clipper, and Wal-Mart.

*Lists of importers, retailers, and brand names were compiled from data collected by Piers, Inc. on waterborne shipments of frozen seafood to the United States and are based on manifest entries.

Labor Conditions in the Thai Shrimp Industry

A 2006 report coauthored by the ILO and researchers from Thailand's Mahidol University confirmed widespread labor abuses throughout the Thai fishing and seafood processing sectors. The report found child labor, excessive work hours, and forced labor to be the

norm in seafood processing plants.³¹ Roughly 19 percent of the migrant workers in processing plants interviewed for the report were under 15 years of age, while another 22 percent were between 15 and 17.32 More than 75 percent of all workers put in more than eight hours per day, and 40 percent endured shifts longer than 12 hours.³³ The study found that processing factory workers earned an average of 4,500 baht per month (about \$4.60 per day, assuming a six-day work week).³⁴ Finally, employers lacked important knowledge about worker rights - many employers were unsure whether migrant workers were entitled to leave the workplace without permission during their time off.³⁵

The persistence of child labor in Thailand's shrimp and seafood sector was further supported by a 2006 study of child labor in Samut Sakhon, led by the Asian Research Center for Migration in cooperation with the Labour Rights Promotion Network (LPN), a Solidarity Center partner organization. The report estimated that 20,000 children under the age of 18 are working in the province.³⁶ On the basis of statistical data, just under half of these children work in "fisheries-related" jobs that include peeling shrimp, transferring heavy loads, and drying, boiling, and shelling various types

of seafood.³⁷ The report further noted that the children in these jobs "received no safety equipment other than gloves and scissors." Among other abuses, the report found that many children had to work excessive shifts and experienced abusive treatment such as "scolding/condemnation, forced overtime, and being struck."³⁸ In addition to research studies such as this one, more shrimp worker interviews and international media stories about the Thai shrimp industry are beginning to filter out of Thailand, revealing some of the entrenched labor problems that exist.

Since 2005, the Solidarity Center and its partner organization have conducted interviews with shrimp processing workers, mainly in Samut Sakhon. Much of this research lends insight into the actual wage and working hours of shrimp processing workers as well as the adverse working conditions that exist in a number of factories.

For example, in April 2007, workers at a factory owned by a major Thai shrimp processing company spoke with Solidarity Center partners, alleging hazardous working conditions as well as an intimidating and discriminatory work environment. Workers complained of forced overtime and nonpayment of wages if production quotas were missed. They also claimed regular exposure to harsh chemicals, lack of access to first aid or health care, and poor air and drinking water quality. They additionally alleged that they had unexplained deductions from their pay, that they worked without a written contract, and that native Thais and migrant workers were segregated by the use of colorcoded uniforms.39

These allegations highlight the many broad and intertwined concerns about work in the Thai shrimp industry. The color-coded uniforms and ethnic segregation point to another key issue — the role of migrant workers in shrimp processing. Migrant workers perform much of the labor-intensive work in Thailand's shrimp processing plants, and it is often difficult to distinguish the labor-related responsibilities of the larger processing plants from those of the labor brokers that hire workers, as well as the smaller processing plants that receive outsourced orders from larger companies.⁴⁰

In previous years, media sources may not have noticed these problems associated with the Thai shrimp industry. But shrimp companies all along the supply chain are experiencing greater scrutiny of their labor practices, and the press is taking worker allegations seriously. Much of this exposure is due to the events at Ranya Paew.

What Happened at Ranya Paew

On September 16, 2006, Thai police and immigration authorities raided the Ranya Paew shrimp processing factory in Samut Sakhon. Working off a tip, police conducted the raid expecting to note a few labor law violations and perhaps round up some undocumented migrant workers. Ranya Paew was more like a fortress than a factory, with 16-foot-high barbed-wire capped walls, an armed guard force, and an extensive internal closed-circuit television system.⁴¹ Behind the walls, the police found a scene that one report described as "little short of medieval," with hundreds of workers literally trapped inside the compound, living in squalid conditions, forced to work long hours, and subjected to physical, emo-

Getting Sick is Standard Fare for Workers

In the 15 plants that Solidarity Center partners surveyed there was a common theme: harsh chemicals and ammonia gas are burning workers' skin and causing serious respiratory illnesses.

In one plant, workers said that they had to pay the cost of necessary safety equipment through payroll deductions. All said that it was very difficult to get medical treatment. Most factories have no first aid or medical care stations and few workers have access to medical care outside the factory gates.

Migrant workers often lack proper paperwork and fear harassment if they venture away from their workplace or housing in search of medical care. Some workers note that getting sick means being punished for missed work.

Information based on Solidarity Center interviews with shrimp industry workers in Samut Sakhon province in August 2005, October 2005, and April 2007. "After being returned to the factory, they were all beaten with a bamboo stick until it broke. The next morning they were further humiliated. They had to stand in front of all the workers and the employer told everyone a lie, that they had been bought back from a brothel. [One woman's] pants were pulled down and she was beaten. [Another woman] was forced to take off her clothes in front of all the workers. She was then forced to lie down on the ground while the owner stepped on her breast. The owner then took out a gun and threatened that if anyone dared to escape she would shoot them dead."

