

Unresolved Aspects of Illegal, Unreported and Unregulated (IUU) Fishing in Thailand

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1. Background of illegal activities in the Thai fishing industry

The fishing industry has always played a vital role in Thailand's economy. Fish and fishery products are major foreign exchange commodities, and from 1999 to 2001 Thailand ranked as the world's leading exporter of edible fisheries products (FAO, 2019). Over the last four decades, however, Thailand has made remarkable progress in social and economic development, moving from a low-income to an upper middle-income country in less than a generation (World Bank, 2021).

In 2008, Thailand's Department of Fisheries acknowledged the problem of waning interest for the industry in its *Master Plan for the Marine Fisheries Management of Thailand*. Greater job opportunities elsewhere, coupled with the risky and hard nature of fishing work were listed as main causes of this lack of interest among young, educated Thais. As elaborated in International Organization for Migration (IOM, 2011) and International Labor Organization (ILO, 2014) reports, natural disasters further contributed to rejection of work in this sector. This in turn made the working conditions for the remaining crew even harder, with 14-hour, six-day weeks still widely reported on fishing vessels (ILO, 2020). In addition, Thai law has no effective limits on overtime work, and has not defined how to measure working and resting time for work at sea. As a result, there is no agreement among government officials, employers and workers about what constitutes the beginning and end of work on board a fishing vessel (ILO, 2020).

Nevertheless, Thailand's fishing sector has experienced remarkable growth due to international demand, as well as to new technologies, expansions of fishing grounds, and infrastructure development. From 1999-2008, the annual growth in value of Thai fisheries exports was 4.3%, with fish exports valued at Baht 200,940 million by the end of this period (FAO, 2019). The Food and Agriculture Organization (FAO)'s 2020 *State of World Fisheries and Aquaculture* report ranked Thailand the world's sixth major producer of fish products (4% in terms of value).

At the same time, the European Union was listed as the world's largest fish importing market, followed by the US and Japan, all three of which are major markets for Thai fish products (FAO, 2020a).

Thus, demand for both fish products and fishermen is growing, and poorly-educated migrant workers from less-developed neighboring countries have started filling in the labor gaps. Thailand also faced a decrease of fish stocks, requiring costly trips further out to sea, and the simplest solution for reducing expenses was to employ low-paid labor (Kadfak and Linke 2021). Hence, Thailand has benefited enormously from cross-border migration. The result has been a massive transformation of the fishing industry's labor force from exclusively Thai to mostly irregular migrant workers from poorer neighboring countries, primarily Myanmar, Cambodia and Lao PDR. These low-skilled and poorly-paid migrant workers have contributed to the competitiveness of Thai fishing exports, but their often-undocumented illegal status has opened opportunities for abuse and exploitation, forced labor, debt bondage and human trafficking. Moreover, criminal involvement in the Thai fishing industry has fueled illegal, unreported and unregulated (IUU) fishing practices.

2. Consequences of IUU Fishing in Thailand

Thailand's commercial fishing and seafood processing industries employ over 350,000 workers and produce billions of dollars in export earnings each year (ILO, 2020), making up 20% of total Thai food exports (USDA Foreign Agricultural Service, 2018). The 2008 global financial crisis further exacerbated problems, with an estimated 50,000 laid off workers and around 500,000 migrants stranded without government aid (IOM, 2020). Underpaid, lacking savings and/or having contracted debt, migrant workers were unable to cope with the economic hardship, and this increased debt bondage and illegal practices, especially in the fishing industry. Debt bondage is one of the world's most prevalent forms of modern slavery, affecting 610,000 people in Thailand (about one in 113), according to the Global Slavery Index (Walk Free Foundation). In 2017, 76.2% of migrant workers in the Thai fishing industry were found to have accrued debt prior to even beginning work, and 37.9% had been trafficked into the Thai fishing industry (Issara Institute and the IJM). Despite increased awareness and efforts by the Thai government, forced labor and debt bondage in the fishing industry are ongoing and widespread (Walk Free, 2018).

IUU fishing harms the sustainability and profitability of the fishing industry. Under-reported, misreported and non-reported catches lead to hundreds of millions of dollars in losses, directly affecting commercial fishing incomes, and hindering the ability of a country heavily dependent on fishing to maximize revenue and reduce poverty. IUU fishing is a global threat to the sustainability of fishing resources, depleting stocks and undermining local and global management efforts. The global value of IUU fishing is estimated to be €10-20 billion per year (European Commission, 2019). Between 11 and 26 million tons of fish are caught illegally a year, corresponding to at least 15% of world catches. At the 2020 FAO Regional Conference for Asia and the Pacific it was estimated that between 3.4 to 8.1 million tons of fish fall prey to IUU fishing practices each year in the region. In addition, the value of under-reported, misreported and non-reported catches for the Pacific tuna fisheries was estimated at over USD 600 million (FAO, 2020c).

Links between Thai IUU fishing and modern slavery highlighted in 2014 media reports led the US to downgrade Thailand from Tier 2 to Tier 3 in its 2015 Trafficking in Persons Report, while the EU issued a yellow card as a warning to address IUU fishing or face a complete ban on its seafood products. As the EU is Thailand's fourth largest trade partner (after China, Japan and the US), accounting for 7.5% of the country's total trade, the yellow card was a big blow, with total bilateral trade amounting to €29 billion in 2020 alone. Thailand is the EU's 26th largest trading partner worldwide, with exported goods worth €15.1 billion to the EU in 2020 (European Commission). According to the Directorate-General for Trade's factsheet (2020), the value of EU's imports of Thai fishery products stood at €202 million.

