

IN THE SHADOW OF THE SHIPS: INDONESIA

Internal migrant workers employed in Indonesia's seafood processing sector: small and medium enterprises, home-based workplaces and on the pier.



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FOREWORD

International Organization for Migration

Labour migration within and from South East Asia (SEA) has intensified and has had a positive impact on economic growth and development for both migrant sending countries (Cambodia, Indonesia, Lao People's Democratic Republic, Myanmar, the Philippines and Viet Nam) and receiving countries (Brunei Darussalam, Thailand, Malaysia and Singapore). Migrants in SEA tend to be absorbed in labour-intensive industries such as the fishing sector.

Countries like Indonesia are among the world's top producers and exporters of fish and seafood products. The European Union (particularly Spain, France, Germany, Italy, and Sweden) and the USA emerge as principal destinations for these products, underscoring the global significance of SEA's fisheries sector. The Southeast Asian Fisheries Development Center (SEAFDEC) estimates that 11 per cent of the world's fishers come from South East Asia, with Myanmar and Indonesia hosting the highest number of fishers in the region.

The fishing and seafood processing sectors, in particular, are pivotal productive sectors for the economy, trade and employment opportunities for most countries in SEA, such as Indonesia. At the same time, rapid industrialization of the sector, declining fish stocks, IUU fishing, marine pollution, strong competition in the industry, and shift in the composition of the workforce have transformed the nature of fishing work. In Indonesia, many of these activities are undertaken by daily wage workers employed in small and medium-sized enterprise (SME), pier-based operations, processing garages, and within workers' homes. It's noteworthy that while these workers are Indonesian nationals, many are internal migrants who have migrated from various corners of Indonesia in pursuit of employment opportunities. Their indispensable contributions resonate not only within the tapestry of Indonesia's economy but also extend to their communities of origin through remittances, acting as a linchpin for poverty alleviation and improved access to essential services like healthcare, education, and housing.

To comprehensively assess the labour migration process of internal migrant workers employed in lower tiers of supply chains in Indonesia's pre- and primary seafood processing sector, IOM conducted a research study to bridge the existing knowledge gaps. The findings of this study are expected to provide constructive recommendations to the Government of Indonesia and private sector actors on better protection of all workers employed in the lower tiers of Indonesia's seafood processing sector. This effort may be effectively achieved through collaboration with private sectors and non-government agencies while ensuring worker's perspectives are considered.

I congratulate everyone for their commitment, cooperation, and contribution to this process, particularly the respondents of this study, representatives of government agencies, private sector actors and civil society organizations (CSOs). Furthermore, this significant achievement was only possible with the support of the European Union under the "South East Asia Regional Programme on Labour Migration in the Fishing Sector." I am pleased to extend our sincere appreciation for this partnership. Together, we can eradicate trafficking in persons and migrant smuggling in Indonesia.

Jakarta, August 2023
Chief of Mission IOM in Indonesia,

Jeffrey Labovitz

ACRONYMS

BPJS	Badan Penyelenggara Jaminan Sosial/Social Security Implementor Agency
CSO	Civil society organization
GDP	Gross domestic product
IDR	Indonesian Rupiah
ILO	International Labour Organization
INGO	International non-governmental organization
IOM	International Organization for Migration
JHT	Jaminan Hari Tua/Pension Plan
JK	Jaminan Kematian/Life Insurance
JKK	Jaminan Kecelakaan Kerja/Occupational Accident Insurance
JP	Jaminan Pensiun/Pension Plan
KII	Key informant interview
KNTI	Kesatuan Nelayan Tradisional Indonesia/Indonesian Traditional Fishers Union
KPPI	Kesatuan Perempuan Pesisir Indonesia/Indonesian Coastal Female Union
MoM	Ministry of Manpower
MMAF	Ministry of Marine Affairs and Fisheries
OSH	Occupational safety and health
PPE	Personal protective equipment
SME	Small and medium enterprise
USD	United States dollar
PIPO	Port in Port out
SME	Small and medium enterprise
SSF	Social Security Fund
SDG	Sustainable development goal
THB	Thai baht
TD	Travel Document (Cambodia)
UN	United Nations
UNDP	United Nations Development Programme
UNGP	United Nations Guiding Principles on Business and Human Rights
USD	United States dollar

EXECUTIVE SUMMARY

A close-up photograph of a man, likely a fish worker, smiling broadly. He is wearing a blue long-sleeved shirt with a logo on the chest that includes the text 'SAKA TECH' and a graphic of a person. He is also wearing a grey and yellow striped beanie. He is holding a large, silvery fish with both hands. In the background, other people are visible, including one in a white shirt and another in a red shirt, and there are large piles of white fish. The setting appears to be a port or a fish market.

"A worker sorted fish at the port in Jakarta"
Photo: © IOM 2019

Indonesia is the third largest producer of marine capture seafood in the world, producing 6.71 million tonnes of marine capture seafood in 2018.¹ The sector is significant to Indonesia's economy: in 2020, the total fisheries sector contributed 6.17 billion United States dollars (USD) to Indonesia's Gross domestic product (GDP).² Once seafood is landed in Indonesia's ports or harvested from aquaculture farms, it may pass through pre- and primary processing before being sold at wet markets for domestic consumption or delivered to factories for further processing. In 2015, over 60,000 small-scale seafood processing units were found across the country. Pre- and primary seafood processing work includes unloading and sorting catch, grading, cleaning, drying, smoking, boiling, filleting, beheading, and salting seafood, and peeling shrimp. Many of these activities are undertaken by daily wage workers employed in small and medium enterprises (SMEs) factories, pier-based operations, processing garages, and workers' homes. While these workers are Indonesian nationals, many are internal migrants who have migrated from other regions of Indonesia to seek employment. Despite the important contributions they make to Indonesia's economy and their communities of origin, they have been facing multiple challenges related to decent work deficits, which have been well documented over the years.³

Guided by the [United Nations Guiding Principles on Business and Human Rights](#) (UNGPR), the [Global Compact for Safe, Orderly and Regular Migration](#) (GCM) and drawing on the International Labour Organization's (ILO) [Framework for Measuring Decent Work](#), this research aims to assess the labour migration process of internal migrant workers employed in lower tiers of supply chains in Indonesia's pre- and primary seafood processing sector, to inform constructive recommendations to the Government of Indonesia and private sector actors. The study particularly focuses on four types of workplaces, including SME factories, pier-based operations,⁴ processing garages⁵ and homebased workplaces.⁶ The research applied mixed research methods, including surveys among 201 workers (117 men, 84 women) employed in the pre- and primary seafood processing sectors in six coastal locations,⁷ complemented by key informant interviews (KII) with representatives of government agencies, private sector actors and civil society organizations (CSOs), in addition to desk review and an analysis of Indonesia's relevant legal framework. Upon completion of the research, findings have been validated with public and private sector actors.

Noticeably, this study focuses on the perspectives of workers, not of employers in the sector. As such, employers have not been interviewed as part of this study. Private sector actors, both at the international and national levels, have however been consulted upon validation of the research findings and the development of recommendations. In addition, because of the high prevalence of internal migrants with an irregular status, the sampling strategy used to identify workers was not designed to provide a statistically representative sample of the pre- and primary seafood processing sector. Instead, data illustrate a snapshot of trends and key challenges faced by internal migrant workers in the sector.

1 Food Agriculture Organization (FAO), The State of the World Fisheries and Aquaculture 2020, p.13 (2020).

2 Ministry of Maritime Affairs and Fisheries, [Annual Report 2020](#), p. 40, (in Indonesian) (Jakarta, 2021).

3 Oxfam International, Behind the Seafood in Our Markets: Stories of Human Suffering, undated, available at: www.oxfam.org/en/behind-seafood-our-markets-stories-human-suffering.

4 The definition of pier-based operations is provided for conceptual clarity and does not derive from specific national legislation or international instrument as an official definition of pier-based operations is not available.

5 The definition of processing garages is provided for conceptual clarity and does not derive from specific national legislation or international instrument as an official definition of processing garages is not available

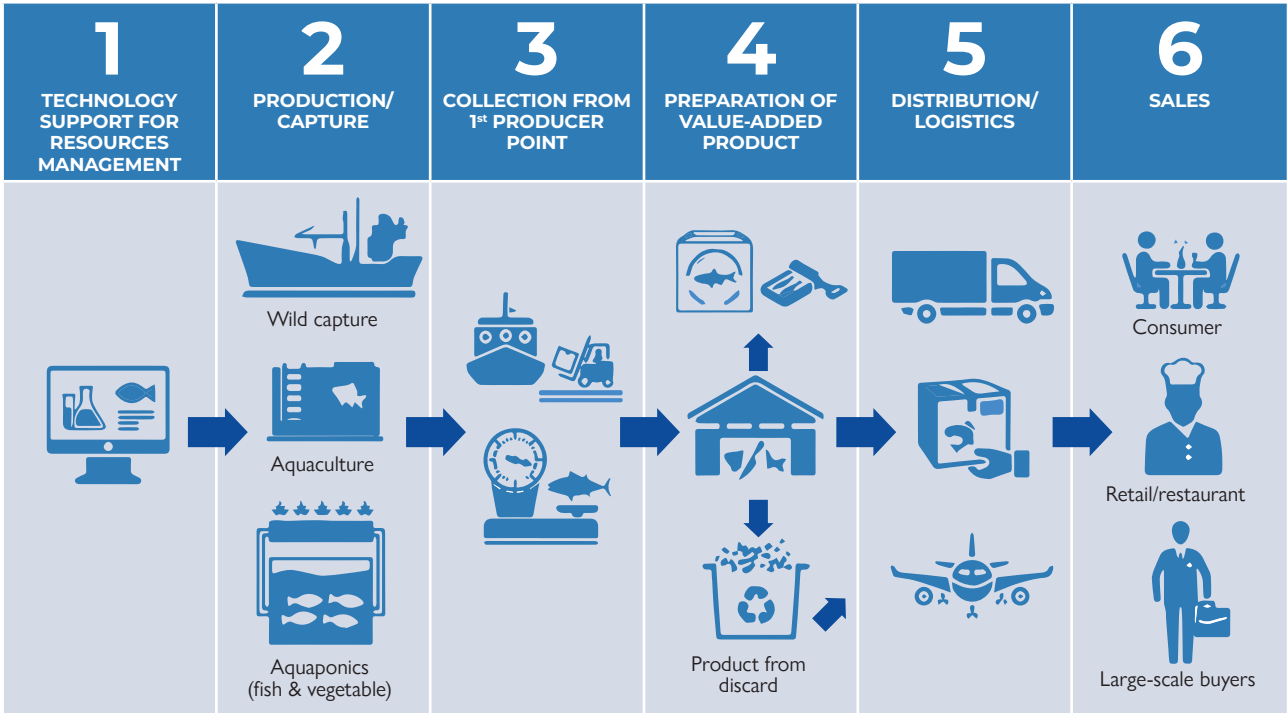
6 Indonesia has not ratified ILO's Home Work Convention, which defines "home work" as: "work carried out by a person, to be referred to as a homemaker, i) in his or her home or in other premises of his or her choice, other than the workplace of the employer; (ii) for remuneration; (iii) which results in a product or service as specified by the employer, irrespective of who provides the equipment, materials or other inputs used." However excluding if, "this person has the degree of autonomy and of economic independence necessary to be considered an independent worker under national laws, regulations or court decisions." ILO, Home Work Convention, 1996 (No. 177), Geneva, 83rd ILC session (20 Jun 1996), Article

7 The locations where surveys were conducted include (1) Muara Angke, Jakarta, (2) Muara Baru, Jakarta, (3) Medan, North Sumatra, (4) Tangerang, Banten, (5) Makassar, South Sulawesi, (6) Surabaya, East Java.

Supply Chain Dynamics

Internal migrant workers interviewed for this study are engaged in pre- and primary seafood processing activities in the lower tiers of the supply chain (Figure 1, steps 3 and 4). These workers are employed in various workplaces, including SMEs, pier-based operations, processing garages and home-based workplaces. Tasks these workers carry out include for instance unloading fishing vessels or sorting, cleaning, peeling and drying seafood.

Figure 1: Supply chain dynamics in the seafood processing sector



Governing the labour migration process

The Government of Indonesia put in place legislation to protect the rights of all workers in Indonesia’s pre- and primary seafood processing sectors. Particularly through Law No. 13 of 2003 concerning Manpower, and Law No. 40 of 2004 on Social Security, and Law No. 21 of 2000 concerning Trade Union. Noticeably, the Government of Indonesia has issued Government Regulation in Lieu of Law (*Peraturan Perundang-undangan, Perppu*) No. 2 of 2022 concerning Job Creation which have updated some clauses in the above-mentioned regulations.

While legislation offers protection to workers during the employment stage, it also offers flexibility to small-scale businesses, causing protection gaps that leave workers in the pre- and primary seafood processing sector, particularly those employed in informal work or without employment agreement, unprotected. Gaps particularly exist related to payment of minimum wage, health and safety, and access to social security. In addition, in practice, legislation is insufficiently enforced in the lower tiers of the supply chain, particularly in SMEs, pier-based operations, processing garages, and home-based workplaces, as SMEs are not covered by labour inspections carried out by the Ministry of Manpower (MoM) which instead relies on workers self-reporting their issues to MoM.

Migration Journeys

Most surveyed internal migrant workers originated from East Java, South Sulawesi, Banten, West Java, North Sumatra, or Central Java. The most common migration corridors observed were from East Java to Surabaya, Banten to Jakarta, South Sulawesi to Makassar, North Sumatra to Medan, West Java to Jakarta, and West Java to Tangerang, which suggests that internal migrant workers migrate to neighbouring cities or provinces in search of work.

On average, surveyed internal migrant workers have lived in their destination locations for 8.5 years and may have held various jobs since migrating, which they found through friends or family members. None of the interviewees reported having used a broker or recruitment agency to facilitate their internal migration. They migrated by themselves, or with support of family members or friends, who helped them to organize transportation or accommodation, provided information on migration and facilitated introductions to an employer. Migration costs paid by internal migrant workers mostly consisted of transportation cost. Thus, costs varied based on distance migrated. On average, migration costs paid by internal migrant workers was 573,546 Indonesian Rupiah (IDR) (USD 39), with SME factory workers paying the highest cost (Table 1). The migration cost was paid once at pre-departure stage. Relatively low migration costs led to low levels of migration-related debt among interviewed workers.

Table 1: Average recruitment fees and related costs in IDR by workplace type and by sex

Workplaces	All workers	Men workers	Women workers
SME factory	1,092,857	1,228,571	821,429
At the pier	545,652	547,727	500,000
Processing garage	304,183	277,118	329,054
Homebased	480,000	no data	480,000
All workplaces	573,546	640,774	468,750

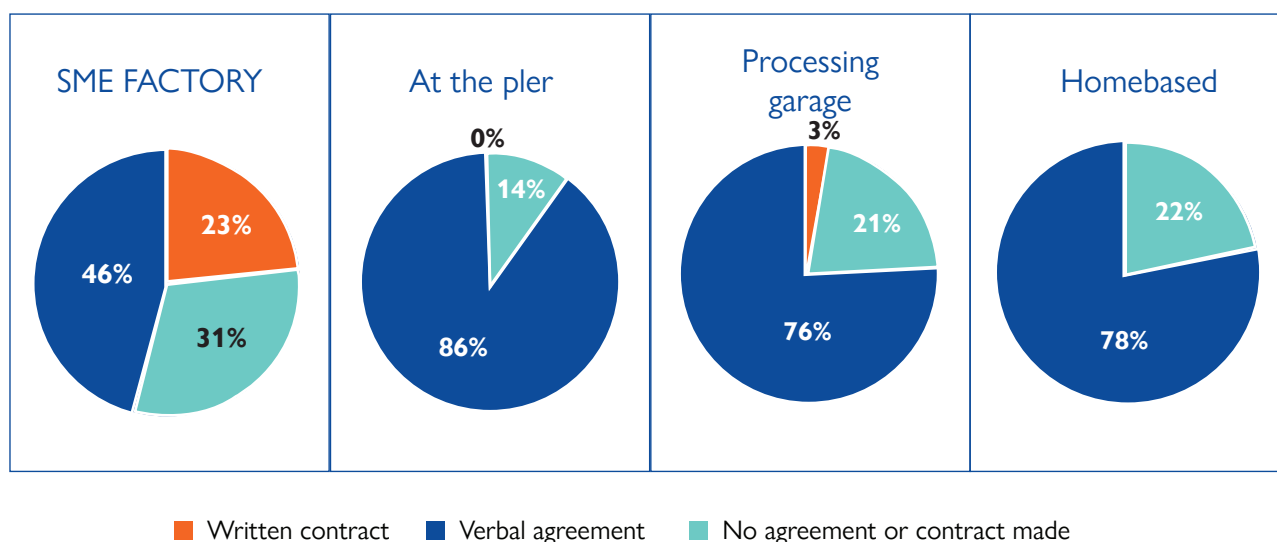
Although all surveyed workers have their national identity cards (KTP, *Kartu Tanda Penduduk*) six workers reported that their IDs were kept by their employers. Some of them noted that they could not access their ID, indicating it was being withheld. However, none of them reported this as a reason for not being able to quit their job, likely because internal migrant workers are still able to leave and go home without their documents.

Employment contract

As indicated in Figure 2, only some interviewed workers held a written employment contract and a copy of this contract. Most of them held temporary contracts, although some workers had been in their job for over three years and thus were entitled to a permanent contract.⁸ Three quarters of surveyed workers made a verbal agreement with their employer, and a quarter did not have any agreement, excluding them from labour protections enshrined in Law No. 13 of 2003 concerning Manpower.

⁸ Law 13/2003, Article 59. Note: under Law 11/2020, the limit of three years on temporary contracts is being extended to five years.

Figure 2: Type of work agreement held by surveyed workers, by workplace



Most workers understood the employment terms prior to starting work and confirmed that the working conditions matched what was promised. This is likely because workers had discussed various terms and conditions, such as wages, job description and working hours, with their employers before starting their employment. The absence of written employment contracts is likely linked to the nature of work in the sector, as the availability of work in the pre- and primary processing seafood industry depends on the volume of seafood available for processing. Consequently, employers often hire daily workers when there are large volumes of seafood to process. As such, over half of surveyed workers, especially in pier-based operations, processing garages and home-based workplaces, were employed as daily workers, and only received payment when work was available. As shown in Table 2, their working days and hours fluctuated and were uncertain: working hours varied between 6.6 and 11.1 hours per day, with the latter exceeding the maximum working hours stipulated in Law No. 13 of 2003 concerning Manpower. Due to the low wages provided to workers in the sector, some workers, particularly those in processing garages and home-based workplaces, opt to work multiple shifts a day, or seven days a week.

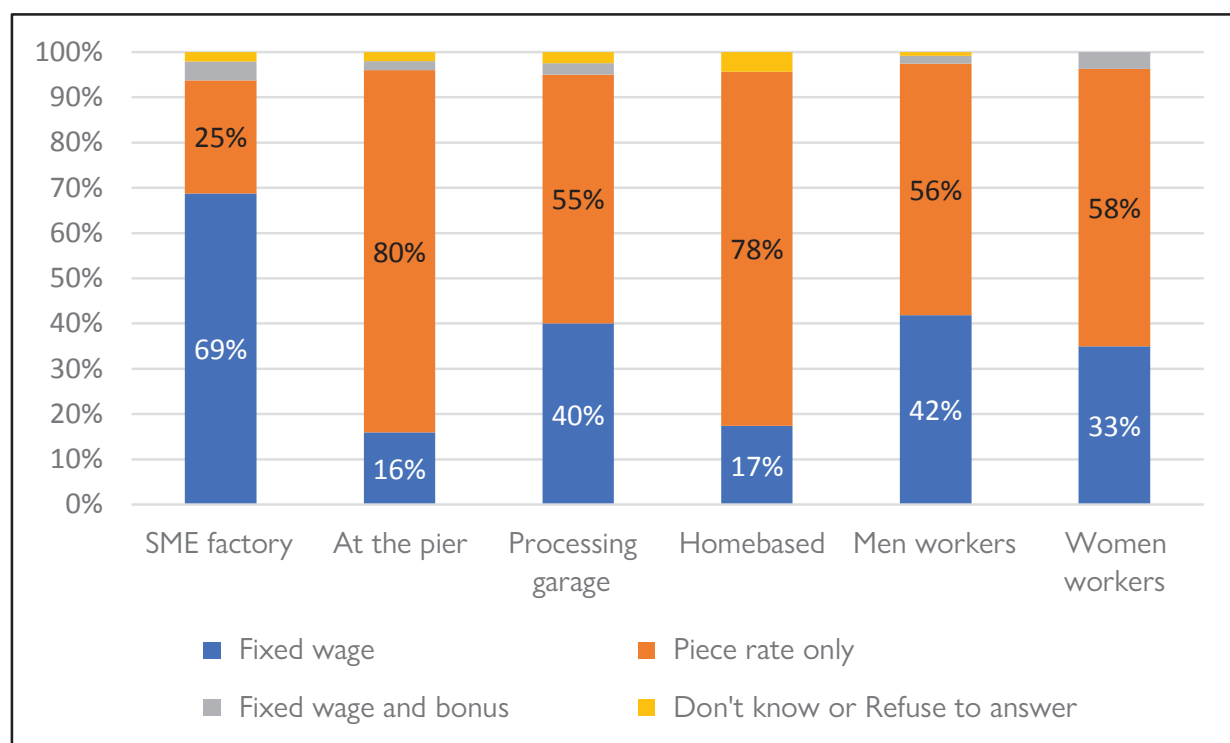
Table 2: Average number of working days reported by interviewees

Workplaces and gender	Least working hours a day	Most working hours a day
SME factory	7.4	11.4
At the pier	5.8	11.0
Processing garage	6.8	11.5
Homebased	6.2	9.7
All workplaces	6.6	11.1
Men workers	6.5	12.0
Women workers	6.8	10.0

Wages

Workers' wages are intrinsically linked to the volume of seafood available to process, as over half of surveyed workers earned on a piece rate basis (Figure 3). Although workers are entitled to the provincial or district/ city-based minimum wage,⁹ most surveyed workers did not earn the minimum wage required in the area where they worked during their last wage payment. Surveyed workers in processing garages and homebased workplaces reportedly earned over 50 per cent less than the minimum wage, which is possible as Government Regulation No. 36 of 2021 concerning Wages exempts small and micro enterprises from paying minimum wage.¹⁰ Low wages increase vulnerability of workers and impede their financial security, particularly during periods when there is less seafood available for processing. Wages of workers in processing garages and home-based workplaces were often received as cash payments without any accompanying payslip indicating the breakdown or calculation of the payment. Apart from SME factory workers, only a few workers reported receiving overtime pay.

Figure 3: Payment type, by workplace and by sex



Low wages are a concern to the workers, as over half of the respondents felt they do not earn enough to cover their basic needs, which was amplified during the coronavirus disease 2019 (COVID-19), when workers experienced reduced working hours – and thus earned less income. Consequently, one third of interviewed workers were in debt at the time of interview, borrowing money primarily to pay for food or accommodation. The wider the gap between the minimum wage and the amount workers earned, the higher the prevalence of debt.