Taken from an interview with a former Ranya Paew employee conducted by a Solidarity Center partner organization, September 2006.

Workers said that if they made a mistake on the shrimp peeling line, asked for sick leave, or tried to escape, they could expect to be beaten, sexually molested, or publicly tortured. tional, and sexual intimidation and abuse.⁴² Workers who angered the employer were often "put to shame" in front of others by having their hair cut or shaved in patches. Women and girls were stripped naked and publicly beaten as a form of discipline.⁴³

Most of the workers at Ranya Paew were Burmese migrants who relayed shocking stories about life inside the factory. They told of 16- to 20-hour shifts, filthy conditions, low pay, and forced labor. Police investigators learned that managers demanded months of unpaid work to meet debts to labor agents, or to pay for basic safety equipment, housing, even food and medicine. One worker noted that she worked for three months without pay and even then received only 200 baht (\$5.60) the fourth month, after 500 baht (\$14.10) was deducted from her wages to pay her labor agent's fee and to cover meals, housing, and safety equipment. She claims she peeled 18-20 kg. (about 40 pounds) of shrimp per day.44

Other workers said that if they made a mistake on the shrimp peeling line, asked for sick leave, or tried to escape, they could expect to be beaten, sexually molested, or publicly tortured. After interviewing more than 280 workers, police took 63 women and three men to a shelter, suspecting that they had been trafficked and/or forced to work against their will.* Another 22 were deported; nearly 80 returned to work at the factory, which remains in operation. Despite widespread worker rights abuses, including child labor and human trafficking, the owner was charged only with employing children under 15 and failing to provide holidays and time off. Though these charges are serious, they were treated as first-time labor code violations. The owner initially only paid a fine of about \$2,100 and has returned to work.

The abuses documented at Ranya Paew are further evidence of the problems worker rights advocates have noted for some time. In addition to long hours, forced labor, and child labor, Ranya Paew opened the lid on many hidden yet systemic worker rights problems of the Thai shrimp industry:

- widespread abuse of migrant workers;
- powerful labor brokers who abet human trafficking and other abuses; and
- extensive subcontracting and outsourcing, which encourages lower workplace standards and wages.

Role of Migrant Workers

To understand the working conditions of migrant workers in Thailand's shrimp processing industry is to understand its worst forms of abuse. Most of these workers are Burmese, but many are

* At the time of the raid, the protection provisions of Thai law did not include males in the definition of trafficking victims.

Cambodians and Laotians; together, they make up the bulk of the shrimp processing workforce. Over the past several years, Solidarity Center partners in Thailand — especially those that defend the rights of Burmese migrants - have begun the difficult and dangerous work of investigating labor abuses against migrant workers in the Thai seafood processing industry. Their efforts, as well as limited interventions by authorities on behalf of shrimp processing workers, tell a harrowing tale that governments, international advocacy organizations, and the mainstream media are just beginning to hear.

Thailand's open, export-oriented economy makes it a primary destination for migrant workers. The sustained shrimp boom has strengthened the need for workers on farms, in boats, and in the processing factories. Since 1992, a despotic and violent military regime has torn apart the social and economic fabric of Burma, forcing millions to desperately seek work or refuge elsewhere. An estimated 3 million Burmese migrants live and work in Thailand's low-wage, mostly informal sectors such as domestic service, construction, agriculture, fishing, and seafood processing.45 The industrial clusters of shrimp processing factories in Samut Sakhon host about 200,000 Burmese migrants; only about one-third have proper identity and travel documents.⁴⁶

Labor Brokers and Human Trafficking

A web of Thai and Burmese labor brokers, complicit authorities, and employers abet a sophisticated system of bribery and migrant worker smuggling in Thailand. A recent UN-sponsored report on the role of labor brokers con-



cluded, "[T]here is systematic and institutional exploitation of Burmese migrants in Samut Sakhon and neighboring provinces, often through debt bondage and exploitation without accountability through subcontracting."⁴⁷ The U.S. Department of State's 2007 *Trafficking in Persons Report* describes how workers' "voluntary" migration can lead to trafficking into involuntary servitude. It notes that this has become a serious concern for migrant workers in Thailand and worldwide.⁴⁸

Debt bondage is a key method of exploiting migrant workers. Having agreed to pay excessive fees to the agents who smuggle them over the border and/or to the brokers who find them a job, workers are forced to meet their debt through payroll deductions or unpaid labor. This predicament makes migrant workers vulnerable to further extortion and even forced labor for months or years before they can earn any extra money to support their families.