The Thai government responded to this international pressure by implementing a series of policy reforms focused on improving labor conditions and fisheries management. It drew up and adopted the *National Plan of Action to Prevent, Deter and Eliminate Illegal, Unreported and Unregulated Fishing (Thailand NPOA-IUU) 2015 – 2019*, and ratified two crucial instruments of the ILO, *Protocol of 2014 to the Forced Labour Convention, 1930 (P029)* and the *Work in Fishing Convention, 2007 (No.188)*. National legislation has also been amended in line with international standards, with the *Emergency Decree* amending the *Anti-Trafficking in Persons Act BE 2551 (2008)*, *BE 2562 (2019)*, and the *Labour Protection in Fisheries Act BE 2562 (2019)*. In 2016, Thai Union Group, a global seafood supplier and the world's biggest producer of tuna, was among the first in an industry worth \$6.6 billion to adopt an ethical recruitment policy (Reuters, 2019).

The government is also working closely with ILO's *Ship to Shore Rights Project*, launched in 2016 and funded by the EU, to support the seafood and fishing industries in complying with international labor standards. As a result, the EU removed the yellow card status in 2019. Thailand also managed to climb up from Tier 3 to Tier 2: Watch List (in 2016) and back to Tier 2 (in 2018) in the US *Trafficking in Persons Reports*.

Yet, due to corruption and official complicity, lack of translation and communication during at-sea inspections, and insufficient checks, forced labor and IUU fishing have not been fully eradicated. While the ILO and other organizations are still working with the Thai government on implementation and enforcement, recent findings reveal ongoing illegal activities and abuse (ILO, 2020). The lack of significant progress has resulted in the US downgrading Thailand again to Tier 2: Watch List (Ministry of Foreign Affairs, 2021). The government had started to lobby for an upgrade to Tier 1, after spending three consecutive years in Tier 2, thus this was a sharp blow to its efforts, as well as the country's international reputation (The Bangkok Post, 2020a).

3. Current Situation and Future Implications

Stricter regulations have proven unpopular. NFAT, the country's largest trawler-operators organization, claimed the rules have caused great harm. Emboldened by the change in government, and EU's removal of the yellow card, commercial fishermen demanded a relaxation of IUU rules, such as the requirement for trawlers to have a VMS system enabling the monitoring of real-time vessel movements, dropping age restrictions so teenagers can be employed, foregoing vessel inspections, and letting vessels swap out crew and catch at sea (Reuters, 2019; The Bangkok Post, 2020b). The government agreed to appease protesters with compensation for boats grounded due to not meeting new requirements and buying back trawlers that do not meet anti-IUU fishing standards (The Bangkok Post, 2019 and 2020b). However, giving subsidies to persons involved in IUU fishing does not help the problem, and is a contentious issue in ongoing negotiations within the WTO (FAO, 2020a). Harmful subsidies result in overcapacity and contribute to overfishing and IUU fishing (Skerritt and Sumaila 2021).

The Covid-19 pandemic has further exacerbated the situation. Fishers' livelihoods depend on free movement, but restrictions have left many stranded at sea with little oversight or protection. 4.9 million non-Thai residents make up 10% of the country's workforce, with an estimated 3.9 million documented and undocumented migrant workers (UN, 2019). Border closures and travel

restrictions, along with the recent military coup in Myanmar, fuel an even bigger labor shortage in an industry already starved for workers, placing even harder demands on the remaining crewmen (The Bangkok Post, 2021). Furthermore, desperate migrants can only cross borders illegally, making them even more vulnerable to abuse. Low fish prices due to weak demand resulted in a drop in revenue, making fuel and labor costs more difficult to meet. High production costs, low sales, and 25,000 plus migrant workers returning home, are contributing to huge losses for the industry (FAO, 2020b). Covid-19 outbreaks at popular fishing hubs and sea markets, such as the one in Samut Sakhon, have caused huge disruptions in domestic production. Samut Sakhon is responsible for almost 40% of Thailand's seafood, and the Federation of Thai Industries estimated the lockdown caused a billion baht a day in economic damage (NNT, 2020).

Fishers' working and living conditions leave them vulnerable to infection, and heightened fear of them transmitting the disease contribute to existing xenophobic attitudes, further undermining their security. Their precarious legal situation and isolation at sea and ports has given employers a chance to further engage in IUU fishing and labor exploitation. According to FAO (2020a), IUU fishing remains one of the greatest threats to marine ecosystems, undermining efforts to manage fisheries sustainably and to conserve marine biodiversity. Poached resources lead to the collapse of local fisheries, and products derived from IUU fishing which end up on overseas markets, can suppress the local food supply. IUU fishing threatens livelihoods, exacerbates poverty, and augments food insecurity (FAO, 2020a).

Tackling IUU fishing can help combat forced labor and human trafficking. By throwing migrants and their deteriorating status once more into the spotlight, the pandemic is offering a new opportunity to highlight the problems of IUU fishing in Thailand. Empowering migrant workers and addressing their legal rights would reduce the ability of employers to cheat the system. This requires both the government and the media to take the problems of migrant workers seriously, and to battle stereotypes. Regional cooperation is vital for combating IUU fishing, and while already initiated in ASEAN, it has thus far insufficiently addressed the labor malpractices and human trafficking issues. Now, more than ever, the government must make sure not to turn a blind eye to the problems, or else it risks undoing what progress has been made.

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