ARE BAD SUBSIDIES LINKED TO SLAVERY IN FISHERIES?

By Claudia Kobetich & Jessika Woroniak

Pernicious government subsidies contribute to modern slavery in Thailand’s marine capture fishing industry

**Hypothesis**

Pernicious government subsidies contribute to modern slavery in Thailand’s marine capture fishing industry

**Background**

**PROFIT = REVENUE - COSTS**

Revenues in fisheries are driven by the quantity of fish sold, the size of the fish sold, and the price of these fish on the market.

Costs mainly consist of harvesting costs; labour makes up 30-50% of harvesting costs on fishing vessels, while the rest includes fuel (30-20%) fishing gear (5-15%), repair and maintenance (5-10%) and capital costs (e.g. depreciation and interest 5-20%).

Marine fisheries workers have been decreasing globally with a concurrent increase in fishing effort since the mid-1990s. This has led to an overall decrease in profitability. To stay economically viable, vessels are forced to seek out new illegal fishing opportunities where they can charge higher prices for fish and lower prices for human life. One way in which vessels have reduced operating costs is by reducing expenditure on crew members, i.e. decreasing wages on fishing vessels.

**Slavery**

Forms of trafficking in persons or sex trafficking in which a commercial sex act is induced by force, fraud, or coercion, or in which the person induced to perform is under 18 years of age, or (b) the recruitment, harboring, transportation, provision of a person for labor services, through the use of force, fraud, or coercion for the purpose of subjecting to involuntary servitude, peonage, debt bondage, or slavery.

**Influencing Factors**

- **Domestic crew shortages**
- **Surplus of migrant labour**
- **Dwindling fish stocks**
- **Increase demand for seafood**
- **Low enforcement of laws**
- **Traceability issues**

**Conclusion**

Increase in harmful government subsidies

Over capacity in marine capture fisheries

Decline in profits

Vessel operators may choose to further cut costs by decreasing labour costs

Increase in labour abuses/human trafficking

**Hypothesis**

Pernicious government subsidies contribute to modern slavery in Thailand’s marine capture fishing industry

**Surplus Fish Purchases**

3.6% of USD $3 billion are considered to be capacity-enhancing subsidies in Thailand.

**THAILAND'S SEAFOOD SLAVES**

By Claudia Kobetich & Jessica Woroniak

A REASONABLE ESTIMATE FOR 2018

USD $22.2 billion were paid by public entities globally in capacity-enhancing fisheries subsidies in 2018. This makes up 5% of the estimated total global fisheries subsidies for that year (Sumaila et al., 2019). In Thailand specifically, the estimate of total fisheries subsidies is USD 1.4 billion in 2018, 31% of which are considered to be capacity-enhancing subsidies.

**Influencing Factors**

- **Domestic crew shortages**
- **Surplus of migrant labour**
- **Dwindling fish stocks, increase demand for seafood**
- **Low enforcement of laws**
- **Traceability issues**

**Analysis**

By definition, capacity-enhancing subsidies promote overexploitation of marine resources, which exacerbate the decline in abundance of marine fish stocks. Globally, there has been a shift towards the removal of capacity-enhancing subsidies by the United Nations as observed in the Sustainability Development Goal target 14.6 and the World Trade Organization.

Currently, there is an opportunity for fisheries workers to exploit cheap labour by hiring migrant workers. There is an excess of migrant workers while the domestic labour force is insufficient due to low wages. Many migrant workers are poor and are forced to accept abusive recruitment processes, where they are trafficked to Thailand where the conditions are harsh and wages are low.

A study by Trickl et al. (2019) examined the factors that influence the presence of slavery in the marine commercial fishing industry. Their team developed a model (Fig 2) which included variables that predict the presence of slavery per thousand people for the top 20 fishing countries (accounting for 80% of worldwide catches). The model supports the presence of slavery in the seafood supply chain. This study highlights the importance of ending harmful subsidies and reallocating funds, improving migration policy, setting minimum standards for working conditions at sea, improving transparency and traceability in the seafood supply chain, and reducing fishing practices in the high seas.