Another way in which employers and labor brokers exploit migrant workers is by controlling their movement, often by depriving them of any official documentation. Even those with proper documents regularly have their paperwork Ranya Paew workers being questioned by investigators, September 2006. taken from them by labor brokers to keep them from leaving or searching for a better job. Deprived of their personal identification and travel documents, without social support structures, and deep in debt, migrant workers can be easily manipulated into staying put and performing hazardous and exploitative work. In fact, recent studies found that many Thai employers favor restricting migrant workers' freedom of movement and/or providing fewer social services to migrants than to native Thai workers.⁴⁹

Labor brokers play an instrumental role in moving workers into jobs in shrimp processing and played a big part in placing workers into Ranya Paew. Recent interviews with shrimp workers also reveal that these labor brokers have increasing influence as a result of the trend toward subcontracting and informal labor relations in the industry. In these instances, brokers agree to provide wages, housing, and registration services for migrant workers. They even agree to handle workplace problems — allowing employers to avoid legal obligations to employees (and to the employmentrelated provisions of any certification programs they may have joined). Factory owners pay the brokers, who are then responsible for paying workers. In most cases, however, the brokers keep a portion of the wages. Often, the brokers fail to arrange proper immigration registration in order to use the migrants' irregular legal status to extort more money, control their movement, and force them to work. If authorities investigate, employers can simply deny responsibility, blaming the brokers, who in turn hand over the "illegals" for deportation. If caught by police, migrant workers face an extended period of time in Thai deportation centers, along with a return to certain poverty and possible imprisonment or torture in Burma.

Wages and Subcontracting

In early 2007, a Thai seafood industry source estimated that shrimp processing workers earn 191 baht per day (roughly (5.70) — the minimum daily wage in Bangkok and Samut Sahkon province. Thailand's shrimp industry trade association deems even this amount to be so high as to hinder Thailand's export competitiveness.⁵⁰ Other sources raise questions about real wage level. The ILO put the actual figure around 146 baht (\$4.60) per day, while Amnesty International reports wages closer to 70 to 100 baht (\$2.21 to \$3.16) per day.⁵¹ Interviews with workers clarified how official wage numbers differ from real wages received after company deductions. For example, a pay stub from a worker at the Pattana Seafood Company in Samut Sakhon showed a reported pay of 191 baht per day, but daily take-home pay was closer to 160 baht after deductions for equipment and permits. A similar pay stub from Ongkorn Cold Storage showed that a worker's 152 baht-per-day pay was cut to less than 130 baht after unspecified "administrative deductions" by management.⁵²

As low as these wages are, they do not tell the whole story. Most shrimp processing workers work six days a week with shifts longer than eight hours without paid overtime or leave.53 In addition, many shrimp processing workers are not paid an hourly wage, but in piece rates. Piece rates mean that many workers on shrimp peeling and de-veining lines in Thailand are paid a fixed amount for each kilogram of processed shrimp, which further erodes their real wages by encouraging longer and longer hours. With pay pegged to the amount of shrimp a worker can process, health and safety concerns are put aside in the fast pace of the processing lines. Workers



interviewed noted regular workplace health and safety problems, particularly machine accidents and burns from the harsh chemicals used as disinfectants.

The Ranya Paew case also highlights the widespread system of factory outsourcing, whereby subcontracted firms can easily exploit workers beyond the view of authorities or certification regimes. While about a dozen Thai agribusiness giants financially dominate the overall shrimp industry, the structure of shrimp processing resembles similar production models in the footwear and garment industry — with much of the labor-intensive work contracted out to small independent firms that can quickly produce or process a high volume of shrimp.

Subcontracted factories like Ranya Paew operate on the margin of the regulated formal economy. Orders are short-term, profits are tight, and downward pressure on costs is passed down to workers in the form of long hours, low pay, and lax health and safety standards. Subcontractors may operate in their own factories or even on the premises of a larger, formal operation. Workers at a Samut Sakhon plant owned by a major Thai seafood company reported that of the 5,000 workers inside the factory, subcontractors technically employed 80 percent. Such widespread use of subcontracting and labor agents has led to gradual informalization of labor relations. The result is a system that allows companies to hide real wage levels, skirt responsibilities, and in places like Ranya Paew, commit egregious worker violations like forced labor, debt bondage, and human trafficking.

Weak System of Justice

Workers, especially migrants, caught up in trafficking, bonded labor, or forced labor schemes, lack meaningful legal recourse. After the Ranya Paew abuses were discovered, the National Human Rights Commission of Thailand instructed provincial officials in Samut Sakhon to bring criminal charges against the factory owners. The case was initially referred to a labor court, where it was essentially treated as a compensation dispute between the employer and the 63 women and three men alleged to have been trafficked. Despite spending months in a government-sponsored shelter without any income to support their families, the plaintiffs pressed ahead and were finally able to state their case before the labor court. In late November 2007, the case was settled out of court, with the owner agreeing to pay 3.6 million baht (\$101,327), to be divided among the 66 workers based on the length of time they worked at Ranya Paew.

Some months after the raid, police brought criminal charges and launched an investigation.⁵⁴ Though the criminal investigation is proceeding slowly, Ranya Paew and another high profile trafficking case can serve as examples for workers to pursue justice through the court system.⁵⁵

Raids such as the one on Ranya Paew are very rare. Reports from Samut Sakhon indicate that some local authorities are complicit in illegal activities such as migrant smuggling and trafficking. Even when human rights abuses are publicized, Thai courts often allow cases to be delayed indefinitely or fail to prosecute them altogether. With regulation of the shrimp and seafood industry, migration policy, and labor relations handled by different ministries, the Thai government has no unified policy to protect the rights of workers and migrants in the shrimp industry.