⁹ Minimum wage provisions would be amended under the new Omnibus Law.

¹⁰ Government Regulation No. 36 of 2021 on Remuneration, Article 36.

Occupational safety and health

Regarding occupational safety and health (OSH), only one third of surveyed workers had received some form of training on how to do their job safely. Worryingly, about a quarter of interviewed workers reported having had an accident at work, primarily due to slippery floors and tiredness, and most workers, particularly at the pier or in home-based workplaces, reported not being provided with work-related personal protective equipment (PPE) or COVID-19 related PPE. In addition, pier-based workers reported not having access to a toilet or sink with running water, which also limited their ability to take bathroom breaks. While most surveyed workers in other workplaces had access to drinking water, they usually bought this themselves.

Access to social security

Surveyed migrant workers have limited access to health-care services and social protections, partly caused by protection gaps in implementation and enforcement: employers are required to register all their employees who have an employment relationship with social security schemes – including the *Badan Penyelenggara Jaminan Sosial* (BPJS) *Ketenagakerjaan* and the BPJS *Kesehatan*; however, micro enterprises only have to enrol workers in accident and death insurance schemes,¹¹ while informally employed workers need to register themselves in the accident insurance, death insurance and optionally in the pension insurance scheme, and make their own financial contributions.¹² Thus, only one fifth of surveyed workers said that their employers had registered them into social security schemes and the level of self-enrolment of workers in the schemes was also low. Not being enrolled into social security schemes severely limits migrant workers' access to health-care facilities without going into debt and leaves them vulnerable to adverse shocks – such as a work-related accident or an illness. This situation also amplified workers' vulnerabilities during COVID-19, as those in the informal sector were not eligible for Unemployment Benefits Programme during the pandemic unless they were enrolled in social security schemes.¹³

Access to effective remediation

Workers' access to social protections and effective remediation in case of rights violations is further limited due to lack of enforcement of labour protections. SMEs are not covered by labour inspections carried out by MoM. Instead, the Government relies on workers self-reporting their issues to MoM. However, only one out of ten surveyed workers noted that they would report a work-related grievance to a local government office. Instead, workers reported that they would primarily turn to friends or family, followed by their supervisor and employer. One out of every 10 surveyed workers would turn to a CSO; however, very few CSOs supporting workers in the pre- and primary seafood sector were identified during this study. Workers' access to remediation is further impeded due to lack of established unions in the pre- and primary seafood processing industry for workers to join, thus unionization among surveyed workers was almost non-existent.

Gender equality

Overall, gender inequality in the workplace is persistent, with women workers being mostly employed in the most precarious workplaces – seafood processing garages and homebased workplaces – where workers earn the least wages. A significant gender pay gap of 54 per cent was identified among surveyed workers, with women

11 Government Interview 1.

12 Ibid.

13 Workers' Organization Interview 2. In order to be eligible for the Unemployment Benefits Programme, workers had to be enrolled in the healthcare BPJS and the pension fund. ISSA (2022) [Social Security Responses to the COVID-19 Pandemic: Priorities for social security](#).

workers earning significantly less than interviewed men workers. Female workers also reported shouldering heavier social reproductive labour burdens, undertaking an average of 2.8 hours per day of household related work, in addition to their paid employment, and getting less sleep compared to male workers.

Table 3: Gender wage gap

Workplaces and sex	Average wage, daily paid		Average wage, weekly paid		Average wage, monthly paid	
	IDR	USD	IDR	USD	IDR	USD
SME factory	122,500	7.82	437,500	27.95	3,831,429	244.74
At the pier	113,750	7.27	810,000	51.74	3,217,857	205.55
Informal garage	95,271	6.09	643,750	41.12	2,631,818	168.11
Homebased	65,625	4.19	500,000	31.94	No data	
All workplaces	98,183	6.27	584,444	37.33	3,468,333	221.55
Men workers	129,889	8.30	642,143	41.02	3,636,047	232.26
Women workers	59,769	3.82	547,727	34.99	3,044,118	194.45
Gender wage gap		54%		15%		16%

While internal migrant workers face challenges accessing their human and labour rights, they are likely to remain in their current employment. For some workers, such as those with care responsibilities, the flexibility of home-based employment is an important pull factor. Other workers felt that they could not quit their current employment as they would lose future earnings or no other opportunities were available to them. Four surveyed workers, however, reported barriers to quitting their jobs that could be indicative of forced labour: three pier-based workers reported that they could not quit as they would lose unpaid wages, and a processing garage worker reported that they would be blacklisted from other employment opportunities in the seafood processing sector if they would quit their current job.

Conclusion

Most internal migrant workers in the lower tiers (SMEs, home-based workplaces and on the pier) of Indonesia's seafood processing sector were employed as daily workers with verbal agreement and fluctuating working hours, depending on the volume of seafood available for processing. Most payments were provided on a piece-rate basis that was more than 50 per cent lower than the minimum wage. These low wages had an impact on the high prevalence of debt since internal migrant workers did not earn enough to cover their basic needs. Although the businesses mostly employed female workers, a significant gender pay gap of 54 per cent was identified, with women earning less than men workers.

To some extent, the informality of the business has led employers to provide less protection to their internal migrant workers, reflected in the minimal provision of training on how to perform the job safely and of PPE during work. Work accidents reportedly occurred due to slippery floors and tiredness, which mostly happened at the pier or in home-based workplaces. Because they were informally employed, only one fifth of surveyed workers were registered in the social security scheme of BPJS Ketenagakerjaan and BPJS Kesehatan; low self-

enrolment in this scheme was also due to lack of awareness regarding the various types of BPJS social security schemes that could match the current employment status. The number of workers' union in the informal sector of Indonesia's seafood processing was also low due to lack of awareness and short term/non-permanent contracts which made employer also did not establish a worker union. Most interviewed workers preferred to report their problems to supervisors or through the workplace grievance mechanism, and some workers told to their friends but did not go through a community group or organization.

While legislation exists to protect workers in the pre- and primary seafood processing sector, legislative gaps, and lack of implementation and enforcement leave workers unprotected, particularly regarding payment of minimum wage, health and safety, and access to social protections and health care. Changes to national legislation are required to ensure that all workers, including those lacking an employment agreement, are entitled to labour protections enshrined in Law No. 13 of 2003 concerning Manpower. In addition, legislation needs to be equally applied to all businesses, including small-scale businesses, so that all workers are entitled to minimum wage and social security. SMEs should also be covered under MoM's labour inspections, moving the responsibility to report challenges in the workplace away from workers. Non-payment of minimum wage and earning on piece-rate basis particularly increases the vulnerabilities of workers, who work excessive hours without rest days or take on debt in order to make ends meet.

Recommendations

Recommendations based on the study findings are provided for the Government of Indonesia and private sector actors to tackle protection gaps and decent work deficits experienced by internal migrant workers in the lower tiers of the seafood processing factor.

IOM recommends the Government of Indonesia to:

Ensure that all workers who receive remuneration for their work, regardless of the formality of their employment, are covered under Law No. 13/2003 concerning Manpower. To protect the rights of all workers – particularly those informally employed – MoM should ensure that any worker who receives a wage or remuneration for their work, in line with other laws such as Law No. 21/2000 concerning Trade Unions, is entitled to the protections offered by Law No. 13/2003 concerning Manpower.

Include small and micro enterprises within the remit of the labour inspectorate. To ensure that workers' labour rights in small and micro enterprises are respected, an enforcement mechanism for Law No. 13/2003 concerning Manpower – beyond workers self-reporting non-compliance – is necessary. The Ministry of Marine Affairs and Fisheries (MMAF) and MoM could collaborate to conduct joint inspections of pre- and primary seafood processing facilities to ensure that all workplaces are registered as licensed businesses with the MMAF and that within them workers' labour rights, in line with Law No. 13/2003 concerning Manpower, are being upheld.

It Establish a multi-stakeholder forum to discuss protection gaps and decent work deficits experienced by internal migrant workers in the lower tiers of the seafood processing sector. To ensure the fulfilment of rights of internal migrant workers in the lower tiers, the MMAF, MoM, Ministry of Health and BPJS could collaborate to establish a multi-stakeholder forum involving government stakeholders at provincial or local level to discuss protection gaps and employment situations experienced by those who are informally employed.

To improve wage-levels and wage-protections in the pre- and primary seafood processing sector,

IOM recommends the Government of Indonesia to:

Guarantee workers in small and micro enterprises the right to minimum wage. MoM should ensure that all workers, regardless of the size of their workplace, are entitled to minimum wage. The Government of Indonesia could work with CSOs and workers' organizations/unions to support workers who wish to report wage irregularities to the MoM. The Government is recommended to sanction employers who evade and/or violate the regulations that require them to pay workers with the standard minimum wage.

Encourage unionization among workers in the pre- and primary seafood processing sector. Workers' organizations should strengthen their efforts to organize workers in the informal land-based pre- and primary seafood processing sector. As wage rates in small and micro enterprises are determined through agreement between employers and workers, greater unionization of workers in the sector could help to increase workers' low wages workers.

To ensure social protection coverage among all migrant workers,

IOM recommends the Government of Indonesia to:

Ensure that all Indonesians can access social security. BPJS Kesehatan and BPJS Ketenagakerjaan should consider expanding the role of the Government in paying social security contributions for workers in the informal sector to close the 'missing' middle gap between those below the poverty line and those in formal employment. BPJS Kesehatan and BPJS Ketenagakerjaan should also reach out directly to employees, particularly workers in the lower tiers, to enhance awareness and promote the protection schemes that are available for workers in small and micro enterprises.

Hold employers accountable for their obligations to enrol workers in the BPJS Kesehatan and BPJS Ketenagakerjaan. MoM could run information campaigns for employers to increase awareness of their legal obligation to enrol any worker with an employment relationship in the applicable social security programmes. MoM and the BPJS could develop an enforcement mechanism for employer social security obligations and ensure that criminal sanctions for employers who fail to enrol their workers in the pension programme are not revoked, as proposed under Law No. 11/2020 concerning Job Creation. MoM could collaborate with MMAF and the BPJS to identify workplaces that have not registered workers with the applicable social security schemes or that fail to remit employer contributions.

BPJS should ensure that the social security self-enrolment process is simple and widely known. For workers who must self-enrol in the different social security schemes, the enrolment process needs to be straightforward and easily accessible. MoM, CSOs, workers' organizations, and international organizations should run widespread information campaigns on how to enrol in the *BPJS Kesehatan* and *BPJS Ketenagakerjaan* and on the benefits of paying regular social security contributions.

To take a gender-responsive approach to advancing decent work for internal migrant workers in the seafood processing factor,

IOM recommends the Government of Indonesia to:

Promote opportunities for and empower women workers. To advance gender equality, stakeholders should make efforts to tackle gender bias during recruitment, creating decent work for women workers, investing in skills training, and ensuring that women workers have the support they need. Central- and district-level governments should ensure adequate and affordable childcare services to enable women workers to fully participate in the workforce.

Ensure the commitment from employers and work with employers, CSOs, workers unions and workers to reduce the gender pay gap between women and men workers. To promote equal pay for same work and work of equal value, the Government's stakeholders have a role in providing resources for inspection and encouraging unionization of workers to enhance their bargaining position. CSOs have a role in supporting the promotion of gender pay equity through delivering campaigns on awareness of rights, providing services for individuals who are discriminated, and advocating gender pay equity to the employer. To develop a supportive environment for gender pay equity, employers also should be transparent and accountable.

Ensure effective implementation of Law No. 12 of 2022 concerning Sexual Violence Crimes. To protect internal migrant workers from any forms of sexual violence, the Government's stakeholders and frontline officers have a role in providing safe space, access to recovery assistance and legal assistance, in line with a non-discriminatory approach and in the best interest of the victims.

Ratify ILO Violence and Harassment Convention (C190). To support workers to report cases of sexual harassment in the workplace and seek access to remedy, MoM should ratify ILO C190 and align Law No. 13/2003 concerning Manpower with international standards on (gender-based) violence and sexual harassment at work.

Improve the capacity of the labour inspectorate to identify gender-based discrimination at work. MoM should train labour inspectors to improve the identification and remediation of gender-based discrimination and ensure labour inspectors are trained in how to identify and remediate cases of sexual harassment at work.

To improve workplace occupational safety and health, IOM recommends the Government of Indonesia to:

Expand the OSH protections to which workers are entitled. MoM could expand the remit of Law No. 13/2003 concerning Manpower and Government Regulation 50/2012 to include the right to free workplace OSH training and to all necessary work-related PPE, in line with international standards. Employers also have a key role to play in ensuring that their workplace has an OSH management plan in place.

To take a human-rights based approach to internal labour migration governance, IOM recommends the Government of Indonesia to:

Strengthen the protections for internal migrant workers within existing anti-trafficking legislation. MoM could increase the protections afforded to internal migrant workers in Indonesia through the development of national legislation that covers, inter alia, structural reform, pre-departure training, general support (that is, shelter, psychosocial counselling, free legal aid, and repatriation assistance), and an interministerial cooperation mechanism on migrant protection (including for trafficked persons).

Strengthen legislation regulating the recruitment process, particularly for internal migrant workers, and align definitions of recruitment fees with international standards. MoM should collaborate to prohibit recruitment fees for internal migrant workers, in line with international definitions of recruitment fees – which include the cost of migration – if employers or recruiters recruit a worker within their community of origin, rather than recruiting them within the destination community after a worker has migrated.

This section lays out the recommendations that private-sector actors proposed to address the challenges identified.

To enhance supply chain transparency and identify risks facing migrant workers employed in the supply chain, IOM recommends the business community to:

Increase supply chain mapping exercises to enhance understanding of supply chain dynamics and actors: To ensure buyers/companies are able to carry out due diligence throughout the supply chain as a whole, they are encouraged to increase supply chain mapping exercises and ensure that information regarding supply chain dynamics is shared with colleagues responsible for due diligence.

Revise auditing policies to include actors in lower tiers of the pre- and primary seafood processing sector in social audits: To enhance monitoring in the lower tiers of the supply chain, buyers could revise their auditing policies to include actors in lower tiers of the supply chain in social audits. In addition, audits should also cover subcontracted and home-based workers. To ensure that actors operating in the lower tiers are able to participate in audits, buyers should apply a cost-sharing model to facilitate the audit.

To improve wage-levels and wage-protections in the pre- and primary seafood processing sector, IOM recommends the business community to:

Ensure that the price paid for seafood products enables all actors in their supply chain, including in the lower tiers, to pay all workers at least the minimum wage. Buyers need to conduct human rights due diligence at every tier of their supply chain and verify that their product pricing enables production costs inclusive of minimum wage payment at all tiers of production, in line with workers' rights under national legislation and with the UNGPs to respect human rights throughout their supply chains. Buyers also need to verify that the price their supplier charges them is inclusive of these costs.

To tackle decent work deficits experienced by migrant workers in the lower tiers of the seafood processing sector, IOM recommends the business community to:

Engage in long-term agreements with suppliers, which may enhance working conditions of all workers, including migrant workers: Buyers can consider signing long-term agreements with their suppliers, so that they are guaranteed an income and do not need to squeeze cost, for example on workers' salary or PPE, in order to save money for periods when they would receive less orders.

To enhance migrant workers' access to remediation, IOM recommends the business community to:

Collaborate with local networks and CSOs to enhance migrant workers' access to effective remediation: To enhance migrant workers' access the effective remediation, buyers could collaborate with local networks and CSOs supporting migrant workers, to build their capacity to effectively receive migrant workers' grievances and provide them with the required support, such as legal assistance.

To enhance awareness and capacity among businesses on human rights and labour standards, IOM recommends the business community to:

All actors, including private sector actors, should enhance awareness raising and capacity-building efforts among businesses, including in the lower tiers of the seafood processing supply chain: All actors, including private sector actors, should enhance awareness raising and capacity-building efforts on national and international human rights and labour standards, best practices and challenges in case of non-compliance to migrant workers and businesses, including SME's.

To achieve meaningful change and address challenges faced by migrant workers in the lower tiers of the seafood processing supply chain, at the policy level, IOM recommends the business community to:

Collectively engage in dialogues with relevant government agencies to address challenges facing workers in their supply chain: The business community should utilize its leverage on government actors by engaging in dialogue and discussing challenges faced by migrant workers in the lowest tiers of the seafood processing supply chain, as well as required actions by both public and private sector actors, in order to prevent challenges and enhance the situation of migrant workers.

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INTRODUCTION



"Fish caught unloaded and sorted" Photo: © Photo IOM 2019

Rationale

Indonesia is the third largest producer of marine capture seafood in the world, with 6.71 million tonnes of marine capture seafood produced in 2018.¹⁴ Indonesia's rapidly growing aquaculture sector also produces the second highest volume of salt water crustaceans globally.¹⁵ The sector is significant to Indonesia's economy: in 2020, the total fisheries sector contributed 6.17 billion United States dollars (USD) to Indonesia's gross domestic product (GDP).¹⁶ The United States is the biggest importer of fresh and frozen Indonesian seafood, followed by China, Japan, Viet Nam and Thailand.¹⁷ Once seafood is landed in Indonesia's ports or harvested from aquaculture farms, it may pass through pre- and primary processing before being sold at wet markets for domestic consumption or delivered to factories for further processing. In 2015, over 60,000 small-scale seafood processing units were found across the country.¹⁸ Pre- and primary seafood processing work includes unloading and sorting catch, grading, cleaning, drying, smoking, boiling, filleting, beheading and salting seafood, and peeling shrimp. Many of these activities are undertaken by daily wage workers employed in SME factories, pier-based operations, processing garages, and workers' homes. While these workers are Indonesian nationals, many are internal migrants who have migrated from other regions of Indonesia to seek employment. These workers make essential contributions to Indonesia's economy, and the remittances they send to their communities of origin are critical for poverty reduction and to enhance access to health, education and housing, among others.

Despite their important contributions to Indonesia's economy, internal migrant workers employed in the pre- and primary seafood processing sector have been facing multiple challenges related to decent work deficits, which have been well documented over the years.¹⁹

In Indonesia's Master Plan of National Industry Development 2015–2035, the development of the Fish Processing Industry is the country's first priority. In addition, in recent years, the Government of Indonesia, particularly the Ministry of Marine Affairs and Fisheries (MMAF) has made important efforts to enhance the protections of workers in the fishing and seafood sector, for instance through implementation of Regulation 35/2015 in 2015, under which 'fisheries entrepreneurs' operating in the sector are required to establish an enterprise-level compliance scheme, including (1) broad human rights policy; (2) mechanisms to facilitate due diligence; and (3) a remediation mechanism. Additionally, in 2017, the MMAF issued Regulation 2/2017 on the Requirements and Mechanism of Human Rights Certification for Fisheries, setting out the process and mechanism of certification. Together, these two regulations form the 'Indonesian Fisheries Human Rights Certification System'. If 'fisheries entrepreneurs' fail to get certified, they may face suspension or cancellation of their fishing permits, and the Ministry of Manpower (MoM) will be recommended to revoke labour use permits.

Despite these important improvements, the certification system was not effectively implemented by the end of 2018 and neither is it at time of writing; an even if it is implemented, due to shortcomings such as no linkage to the national labour inspectorate, it would have limited impacts on the improvement of labour conditions

14 FAO, The State of the World Fisheries and Aquaculture 2020, p. 13 (2020).

15 Ibid., p.p. 34–5.

16 Kementerian Kelautan Dan Perikanan *Laporan Tahunan 2020*, p. 40 (2021).

17 ITC (2021) Trade Map: [List of importing markets for a product exported by Indonesia: 03 Fish and crustaceans, molluscs and other aquatic invertebrates](#) (accessed 1 November 2021).

18 Information is obtained during consultations with local private sector actors in the sector in Indonesia.

19 Oxfam International, Behind the Seafood in Our Markets: Stories of Human Suffering, undated, available at: www.oxfam.org/en/behind-seafood-our-markets-stories-human-suffering.

of workers employed in the sector. The lower tiers and recruitment and employment conditions of workers employed therein, are often difficult to monitor; therefore cooperation between labour inspectorate under MoM and MMAF is sought to ensure the protection of workers in the seafood processing sector through regular monitoring and policy enforcement.

While several studies have looked into working conditions in Indonesian seafood processing factories, these provide little information about the lower tiers, in which pre- and primary processing activities take place.²⁰ Research by Coventry University and the International Organization for Migration (IOM), which examined the recruitment process and employment conditions of factory workers and fishers included interviews with a small number of workers employed in ports.²¹ Existing studies often do not specify whether they distinguish between local workers and internal migrant workers. In addition, little is known about the situation of internal women migrant workers, as academic studies have focused on the role of women workers within the pre- and primary seafood sector, linked with small-scale fisheries. However, they however do not include working conditions of women workers who are informally employed rather than small scale entrepreneurs.²²

Guided by the [United Nations Guiding Principles on Business and Human Rights](#) (UNGP), the [GCM](#) and drawing on the International Labour Organization's (ILO) [Framework for Measuring Decent Work](#), IOM aims to fill the knowledge gap by assessing the labour migration process of internal migrant workers employed in lower tiers of supply chains in Indonesia's pre- and primary seafood processing sector.

This study is conducted under the [“South East Asia Regional Programme on Labour Migration in the Fishing Sector”](#) (Ship to Shore), a joint initiative carried out by the ILO, IOM and the United Nations Development Programme (UNDP), funded by the European Union (EU). Through this study, IOM aims to gather insights in the challenges faced by these internal migrant workers and provide constructive recommendations to the Government of Indonesia to support the Government's stakeholders in enhancing its legislation and policies protecting the rights of these internal migrant workers and develop the Fish Processing Industry, as laid out in the country's Master Plan of National Industry Development 2015–2035. IOM also aims to provide constructive recommendations to private sector actors, operating in and sourcing from Indonesia's seafood processing sector, to support them to conduct responsible business throughout their supply chain and align their policies and practices with international standards on fair and ethical recruitment and employment of migrant workers. By supporting fair and ethical recruitment and decent work for all workers, including internal migrant workers, employed in supply chains in Indonesia's seafood processing sector, companies operating in and sourcing seafood products from Indonesia can build better, more inclusive and sustainable supply chains, in line with the Sustainable Development Goals (SDG), especially SDG 8 Decent Work and Economic Growth, SDG 10 Reduced Inequality, and SDG 12 Sustainable Production and Consumption.

20 Jones, Visser, Prasetya, Nuriyati, Fish for Export: Working in the wild capture seafood industry Indonesia, British Academy Tackling Slavery, Human Trafficking, and Child Labour in Modern Business final report (2019); Verité, Labour Conditions in the Tuna Sector Bitung, Indonesia (2018), USAID; Oxfam and Sustainable Seafood Alliance Indonesia, Supermarket Responsibilities for Supply Chain Workers' Rights: Continuing challenges in seafood supply chains and the case for stronger supermarket action (2018).

21 Jones, Visser, Prasetya, and Nuriyati, Fish for Export: Working in the wild capture seafood industry Indonesia, British Academy Tackling Slavery, Human Trafficking, and Child Labour in Modern Business final report (2019).