The brokers fail to arrange proper immigration registration in order to use the migrants' lack of legal status to extort more money, control their movement, and force them to work.

Shrimp Processing in Bangladesh

Shrimp is Bangladesh's second largest export in terms of dollar sales. The country is widely known for its garment production, which is the largest export. In 2005 Bangladesh sold an estimated 40 percent of its shrimp to the United States, the same amount to the European Union, and the remainder to Japan.⁵⁶ While its shrimp exports were far less than Thailand's, Bangladesh still was among the world's top ten producers in 2006, accounting for about 3 percent of world sales. As in Thailand, but to a lesser degree, the shrimp industry in Bangladesh rapidly expanded during the global "shrimp boom," with shrimp production increasing from 11,000 to 94,000 tons between 1984 and 2000.57 Exports of Bangladesh shrimp to the United States more than doubled from 2005 to 2006 as a result of antidumping duties applied to other large shrimp exporting countries in 2005. In 2006 Bangladesh shrimp exports to the United States totaled almost \$200 million.58

Shrimp processing in Bangladesh is largely concentrated in two general areas: the cities of Chittagong and Cox's Bazar, and the districts of Khulna, Satkhira, and Bagerhat. The exact number of workers in the Bangladesh shrimp industry is difficult to estimate. With a high percentage of undocumented workers, as well as unregistered farms and processing plants, many work beyond the reach of official statistics. According to one U.S. Government source, at least 142,000 families, or more than 600,000



people, depend directly on just the shrimp farming portion of the industry for their livelihood.⁵⁹ The industry-associated nonprofit Bangladesh Shrimp and Fish Foundation puts the number at 600,000 direct workers, who support some 3.5 million dependents.⁶⁰

A number of processing facilities in Bangladesh, as in Thailand, are operated by small subcontractors that may not be fully registered. In addition, the actual number of workers employed is probably far greater, since many workers are short-term or "contract" employees. Working on informal, temporary contracts (if any contract at all), they are not direct hires of the employer, are not covered by the labor law, and are often overlooked in official statistics.

Shrimp is expected to be a growth industry in Bangladesh. The government

Shrimp processing in Bagladesh is largely concentrated in two areas: the cities of Chittagong and Cox's Bazar, and the districts of Khulna, Satkhira, and Bagerhat. Female shrimp processing workers, the report also noted, are more easily victimized by their male supervisors, because there are few job opportunities for women, and they face added social barriers to finding new employment if fired. and the countries that provide Bangladesh with development assistance have shown great interest in improving and developing the country's seafood and shrimp industries, especially after imports of diseased Bangladesh shrimp were banned by the European Union in 1997.⁶¹ In addition to a desire to overcome lingering health concerns, the interest in shrimp and seafood stems from Bangladesh's perceived need to diversify its narrow export base, which is overwhelmingly dominated by the garment industry.⁶²

The U.S. Agency for International Development (USAID) has played a key role in this export diversification strategy. Noting that "cheap labor and ample water resources" were comparative advantages that Bangladesh held over Thailand and Vietnam, USAID predicted that shrimp exports from Bangladesh would increase to approximately \$1.5 billion annually by 2010 if certain production problems were overcome.⁶³ Most of these problems are rooted in the disease and antibiotic contamination in the 1990s that precipitated the European Union's ban. To address these issues, USAID supported a \$3 million Shrimp Seal of Quality Program (SSOQ), which began in 2002 and focused on increasing Bangladesh's shrimp exports while also developing a certification regime based on strong input from the Aquaculture Certification Council.64

While it seems that Bangladesh is falling short of its 2010 export target, the industry has made a number of inroads into the U.S. market, including an agreement with Red Lobster restaurants to buy shrimp from Bangladesh. Red Lobster's parent company, Darden Restaurants Inc., is the largest U.S. importer of Bangladesh shrimp.⁶⁵

Labor Conditions in the Bangladesh Shrimp Industry

A number of organizations have identified extensive worker and human rights abuses in Bangladesh's shrimp industry. Most reports have concentrated on power imbalances in shrimp farming, whereby local power brokers have in effect expropriated land from peasants to set up farms, causing environmental devastation in the process. Reports from organizations such as the Environmental Justice Foundation (EJF) have identified land grabbing, the use of child and forced labor, and reduced local access to land, water, and other resources as key abuses.⁶⁶ USAID's own commissioned report on the industry, published in 2006, reiterated some of EJF's findings on the industry's environmental burden. It contained a stark assessment of attempts to improve processing techniques: "There is evidence that a number of processing plants have failed to implement adequate changes in securing their supply of shrimp and the risk of contamination remains significant."67

Many international NGOs and development agencies remain rightly concerned about the impact of the shrimp trade on local communities and about issues like food safety and environmental preservation. However, labor exploitation and defending worker rights have not been primary concerns for those interested in the industry's long-term sustainability. Through research and interviews with shrimp processing workers in Bangladesh, the Solidarity Center and its partner organizations documented many of the same labor abuses that USAID also found. They include shifts over 12 hours a day, forced and unpaid overtime, failure to observe minimum wages, inadequate healthcare and childcare resources, and insufficient health and

safety standards at most facilities.⁶⁸

The abuse in Bangladesh's shrimp processing plants is systemic. It is the result of weak labor laws and a largely unregulated industry that puts downward pressure on wages, benefits, and working conditions. They include:

- widespread informalization of the industry, where cheaper forms of temporary, casual, or otherwise noncontract labor are preferred to longterm, full-time employment with benefits;
- exploitation of female workers;
- the persistence of child labor; and
- failure to implement preventive health and safety standards for workers and inadequate care for workplace injuries.

Wages and Contract Employees

Factory owners pay a bewildering variety of wages to shrimp factory workers, all of which are excessively low and depend on whether the workers are hired directly by the owner or are contracted through a labor broker. The basic pay rate is equivalent to \$23 a month for starting employees. More experienced workers may earn as little as \$26 a month. Still, they are much more fortunate than contract employees, who work for piece rates and are often paid 15 cents for every 22 pounds of shrimp they clean. In addition, some contract employees complain that the weighing process consistently understates the actual weight of shrimp cleaned, but they are powerless to protest.⁶⁹

Pay rates are further obscured by the issue of long hours. In recent interviews with shrimp processing workers, nearly every worker stated the same thing: "I work from 8:00 a.m. to 8:00 p.m."



This rare photo inside a Bangladesh shrimp processing factory shows female-workers under the supervision of a largely male managerial force.

(Some said that they stand the entire time.) Workers at five different processing companies noted an oddly similar practice — a straight 26-hour shift that takes place every other Friday morning and ends on Saturday morning the next day. None of the workers reporting this abusive practice mentioned being paid overtime for the excessively long hours.⁷⁰

In interviews with shrimp processing workers, subcontracting and the informalization of employment relations are dominant concerns. Workers fear a growing trend whereby an employer never signs a formal contract and never submits proper wage documentation. These workers are thus not regular employees but what the industry and law categorize as either "seasonal" or "contract" employees hired through third-party labor contractors. While Bangladesh's labor law provides new protections for seasonal employees, no such protections are in place for contract employees. Once they are effectively invisible to the country's labor laws, the system allows employers to ignore the non-wage benefits generally extended to

Long Hours and the Ends Still Don't Meet

"I am 18 years old. I have 10 years experience in shrimp and seafood processing. I work from 8:00 a.m. to 8:00 p.m. every day. Every other Friday our company makes us start work at 6:00 a.m. on Friday and end at 8:00 a.m. on Saturday. We do not get overtime pay. I am unmarried but I have to take care of my mother who lives with me. I do not have enough money to buy food and sometimes I have to go a whole day without food."

"I have been working in this company for three years. My monthly salary is 1950 taka (\$29). My eldest son is 18 years old. He has been working for four months now. My other two children are in school, but I cannot afford their books, pens, and tuition. To earn money, one of them works after school as a day laborer carrying cartons three or four days a week. He is 11 years old. He earns 20-30 taka (30 to 45 cents) per day."

Taken from Solidarity Center interviews with two women workers at shrimp factories in the Khulna region.

full-time workers. Although the use of contract employees for other than short periods violates the labor law, workers detect no effective enforcement of the law in Bangladesh factories.

Especially Exploited: Women Workers

The replacement of full-time work and benefits by temporary and other informal arrangements hampers achievement of the overall goal of economic development by shutting off thousands of workers from the economic and social benefits of work. Workers state that while they know the companies they work for are growing and profitable, they are not seeing any evidence in their paychecks. In fact, there is a consensus that the standard of living is declining for shrimp processing workers.⁷¹ This situation is especially true for women workers. They outnumber men on the shrimp processing lines, and they bear the brunt of the subcontracting trend. USAID's 2006 report notes, "[W]omen concentrate in temporary, casual, and flexible labor primarily due to their subordinate social and economic status, [and they] are hired as cheap, compliant labor that can be hired and fired more easily."⁷²

At the same time, women workers are expected to fulfill their traditional roles as caregivers and homemakers. It is brutally ironic that while poverty pushes many women into the workplace to make ends meet for their families, their subcontracted status deprives them of many of the non-wage health and pension benefits that would help them balance their dual roles as caregivers and wage earners. One research report notes, "[L]ong work hours takes its toll on women workers' general health condition and well being, making them more susceptible to diseases. The factories have no policy on maternity leave. Employers were uncomfortable when inquired about maternity leave."73

The ILO's 2005 overview of shrimp processing in Bangladesh confirmed the predominance of women in informal and "casual" employment and the lack of health or housing benefits given to casual workers.⁷⁴ In addition, the ILO report focused specifically on the workplace problems women workers face. Some employers confirmed that children work in factories because women workers, lacking care options, must take their children to their workplace.⁷⁵ Female shrimp processing workers, the report also noted, are more easily victimized by their male supervisors, because there are few job opportunities for women, and they face added social barriers to

finding new employment if fired.76

An interview by a Solidarity Center partner illustrates one woman's story: "Anjira," a shrimp processor, is 20 years old and has been working in a plant for two years. Before obtaining a job in a shrimp processing plant, Anjira was abandoned by her husband when she was six months pregnant and raising a two-year-old daughter. She worked briefly as a housemaid but was excited at the chance of steady work at a shrimp processing facility. She makes about \$32 a month, does know her rights under the law, and feels completely at the mercy of her employer. She would like to be paid more but would never think of challenging her employer, because she simply cannot afford to lose her job.77