22 Ferguson 'A Rising Tide Does Not Lift All Boats: Intersectional analysis reveals inequitable impacts of the seafood trade in fishing communities', Frontiers in Marine Science, Vol. 8 (2021); Kruijssen, McDougall, and van Asseldonk, 'Gender and aquaculture value chains: A review of key issues and implications for research', Aquaculture, Vol. 493 (2018); Athiqah Nur Alami and Sandy Nur Ikfal Raharjo, 'Recognizing Indonesian fisherwomen's roles in fishery resource management: profile, policy, and strategy for economic empowerment', Journal of the Indian Ocean Region, Vol. 13, No. 1 (2017); Fitriana and Stacey, 'The role of women in the fishery sector of Pantar Island, Indonesia', Gender in Aquaculture and Fisheries: Moving the Agenda Forward, Asian Fisheries Science, Special Issue Vol. 25S (2012).

In addition, when businesses uphold the human and labour rights of all workers, including internal migrant workers, in their supply chains, including in lower tiers, they are able to align with legislation and regulations on human rights due diligence and forced labour, which are increasingly enacted by governments, such as through the Australian Modern Slavery Act (2018), the French Loi de Vigilance (2017), the United Kingdom Modern Slavery Act (2015), the California Transparency in Supply Chains Act (2012), the Executive Order “Strengthening Protections Against Trafficking In Persons In Federal Contracts” (2012) – along with the regulations included in the Federal Acquisition Regulation and the Customs, and in 2021, the German Federal Parliament passed its Supply Chain Due Diligence Act, which entered into force on 1 January 2023. Most recently, in 2022, the European Commission adopted a proposal for a Directive on corporate sustainability due diligence, which once enforced, applies to all companies who wish to enter the European Union’s internal market and its 450 million consumers.

Only when relevant stakeholders are aware of challenges faced can these be effectively addressed, benefiting both migrant workers and businesses.

Research scope

This research assesses the labour migration process of internal migrant workers employed in Indonesia’s pre- and primary seafood processing enterprises. The research does not include internal migrant fishers employed on fishing vessels. The study particularly focuses on four types of workplaces, defined, for the purpose of this study, as:

Small and medium enterprise (SME) factories – In Indonesia, SME companies are registered, and legally classified as micro, small, or medium based on their net assets or annual revenue, a classification which determines how they are governed.²³ SME seafood factories typically operate within the formal economy. Work in SME factories included in this study involved sorting fish, unloading and loading fish, packaging fresh fish for onward distribution and peeling shrimp.

Pier-based operations²⁴ – Pier-based operations operate in and around fishing ports and may be linked to vessel owners. Pier-based work primarily consists of unloading fish from vessels, loading it into vehicles for onward distribution and sorting the catch. Some pier-based workers can be employed by a specific employer, while many consider themselves as freelance workers who work for any employer who has work available. Many pier-based workers work in groups with a profit-sharing model, whereby the group will be paid a set sum to unload catch from a vessel, which will then be divided amongst the group.

Processing garages²⁵ – Processing garages are often wooden sheds or concrete garages that operate in the informal sector. Many processing garages are small and micro enterprises. In processing garages, seafood is being primarily processed if and when it is available. As a result, many processing garage workers are employed as daily wage workers, only working as needed. Work tasks undertaken in processing garages include unloading/loading fish from/into vehicles for transport, sorting fish, peeling and deveining shrimp, cleaning fish, filleting fish, cleaning squid and drying fish.

23 Law 20/2008, Article 6 defines micro enterprises as businesses with a maximum annual revenue of IDR 300 million; small enterprises have an annual revenue of more than IDR 300 million but less than IDR 2.5 billion; and medium enterprises have an annual revenue of between IDR 2.5 billion and IDR 50 billion.

24 The definition of pier-based operations is provided for conceptual clarity and does not derive from specific national legislation or international instrument as an official definition of pier-based operations is not available.

25 The definition of processing garages is provided for conceptual clarity and does not derive from specific national legislation or international instrument as an official definition of processing garages is not available.

Homebased work²⁶ – Work carried out in premises other than the workplace of the employer, for remuneration, which results in a product or service as specified by the employer. Seafood processing activities conducted by homebased workers include filleting fish, salting fish, drying seafood and peeling shrimp. Homebased workers can either work alone or in groups within the community.

Within these four workplaces the study focuses on the following workers:

Informal worker – ILO's definition of informal worker includes 'employees holding informal jobs²⁷ in or for formal enterprises, or in or for economic units in the informal economy' and 'workers in unrecognized or unregulated employment relationships.'²⁸ In Indonesia, the term informal worker is not recognized in Law No. 13 of 2003 concerning Manpower.²⁹

Internal migrant – Indonesian nationals who migrate from their community of origin to another part of Indonesia in search of employment.

Finally, it is worth noting that pier-based operations, processing garages and homebased work typically operate within the informal sector:

Informal sector – The informal economy or sector is defined internationally as "all economic activities by workers and economic units that are – in law or in practice – not covered or insufficiently covered by formal arrangements."³⁰ In Indonesia, the Central Bureau of Statistics similarly defines the informal sector as a sector that mostly employs non-permanent workers, operates in a lower-level organization, and small-scale businesses.³¹

Supply chain dynamics: Indonesian internal migrant workers interviewed for this study are engaged in pre- and primary seafood processing activities in the lower tiers of the supply chain, as indicated (Figure 1, steps 3 and 4). These workers are employed in various workplaces, including SMEs, pier-based operations, processing garages and home-based workplaces. Tasks these workers carry out include for instance unloading fishing vessels or sorting, cleaning, peeling and drying seafood.

26 Indonesia has not ratified the ILO Home Work Convention, which defines "home work" as: "work carried out by a person, to be referred to as a homemaker, i) in his or her home or in other premises of his or her choice, other than the workplace of the employer; (ii) for remuneration; (iii) which results in a product or service as specified by the employer, irrespective of who provides the equipment, materials or other inputs used." However excluding if, "this person has the degree of autonomy and of economic independence necessary to be considered an independent worker under national laws, regulations or court decisions." ILO, Home Work Convention, 1996 (No. 177), Geneva, 83rd ILC session (20 Jun 1996), Article 1.

27 ILO statistical definitions for informal work further clarify that "Employees are considered to have informal jobs if their employment relationship is, in law or in practice, not subject to national labour legislation, income taxation, social protection or entitlement to certain employment benefits (paid annual or sick leave, etc.) for reasons such as: non-declaration of the jobs or the employees; casual jobs or jobs of a limited short duration; jobs with hours of work or wages below a specified threshold (e.g. for social security contributions); employment by unincorporated enterprises or by persons in households; jobs where the employee's place of work is outside the premises of the employer's enterprise (e.g. outworkers without an employment contract); or jobs for which labour regulations are not applied, not enforced, or not complied with for any other reason." See [ILO Guidelines concerning a statistical definition of informal employment](#).

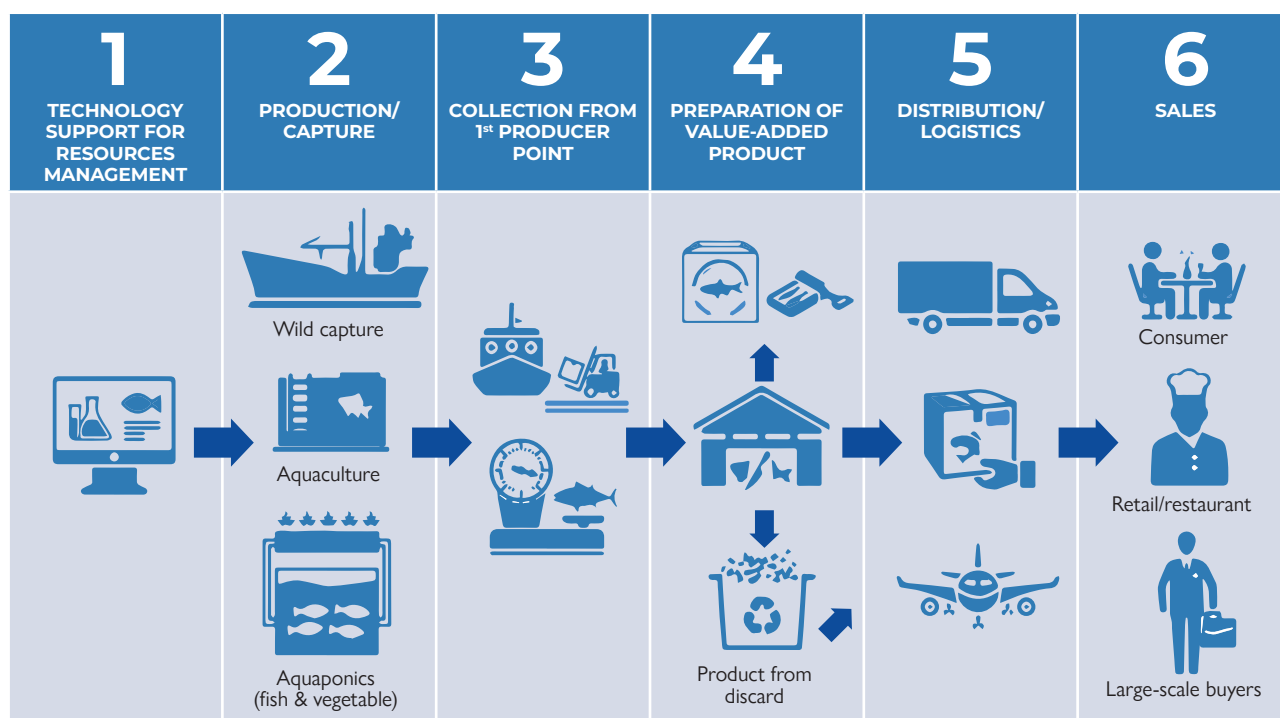
28 ILO R204 Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204).

29 Law 13 of 2003 concerning Manpower.

30 ILO R204 Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204).

31 Badan Pusat Statistik (2014) [Survei Sektor Informal Tahun 2014](#).

Figure 4: Supply chain dynamics in the seafood processing sector



Methodology

This study builds on mixed research methods, including surveys among 201 workers (117 men and 84 women) employed in the pre- and primary seafood processing sectors in six coastal locations, complemented by key informant interviews (KIIs) with representatives of government agencies, workers' organizations, and civil society organizations (CSOs), in addition to desk review and an analysis of Indonesia's relevant legal framework. Upon completion of the study, findings have been validated with Government, private sector and civil society actors operating in the seafood processing sector. Private sector actors also provided their inputs to recommendations, particularly targeting the business community. Table 4 provides a snapshot of the methodology. The detailed study methodology can be found in Annex 2.

Table 4: Overview of study methodology

Research questions			
<ol style="list-style-type: none"> 1. What are the migration, recruitment, and employment experiences of internal migrant workers in Indonesia's pre- and primary seafood processing sector? 2. How does Indonesia's legal framework protect workers employed in the pre- and primary seafood processing sector? 3. How can the protection of internal migrant workers in the pre- and primary seafood processing sector be enhanced? 			
Methods			
Primary data collection (December 2021–March 2022)		Locations	Number of interviewees
	Worker survey	<ul style="list-style-type: none"> • Muara Angke, Jakarta • Muara Baru, Jakarta • Medan, North Sumatra • Tangerang, Banten • Makassar, South Sulawesi • Surabaya, East Java 	201 workers: <ul style="list-style-type: none"> • 117 men workers; • 84 women workers;
	Observations	Fieldnotes detailing the researcher's observations at the six survey locations.	
	Key informant interviews (KIs)	Online	8 KIs were conducted with representatives from: <ul style="list-style-type: none"> • 2 Government ministries³² • 3 workers organizations • 2 CSOs • 1 INGO
Secondary data collection (October 2021–May 2022)	Validation workshops	Online	Validation workshops held with: <ul style="list-style-type: none"> - 6 government representatives - 4 civil society representatives - 5 national industry associations
	Desk review	<ul style="list-style-type: none"> • A literature review, focused on recruitment and working conditions in the seafood processing sector • Indonesian seafood production and trade statistics 	
	Review of the legal framework	<ul style="list-style-type: none"> • Analysis of the labour protections for workers in the pre- and primary seafood processing sector • Assessment of the gaps in the legal framework 	

Limitations

This study focuses on the perspectives of workers, not of employers in the sector. As such, employers have not been interviewed as part of this study. In addition, the sampling strategy used to identify workers was not designed to provide a statistically representative sample of the pre- and primary seafood processing sector. Instead, data illustrate trends and key challenges faced by internal migrant workers in the sector.

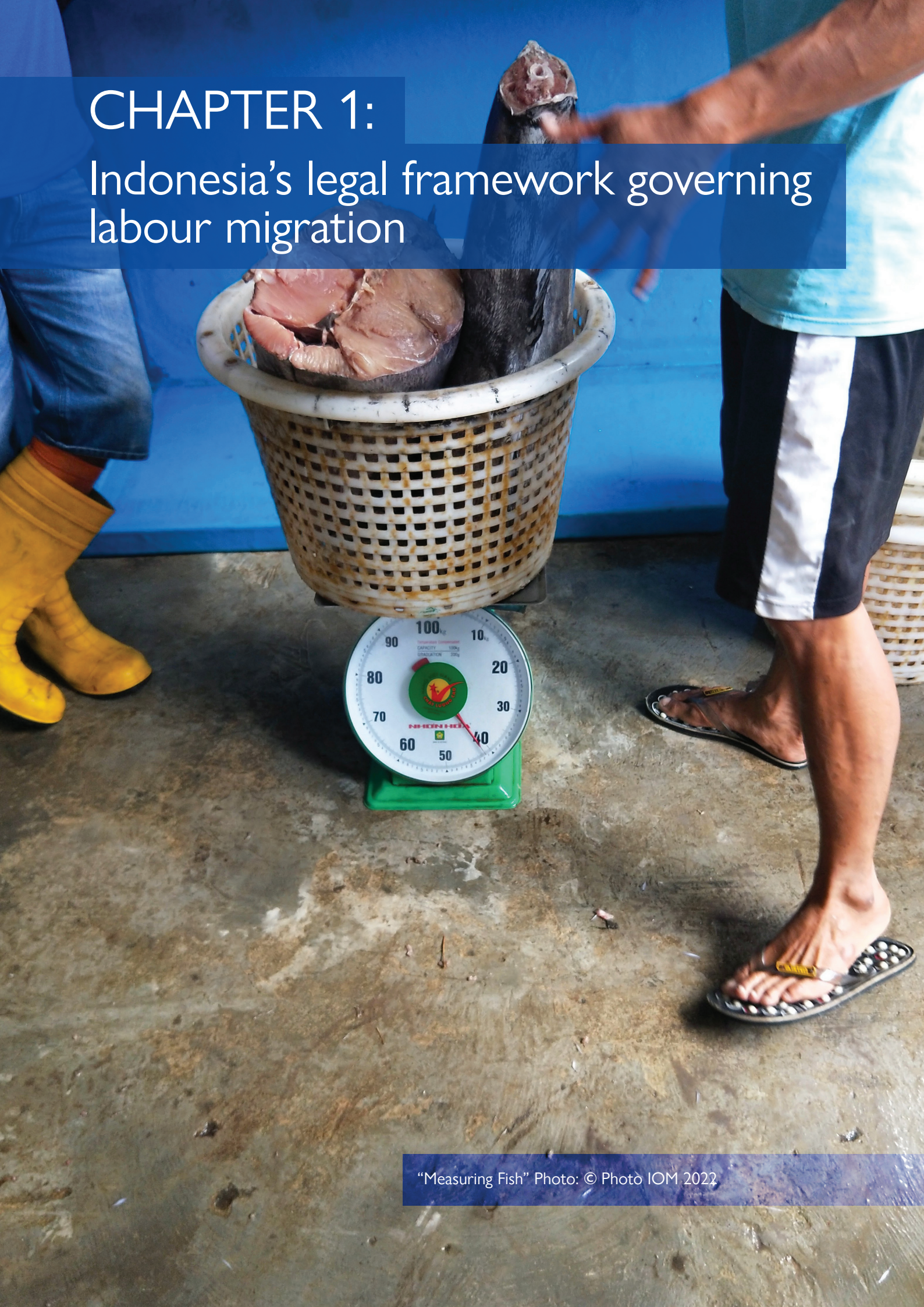
32 Note: Over 20 participants from a range of the departments at the Ministry of Manpower participated in one of the two government interviews.

Report Structure

This study report first provides an overview of key legislation in Indonesia governing labour. The report then presents an overview of the study's findings, related to internal migrant workers' migration, and their recruitment and employment experiences in the lower tiers of the pre- and primary seafood processing sector. Recommendations are provided to support the Government of Indonesia, private sector actors, international organizations, and civil society actors, to address and mitigate the identified challenges facing internal migrant workers in the sector.

CHAPTER 1:

Indonesia's legal framework governing labour migration



This chapter provides an overview of key legislation applying to workers employed in Indonesia's pre- and primary seafood processing sector. Key aspects of the legal framework are also examined throughout the report, in conjunction with the relevant findings from the primary data collection, and a detailed analysis of the legal framework can be found in Annex 1.

Labour protections are primarily enshrined in Law No. 13 of 2003 concerning Manpower, and Law No. 40 of 2004 on Social Security. Furthermore, workers have the right to join unions under Law No. 21 of 2000 concerning Trade Union. It should be noted that, at the time of writing in June 2022, Law No. 11 of 2020 concerning Job Creation had been declared 'conditionally unconstitutional'³³ and was under review. Thus, it is possible that changes to national legislation, which would occur as a result of the implementation of Law No. 11 of 2020 concerning Job Creation, may not proceed. Where this law would affect existing national legislation on worker protection is highlighted in the following paragraphs.

Law No. 13 of 2003 concerning Manpower is Indonesia's most comprehensive piece of national legislation on labour, regulating matters relating to employment of all workers in Indonesia, including seafood processing workers. It aims to 'empower' and make efficient use of workers in a 'humane' manner, and create equal employment opportunities, strengthen protections for workers, and improve the welfare of workers and their families. However, labour rights protections enshrined in Law No. 13 of 2003 concerning Manpower are limited to workers who have an employment relationship. Under Article 50, an employment relationship is defined as 'existing if there exists an agreement between a worker and an employer'. Under Article 51, this agreement can be made verbally or in writing. Under Article 89(1) of Law No. 13 of 2003 concerning Manpower, workers are entitled to the minimum wage, based on provincial or district/city-based minimum wages.³⁴

Law No. 13 of 2003 concerning Manpower provides that working hours should be seven hours a day and 40 hours a week over six working days, or eight hours a day and 40 hours a week over five working days. Under Article 77(3), it is specified that the working hour rulings do not apply to 'certain business sectors or certain types of work' which are undefined. Overtime is permitted when the worker agrees to it, and must be limited to three hours a day, with a maximum of 14 hours a week.³⁵ While Article 78(2) specifies that workers must be compensated for their overtime work,³⁶ the law is silent on the amount that workers should be compensated for. The law further stipulates various regulations regarding employment termination. Article 167 covers the compensation/remuneration of workers whose employment is terminated. Article 153 states that employers are prohibited from terminating the employment of women workers who are pregnant, have recently given birth, experienced miscarriages, or need to breastfeed their babies. The protection of women workers is further covered under Article 82(1), which notes that women workers are entitled to paid leave of 1.5 months prior to giving birth, and 1.5 months of maternity leave after giving birth. Under Article 81(1) women workers may take two days of paid menstruation leave per month.³⁷

33 See 'Demi Keadilan Berdasarkan Letuhanan Yang Maha Esa Mahkamah Konstitusi Republik Indonesia'.

34 Minimum wage provisions would be amended under the new Omnibus Law.

35 Government Regulation No 35/2021, Article 26, issued after Law 11/2020 passed, prescribes overtime work limits as four hours per day or 18 hours per week. See https://jdih.kemnaker.go.id/asset/data_puu/PP352021.pdf.

36 Working hour provisions would be amended under the new Omnibus Law.

37 Menstruation leave would be repealed under the new Omnibus Law.

Under Article 86 every worker has the right to receive OSH protection. Under Article 99(1) workers and their families are entitled to social security. Collective bargaining is permitted under Article 116 and workers have the right to establish or join unions under Article 104.

Law No. 11 of 2020 concerning Job Creation introduced a range of changes to Law No. 13 of 2003 concerning Manpower, which risked eroding some of the protections afforded to workers, including in the areas of regulation of fixed-term contracts and outsourcing, wage determination, dismissals, severance pay, leave and working time. For example, under Law No. 13 of 2003 concerning Manpower, workers who are employed for three years should have their contract converted into a permanent contract, whereas Law No. 11 of 2020 concerning Job Creation would increase this to five years.

The implementing regulations for Law No. 11 of 2020 concerning Job Creation also undermine key labour protections. Among these, Article 36 of Government Regulation No. 36 of 2021 concerning Wages, is particularly noteworthy, as it exempts small and micro enterprises from the requirement to pay minimum wage.

Law No. 24 of 2011 on the Social Security Organizing Agency established the Social Security Organizing Agency whose role is to organize the social security programme. Article 1 of the law stipulates that the implementing agency is BPJS Ketenagakerjaan.

Under **Law No. 40 of 2004 on Social Security**, all workers have the right to social security. Article 18 outlines the different types of social security programmes, including pension, health insurance, life insurance, and work accident insurance. Article 20 stipulates that workers are covered by the scheme if they have paid their contributions, or if these are paid by the Government. Law No. 11 of 2020 concerning Job Creation also potentially negatively impacts Law No. 40 of 2004 on Social Security. For example, Law No. 11 of 2020 concerning Job Creation repeals the elimination of criminal sanctions for companies that fail to enrol their workers in the pension programme – which would lead to workers potentially losing access to pensions as there would be no consequences for employers for failing to enrol workers.³⁸

Under **Law. No. 21 of 2000 concerning Trade Union** workers have the right to establish and join unions. The Law outlines unions' rights to function in order to protect, defend and improve the welfare of workers and their families; and the protection for workers against acts of anti-union discrimination and interference.

While legislation offers protection to workers during the employment stage, it offers flexibility to small scale businesses in implementing the fulfilment of worker's rights, causing protection gaps that leave workers in the pre- and primary seafood processing sector, particularly those employed in informal work or without employment agreement, unprotected. Gaps particularly exist related to payment of minimum wage, health and safety, and access to social security. In addition, in practice, legislation is insufficiently enforced in the lower tiers of the supply chain, which is further elaborated upon in this report.

38 See PSHK (2018) Policy Advocacy Paper on Law No. 11 year 2020 on Job Creation in the Employment Sector.

CHAPTER 2: Study findings



"Unloaded fish at Muara Baru Port" Photo: © IOM 2019

This chapter provides an overview of study findings, related to the recruitment and employment experiences of internal migrant workers employed in the lower tiers of Indonesia's pre- and primary seafood processing sector, especially in SMEs, pier-based operations, processing garages and home-based workplaces.