Child Labor in Shrimp Processing

A pressing concern about the Bangladesh shrimp industry is its dependence on child labor. In its most recent report on the worst forms of child labor, the U.S. Department of Labor noted that an estimated 13.4 percent of Bangladesh's children aged 5 to 14 were counted as working and that children are "vulnerable to exploitation in a variety of potentially hazardous occupations and sectors including . . . shrimp-farming."⁷⁸

Research shows that as recently as May 2007 child labor remains a common fact of life in many shrimp processing plants, and is tightly linked to social and economic pressure on women workers. Eyewitness accounts from lawyers helping shrimp workers seek redress for labor law violations report that children

The Invisible Worker

"We are all supposed to be permanent workers at our factory. But this is not true . . . none of us have an ID card."*

Taken from an interview with a woman worker at a shrimp factory in the Khulna region speaking to an interviewer at the Solidarity Center office.

My company runs 24 hours a day, with 2000 company (or permanent) workers per 8-hour shift, 7 days a week.** We work 8 hours with no lunch or dinner break. There are another 1000 "contract" workers, who work 12 hours at a time with only occasional 20-minute breaks. There are about 100-150 child workers, who come with their mothers. The contract and child workers have the lowest and hardest job, shelling the raw shrimp with their bare hands.

Taken from an interview with a male worker at the Khulna factory of one of Bangladesh's largest seafood and shrimp companies. Interview conducted by the Solidarity Center.

* Also noted in Gammage et al, "A Gendered Analysis of the Shrimp Sector in Bangladesh," p. 43.

** Though classified as a "company" employee, the interviewee noted that he and other employees like him do not have a written contract despite their full-time, called "permanent," status.

(defined in Bangladesh as persons under the age of 14) are often involved in loading finished products onto trucks at processing plants. These children do not appear on company employee lists, because subcontractors employ them. Children between 14 and 17 are also members of the workforce. While it is legal to employ these older children under Bangladesh's national labor laws, they are allowed to work only a restricted number of hours a day and are not permitted to do hazardous work. However, none of the 20 factories observed by researchers obeyed the important legal prohibition of unsafe work.

Child Labor: A Fact of Life in Bangladesh Shrimp Processing

In research interviews conducted by Solidarity Center partners with workers at processing factories, 20 facilities in the Khulna region were found to be using child labor:

Atlas Sea Food Limited, Bionic Seafood Exports Limited, Bionic Fish Processing Limited, Fresh Foods Limited, International Shrimp Export (Private) Limited, Jahanabad Seafoods Limited Khulna Frozen Food Export Limited, Kwality Shrimp Export (Private) Limited, Lockpur Fish Processing Company Limited, Modern Seafood Industry Industries Limited, National Seafood Industries Limited, New Foods Limited, Organic Shrimp Export Limited, Oriental Fish Processing and Culture Limited, Rupali Seafoods Limited, Salam Seafoods Limited, Shahnewaz Seafoods Limited, Sobi Fish Processing Ind. Limited, South Field Fisheries Limited, and Unique Ice and Foods Limited

The brand names of the shrimp processed at these factories are: Asian Classic, Banaful, Food Lion, Captn's Pack, Celine, KFFE, Sea Gold, Mirabel, Sail, Seapride, Sea Star, and Sobi.

The importers buying from the factories for shipment to the United States are: Aqua Beauty/Charoen Pokphand Foods, Eastern Fish Company, Fishery Products Interational, Great American Seafood Imports, H&N Foods/Expack Seafoods, Mazzetta Company, Ocean Fresh Trading, Ocean to Ocean/Icelandic USA, Quirch Foods, Pacific American Fish, Pacific Seafood Group, Sterling Seafood, Southern Foods USA, and Tai Foong International.

This list of brand names and import companies was compiled from data collected by Piers Inc. on waterborne shipments of frozen seafood to the United States and is based upon manifest entries.

Health and Safety Issues

In an industry environment where labor law violations are common, it is not surprising that health and safety regulations are routinely ignored. Reports have noted a number of injuries and health impacts of shrimp processing work, including arthritis, urinary tract infections, back injuries, repetitive strain, muscle inflammation, fungal infections, and diarrhea.⁷⁹ Many long-term back and muscle injuries are due to long periods that workers stand before a shrimppeeling table. Others, such as the hand and finger cuts and repetitive strain common to most shrimp processing workers, result from long hours doing the same activity and failure to wear gloves or other protective equipment.