Migrant worker dynamics

The vast majority of the 201 Indonesian workers (117 men and 84 women) surveyed – 191 respondents - for this study were internal migrants. Women workers surveyed were predominantly employed in processing garages and homebased workplaces. The characteristics of interviewed workers are further detailed in Table 5.

Table 5: Overview of workers surveyed by workplace and by sex

Workplaces	All workers	Male workers		Woman workers		Internal migrants	
SME factory	48	31	65%	17	35%	44	92%
At the pier	50	47	94%	3	6%	50	100%
Processing garage	80	38	48%	42	53%	76	95%
Homebased	23	1	4%	22	96%	21	91%
Total	201	117	58%	84	42%	191	95%

The average age of workers surveyed was 33 years. Women workers were slightly older, with an average age of 34 years. About two thirds of interviewed workers were married, and two thirds had children. Workers reported having an average of 2.1 children, many of whom had migrated internally with their parents. These findings are in line with prior research into internal migration within Indonesia, which found that internal migrants are often young (64.9% were aged 15 to 34 years).³⁹

Employment and workplace

Two out of every five interviewed workers reported that the employment they held at the time of the interview was their first job in the seafood industry. Homebased workers were most likely to have previously worked in the sector prior but quit their previous employment to take up more flexible homebased work. One out of every six interviewed workers, primarily SME factory workers, previously worked in larger seafood processing factories, the large majority of whom reported that they had lost their previous job as a result of the COVID-19 pandemic.

Most surveyed workers reported to have started the employment they held at the time of the interview in the last five years, with less than half of workers noting that they had been in that job for less than three years (Table 6).

39 UNESCO, UNDP, IOM, & UN Habitat (n.d.) Overview of Internal Migration in Indonesia.

Table 6: Duration working in job held at time of data collection, in the land-based seafood processing sector, among workers surveyed

Workplaces	Over 10 years		4-9 years		Less than 3 years	
SME factory	6	13%	16	33%	26	54%
At the pier	10	20%	22	44%	18	36%
Processing garage	15	19%	29	36%	36	45%
Homebased	6	26%	8	35%	9	39%
All workplaces	37	18%	75	37%	89	44%
Men workers	24	21%	46	39%	47	40%
Women workers	13	15%	29	35%	42	50%

According to interviewed representatives from workers' organizations, many workers migrated internally in search of work but did not specifically seek employment in the pre- and primary seafood processing sector: "They migrate. They did not intentionally apply for the job. They look for any job."⁴⁰ An interviewed representative of a civil society organization noted that in the informal sector, much of the recruitment happens through word of mouth.⁴¹ Employers often identify workers by referral from their current employees and/or by advertising jobs within migrant communities near the port.⁴²

As recruitment particularly happens informally through word of mouth, about two thirds of interviewed workers learned about their current job through friends (Figure 5). In addition, some interviewees, primary SME workers, learned about the job directly from their employer. Consequently, about three out of every four interviewed workers (143 respondents), particularly pier-based and homebased workers, had secured the employment they held at the time of data collection through friends or family members who were already working for the employer (Figure 6). One out of every five interviewed workers, particularly SME factory workers, applied for employment directly to the employer.

40 Workers' Organization Interview 2.

41 CSO Interview 1.

42 Jones et al. (2019) Fish for Export: Working in the wild capture seafood industry Indonesia, p. 23.

Figure 5: How surveyed workers learned about their current employment

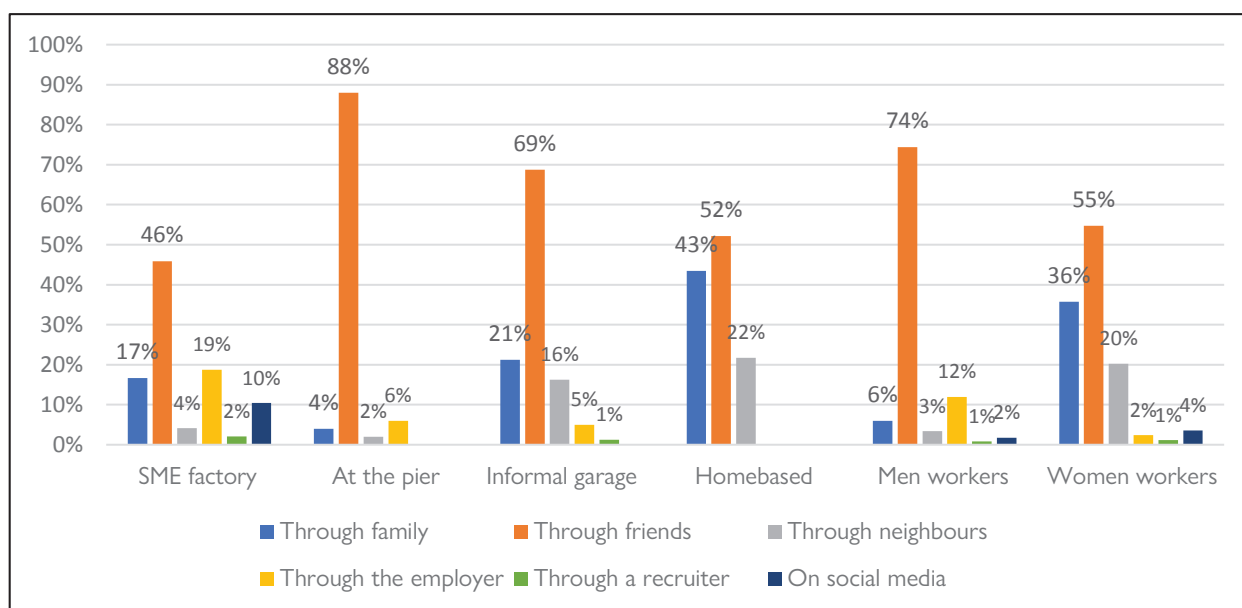
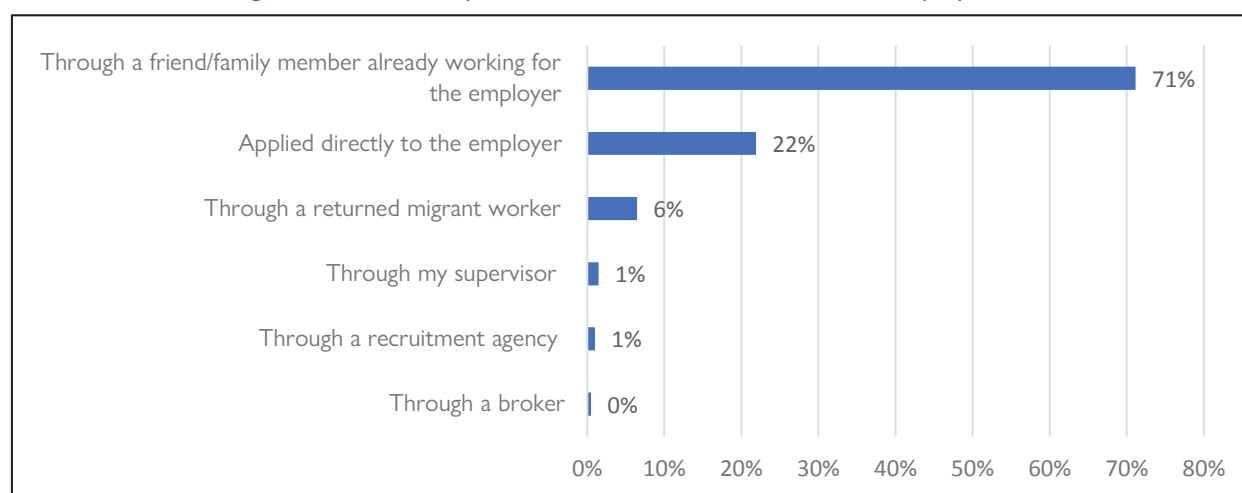


Figure 6: How surveyed workers obtained their current employment



The size of the workforce at workplaces of interviewees varied, ranging mostly between two and 10 workers and between 150 and 200 workers (Table 7). Processing garages and homebased work tended to be smaller operations compared to pier-based work or SME factories, with processing garages generally employing less than 100 workers. Interviewed homebased workers reported working together with other homebased workers or alone.

Table 7 : Size of the workforce in interviewees' workplaces

Homebased, working alone	6
2–10 workers	31
11–25 workers	34
26–50 workers	32
51–100 workers	37
101–150 workers	32
151–200 workers	21
200+ workers	4
Do not know	4

Within assessed workplaces, surveyed workers were engaged in a range of tasks in the land-based pre- and primary seafood processing sector, including unloading fish from vessels, sorting fish, peeling shrimp, cleaning fish, filleting fish, salting fish and cleaning squid (Table 8). Interviewed SME factory workers sorted fish and pack it into boxes; pier-based workers unloaded catch from vessels and sorted it; processing garage workers unloaded and sorted fish, peeled shrimp, cleaned, filleted and salted fish, and cleaned squid, and homebased workers filleted and salted fish, peeled and deveined shrimp, and dried seafood.

Table 8 : Job description of workers surveyed. Note: workers can undertake more than one role within their job

Unloading/loading fish	75	Grading fish/seafood	10
Sorting fish	45	Beheading fish	9
Peeling shrimp	23	Gutting fish	8
Cleaning fish	21	Drying squid	6
Filleting fish	18	Drying seafood	6
Salting fish	12	Freezing seafood	3
Packing fresh seafood into boxes	12	Canning tuna	3
Deveining shrimp	11	Canning mackerel	3
Cleaning squid	11	Packing processed seafood into boxes	1

During the recruitment process of interviewed migrant workers, the use of pregnancy tests was almost non-existent: only one SME factory worker reported being asked to take a pregnancy test, the reason for which was uncertain. This finding contradicts with research into recruitment practices within formal seafood processing factories, where the use of pregnancy screening during recruitment has been requested.⁴³ The research revealed that pregnant workers would not have their contracts renewed or those who reapplied after giving birth were employed as interns with lower wages.⁴⁴

Reportedly, one out of every six interviewed workers (32 respondents) reported that their employer took their identity documents during the recruitment process. However, all but one worker reported that their

43 Oxfam & Sustainable Seafood Alliance Indonesia (2018) Supermarket Responsibilities for Supply Chain Workers' Rights, p. 26.

44 Ibid.

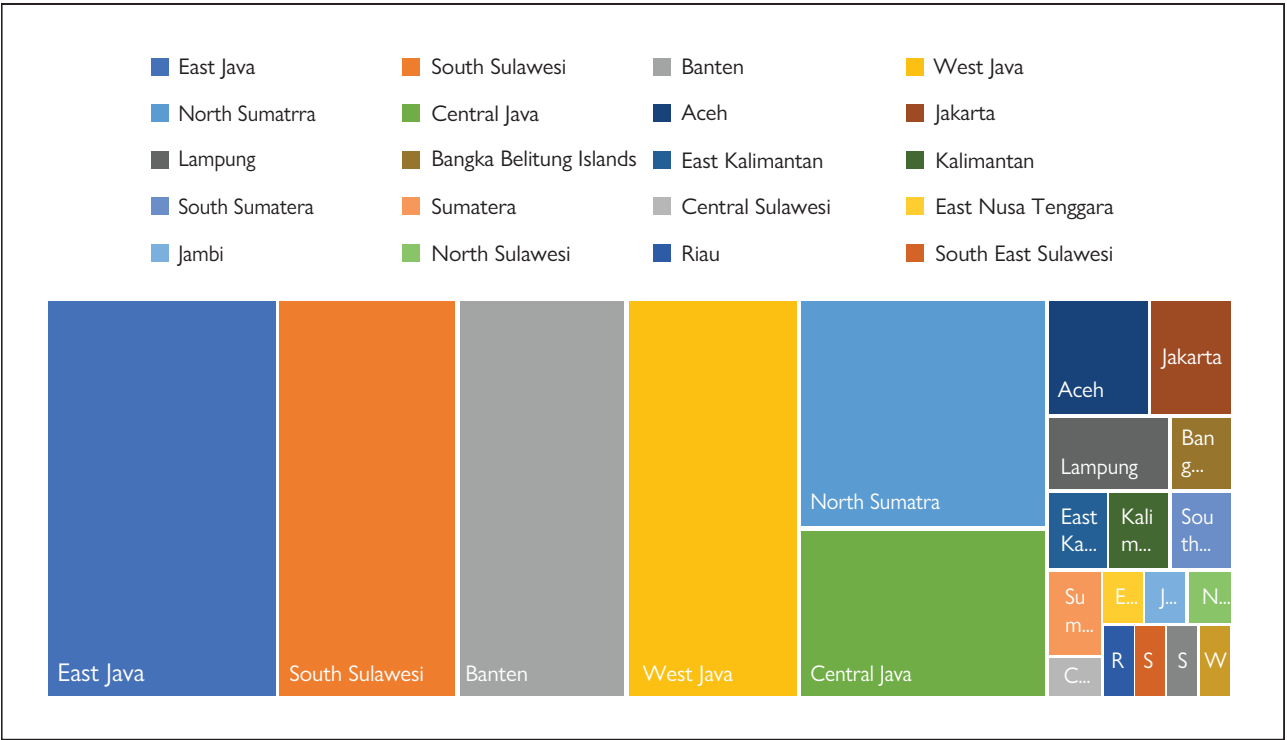
documents were returned to them promptly; however, the timeframe and process of document retention was not specified.



Migration journeys

The majority of surveyed internal migrant workers originated from East Java, South Sulawesi, Banten, West Java, North Sumatra, or Central Java (Figure 7). The most used migration corridors identified during this study were from East Java to Surabaya, Banten to Jakarta, South Sulawesi to Makassar, North Sumatra to Medan, West Java to Jakarta, and West Java to Tangerang. This suggests that internal migrant workers do not move far away in search of employment, but instead migrate to neighbouring cities or provinces in search of work.

Figure 7: Community of origin of internal migrant workers surveyed



As interviewed workers had migrated at different times (Table 9), no clear migration patterns were identified. Noticeably, more surveyed women workers had migrated over 10 years ago, compared to men. SME factory workers were the most likely to have migrated recently, while homebased workers generally did not migrate recently: almost half of interviewed homebased workers migrated over 15 years ago.

Surveyed workers in Surabaya were the least likely to have migrated recently, while most interviewed workers in Medan had migrated within the last three years.

Table 9: Timeframe in which workers migrated internally in Indonesia

Workplaces and gender	Over 10 years		4–9 years		Less than 3 years	
SME factory	11	23%	16	33%	21	44%
At the pier	13	26%	21	42%	16	32%
Informal garage	26	33%	26	33%	28	35%
Homebased	13	57%	5	22%	5	22%
All workplaces	63	31%	68	34%	70	35%
Men workers	30	26%	47	40%	40	34%
Women workers	33	39%	21	25%	30	36%
Migration destination:						
Muara Angke, Jakarta	15	34%	15	34%	14	32%
Muara Baru, Jakarta	12	21%	22	39%	23	40%
Belawan, Medan	6	23%	2	8%	18	69%
Dadap, Tangerang	8	40%	4	20%	8	40%
Paotere, Makassar	8	32%	12	48%	5	20%
Surabaya	14	48%	13	45%	2	7%

Although interviewed internal migrant workers migrated at different times, they had lived in the area where they resided at the time of data collection for an average of 8.5 years (Table 10). This suggests that internal migrant workers in the pre- and primary seafood processing sector are relatively settled in their destination community, rather than being short-term migrants. Noticeably, workers employed in homebased workplaces and processing garages had lived in their destination community for longest. However, they may have held various jobs throughout the years.

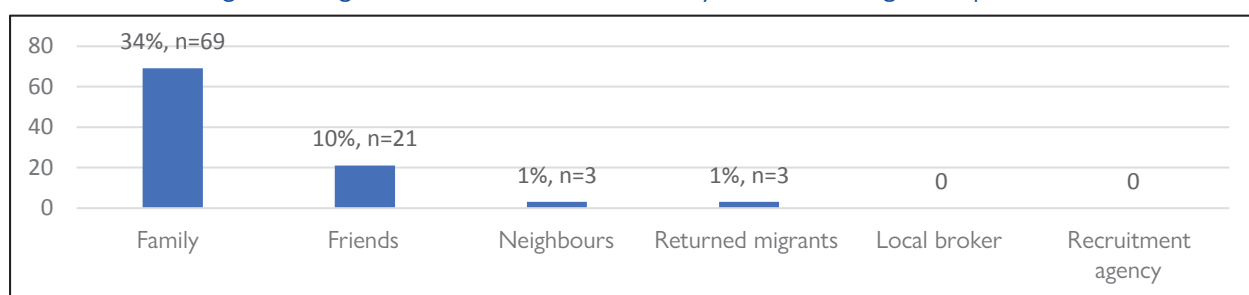
Table 10: Average duration workers have lived in their current location (years)

SME factory	5.9
At the pier	7.4
Processing garage	8.9
Homebased	14.4
All workers	8.5
Men workers	7.6
Women workers	9.7

Most surveyed workers reported that pull factors motivating their decisions to migrate internally within Indonesia are to seek new opportunities and to earn more than in their communities of origin. To a lesser extent, workers were motivated to migrate by the need to remit money to family members who remained in their community of origin. Some interviewees also noted that they had migrated to follow family or friends. During interviews, women workers who were married at the time of their migration were likely to report that they migrated with, or following, their husband; “I followed my husband to work in this city” and “I followed my husband because his family lives here.” Furthermore, one out of 10 interviewed workers reported that there were no job opportunities at home, which acted as a push factor for migration.

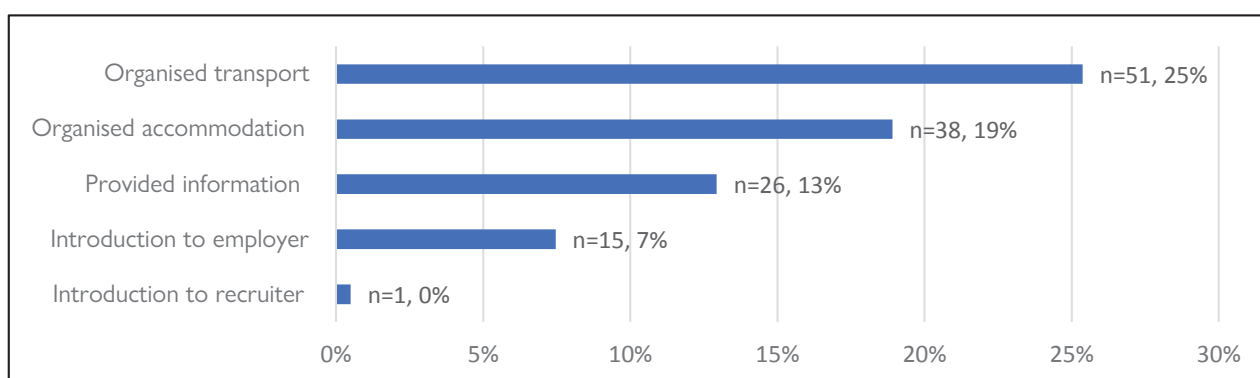
Only few actors appear to be involved in the internal migration process. More than half of interviewed workers (115 respondents) reported that they migrated by themselves without assistance while 85 workers reported that someone helped them to migrate.⁴⁵ Noticeably, local brokers or recruitment agencies were reportedly not involved in respondents' internal migration process. Women workers were more likely to have received assistance to migrate than men workers, particularly by family members or friends. By workplace, workers employed in homebased workplaces and processing garages were more likely to report that someone assisted them to migrate, potentially due to the higher concentration of women workers within these workplaces and because many women migrated together with family members. Reportedly, the majority of interviewed SME factory and pier-based workers did not receive assistance during their internal migration.

Figure 8: Migration actors involved in surveyed workers migration process



As shown in Figure 9, the most common form of assistance received by interviewed workers was organization of transportation, organization of accommodation, provision of information on internal migration, and facilitating introductions to an employer.⁴⁶ Women workers were more likely to receive assistance with organizing transport, accommodation, and being introduced to an employer. Men workers were more likely to report that they received assistance in the form of information or organizing transport.

Figure 9: Forms of migration assistance received by all surveyed workers



Migration costs

The average migration cost for internal migration reported by workers surveyed was IDR 573,546 (USD 39),⁴⁷ which is significantly less than the IDR 5 million (USD 343) reported by Indonesian migrant fishers legally placed overseas.⁴⁸ Migration costs paid by internal migrant workers mostly consisted of transportation cost.

⁴⁵ One surveyed worker migrated as a young child and was not asked about migration actors or related costs.

⁴⁶ Note: workers could have multiple reasons for migrating.

⁴⁷ Throughout this report, an exchange rate of IDR 14,600 to USD 1 is used.

⁴⁸ ILO (2019) ILO working paper: Study on the recruitment and placement of migrant fishers from Indonesia, p. 17. Note: many migrant fishers pay significantly more than IDR 5 million.

Thus, costs varied based on distance migrated, with workers migrating interprovincially paying higher costs than those traveling intra-provincially. As indicated in Table 7, interviewed SME factory workers paid the most to facilitate their migration, while processing garage workers paid the least. The findings also suggest that women workers paid less than men workers to migrate.

Apart from the migration related transport costs, very few interviewed workers (3 respondents) reported having paid a fee of IDR 10,000 (USD 0.70) to obtain their current employment. One worker reported that the fee was for transport, while another reported that it was for equipment. The third worker refused to specify the amount and what it was paid for but noted that it was later reimbursed by their employer. Although very few recruitment fees and related costs were reportedly paid by the workers surveyed, this does not take into account the costs involved in internal migration, which were borne by workers themselves.

Table 11: Average recruitment fees and related costs in IDR by workplace type and by sex

Workplaces	All workers	Male workers	Woman workers
SME factory	1 092 857	1 228 571	821 429
At the pier	545 652	547 727	500 000
Processing garage	304 183	277 118	329 054
Homebased	480 000	no data	480 000
All workplaces	573 546	640 774	468 750

Note: calculations exclude those who did not pay any costs to migrate

Interestingly, the length of time passed since interviewed workers migrated appears to influence the recruitment fees and related cost less than the destination they migrated to. The findings suggest that internal migrants who migrated to Jakarta paid the most, while those migrating to Makassar reportedly paid the least (Table 12). The difference in costs per destination is likely attributable to the distance between the community of origin and destination; the majority of surveyed workers in Makassar migrated intra-provincially, while workers surveyed in Jakarta migrated interprovincially – from Banten, West Java, and Central Java.

Tabel 12: Average recruitment fees and related costs in IDR by migration destination and by sex

Workplaces	All workers	Male workers	Woman workers
Muara Angke, Jakarta	770 833	878 103	531 538
Muara Baru, Jakarta	807 827	800 167	840 000
Belawan, Medan	410 870	400 000	419 231
Dadap, Tangerang	350 833	550 000	293 929
Paotere, Makassar	122 500	122 500	No data
Surabaya	378 947	200 000	388 889

Note: calculations exclude those who did not pay any costs to migrate

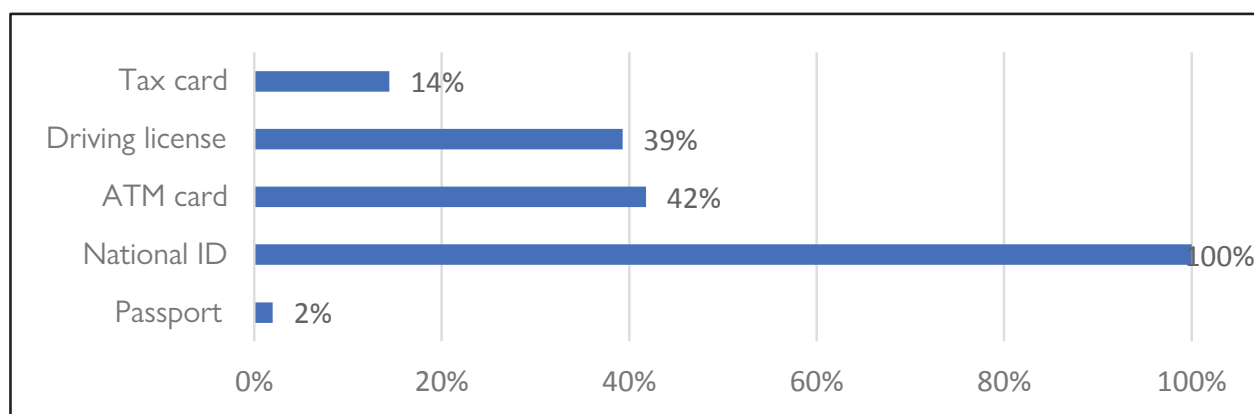
Given the relatively low migration and recruitment fees and related costs involved in internal migration, only 11 interviewed workers went into debt to cover the costs, particularly for transport and accommodation. Of these workers, five borrowed money from family and four borrowed from friends or neighbours. In addition, at

the time of their migration two workers went into debt to their employer, borrowing money to leave with their family and for health-related reasons. A third worker borrowed money from a local broker for business capital. Thus, although three workers were indebted to a broker or their employer at the time of their migration, no surveyed workers went into debt to an employer or broker to cover recruitment fees and related costs.

Documentation

Interviewed representatives of a workers' organization noted that jobseekers intending to migrate for work are required to have an identity card (ID) and obtain a reference letter from their village head, to verify that they obtained their family's permission to migrate. However, the representative noted that many workers in the informal sector do not get this letter,⁴⁹ as workers may be unaware of the requirement to inform the village head and to obtain an ID.⁵⁰ However, all workers surveyed for this study obtained an ID and few workers held a passport (Figure 10). The vast majority of interviewed workers (195 respondents) reported that they hold their identity documents. The six workers who reported not to hold their documents noted that these are kept by their employer. Half of them said they can access their documents when they need to. This indicates that three surveyed workers likely had their documents withheld. None of the workers whose documents were kept by their employer reported their documents being kept as a reason for not being able to quit their employment. This may be due to the fact that internal migrant workers can leave and travel home without their documents, which is not an option for overseas migrants.

Figure 10: Documents possessed by surveyed workers



Employment Contract

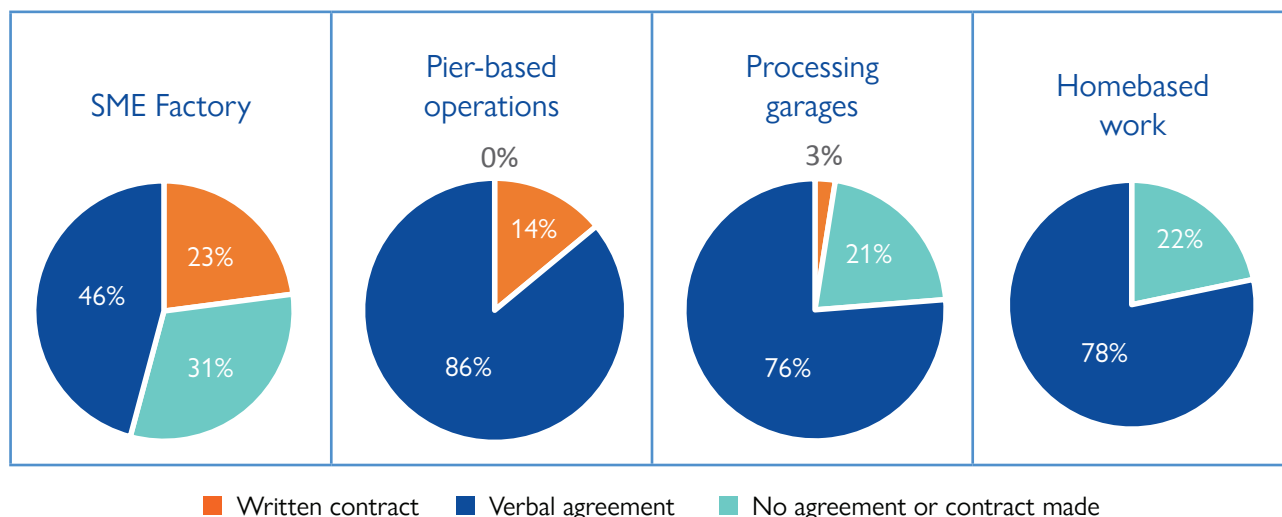
Only some (13 respondents) had received a written contract, out of whom 12 had received a copy of it. As shown in Figure 11, most of these workers worked in SME factories located in Jakarta. About a quarter of interviewed SME factory workers received a written contract; thus surveyed men workers were more likely to have a written contract than surveyed women workers. Some surveyed workers previously held a written contract, however, as it had expired, they only held a verbal agreement with their employer at the time of the data collection. Absence of written employment contracts is likely interlinked with the nature of work in the sector, as the availability of work in the pre- and primary processing seafood sector is dependent on the volume of seafood available to process. Consequently, employers hire daily workers when large volumes of seafood are available to process.

49 Workers' Organization Interview 2.

50 Workers' Organization Interview 2.

Among all surveyed workers, about three out of every four had made a verbal agreement with their employer. However, about one out of every five interviewees (44 respondents) had neither a written contract nor made a verbal agreement with their employer. Thus, these workers appear to be excluded from the labour protections under Law No. 13 of 2003 concerning Manpower.

Figure 11: Type of work agreement held by surveyed workers, by workplace



Previous research, such as that conducted by Coventry University between 2017 and 2019, found that workers in the seafood processing industry were often hired on temporary contracts even though they were entitled to permanent contracts, since they had been in their current job for over three years.⁵¹ Among the interviewed workers who held a written contract, 12 held temporary contracts, even though some of them had been in their job for over three years and were thus entitled to a permanent contract.⁵²

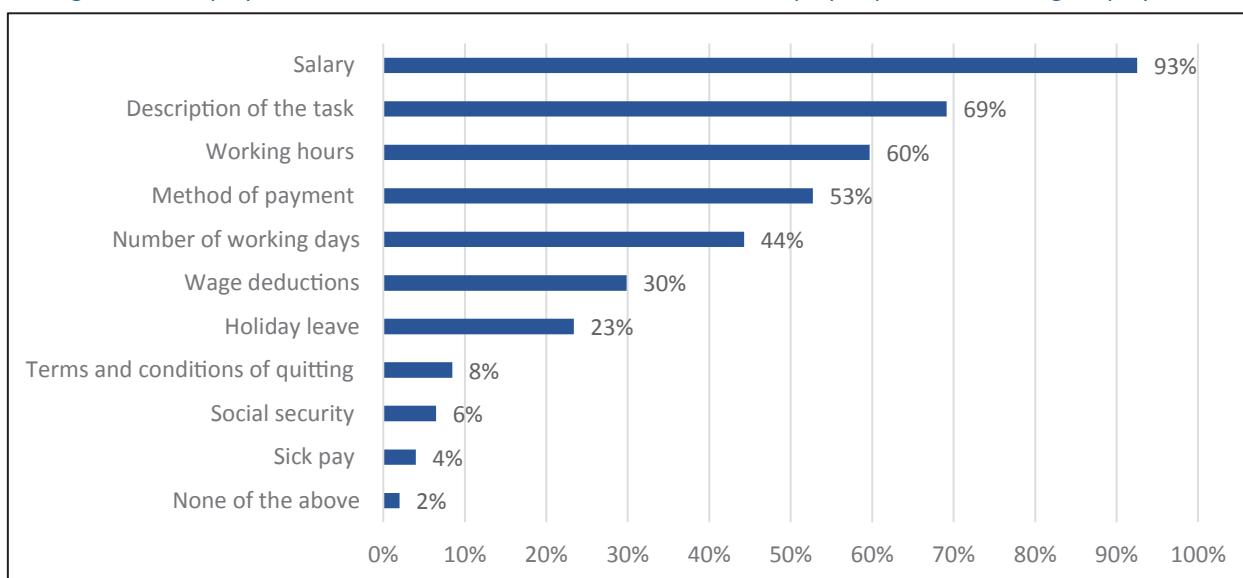
Knowledge of working conditions

Interviewed workers reported discussing a variety of terms and conditions with their employer prior to commencing their employment. As indicated in Figure 12, the most discussed aspect was salary, followed by description of working tasks, and working hours. Only a few interviewed workers reported not having discussed any conditions at all.

51 Jones et al. (2019) Fish for Export: Working in the Wild Capture Seafood Industry in Indonesia.

52 Law 13/2003, Article 59. Note: under Law 11/2020, the limit of three years on temporary contracts is being extended to five years.

Figure 12: Employment terms and conditions discussed with employer prior to starting employment



As the vast majority of surveyed workers had discussed employment conditions prior to accepting the employment, most (191 respondents) reported that they understood the terms of the job prior to taking it.

In addition, most interviewed workers (192 respondents) reported that the working conditions they experienced were the same as agreed. However, a few surveyed workers, who were employed in SME factories and in processing garages, reported that their working conditions differed from what had been agreed.⁵³ Differences reported include a lower salary or piece rate than agreed, and one worker was charged a transport fee that had not been agreed upon.

Working hours and working days

Under Law No. 13 of 2003 Concerning Manpower, standard working hours are set at seven hours per day if working six days per week, or eight hours a day if working five days per week.⁵⁴ Maximum weekly working hours are 40 hours, or 58 hours inclusive of overtime.⁵⁵ Workers who work seven hours a day, six days a week are entitled to one weekly off-day, while workers who work eight hours a day for five days a week are entitled to two days off per week.⁵⁶ As working hours and days in the pre- and primary seafood processing sector are linked to the volume of seafood to be processed, many surveyed workers reported working over six days a week. On days when high volumes of catch had to be processed, the longest working hours as reported by interviewees, can exceed the maximum working hours stipulated in Law No. 13 of 2003 Concerning Manpower.

⁵³ A further 1 per cent (2) were unsure and 1 per cent (2) refused to answer.

⁵⁴ Law 13/2003, Article 77.

⁵⁵ Law 13/2003, Article 77, Government Regulation 35 of 2021, Article 26.

⁵⁶ Law 13/2003, Article 79.

Table 13: Average reported working hours per day and working days per week, by workplace and by sex

Workplaces and gender	Average working hours a day	Average working days a week
SME factory	8.5	5.7
At the pier	8.5	6.0
Processing garage	8.6	6.7
Homebased	8.0	6.8
All workplaces	8.5	6.3
Men workers	8.5	6.2
Women workers	8.5	6.5

Most surveyed workers reported working eight or nine hours a day; across all workplaces, interviewed workers work an average of 8.5 hours per day (Table 13). However, processing garage workers reported working slightly longer hours with an average of 8.6 hours per day. Interviewed workers in Muara Angke in Jakarta reported working the longest hours with an average of nine hours per day, followed by surveyed workers in Makassar, who worked an average of 8.7 hours per day.

Table 14: Average working hours on shortest working day and on longest working day, by workplace and by sex

Workplaces and gender	Least working hours a day	Most working hours a day
SME factory	7.4	11.4
At the pier	5.8	11.0
Processing garage	6.8	11.5
Homebased	6.2	9.7
All workplaces	6.6	11.1
Men workers	6.5	12.0
Women workers	6.8	10.0

Working hours in the pre- and primary seafood processing sector are often unpredictable, as they are determined by the volume of catch available to process. Among surveyed workers, those in Makassar reported the most consistent range in working hours, varying between seven and 9.7 hours per day. Surveyed workers in other survey locations in Indonesia reported much more unpredictable working hours: in Jakarta, working hours reportedly ranged between 6.2 and 11.7 hours, and in Surabaya between 6.1 and 10 hours. Noticeably, some homebased workers in Tangerang reported working two shifts, from dawn until 10 a.m. and starting again in the afternoon, due to the low piece rate remuneration they received for their work.

In this study, no difference was observed in the average daily working hours of men and women workers. However, the longest working day reported by interviewed men workers was on average one hour longer than the longest working day reported by women workers. This finding is likely due to the nature of pier-based work, where mostly men were surveyed, and which can involve long working hours during peak fishing seasons when higher volumes of catch have to be unloaded from vessels.

Interviewed SME factory workers were the most likely to report weekly working days within the legal limits, working an average of 5.7 days per week, while surveyed workers employed in homebased workplaces and processing garages were more likely to work seven days per week, thus exceeding legal limits (Figure 13). Given that many interviewed workers reported working more than six days per week, many do not get a day off, which was reported by two out of every five surveyed workers (80 respondents). Among interviewed pier-based workers, about a quarter reported one weekly day off, while about a third reported no days off. The remaining interviewed pier-based workers argued that, as freelance informal workers, it is up to them when they take a day off.

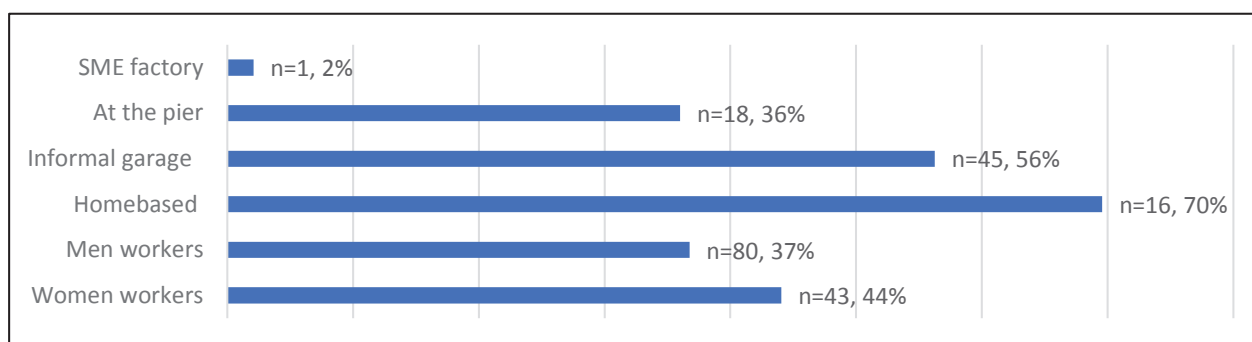
On average, interviewed women workers worked slightly more days than men workers; 6.5 days per week and 6.2 days per week respectively. This is likely linked to the different types of workplaces employing men and women workers; surveyed men were more likely to work in SME factories and pier-based operations while surveyed women workers worked in processing garages and in their homes. Workers surveyed in Jakarta, where all SME factory workers were surveyed, were more likely to work less than six days a week, while in other survey locations workers typically worked every day (Table 15).

Table 15: Average working days/week, least working days/month, and most working days/month, by location

Locations	Average number of working days a week	Least working days a month	Most working days a month
Muara Angke, Jakarta	5.7	16.6	24.3
Muara Baru, Jakarta	5.9	21.6	25.5
Belawan, Medan	6.9	26.9	30.9
Dadap, Tangerang	6.7	25.1	30.6
Paotere, Makassar	6.7	24.8	30.0
Surabaya	7.0	29.6	30.3

As all workers with an employment relationship are entitled to a minimum of one day off per week, the lack of rest days is in violation of Law No. 13 of 2003 concerning Manpower; however, it is worth noting that due to the low wages provided to workers in the sector, some workers willingly choose to work every day to increase their pay.

Figure 13: Surveyed workers who reported no day off, by workplace and by sex



Prior research conducted by Coventry University noted the impact of seasonality on volumes of catch landed in port and, by extension, the number of days of work available during the low season; and found that employers

reduced working days to three per week.⁵⁷ To assess the impact of seasonality and fluctuating volumes of catch available to process, surveyed workers were asked about the number of working days they worked during the month with the least work available and the number of days they worked during the month with the most work available in 2021, which is indicated in Table 16. The range of days worked by surveyed workers varied across assessed workplaces and locations in Indonesia. SME factory workers reported the least number of days, on average, during months with less work available, despite having the most secure and formal employment. This finding may have been influenced by outbreaks of COVID-19.⁵⁸

Table 16: Average working hours/day and days/week, least working days/month, and most working days/month, by workplace and sex

Workplaces	Least working days a month	Most working days a month
SME factory	19.5	23.4
At the pier	20.3	27.6
Processing garage	25.3	29.6
Homebased	28.8	30.2
All workplaces	23.1	27.7
Men workers	22.4	27.1
Women workers	24.1	28.5



57 Jones et al. (2019) Fish for Export: Working in the Wild Capture Seafood Industry in Indonesia, p. 32.

58 SME factory workers appear to have been the only workers with access to COVID-19 testing facilities; 13 per cent (6) of SME factory workers reported a positive test compared to no pier-based workers and only one per cent (1) of processing garages workers.

Workplace facilities

Most surveyed workers reported having access to a toilet (166 respondents) and to a sink with running water for washing (159 respondents) at work. However, due to lack of facilities available within the vicinity of the port, half of surveyed pier-based workers reported having access to a toilet or a sink with running water at work. Although the majority of surveyed workers reported that they had access to potable drinking water within their workplace, this was usually water that they bought themselves, rather than drinking water supplied by their employer.

All surveyed homebased workers and the vast majority of interviewed SME factory workers reported that they were able to take bathroom breaks. Surveyed processing garage workers were slightly less able to take bathroom breaks as needed. However, less than half of surveyed pier-based workers reported that they had sufficient bathroom breaks at work, likely due to their limited access to bathroom facilities.

Occupational safety and health

Previous research, conducted by Oxfam and by Verité, into OSH in formal seafood processing factories found that working conditions are often dangerous, with workers being exposed to chemicals, extreme temperatures, slippery floors and dangerous machinery without sufficient PPE.⁵⁹ About a quarter of interviewed workers surveyed reported that they previously had an accident at work, which was most prevalent among interviewed SME factory workers. The leading causes of these accidents were tiredness and slippery floors. These causes were particularly reported by interviewed SME factory workers. Tiredness was also reported as a cause of accidents by one fifth of interviewed workers at the pier. Overall, men workers were more likely to report that they had an accident due to tiredness than women workers.



“Crab garage factories around the port in slippery floor condition” Photo: © IOM 2022

⁵⁹ Jones et al. (2019) *Fish for Export: Working in the wild capture seafood industry Indonesia*, p.p. 32–33; Verité (2018) *Labour Conditions in the Tuna Sector Bitung, Indonesia*, p. 31.

Table 17: Percentage of workers who have had a work-related accident, by workplace and by sex

Workplaces	Had an accident		Never had an accident		Provided with PPE		Received OSH training	
SME factory	20	42%	28	58%	44	92%	17	35%
At the pier	14	28%	36	72%	9	18%	28	56%
Processing garage	17	21%	63	79%	30	38%	19	24%
Homebased	3	13%	20	87%	1	4%	6	26%
All workplaces	54	27%	147	73%	84	42%	70	35%
Men workers	32	27%	85	73%	54	46%	53	45%
Women workers	22	26%	62	74%	30	36%	17	20%

Only one third of surveyed workers (70 respondents) reported that they had received some form of training on how to do their job safely. Pier-based workers were the most likely to report that they participated in some form of safety training (Table 17).

Less than half of surveyed workers (84 respondents) reported that they were provided with work-related PPE. As can be seen in Table 13, the vast majority of SME factory workers had access to PPE while only a few workers employed at the pier or in homebased workplaces were provided with PPE. Moreover, only one out of every eight surveyed workers reported that they were provided with both work-related PPE and COVID-19 PPE while the majority of interviewed workers reported having to buy their own work-related and COVID-19 PPE.

Threats and coercion

Overall, very few surveyed workers – three respondents - all in pier-based operations, reported that they had experienced threats or coercion and three respondents had their documents withheld. Reported threats and coercion by interviewed workers included threats from their employer to withhold their ID, being shouted at by their supervisor or employer, and being hit by their employer.

One fifth of surveyed workers (40 respondents) reported that they are unable to quit their job, particularly because of fear of losing future earnings and to a lesser extent due to lack of other job opportunities available.

⁶⁰Four surveyed workers, however, reported barriers to quitting their jobs that could be indicative of forced labour: three pier-based workers reported that they could not quit as they would lose unpaid wages, and a processing garage worker reported that they would be blacklisted from other employment if they would quit their current job. An SME factory worker indebted to friends, family members, neighbours and colleagues reported that their level of outstanding debt is a barrier to quitting their job. However, they were not indebted to their employer at the time of data collection.

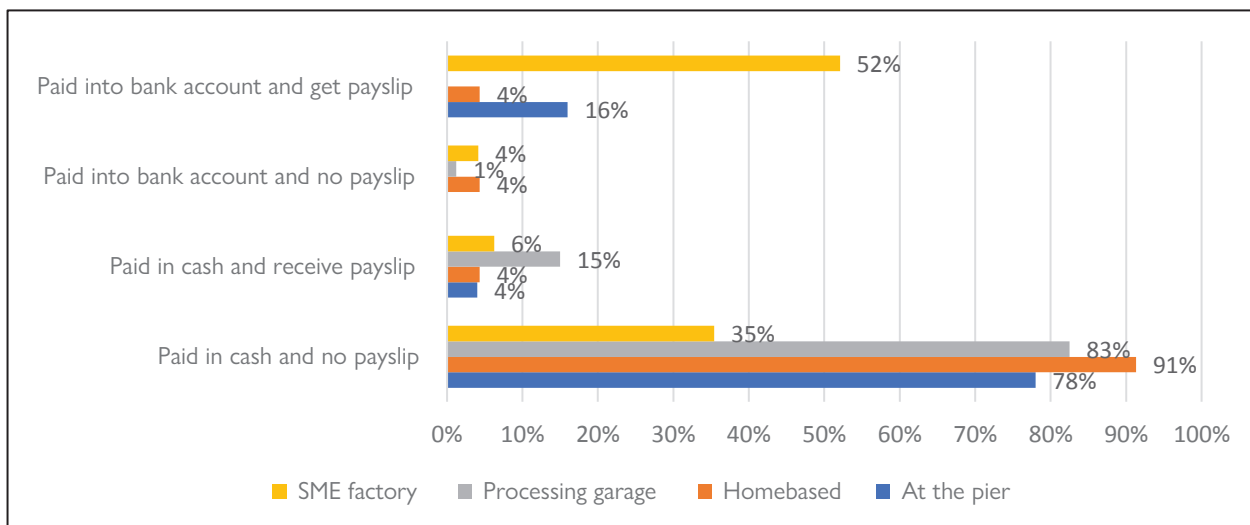
Wages

As evidenced in this study, wages are often paid to workers by an employer or supervisor in cash without a payslip documenting what the payment covered. The majority of surveyed workers (161 respondents) particularly workers employed in processing garages and homebased workplaces reported being paid in cash, while one out of every five surveyed workers, foremost SME factory workers, reported being paid their wages

⁶⁰ Note: some workers reported more than one reason.

into their personal bank account.⁶¹ Only a quarter of surveyed workers reportedly received a payslip. As indicated in Figure 14, most of them were SME factory workers.