With piece rate pay tied to production targets, neither workers nor employers are motivated to provide or use safety equipment that might slow the process.⁸⁰

Research conducted in late 2006 confirms that that these health and safety problems not only endanger workers' health but also put food safety at risk. In most factories workers, especially subcontracted workers, are not provided protective gloves when they de-head and peel shrimp. When they are injured, first aid treatment is largely unavailable. Workers also noted that they had no access to bathrooms and sanitary facilities except when a "buyers visit" is anticipated.⁸¹

Conclusion

Correcting the worker rights abuses found in the shrimp processing industries of Thailand and Bangladesh presents tremendous challenges. While the Thai shrimp industry is much larger than that of Bangladesh, it is not surprising that many of their systemic problems are remarkably similar. As both countries' shrimp industries have boomed and become integrated into a massive global shrimp supply chain, low wages, long hours, and unhealthy, hazardous work form the unfortunate foundation of work in shrimp processing. Migrant workers, women, and children are among the most vulnerable and powerless and continue to be exploited as part of a downward push on costs and a rapid withering of decent, formal employment. Reports of the worst forms of labor exploitation — child labor, human trafficking, debt bondage, and forced labor — are increasingly emerging from the shadows with the help of researchers, journalists, and worker rights advocates.

In both countries, employers skirt national labor laws, often turning to an informal array of labor agents and subcontractors to handle the necessary details of labor relations. Despite the drain of low-wage development and informal employment on public resources, governments in both Thailand and Bangladesh have failed in their responsibilities to uphold the rule of law, either by pressing companies to comply with laws and regulations or by fully prosecuting wrongdoers who abuse workers rights. Regulations are overlooked, loopholes are exploited, and powerless workers remain invisible to employers who steadfastly deny responsibility for these abuses. In instances where workers have made the bold deci-

Legal Enforcement – A Cruel Joke

"Yes, the inspectors come, they have to come at least once a year. But they always inform the management first. The management then arranges everything: they change the shifts and only put people on who agree with them. They prepare a separate salary sheet. The inspectors know the management, they are all friends."

A shrimp worker from the Khulna region speaking to an interviewer at the Solidarity Center office.

sion to speak out, lax law enforcement or judicial indifference delays cases indefinitely, tilting the scales of justice toward powerful industry players and away from desperate workers with no time or money to spare.

The shrimp industry shares striking similarities to the development of other global industries such as apparel, footwear, and toy manufacturing. Some of the same characteristics are evident: a global supply chain where easy access to public infrastructure, cheap labor, and lax regulations in developing countries meets consumer demand in developed countries. Price pressure from retailers and import suppliers, plus demand for speedier "just-in-time" production, facilitates the development of sweatshop conditions, piece rate payments, subcontracting, and abusive, dangerous work.

For years, companies throughout the supply chains of these global industries fiercely resisted efforts to improve working conditions and make necessary changes to integrate workers into the economic mainstream. With a few notable exceptions, industry resisted (and largely continues to resist) attempts to develop regulations and truly independent certification regimes. While companies in the global shrimp supply chain have faced serious consumer concerns over environmental degradation and food safety issues, they have not had to look seriously at working conditions, worker rights, and living standards of workers in the industry.

Efforts such as the HACCP food safety standards show that governments can play a stronger role in developing industry standards. But implementation and enforcement of HACCP remains inadequate and incomplete. Effective government-led efforts to improve industry practices in the area of worker rights will require not only more resources but also a willingness to hold companies accountable for their actions.

Governments also need to accept responsibility for punishing companies that violate labor laws, as well as those with an active role in abuses like forced labor or human trafficking. Not only should governments on both ends of the supply chain step up inspections and commit to the enforcement of labor laws, they must also use the criminal justice system to adequately compensate workers and punish egregious exploiters.

Industry-led codes of conduct have had some success in similar industries. In the



apparel industry, organizations like the Worker Rights Consortium have developed codes of conduct while working with companies, trade unions, and workers to create independent inspection and verification programs that make the codes enforceable. Yet codes of conduct are controversial. Monitoring far-flung supply chains is difficult and requires dedicated resources. Some codes of conduct have been criticized as little more than public relations exercises, with many superficially positive goals but accompanied by little effort to implement or effectively use them to make global industries more sustainable.

Unfortunately, the shrimp industry's most recent attempt at a comprehensive certification plan, the ACC's Best Aquaculture Practices program, is woefully inadequate. Overly simplistic, with little grasp of the complexity of the industry, the standards treat labor issues almost as an afterthought. The industry will need to put much more work into the effort, particularly as governments and international media continue to uncover reports of human trafficking, persistent child labor, and sweatshop conditions in addition to lingering consumer concerns about food safety and environmental degradation.

The Solidarity Center believes that ultimately the only way to guarantee the rights of workers is through the formation of unions that can negotiate with employers for better wages, working conditions, and workplace standards. Unions also serve a vital role in democratic development through their role as industry watchdogs and as advocates for enforcement of the rule of law. Workers in the shrimp industry are in desperate economic circumstances. The power of labor brokers, employers, and subcontractors, coupled with the indifference of the legal system, prevents any effective worker organizing, public awareness campaigns, or legal advocacy. Governments have shown no inclination to create the neutral legal environment needed for workers to exercise their Freedom of Association rights and to protect workers who speak up from employer retribution. For the Solidarity Center and its union partners, helping shrimp industry workers to organize and defend their rights is a long-term but achievable goal.