Figure 14: Payment method by workplace



About one fifth of interviewed workers reported that they received overtime pay, particularly SME factory workers. However, only one out of every six interviewed processing garage workers and one out of every 12 surveyed pier-based workers reported receiving such pay. The average rate of overtime pay reported by these workers was IDR 23,442 (USD 1.60) per hour. However, an interviewed homebased worker reported receiving overtime pay, at a rate of IDR 2,000 per hour (USD 0.14). Among those who received overtime pay, men reported a higher average overtime rate than women workers. While very few interviewees reported any form of wage deductions, five respondents reported that they would face a financial penalty for being late for work, which was deducted from their wages. Very few interviewees (3 respondents) reported wage deductions for social security contributions, which is further elaborated upon in the report.

Payment type and frequency

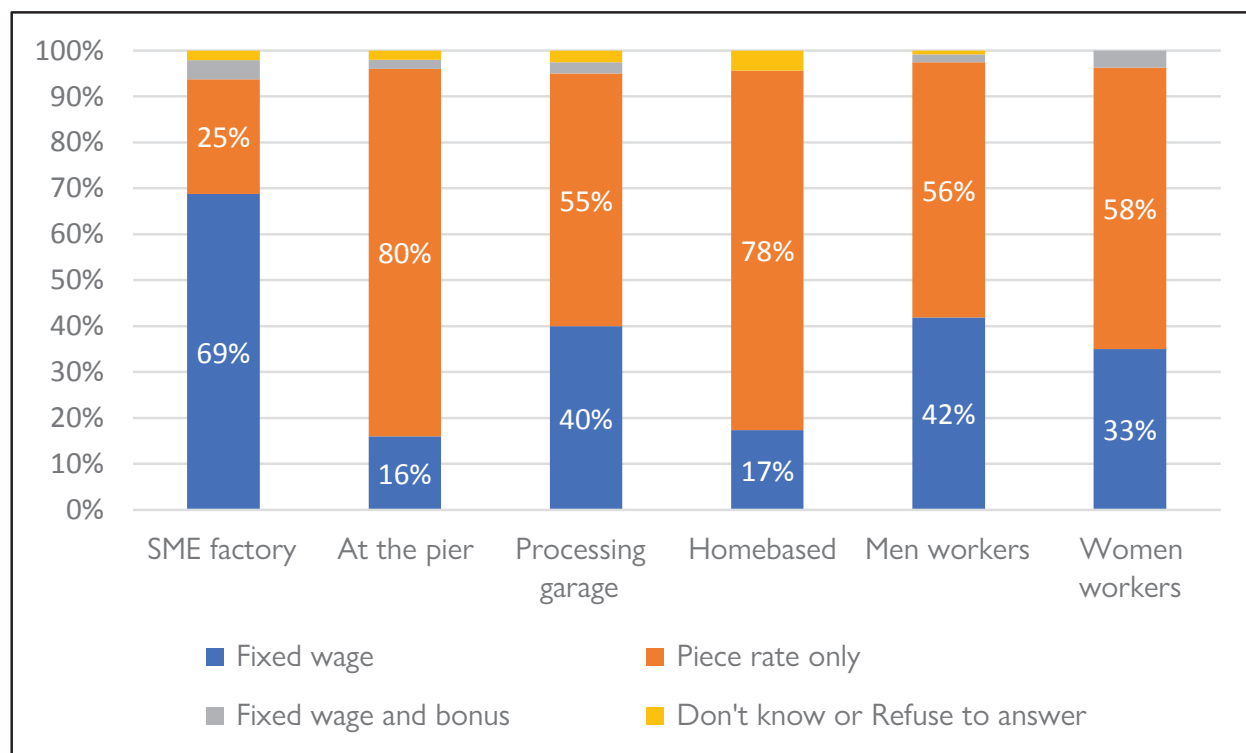
Employment in the pre- and primary seafood processing sector is often remunerated through piece rate wages, whereby workers are paid per task completed. This is evidenced through this study, as more than half of surveyed workers (114 respondents) earned on a piece rate basis. This was particularly the case for pier-based, homebased and processing garages workers, as demonstrated in Figure 15. Some interviewed workers, particularly those in pier-based operations, reported have collective sharing arrangements whereby a group of workers completes a task (such as unloading catch from a vessel) and the piece rate fee is divided between the members of the group. Earning solely on a piece rate basis leaves workers in a particularly precarious position, with their earnings and earning potential tied directly to the volume of seafood available to process. These findings echo those of the Coventry University, which noted that piece rate payment terms are more commonly found in port-based factories and operations which require more flexibility – such as processing garages.⁶²

⁶¹ Two workers indicated that it depends on their personal preference but did not say whether they are paid in cash or into a bank account.

⁶² Jones et al. (2019) Fish for Export: Working in the wild capture seafood industry Indonesia, p. 28.

While most interviewed workers reported earning on piece rate basis, two out of every five interviewees reported to earn a fixed wage. Processing garage workers noted earning a set daily wage on days that they had work.

Figure 15: Payment type, by workplace and by sex



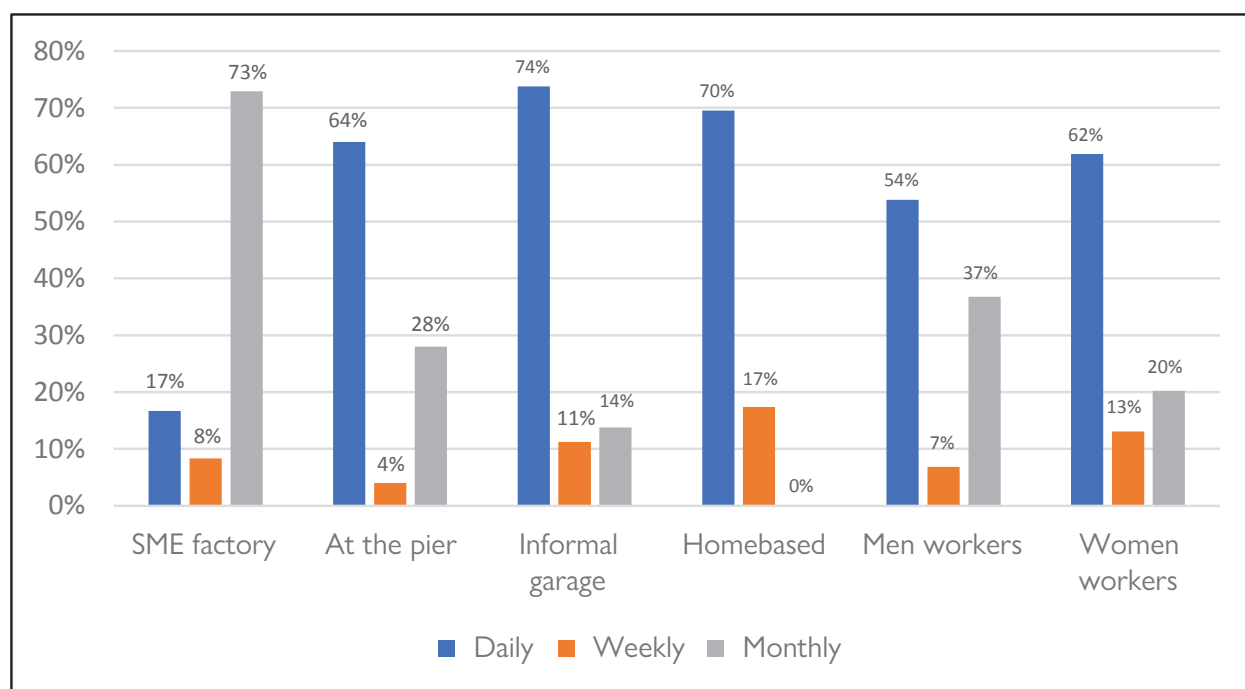
Due to the unpredictable nature of work in the pre- and primary seafood processing sector, employers often hire daily wage workers, if and when they are required.⁶³ Previous studies note that primary processing facilities around the pier require flexibility to cope with varying volumes of catch, and thus employ daily wage workers on a casual basis as needed.⁶⁴ This is also evidenced in this study, as more than half of interviewees (115 respondents) were daily wage workers, most of whom were employed in processing garages, homebased workplaces, and pier-based operations. Interviewed women were more likely than men to be daily wage workers.

Three out of four interviewed SME factory workers reported that they were paid on a monthly basis, with only one fifth earning wages on a daily basis. Among workers surveyed, men were more likely to be paid on a monthly basis than women. This finding is influenced by the gendered nature of employment in the sector and the fact that the majority of surveyed pier-based workers, of whom about one third were paid monthly, were men. In SME factories, no difference in terms of gender among monthly waged workers was found.

⁶³ Jones et al. (2019) Fish for Export: Working in the wild capture seafood industry Indonesia, p. 22.

⁶⁴ Ibid.

Figure 16: Wage payment frequency among workers surveyed, by workplace and sex



As a result of the unpredictable nature of piece rate wages and daily wage work, two thirds of interviewed workers (121 respondents) reported that their income differed from week to week. Surveyed women workers, who were more likely to be daily wage workers and earn on a piece rate basis, were slightly more likely to report unpredictable earnings than men workers. Interviewees reported that fluctuating incomes make it hard to plan ahead financially.

Wage Rates

Due to varying incomes of workers, it was not possible to calculate workers' average monthly earnings. However, by disaggregating data on wage rates by payment frequency, the average wage received by workers the last time they were paid can be calculated.

As Table 18 demonstrates, surveyed daily wage workers employed in homebased workplaces and processing garages earned the least on average, indicating that workers earn less in lower tiers of the seafood supply chain. Interviewed pier-based workers, particularly those located in Muara Baru in Jakarta where the minimum wage is higher, appeared to earn the most among daily wage workers and workers who are paid on a weekly basis. Interviewed SME factory workers paid on a monthly basis reportedly earned the most.

Table 18: Average wage earned the last time workers were paid in Indonesian Rupiah, by payment frequency, by workplace and by sex.

Workplaces	Average wage, daily paid	Average wage, weekly paid	Average wage, monthly paid
SME factory	122 500	437 500	3 831 429
At the pier	361 250	810 000	3 217 857
Processing garage	95 271	643 750	2 631 818
Homebased	65 625	500 000	No data
All workplaces	167 052	584 444	3 468 333
Men workers	255 603	642 143	3 636 047
Women workers	59 769	547 727	3 044 118

Interestingly, when wage data were disaggregated by whether workers earn on a piece rate or fixed wage basis, surveyed piece rate daily wage workers employed in SME factories, pier-based operations and processing garages appeared to earn more than fixed-rate daily wage workers. Across all workplaces, daily wage piece rate workers earned an average of IDR 107,783 (USD 7.4) while fixed-rate daily wage workers earned an average of IDR 73,333 (USD 5). This finding suggests that fixed wages provided to daily wage workers are very low and that piece rate payment terms can increase workers' earning potential. However, wages are also influenced by working hours: about two out of every five interviewed daily wage piece rate workers reportedly worked nine hours or more on a normal working day, compared to one out of every seven surveyed daily wage workers who earned a fixed wage. However, among monthly salaried workers, fixed wage workers earned significantly more than piece rate workers; earning 38 per cent more, on average, than piece rate workers who are paid monthly. When disaggregated by location, interviewed daily wage workers in Surabaya and Tangerang earned the least, while workers in Jakarta earned the most (Table 19).

Table 19: Average wage workers received the last time they were paid, by payment frequency and by location

Locations	Average wage, daily paid	Average wage, weekly paid	Average wage, monthly paid
Muara Angke, Jakarta	117 087	593 750	3 506 667
Muara Baru, Jakarta	204 211	565 000	3 897 059
Belawan, Medan	84 063	508 333	2 700 000
Dadap, Tangerang	56 737	No data	No data
Paotere, Makassar	69 583	700 000	2 335 714
Surabaya	56 154	600 000	625 000

As Table 19 shows, surveyed women workers earned significantly less than men workers. Among daily wage workers, a gender pay gap of 54 per cent was identified, which is partly attributable to the fact that surveyed women workers primarily undertook homebased work and work in processing garages. The finding fits with other research into gender pay gaps within the informal sector in Indonesia, which found an average gender pay gap of 50 per cent.⁶⁵ The stark difference in pay between daily wage workers suggests that women workers

⁶⁵ Monash University (2017) Women's Economic Participation in Indonesia: A study of gender inequality in employment, entrepreneurship, and key enablers for change. Australia Indonesia Partnership for Economic Governance.

informally employed on a daily basis as work is available are the most precariously employed and vulnerable workers in Indonesia's pre- and primary seafood processing sector.

The gender pay gap identified among workers paid on a weekly basis (15% gender pay gap) or on a monthly basis (16% gender pay gap) was less stark.

Under Government Regulation No. 36 of 2021 concerning Wages, small and micro enterprises are exempted from paying minimum wage.⁶⁶ Government Regulation 36/2021 specifies that in small and micro enterprises, the rate of wages can be set by agreement between workers and employers, provided that it is not less than 50 per cent of the average provincial consumption needs or cost of living and is 25 per cent above the provincial poverty line.⁶⁷ Medium size enterprises – for example the SME factories where surveyed workers worked – must pay minimum wage.

The vast majority of surveyed workers (191 respondents) reported earning less than minimum wage the last time they were paid, with not a single woman worker surveyed who was paid the provincial minimum wage. Similarly, no workers surveyed in Medan, Tangerang or Surabaya earned the respective region's minimum wage. As these figures (Table 20), refer to the worker's most recent payment at the time of the survey, they do not reflect workers' monthly or yearly earnings. Therefore, the 10 surveyed workers who reported earning minimum wage or above the last time they were paid, do not necessarily earn the monthly minimum wage.⁶⁸

Table 20: Percentage of workers who earned minimum wage the last time they were paid, by workplace and by sex

Locations	% below minimum wage
Muara Angke, Jakarta	38%
Muara Baru, Jakarta	26%
Belawan, Medan	39%
Dadap, Tangerang	63%
Paotere, Makassar	42%
Surabaya	68%

Survey findings indicate that in lower tiers of the supply chain, the gap between workers' earnings and the provincial minimum wage is wider. Interviewed SME factory workers earned, on average, 26 per cent less than the minimum wage. Surveyed workers in pier-based operations meanwhile earned 37 per cent less than the minimum wage. Both surveyed workers in processing garages and homebased workplaces reportedly earned less than half the minimum wage, earning 52 and 55 per cent less than the minimum wage respectively.

As surveyed women workers earned less than men, the wage gap between what they earned and the minimum wage was even wider than for men workers. On average, women workers earned 54 per cent less than minimum wage the last time they were paid, while men workers earned, on average, 33 per cent below minimum wage.

66 Government Regulation No. 36 of 2021 on Remuneration, Article 36.

67 Government Regulation No 36 of 2021 concerning Wages, Article 36.

68 Law 13/2003, Article 88.

The gap between the minimum wage and the wage earned by interviewed workers also differed across assessed regions in Indonesia (Table 21). In Surabaya, for example, workers earned 68 per cent less than the minimum wage, compared to 26 per cent in Muara Baru, Jakarta.

Table 21: Average difference between minimum wage and the wage earned the last time workers were paid, by location

Workplaces and gender	Earned minimum wage		Did not earn minimum wage	
SME factory	2	4%	46	96%
At the pier	5	10%	45	90%
Processing garage	3	4%	77	96%
Homebased	0	0%	23	100%
All workplaces	10	5%	191	95%
Men workers	10	9%	107	91%
Women workers	0	0%	84	100%

As evidenced in this study, the wage gap between what workers earned and the minimum wage also widened in correlation with the degree of informality of their employment. Daily wage workers earned, on average, 53 per cent less than the minimum wage the last time they were paid. For workers with more secure employment – for example, those who earned on a monthly basis or earned a fixed wage – the wage gap between the minimum wage and the wage earned by workers was smaller (Table 22).

Table 22: Average wage difference between minimum wage and the wage earned by workers the last time they were paid, among those who earned less than minimum wage, by payment frequency and by wage type.

Payment Mechanism	% below minimum wage
Daily wage workers	53%
Workers paid every 3 days	44%
Workers paid weekly	43%
Fortnightly wage	35%
Monthly wage	23%
Piece rate workers	50%
Fixed wage workers	30%

Did you feel that you earned enough to cover your basic needs?

As a result of wages being below provincial minimum wage in the pre- and primary seafood processing sector in Indonesia, only two fifth of interviewed workers (81/201 respondents) felt that they earned enough to cover their basic needs.

Most interviewed workers employed at the pier, in processing garages and homebased workplaces reportedly felt that they did not earn enough to afford their basic needs. Given the significant gender pay gap, surveyed women workers were more likely to report that they did not earn enough to cover their basic needs than men workers. As the following sections of the report highlight, many workers simply could not afford to pay for food and accommodation due to low earnings.

Impact of the COVID-19 pandemic

As a result of the COVID-19 pandemic, many workers in the pre- and primary seafood processing sector experienced a reduction in their earnings. Overall, two thirds of interviewed workers (135 respondents) reported that their earnings reduced as a result of the pandemic, and so did most pier-based workers, processing garage workers and homebased workers. They reported lower volumes of work available – particularly for pier-based workers and homebased workers – and subsequently a reduction in working hours. About half of the interviewed processing garage workers and pier-based workers reported a reduction in working hours. For daily wage workers and for those earning on a piece rate basis, the reduction in working hours directly impacts their ability to earn an income.

Representatives from government agencies interviewed acknowledged that there was a fall in productivity at port, which impacted the incomes of workers in the informal processing sector.⁶⁹ However, workers in the informal sector were not eligible for Unemployment Benefits Programme during the pandemic unless they were enrolled in social security,⁷⁰ which was not the case for most of surveyed workers. Thus, the pandemic exacerbated the challenges faced by workers in the pre- and primary seafood processing sector. Existing research suggests that across Indonesia's informal sector, workers' earnings dropped by as much as 80 per cent during the pandemic, which combined with the lack of security nets for informal workers, may push many into poverty.⁷¹ Moreover, an interviewed representative from a workers' organization noted that employers used the COVID-19 pandemic as an opportunity to terminate workers and recruit new workers on lower wages.⁷² As noted above, some surveyed workers lost previous employment in a larger seafood factory as a result of the pandemic.

Living expenses

Reportedly, interviewed workers spent an average of IDR 2,586,440 (USD 177) per month on their living expenses. However, this aggregated figure does not take into account differences in terms of employment,

69 Government Interview 2.

70 Workers' Organization Interview 2. In order to be eligible for the Unemployment Benefits Programme, workers had to be enrolled in the healthcare BPJS and the pension fund. ISSA (2022) [Social Security Responses to the COVID-19 Pandemic: Priorities for social security](#).

71 J. Octavia (2020) '[Building Back Better: COVID-19 and Informal Workers in Indonesia](#)', LSE Blog, accessed 10 May 22.

72 Workers' Organization Interview 2.

gender and location, nor does it take into account the number of employed family members. On average, surveyed men workers reported higher monthly expenses than women workers.

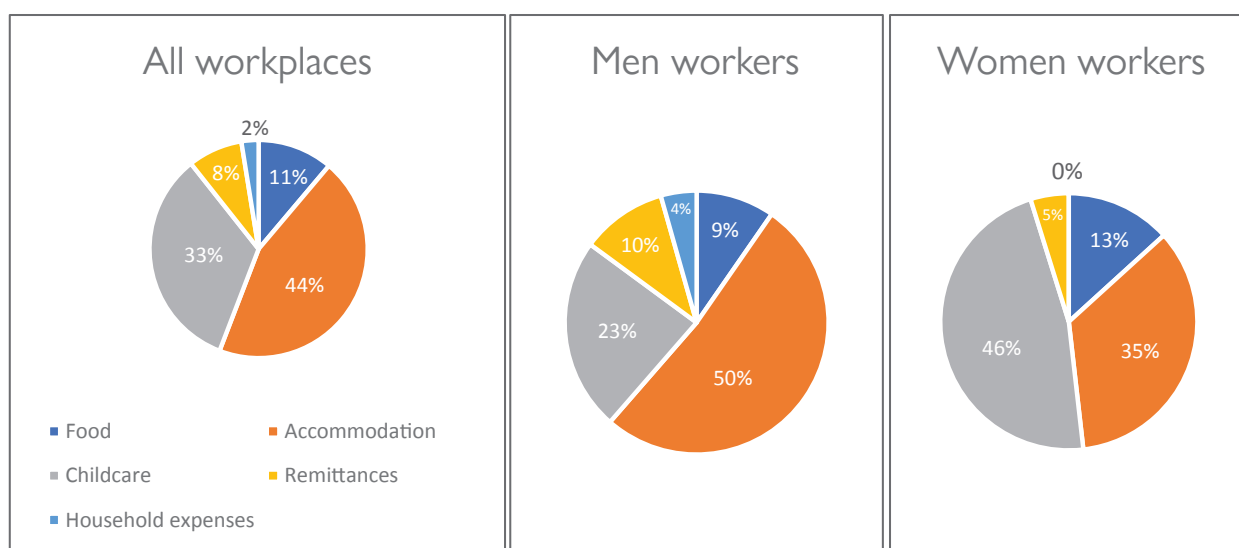
Table 23: Average monthly expenses and average number of financial dependents, by workplace and by sex

Workplaces and gender	Average monthly expenses (IDR)	Average number of dependents
SME factory	3 495 45	2.5
At the pier	2 834 030	1.8
Processing garage	2 013 291	1.9
Homebased	2 158 696	2.0
All workplaces	2 586 440	2.0
Men workers	2 775 875	2.1
Women workers	2 321 687	1.9

Monthly expenses reported by workers differed per location, with a higher average cost of living reported in Jakarta (excess of IDR 3 million (USD 205)), than in other surveyed locations, such as Medan, Tangerang and Surabaya (less than IDR 2 million (USD 137) on average).

As Figure 17 illustrates, costs for accommodation and childcare were the biggest monthly expense reported by surveyed workers. These were followed by costs for food, remittances and household expenses.

Figure 17: Surveyed workers' biggest monthly expense, by sex



Debt

Due to unpredictable working hours and wages below the provincial minimum wage, as reported by interviewed workers, they are unable to make ends meet. As a result, about one third of interviewees (58 respondents) reported that they were in debt at the time of interview. As representatives from a workers' organization

summarized, “when the tide is high they [workers] cannot make any income and they get indebted.”⁷³

Interviewed workers mainly went into debt to cover the costs of accommodation and food.⁷⁴ To a lesser extent, interviewees reportedly borrowed money to pay for health care, as the majority of them were not enrolled in social security. That surveyed workers went into debt to cover costs of basic necessities, suggests that they simply cannot afford these with the wage levels they receive.

Interviewees who reported to be in debt mostly borrowed from friends, followed by neighbours, family members, their landlord or colleagues. Only two indebted workers reported that they borrowed money from their employer to buy food but neither of them reported that this impacted their ability to quit their employment.

The prevalence of debt varied based on workers' workplace gender, location and whether they were paid daily or monthly. Surveyed workers in processing garages reported the highest rates of debt, as indicated in Table 24. Their low wages and unpredictable nature of work likely contributed to their higher levels of debt.

Table 24: Prevalence of debt reported, by workplace and by sex

Workplaces and gender	Currently owe money		Don't currently owe money	
SME factory	3	6%	45	94%
At the pier	11	22%	39	78%
Processing garage	40	50%	40	50%
Homebased	4	17%	19	83%
All workplaces	58	29%	143	71%
Men workers	25	21%	92	79%
Women workers	33	39%	51	61%

Reportedly, women workers were more likely to be in debt than men workers (Table 24). This suggests that the gender pay gap in the pre- and primary seafood processing sector, as well as women's lower earning potential, pushes them into debt to cover their basic needs. As explained by an interviewed CSO representative, women may shoulder loans for the family – for example, if a husband or son migrates to work overseas and has to pay manning agency fees and passport costs, women relatives who remain in Indonesia may be the ones who go into debt to loan sharks.⁷⁵

Areas where more surveyed workers reported being in debt correlates with assessed areas where workers earned significant less than minimum wage (Table 25). Surveyed workers in Jakarta and Medan reported lower levels of debt than workers in other locations. For example, in Tangerang, where surveyed workers earned on average 63 per cent less than minimum wage, the majority of workers reported that they were in debt at the time of the interview.

73 Workers' Organization Interview 2.

74 Note: some workers borrowed money for rent and for food.

75 CSO Interview 2.

Table 25: Prevalence of debt reported and percentage below minimum wage workers earned, the last time they were paid, by survey location

Locations	Currently owe money		% below minimum wage ⁷⁶
Muara Angke, Jakarta	6	14%	38%
Muara Baru, Jakarta	6	11%	26%
Belawan, Medan	5	19%	39%
Dadap, Tangerang	17	85%	63%
Paotere, Makassar	11	44%	42%
Surabaya	13	45%	68%

As can be seen in Table 25, the prevalence of debt was also influenced by the level of precarity experienced by workers. Surveyed workers who earned on a monthly basis had the security of a more regular income and were thus better able to plan financially and therefore less likely to be in debt. Therefore, the number of interviewed workers earning a monthly wage who reported that they were in debt at the time of conducting the survey was much lower than the number of surveyed daily wage workers.

Table 26: Prevalence of current debt among workers, by payment frequency and by type of wages

Payment mechanism	Currently owe money		Don't currently owe money	
Daily wage workers	45	39%	70	61%
Workers paid every 3 days	2	50%	2	50%
Workers paid weekly	6	32%	13	68%
Fortnightly wage	0	0%	2	100%
Monthly wage	5	8%	55	92%
Piece rate workers	34	30%	80	70%
Fixed wage workers	20	26%	57	74%

Remittances

Almost half of interviewed workers (92 respondents) reportedly send remittances to their community of origin. Whether interviewed workers sent, or were able to send remittances, varied based on gender, type of workplace, and location. As Table 27 demonstrates, surveyed men workers were more likely to send remittances than women workers – and send significantly more. Similarly, surveyed workers in SME factories and at the pier were more likely to send remittances than processing garage or homebased workers. This may be influenced by workers' relative earning capacity as well as migration duration. Surveyed homebased and processing garage workers have lived in their destination for considerably longer than pier-based or SME factory workers, which may imply that the first group may have lost ties with their community of origin. Noticeably, for one fifth of SME factory workers, remittances constituted their biggest monthly expense.

⁷⁶ Note: these calculations do not include the 11 workers who earned minimum wage or above the last time they were paid.

Table 27: Average remittances sent in the three months prior to being surveyed, by workplace and by sex

Workplaces	Send remittances		Average remittances sent in last three months (IDR)
in last three months (IDR)	31	65%	1 344 040
At the pier	25	50%	1 616 717
Processing garage	32	40%	1 634 673
Homebased	4	17%	575 000
All workplaces	92	46%	1 472 649
Men workers	69	59%	1 750 052
Women workers	23	27%	684 242

In the three months prior to being surveyed, surveyed workers in Jakarta and Makassar sent the most remittances: an average of IDR 1,984,232 (USD 136) and IDR 1,700,110 (USD 116.5) respectively. Remittances sent by interviewed workers in other locations, such as in Medan, Tangerang and Surabaya were significantly lower: an average of IDR 600,000 (USD 41), IDR 400,000 (USD 27.4) and IDR 266,700 (USD 18.3) respectively. While this reflects the lower earnings of workers in these areas, it is also likely influenced by the fact that most surveyed workers in Medan, Tangerang, and Surabaya reported that their children had migrated with them, compared to workers in Makassar or Jakarta.

Accommodation

Internal migrant workers surveyed for this study mostly lived in rented accommodation, consisting of a room with shared bathrooms. In some areas, for example in Tangerang, surveyed workers lived in houses of wooden structures on stilts above the water level, with often unsanitary living conditions. A representative from a workers' organization noted that in coastal communities, workers' accommodation is also vulnerable to the increasing frequency of flash flooding.⁷⁷

Some surveyed workers (18 respondents) reported living in accommodation linked to their job, these workers worked in in processing garages, at the pier and SME factories. However, of workers who reported living in accommodation linked to their employer, only one worker reported paying rent, while some processing garage workers reportedly were provided with accommodation (and food) in return for substandard wage payment. Some interviewed pier-based workers saw their accommodation as linked to their job, as they rent accommodation with a group of other pier-based workers.

Most surveyed workers living in accommodation linked to their job reported that the quality of their accommodation was as expected, while two workers reported that it was better than they had anticipated and one reported that their accommodation was worse than expected. Among surveyed workers living in accommodation linked to their employer, two noted that they are not free to leave their accommodation. One worker reported that their employer would not permit them to leave their accommodation due to the COVID-19 pandemic, while another worker reported that her husband would not allow her to go out.

⁷⁷ Workers' Organization 1, and validation workshop feedback.

Social reproductive labour

In addition to their paid employment, many surveyed workers, particularly women workers, undertook considerable social reproductive labour. Three out of every four interviewed workers (144 respondents) reported having household related work to complete either before or after work, or both.

Interviewed women workers carried a heavier social reproductive labour burden than men workers. Reportedly, surveyed women workers also spent more hours a day undertaking social reproductive labour than men workers, spending an average of 2.8 hours per day compared to the 2.1 hours reported by men workers.

As a result of the longer hours of social reproductive labour, in addition to their paid employment in the pre- and primary seafood sector, women workers reported getting slightly less sleep than men workers.

Childcare

The costs involved in raising children – inclusive of education and daily needs – were identified by one third of interviewed workers, particularly women, as their biggest expense. Interviewed workers in homebased workplaces and processing garages were most likely to identify costs related to raising children as their biggest expense, which is likely influenced by the gendered division of labour in workplaces and pull factors, such as greater flexibility to take care of family members, that draw women workers to informal work⁷⁸ in the sector. Interviewed homebased workers were most likely to report that they previously held a different job in the seafood industry and some reported that they had taken up homebased work so they could continue to earn an income while also taking care of their children.

Social security

Two main organizations oversee social security in Indonesia, including BPJS Kesehatan, which offers health-care insurance, and BPJS Ketenagakerjaan, which offers employment-related insurance.⁷⁹ The BPJS is overseen by independent supervisory institutions: the Financial Services Authority and the Supreme Audit Agency.

Established in 2014, BPJS Kesehatan administers a nationwide health insurance scheme that all Indonesians are eligible to join.⁸⁰ For workers with an employment relationship, both their employer and the worker should pay contributions to the health insurance scheme, while the Government pays the contributions of those living below the poverty line. However, those who do not have an employment relationship and neither fall below the poverty line – for example, many informal sector workers – are supposed to register themselves in the national health insurance scheme. BPJS Kesehatan employer contributions are 2 per cent of the value of the worker's monthly wage, while employee contributions are 1 per cent of the worker's monthly wage. Once enrolled and paying contributions, the health insurance benefits include access to health services, both preventative and curative, rehabilitation, medicines and medical supplies.⁸¹

78 Cassirer & Addati (2007) Expanding women's employment opportunities: Informal economy workers and the need for childcare. ILO Working Paper.

79 TNP2K (2018) The future of the Social Protection System in Indonesia: Social protection for all. Office of the Vice President of the Republic of Indonesia.

80 Ibid.

81 Law 40/2004, Article 22.

Established in 2015, BPJS Ketenagakerjaan offers different insurance schemes that include work-related accident insurance (Jaminan Kecelakaan Kerja/JKK), death insurance (Jaminan Kematian/JK), old age protection (Jaminan Pensiun/JP), and a public pension (Jaminan Hari Tua/JHT).⁸² JKK contributions are 0.54 per cent of worker's monthly wage, JK contributions are 0.3 per cent, and the JP worker contribution is 1 per cent, while employers JP contribution is 2 per cent. For the JHT, the employer contribution is 3.7 per cent, while the worker's contribution is 2 per cent.

Employers are required to register all workers with an employment relationship with the BPJS Ketenagakerjaan.⁸³ However, social security requirements for formally employed workers depend on the size of the company. Medium and large companies have to ensure that their employees are enrolled in all four insurance schemes, while small enterprises only need to enrol their workers in the work accident insurance, death insurance and pension insurance schemes.⁸⁴ Micro enterprises meanwhile, only have to ensure workers are enrolled in accident and death insurance schemes.⁸⁵ Informally employed workers need to register themselves in the accident insurance, death insurance and optionally in the pension insurance scheme, making their own contributions to the BPJS Ketenagakerjaan.⁸⁶ Regardless of the legal requirements, currently, the Government acknowledges that the BPJS Ketenagakerjaan is only reaching a small percentage of formal sector workers.⁸⁷

Among interviewed workers, only one fifth (42 respondents) reported that their employer had enrolled them in a government social security scheme, which was unspecified. Interviewed SME factory workers were the most likely to be enrolled, with half of them being enrolled, followed by surveyed pier-based workers, with a quarter being enrolled. Very few interviewed processing garage workers and no surveyed homebased workers were registered. Moreover, as noted earlier, only three surveyed workers reported that they experience wage deductions for employee social security contributions, suggesting that workers may not be covered by social security despite being enrolled.

Among surveyed workers, one third (58 respondents) reported holding a social security card. Some workers who were not enrolled in social security by their employer but nevertheless held a social security card reported that they hold a Contribution Assistance Recipient or *Penerima Bantuan Iuran* (PBI) card, which enables holders to access social benefits such as food assistance and conditional cash transfers specifically targeted at the approximately 10 per cent of the Indonesian population whom the Government has classified as living below the national poverty line.⁸⁸ Therefore, it can be concluded that most interviewed workers had not self-enrolled in either social security BPJS and remain excluded from the programme, even though all Indonesians are entitled to register with the BPJS Kesehatan. This study, as well as previously conducted research shows that informal workers in Indonesia fall into the 'missing middle' of Indonesian social protection – they neither have government-paid social security contributions nor employer contributions – and are often unable to pay for their own social security contributions as the costs can be prohibitive.⁸⁹ Despite many workers not being

82 TNP2K (2018), p. 6

83 Law 40/2004, Article 13.

84 Government Interview 1.

85 Ibid.

86 Ibid.

87 TNP2K (2018), p. 7

88 TNP2K (2018) The future of the Social Protection System in Indonesia: Social protection for all.

89 Teguh Dartanto et al. (2016) 'Participation of Informal Sector Workers in Indonesia's National Health Insurance System', *Journal of Southeast Asian Economies*, Vol. 33, No. 3, pp. 317–342.

enrolled in any schemes, the majority of surveyed workers (190 respondents) reported that they can access health care. Those who reported not being able to access health care cited prohibitive costs involved in health care as their main barrier to access.

Access to remedy

Three out of every four interviewed workers (147 respondents) reported that they know of a trusted grievance mechanism within their workplace, which mostly consisted of reporting an issue to a supervisor or directly to their employer. However, despite reporting that they trusted this grievance channel, many workers appeared not to use it: only a quarter of surveyed workers reported that they would bring a work-related grievance to their supervisor while one fifth would report it directly to their employer.

Surveyed workers in SME factories were the most likely to report an issue to their supervisor, followed by interviewed processing garage workers, while surveyed pier-based workers were more likely to go to their employer with a work-related issue. Surveyed men workers were more likely to go directly to their employer than women workers – likely influenced by the gendered nature of pier-based work. Instead, interviewed women workers were slightly more likely to report to their supervisor than men, often seeing their supervisor as a mediator between them and their employer. Some interviewees, particularly SME factory workers, would go to their colleagues with a work-related issue.

While being aware of grievance mechanisms at the workplace, most interviewed workers, particularly women workers, however reported that they would not use a work-related grievance mechanism but would talk to friends or family members instead. Homebased workers almost exclusively said they would talk to friends or family about an issue rather than seeking support from external actors such as government offices, unions, CSOs or religious groups. These answers may be influenced by the lack of worker organization and the limited membership of community groups among homebased workers.



“Fishes dried in front of the home” Photo: © IOM 2022

Workers can report work-related grievances directly to a Ministry of Manpower (MoM) office or through an online government portal.⁹⁰ Government interviewees reported that there are MoM offices in each province, region and city, with 34 provincial offices and approximately 500 city labour offices.⁹¹ However, only one out of every nine surveyed workers reported that they would report a work-related issue to a local government office.

Provincial MoM offices are responsible for conducting labour inspections; however, government interviewees pointed out that the number of labour inspections is decreasing due to lack of capacity.⁹² Government interviewees also asserted that labour inspectors need capacity-building on how to better protect women workers.⁹³ They acknowledged that there is a lack of resources to support women workers who wish to report sexual harassment at work to MoM offices as well as a need to empower women workers to report sexual harassment cases and ensure they have access to appropriate reporting mechanisms.⁹⁴

Moreover, the labour inspectorate does not currently cover small and micro enterprises, thus limiting the Government's ability to enforce labour rights within the pre- and primary seafood processing sector, in which many small and micro enterprises operate.⁹⁵ One interviewed representative from a workers' organization noted that as a result of the lack of labour inspections in the informal sector, when there are accidents or industrial relations disputes, "the Government does not intervene. They leave employers and employees to have their own social dialogue."⁹⁶

They added that it can be harder for workers in the informal sector to report grievances to MoM, as they are not registered as an employee and thus not registered in MoM records, and because pre- and primary seafood operations are often non-licensed businesses.⁹⁷ The informality of both businesses and employment within the sector can thus be a barrier to workers reporting grievances to local government offices.

Civil society organizations

There are a couple of CSO-run fishers centres where community members can report work-related grievances; however, this is rarely used by land-based seafood processing workers. Only one out of every ten interviewed workers reported that they would bring a work-related grievance to a local CSO.⁹⁸ This may be due to the limited number of CSOs working directly with land-based seafood workers or due to fears of retaliation at work.

Across the six surveyed locations, very few CSOs working directly with workers in the target sector were identified. As one interviewed CSO representative conceded, "there are not too many organizations working on this. That is a problem."⁹⁹ Another interviewed CSO representative argued that greater focus needs to be placed on the needs of women workers, noting that services to empower women workers and to support

90 Government Interview 1.

91 Ibid.

92 Government Interview 1.

93 Ibid.

94 Ibid.

95 Ibid.

96 Workers' Organization Interview 2.

97 Ibid.

98 Note: only one of the 11 workers was approached to participate in the study through a CSO.

99 CSO Interview 2.

them to raise grievances are not available. The CSO representative also noted that “it would be good if there were services with women as staff not men, so that the process of sharing issues can happen. Unfortunately, the majority of our staff are men, which creates distance in dealing with these issues.”¹⁰⁰

One interviewed CSO representative provided another reason why workers in the target sector are unlikely to file work-related grievances: land-based seafood workers have limited job opportunities, restricting their ability to report work-related grievances as they fear for their job security.¹⁰¹ The representative highlighted that while they aim to protect the confidentiality of workers who report grievances to them, workers still fear that when CSOs refer the grievance to local government officials, information may be shared with their employer and they may get fired.¹⁰² Another CSO representative described how complicated cases, particularly those involving fishers, often remain unresolved,¹⁰³ which may cause a lack of trust and deter other workers from reporting grievances.

Unionization

Although there are many unions in Indonesia supporting workers in the seafood sector, particularly Indonesian fishers migrating overseas, only a few focus on workers in Indonesia’s land-based seafood processing sector.¹⁰⁴ Moreover, unions that do work with land-based workers tend to focus on the formal sector, rather than workers in the informal sector who worked with short/non-permanent contract.¹⁰⁵ For example, *Kesatuan Perempuan Pesisir Indonesia* (KPPI) organizes and empowers women engaged in pre- and primary processing in coastal areas; however, their focus is on small-scale entrepreneurs rather than employees.¹⁰⁶

While unionization among pre- and primary seafood processing workers is low, one third of interviewed workers reported that they wish to join a union in the future, particularly workers employed in pier-based operations and processing garages. Men workers were also more likely than women workers to report that they want to join a union in the future.

100 CSO Interview 1.

101 CSO Interview 1.

102 CSO Interview 1.

103 CSO Interview 2.

104 in Workers’ Organization Interview 2.

105 Workers’ Organization Interview 3.

106 Workers’ Organization Interview 1, Workers’ Organization Interview 2; Workers’ Organization Interview 3; CSO Interview 1.

CONCLUSION



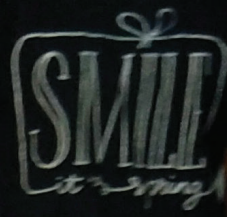
"The caught fish brought to processing factory by the worker in Jakarta"
Photo: © IOM 2019

Most internal migrant workers in the lower tiers (small and medium enterprises, home-based workplaces and on the pier) of Indonesia's seafood processing sector were employed as daily workers with verbal agreement and fluctuating working hours, depending on the volume of seafood available for processing. Most payments were provided on a piece-rate basis that is about or more than 50 per cent lower than the minimum wage. These low wages impacted the high prevalence of debt, since internal migrant workers did not earn enough to cover their basic needs. Although the businesses mostly employed women workers, there was a significant gender pay gap of 54 per cent identified, with women earning less than men workers.

To some extent, the informality of the business has made employers provide less protection to their internal migrant workers. This is reflected in the minimal provision of training on how to do their job safely and of PPE provision. Work accidents reportedly occurred due to slippery floors and tiredness, which mostly happened at the pier or in home-based workplaces. Being informally employed, only one fifth of surveyed workers were registered in the social security scheme of BPJS Ketenagakerjaan and BPJS Kesehatan, self-enrolment of workers in this scheme was also low due to lack of awareness regarding the various types of BPJS social security schemes that could match with their employment status. Despite this minimum protection, the existence of workers' unions that could collectively voice workers' aspirations in the informal sector of Indonesia's seafood processing was also low. Most interviewed workers preferred to report their problem to a supervisor or through the grievance mechanism at the workplace, and some workers just told their friends, without a community group or organization.

While legislation exists to protect workers in the pre- and primary seafood processing sector, legislative gaps, and lack of implementation and enforcement leave workers unprotected, particularly regarding payment of minimum wage, health and safety, and access to social protections and health care. Changes to national legislation are required to ensure that all workers, including those lacking an employment agreement, are entitled to labour protections enshrined in Law No. 13 of 2003 concerning Manpower. In addition, legislation needs to be equally applied to all businesses, including small-scale businesses, so that all workers are entitled to minimum wage and social security. SMEs should also be covered under MoM's labour inspections, moving the responsibility to report challenges in the workplace away from workers. Particularly, non-payment of minimum wage and earning on piece-rate basis increases the vulnerabilities of workers, who work excessive hours without rest days or take on debt to make ends meet.

RECOMMENDATIONS



"Fish sorted and brought to factory"
Photo: © Photo IOM 2018

Recommendations

Recommendations to the Government of Indonesia

This section provides recommendations based on the study findings for the Government of Indonesia.

1. Tackle protection gaps and decent work deficits experienced by internal migrant workers in the lower tiers of the seafood processing factor

Recommendation 1.1: Ensure that all workers who receive remuneration for their work, regardless of the formality of their employment, are covered under Law No. 13/2003 concerning Manpower. Currently, Article 50 of Law No. 13/2003 concerning Manpower stipulates that an ‘Employment relation exists because of the existence of a work agreement between the entrepreneur and the worker/ labourer’. However, not all workers hold a work agreement (whether written or verbal) with their employers and they are thus excluded from the labour rights protections enshrined in Indonesian law. To protect the rights of all workers – particularly those informally employed – the MoM should ensure that every worker who receives a wage or remuneration for their work, in line with other laws such as Law No. 21/2000 concerning Trade Unions, is entitled to the protections offered by Law No. 13/2003 concerning Manpower.

Recommendation 1.2: Include small and micro enterprises within the remit of the labour inspectorate. Currently, over 98 per cent of seafood processing facilities in Indonesia are classified as small and micro enterprises and are thus beyond the scope of the labour inspectorate. To ensure that workers’ labour rights in these enterprises are respected, an enforcement mechanism for Law No. 13/2003 concerning Manpower – beyond workers self-reporting non-compliance – is necessary. The MMAF and MoM could collaborate to conduct joint inspections of pre- and primary seafood processing facilities to ensure that all workplaces are registered as licensed businesses with the MMAF and that workers’ labour rights, in line with Law No. 13/2003 concerning Manpower, are being upheld

2. Improve wage levels and wage protections in the pre- and primary seafood processing sector

Recommendation 2.1: Guarantee workers in small and micro enterprises the right to minimum wage. Under Government Regulation 36 of 2021, the majority of workers in the pre- and primary seafood processing sector are no longer entitled to the minimum wage, which likely contributes to the substandard wages reported by workers within the sector. MoM should ensure that all workers, regardless of the size of their workplace, are entitled to minimum wage so that all workers have the ability to earn a living that is decent and to meet their basic needs without going into debt. CSOs and workers’ organizations should support workers who wish to report wage irregularities to the MoM. Industry associations, workers’ organizations, CSOs and international organizations could also support the MoM to educate employers on their obligation to pay workers at least the minimum wage – for example through information campaigns and capacity-building activities. Employers who continuously pay workers below the minimum wage should be prosecuted.

Recommendation 2.2: Enhance unionization among workers in the pre- and primary seafood processing sector. Under Law No. 21/2000 concerning Trade Union, all workers, regardless of the formality

of their employment relationship, are entitled to join a union in Indonesia. Workers' organizations should strengthen their efforts to organize workers in the informal land-based pre- and primary seafood processing sector. As wage rates in small and micro enterprises are determined through agreement between employers and workers,¹⁰⁷ greater unionization of workers in the sector could help to increase the very low wages workers currently earn. The Government of Indonesia through MoM should also encourage women workers to be active in worker unions or establish a union to collectively promote inclusive employment and advocate their rights.