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Appendix 1: ACC Worker Safety and Employee Relations Guidelines for Processing Plants

The ACC's Best Aquaculture Practices certification guidelines include two sets of similar sustainability and management standards for both farms and processing plants. Each individual standard requires facilities to answer a set of questions. Facilities' answers are checked and verified during visits by ACC certified auditors.

Facilities must answer "critical" questions affirmatively. ACC auditors assign 0-3 points to responses to scored questions: 0 (unsatisfactory); 1 (needs major improvement); 2 (needs minor improvement); or 3 (satisfactory). (Informational questions are not scored.) Facilities pass if they achieve 70 percent on the scored questions and if they agree to maintain specified production records for traceability purposes for at least three months. After five years, companies must raise their scores to 80 percent to maintain BAP certification.

For example, the third standard in the 14-page BAP application form for processing plants is entitled "Worker Safety and Employee Relations" and is devoted to labor issues. The application questions are as follows:

- 3.1 (**Informational**): What is the minimum wage rate, including benefits, required by local and national labor laws? Rate and currency ______ per time period ______ (e.g., hour, day, week, month)
- 3.2: (Critical) Does your facility meet or exceed these wage and benefit requirements? ____Yes ___No (Present documentation during audit.)
- 3.3: (Critical) Does your facility comply with national child labor laws? ____Yes ___No (Present documentation during audit.)
- 3.4: (Scored) Are the meals provided at your facility wholesome and commensurate with local eating customs? ____Yes ___No ____Does not apply (Confirmed during inspection of kitchen and menus, and interviews with workers.)
- 3.5: (Scored) Is safe drinking water readily available to employees? __Yes __ No (Confirmed during audit.)
- 3.6: (Scored) Does your facility provide adequate medical care for employees, including access to or communication with medical authorities in case of emergencies or accidents? Yes No (Confirmed during audit.)
- 3.6.1: (**Informational**) Briefly describe the basic medical care provided by your facility. (Space provided in form.) (Confirmed during audit.)
- 3.7: (Scored) Are first aid kits readily available to employees at your facility? Yes No (Confirmed during audit.)
- 3.8: (Scored) Are machinery operators (including drivers, refrigeration personnel, etc.) properly trained and licensed, if applicable, in machine operations, maintenance and worker safety at your facility?
 Yes No
- 3.9: (Scored) Is adequate and appropriate protective gear provided to workers according to task at your facility? ____Yes No (Confirmed during audit.)
- 3.9.1: (**Informational**) Briefly list the protective gear provided to employees (such as eye protection for welding, gloves for shop work and boots for wet areas). (Space provided in form.)
- 3.10: (Scored) Does your facility have a training program to orient workers in health, safety, contamination and especially basic hygiene, with workers properly trained to dispose of potentially dangerous compounds such as coolants and toxic substances? Yes No (Confirmed during audit.)
- 3.10.1: (Informational) Briefly describe what training in general safety, personal hygiene and first aid is provided to your employees. (Space provided in form.) *

* Source: Aquaculture Certification Council, "Processing Plant Standards," Certification Application Form, accessed December 1, 2007, <u>http://www.aquaculturecertification.org/index.php</u>.

Appendix 2: ILO Core Labor Standards

The eight fundamental conventions of the International Labor Organization are often collectively referred to as "core labor standards."

The standards cover four broad categories spelled out in the ILO's 1998 Declaration on Fundamental Principles and Rights at Work. The categories are: freedom of association and the right to bargain collectively; the elimination of forced or compulsory labor; the abolition of child labor; and the elimination of discrimination in respect of employment and occupation. Within each category, there are two fundemental conventions.

Freedom of Association

Convention No. 87: Freedom of Association and Protection of the Right to Organize (1948) Convention No. 98: Right to Organize and Collective Bargaining (1949)

Forced Labor

Convention No. 29: Forced Labor (1930) Convention No. 105: Abolition of Forced Labor (1957)

Child Labor

Convention No. 138: Minimum Age Convention (1973) Convention No. 182: Worst Forms of Child Labor (1999)

Discrimination

Convention No. 100: Equal Remuneration (1951) Convention No. 111: Discrimination — Employment and Occupation (1958)

ILO member states are required to respect and promote the principles set forth in the Declaration, regardless of whether they have ratified the conventions.

The core labor standards speak directly to the labor concerns highlighted in this report, including forced labor among migrant workers, persistent use of child labor, discrimination against women workers, and the complete lack of collective bargaining rights. Yet, neither governments nor industry associations have sought to use these standards as a base to improve working conditions and promote sustainable economic development.

Governments at both ends of the supply chain have failed to translate the obligations of ILO membership and their ratification of core conventions into proper enforcement of labor laws. The shrimp industry's nascent certification regimes virtually ignore core labor standards — missing an opportunity to fully include worker rights and working conditions with food safety and environmental protection as part of a long-term stability plan for the industry.