3. Ensure social protection coverage among all migrant workers

Recommendation 3.1: Ensure that all Indonesians have access social security. *BPJS Kesehatan and BPJS Ketenagakerjaan* should consider expanding the role of the Government in paying social security contributions for workers in the informal sector to close the 'missing middle' gap between those below the poverty line and those in formal employment. *BPJS Kesehatan and BPJS Ketenagakerjaan* should also reach out directly to employees, particularly workers in the lower tiers, to enhance awareness and promote the protection schemes that are available for workers in small and micro enterprises.

Recommendation 3.2: Hold employers accountable for their obligations to enrol workers in the BPJS Kesehatan and BPJS Ketenagakerjaan.

BPJS MoM could run information campaigns for employers to increase awareness of their legal obligation to enrol any worker with an employment relationship in the applicable social security programmes. MoM and the BPJS could develop an enforcement mechanism for employer social security obligations and ensure that criminal sanctions for employers who fail to enrol their workers in the pension programme are not revoked, as proposed under Law No. 11/2020 concerning Job Creation. The MoM could collaborate with MMAF and the BPJS to identify workplaces within the pre- and primary seafood processing sector that have not registered workers with the applicable social security schemes or that fail to remit employer contributions.

Recommendation 3.3: BPJS should ensure that the social security self-enrolment process is simple and widely known. For workers who must self-enrol in the different social security schemes – as they do not have an employment relationship and their employer is thus not required to enrol them – the enrolment process needs to be straightforward and easily accessible. MoM, CSOs, workers' organizations and international organizations should run widespread information campaigns on how to enrol in the BPJS Kesehatan and BPJS Ketenagakerjaan and on the benefits of paying regular social security contributions.

4. Take a gender-responsive approach to advance decent work for internal migrant workers in the seafood processing factor

Recommendation 4.1: Promote opportunities for and empower women workers. Government stakeholders, workers' organizations and employers all have a role to play in advancing gender equality within the pre- and primary seafood processing sector. This should include, but is not limited to, tackling gender bias during recruitment, creating decent work for women workers, investing in skills training and ensuring that women workers have the supports they need. The Ministry of Social Affairs, workers' organizations and CSOs should invest in efforts to empower women workers, including skills training to support women workers to get

¹⁰⁷ Government Regulation 36 of 2021, Article 36.

jobs within the formal economy. Central and district level governments should ensure adequate and affordable childcare services to enable women workers to fully participate in the workforce. Employers' organizations, workers' organizations and international organizations such as IOM should collaborate to train employers on gender-bias during recruitment and employment and on how to overcome it.

Recommendation 4.2: Ensure the commitment from employers and work with employers, CSOs, workers unions and workers to reduce the gender pay gap between women and men workers. To promote equal pay for same work and work of equal value, the Government stakeholders have a role in providing resources for inspection and encourage unionization of workers to enhance their bargaining position. CSOs have a role in supporting the promotion of gender pay equity through delivering campaigns on awareness of rights, providing services for individuals who are discriminated and advocating gender pay equity to the employer. To develop a supportive environment for gender pay equity, employers also should be transparent and accountable.

Recommendation 4.3: Ensure effective implementation of Law No. 12 of 2022 concerning Sexual Violence Crime. To protect internal migrant workers from any forms of sexual violence, the Government stakeholders and frontline officers have a role in providing safe space, access to recovery assistance and legal assistance in line with a non-discrimination approach and in the best interest of the victims. Upon the issuance of Law No. 12 of 2022, the Government of Indonesia shall ensure its effective implementation through the development of technical regulations under this law that can be led by the Ministry of Women Empowerment and Child Protection.

Recommendation 4.4: Ratify ILO Violence and Harassment Convention (C190). To support workers (both men and women) to report cases of sexual harassment in the workplace and seek access to remedy, MoM should ratify ILO C190 and align Law No. 13/2003 concerning Manpower with international standards on (gender-based) violence and sexual harassment at work.

Recommendation 4.5: Improve the capacity of the labour inspectorate to identify gender-based discrimination at work. MoM should train labour inspectors (both men and women) to improve the identification and remediation of gender-based discrimination and ensure labour inspectors are trained in how to identify and remediate cases of sexual harassment at work. MoM should ensure the presence of women officers to support tailored assistance for handling issues faced by women workers. International organizations should also support MoM's labour inspector training workshops by providing gender-sensitive training materials and technical advice on how the labour inspectorate can better promote gender equality at work.

5. Improve workplace occupational safety and health

Recommendation 5.1: Expand the OSH protections workers are entitled to. To improve OSH within the workplace, MoM could expand the remit of Law No. 13/2003 concerning Manpower and Government Regulation 50/2012 to include the right to free workplace OSH training and to all necessary work-related PPE, in line with international standards. Employers also have a key role to play in ensuring that their workplace has an OSH management plan in place, that all workers are adequately trained on OSH and that all workers are provided with the PPE necessary for doing their work safely.

6. Take a human-rights based approach to internal labour migration governance

Recommendation 6.1: Strengthen the protections for internal migrant workers within existing anti-trafficking legislation. Currently, migration governance and legal protections for victims of trafficking in persons focus heavily on Indonesian overseas migrants. The MoM could increase the protections afforded to internal migrant workers in Indonesia through the development of national legislation that covers, inter alia, structural reform, pre-departure training, general support (that is, shelter, psychosocial counselling, free legal aid and repatriation assistance), and an inter-ministerial cooperation mechanism on migrant protection (including for trafficked persons).

Recommendation 6.2: Strengthen legislation regulating the recruitment process, particularly for internal migrant workers, and align definitions of recruitment fees with international standards. Currently employers who use a recruitment agent are prohibited from charging the worker for the agent's placement fee.¹⁰⁸ However, it is unclear if employers in Indonesia can directly charge internal migrant workers a recruitment related fee – for example, for equipment – and if employers or internal migrant workers are responsible for paying for migration costs. The MoM and the Ministry of Social Affairs should collaborate to prohibit recruitment fees for internal migrant workers, in line with international definitions of recruitment fees which include the cost of migration,¹⁰⁹ if employers or recruiters recruit a worker within their community of origin, rather than recruiting them within the destination community after a worker has migrated.

Recommendation 6.3: Ensure that all workers enrolled in the Social Security Fund can access health-care services free of charge. To better protect workers from adverse shocks, the Social Security Office could develop a system similar to the migrant health insurance, whereby migrant workers only have to present their SSF card to receive free health care, whereby they would not be required to cover the costs of health care upfront and be reimbursed later. The Ministry of Public Health should require hospitals to provide interpreters who can speak migrant workers' languages and to ensure migrant workers do not have to pay for an interpreter to accompany them to the hospital. CSOs, international organizations and workers' organizations should also raise awareness among migrant communities of their entitlements to access health-care services once enrolled in the SSF, and on how to access these.

Recommendations to private sector actors

Between June 2022 and March 2023, study findings have been validated with public and private sector actors. Fourteen private sector actors, including both national and international companies operating in the seafood processing sector, shared their reflections on findings and provided inputs to recommendations, particularly targeting buyers.

This section lays out the recommendations private sector actors proposed to address the challenges identified.

1. Enhance supply chain transparency and identify risks facing migrant workers employed in the supply chain

¹⁰⁸ Ministerial Regulation 230/2003, Article 6.

¹⁰⁹ See ILO (no date) '[Definition of recruitment fees and related costs](#)'.

Recommendation 1.1: Increase supply chain transparency to identify involved actors and understand human and labour rights risks. Due to supply chain complexities and multiple actors involved, oftentimes buyers are unaware of the actors in their supply chain producing the products they buy, beyond their tier-1 suppliers. As well, there might be a disconnect within companies, as technical personnel overseeing operations may be aware of supply chain dynamics, but this knowledge might not necessarily be passed on to the department in charge of due diligence measures. As such, due diligence measures taken by buyers do not include the whole supply chain, leaving out the lower tiers who undertake pre- and primary processing of seafood. To ensure buyers/companies are enabled to carry out due diligence throughout the supply chain as a whole, they are encouraged to increase supply chain mapping exercises and to ensure information regarding supply chain dynamics is shared with colleagues responsible for due diligence.

Recommendation 1.2: Revise auditing policies to include actors in lower tiers of the pre- and primary seafood processing sector in social audits: Buyers usually require their suppliers to undergo a social audit to ensure that suppliers fulfil buyer requirements and adhere to the buyer's code of conduct. However, this audit is only carried out at their direct, tier-1 suppliers with whom they have an agreement, and is not applied to supply chain actors in lower tiers. To enhance monitoring in the lower tiers of the supply chain, buyers could revise their auditing policies to include actors in lower tiers of the supply chain in social audits. In addition, audits should also cover subcontracted and home-based workers. To ensure that actors operating in the lower tiers are able to participate in audits, buyers should apply a cost-sharing model to facilitate the audit. However, challenges to engage actors operating in the lower tiers in audits persist, as buyers carrying out audits often do not have a direct agreement with these suppliers and have thus limited leverage.

2. Improve wage-levels and wage-protections in the pre- and primary seafood processing sector

Recommendation 2.1: Ensure that the price paid for seafood products enables all actors in their supply chain, including in the lower tiers, to pay all workers at least the minimum wage. To ensure that all suppliers operating in a supply chain can pay at least the minimum wage to their workers, seafood buyers need to conduct human rights due diligence at every tier of their supply chain and verify that their product pricing enables production costs inclusive of minimum wage payment at all tiers of production, in line with workers' rights under national legislation and with the UNGPs to respect human rights throughout their supply chains. Buyers also need to verify that the price their supplier charges them is inclusive of these costs. However, challenges remain for buyers to determine whether their purchasing practices affect wages of workers in lower tiers, and whether the prices they pay trickle down to the lower tiers.

3. Tackle decent work deficits experienced by migrant workers in the lower tiers of the seafood processing factor

Recommendation 3.1: Long-term agreements with suppliers may enhance working conditions of all workers, including migrant workers: Buyers may sign short-term agreements with their suppliers to fulfill current demands. However, short-term agreements are challenging for local suppliers, as these do not guarantee a steady flow of income. With long-term agreements, suppliers are guaranteed income and do not need to squeeze cost, for example on workers' salary or PPE, in order to save money for periods when they receive less orders.

ANNEX 1:

Legal framework



"Measuring fish"
Photo: © IOM 2018

Indonesia is a Member State of the United Nations (UN), the Association of Southeast Asian Nations (ASEAN), the Global Forum for Migration and Development, the Ministerial Consultations for Asian Labour Sending Countries (the Colombo Process), and the ASEAN Declaration on the Protection and Promotion of the Rights of Migrant Workers. Indonesia has signed and ratified the **International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families**, which was adopted in 1990 (UN General Assembly resolution 45/158). Indonesia ratified the **Convention on the Elimination of All Forms of Discrimination Against Women** (CEDAW) in 1984 and the **International Convention on the Elimination of All Forms of Racial Discrimination** (CERD) in 1999. Indonesia has ratified all eight core International Labour Organization (ILO) Conventions, protecting workers' fundamental principles and rights at work. Indonesia is also party to **ILO Labour Inspection Convention**, 1947 (No. 81). Indonesia is also an active key partner in the Organization for Economic Co-operation and Development (OECD) since 2007 and has become a member of the OECD Development Centre in 2009. As an associate and a participant in nine OECD bodies, Indonesia adheres to more than ten OECD legal instruments. In economic and development, Indonesia joined the G20 forum and hold the presidency in 2022. As a signatory of these, and other binding and non-binding international and regional cooperation mechanisms and laws, Indonesia is bound by various international standards and treaties, as well as multilateral and bilateral agreements regarding the protection of workers.

Indonesia's national legal framework on the protection of workers

A number of national laws set out Indonesia's responsibilities with regards to the protection of workers in Indonesia's fisheries and seafood sectors. This legal analysis focuses on the following national laws:

- Law No. 13/2003 concerning Manpower;
- Law No. 24 of 2011 on the Social Security Organizing Agency;
- Law No. 40/2004 on Social Security;
- Law No. 21/2000 concerning Trade Union;
- Law No. 45/2009 concerning Changes on Law No. 31/2004 concerning Fishery;
- Law No. 11/2020 concerning Job Creation; and
- Law No. 21/2007 on the Eradication of the Criminal Act of Trafficking in Persons.

In Indonesia, currently, labour provisions that provide protection for the rights of workers in Indonesia – including land-based seafood processing workers - are enshrined in Law No. 13/2003 on Manpower; and Law No. 40/2004 on Social Security. Workers have the right to join unions under Law No. 21/2000 concerning Trade Union. Trafficked workers are entitled to protection and support mechanisms under Law No. 21/2007 on the Eradication of the Criminal Act of Trafficking in Persons. This legal review further considers the protection provisions for workers – or lack thereof – under Law No. 45/2009 concerning Changes on Law No. 21/2004 concerning Fishery; and changes that will be made to existing national legislation by the new Law No. 11/2020 concerning Job Creation.

Law No. 13 of 2003 concerning Manpower

Law No. 13/2003 concerning Manpower of Indonesia is a comprehensive piece of national legislation on labour relations. It regulates matters relating to employment for all workers in Indonesia, including seafood processing workers. It aims to 'empower' and make efficient the use of workers in a 'humane' manner, as well as create equal employment opportunities, strengthen protections for workers, and improve the welfare of workers

and their families. It is divided into 17 parts: Part 1 contains definitions. Part 2 sets forth statutory bases, basic principles and objectives. Part 3 provides for equal opportunity to get a job without discrimination, and to receive equal treatment from the employer. Part 4 deals with manpower planning and manpower information. Part 5 provides for job training. Part 6 regulates job placement. Part 7 provides for extension of job opportunities. Part 8 deals with employment of workers with foreign citizenship. Part 9 governs employment relations. Part 10 makes provision for protection, payment of wages, and welfare. Part 11 deals with industrial relations. Part 12 deals with termination of the worker's employment. Part 13 deals with manpower development. Part 14 regulates labour inspection. Part 15 covers investigation. Part 16 contains criminal regulations and provides for administrative sanctions. Finally, Part 17 contains transitional regulations. It should be noted that in the event that Law No. 11/2020 concerning Job Creation is declared constitutional - in its current form - a number of Articles in Law No. 13/2003 concerning Manpower, which provide wage and other protections to workers, will be repealed, including regulation of fixed-term contracts and outsourcing, wage determination, dismissals, severance pay, leave, and working time. Some detail on these changes is provided in the summary on Law No. 11/2020 concerning Job Creation.

Article 74 of Law No. 13/2003 concerning Manpower clearly stipulates the **prohibition against forced labour** in Indonesia.

Article 88 outlines that “every worker/labourer has the right to earn a living that is decent from the viewpoint of humanity”. Under Article 89(1) of the Manpower Act workers are **entitled to the minimum wage**, based on provincial or district/city-based minimum wages.¹¹⁰

Under Article 51, **contracts are permitted in oral form, in addition to written contracts**. The requirements for written contracts are provided under Article 54; however, the law does not make clear whether the same requirements are required for oral contracts.¹¹¹

Article 62 outlines that if a party to a work agreement (that is, the worker, or the employer) terminates the agreement prior to its expiry, the side that terminates the agreement is obliged to pay compensation to the other party. While this article provides a layer of protection to workers, it may also serve to tie workers to their employers until the employment agreement expiry date.

Under Law No. 13/2003 concerning Manpower, **working hours** for workers should be seven hours a day and 40 hours a week over six workdays, or eight hours a day and 40 hours a week over five workdays. Under Article 77(3) the work hour rulings do not apply to ‘certain business sectors or certain types of work’ but there is no further information on what sectors or types of work are excluded. **Work over-time** is permitted in the event that the worker agrees to work over-time. Overtime must be limited to three hours a day, or 14 hours in a week. Under Article 78(2) workers must be compensated for their over-time work.¹¹²

The **protection of female workers** is covered under various Articles, especially Article 76. Article 76(3) states that employers must provide ‘nutritious’ food and drinks to female workers who work between the

110 Minimum wage provisions will be amended under the new Omnibus Law.

111 Minimum wage provisions will be amended under the new Omnibus Law.

112 Working hour provisions will be amended under the new Omnibus Law.

hours of 11p.m and 7a.m. Under article 76(4) employers are obliged to provide return transportation for female workers who work between the hours of 11p.m. and 5a.m. Under Article 76(6) women are entitled to treatment without discrimination from their employer. Under Article 82(1) female workers are entitled to paid leave of 1.5 months prior to giving birth, and 1.5 months of **maternity leave**. Under Article 81(1) female workers may take two days of paid **menstruation leave**.¹¹³

In line with international standards, Article 69 stipulates that the minimum age for work in Indonesia is 15 years of age. Also in line with International Law, Article 74 outlines that the minimum age for performing hazardous work in Indonesia is 18 years of age.

Under Article 86 every worker has the right to receive **occupational safety and health** protection. Under Article 99(1) workers and their families are entitled to **social security**. **Collective bargaining** is permitted under Article 116. Workers have the right to join **unions** under Article 104.

The Act further stipulates various regulations regarding the **prohibition of employment termination**. Article 153 states that employers are prohibited from terminating the employment of female workers who are pregnant, give birth, have miscarriages, or need to breastfeed their babies. Article 167 covers the issue of the **compensation/remuneration** of workers whose employment is terminated.

Article 176 states that **labour inspections** are to be performed by government labour inspectors.

With consideration of international standards such as ILO Conventions No. 87, and 98 regarding Freedom of Association; ILO Conventions No. 100 and 111 regarding the prohibition of discrimination; ILO Conventions No. 29 and 105 regarding the abolition of forced labour; and ILO Conventions No. 138 and 182 on the Minimum Age for Admission to Employment, the Manpower Act is in line with International Law across the areas of equal opportunities and treatment; collective bargaining; protection of workers (Occupational Safety and Health; special provisions for female workers; wages; social security). However, it must be emphasized that the Omnibus Law would repeal some key protections afforded to workers under Law No. 13/2003 concerning Manpower, thus resulting in the law no longer being in line with key International Law provisions on protection of workers, especially in the areas of regulation of fixed-term contracts and outsourcing, wage determination, dismissals, severance pay, leave, and working time.

However, some secondary sources have criticized the labour inspection enforcement aspect of the Manpower Act. Reports have highlighted the problem of a **lack of human and financial resources** in key government agencies, such as the Ministry of Manpower, which mean that relevant government entities are, when motivated to do so, unable to adequately enforce the law through performing labour inspections.¹¹⁴

113 Menstruation leave will be repealed under the new Omnibus Law.

114 United States Bureau of International Affairs (2016) Indonesia: Child labour: <https://www.refworld.org/pdfid/5a0021f30.pdf>

Law No. 24 of 2011 on the Social Security Organizing Agency

This law establishes the Social Security Organizing Agency whose role is to organize the social security program. Article 1 of the law stipulates that the implementing agency is BPJS.

Law No. 40 of 2004 on Social Security

Law No. 40 on Social Security sets forth how the national social security system of Indonesia is to be managed. The law is separated into nine chapters including:

Chapter 2: Principle, objective and principle of management;

Chapter 3: Social Security Management Board;

Chapter 4: National Security Council;

Chapter 5: Membership and contribution; and

Chapter 7: Management and Social Security Fund.

With regards to the protection of workers – including seafood processing workers - the law essentially provides that Indonesians (and eligible foreign workers) have the right to social security. However, employer obligations for enrolling their workers in a social security program are vague. Article 13, for example, lays out that “gradually, the employers shall be obliged to register themselves and their employees as participants to Social Security Administrative Body”. Article 17 states that each employer is obliged to collect a contribution from employees, add a compulsory contribution, and pay these contributions periodically to the Social Security Administrative Body.

Article 18 outlines the **different types of social security programs**, including health insurance, life insurance, and work accident insurance. Article 20 stipulates that people are covered by the scheme if they have paid their contributions, or their contributions have been paid by the Government.

A brief explanation of how Law No. 11/2020 concerning Job Creation may affect workers' social security is provided in later sections of this legal analysis.

Law No. 21 of 2000 concerning Trade Union

As a key step towards reform of industrial relations in Indonesia, and in accordance with the ratification of ILO Convention No. 87, the Indonesian Government enacted Law No. 21/2000 concerning Trade Union, on 4 August 2000.

Law No. 21/2000 concerning Trade Union is a comprehensive piece of national legislation covering labour relations and trade unions. Chapter 3 addresses union formation, providing every worker with the right to form or become a union member. Chapter 4 governs membership and specifies, *inter alia*, that unions may not discriminate against potential members on the grounds of political allegiance, religion, ethnicity or sex. Chapter 6 establishes the rights and obligations of unions including, *inter alia*, rights to negotiate collective agreements, represent workers in industrial dispute settlements, and obligations to defend members from any violations of their rights. Chapter 7 contains a ban on interference with workers' rights to organise and participate in union activities. Chapter 13 extends the rights of freedom of association and organization to civil servants.

Law No. 21/2000 concerning Trade Union guarantees:

- Workers' rights to establish and become members of unions;
- Unions' rights to function in order to protect, defend and improve the welfare of workers and their families; and
- The protection for workers against acts of anti-union discrimination and interference.

The Act provides that unions be registered with the government agency responsible for manpower affairs and must meet certain basic requirements in regard to constitution and rules, the rights and obligations of members and officials, financial administration, the holding of property, and dissolution.

Under the Act, workers have the right to choose which union they wish to join. Finally, the Act provides that workers have rights to create collective bargaining agreements with their company.

Law No. 21 of 2007 on the Eradication of the Criminal Act of Trafficking in Persons

Victims of trafficking in persons are also afforded protection under Law No. 21 of 2007 on the Eradication of the Criminal Act of Trafficking in Persons. Articles 51 and 52 outline that victims are entitled to receive shelter, medical assistance, and social rehabilitation and reintegration assistance from the Indonesian government and NGOs. Article 48 outlines victims' right to restitution. Under this Article, victims may receive compensation for: loss of assets or income; suffering; cost of medical and/or psychological treatment; and any other relevant losses.

Law No. 21 of 2007 on the Eradication of the Criminal Act of Trafficking in Persons further outlines the prohibition of child trafficking (Articles 55, 56).

Law No. 45 of 2009 amending Law No. 31 of 2004 concerning Fishery

Several other national laws and regulations¹¹⁵ on fisheries either exclude land-based seafood-processing workers and/or do not contain any labour protection provisions. For example, Law No. 45/2009 amending Law No. 31/2004 concerning Fishery does not contain any labour protection provisions for workers.

Law No. 45/2009 amends the Fisheries Law No. 31/2004 by making changes to several articles of the Law and by inserting new provisions. Amendments cover various issues regarding the development, management and conservation of fisheries including: Management and conservation of fish resources; fishing gear and fishing methods; aquaculture; fishing vessels and fishing ports; provisions to favour minor fishermen and minor fish cultivators; control and law enforcement in the handling of criminal acts in the fishery field; and application of sanctions.

This piece of national legislation appears to not cover land-based seafood processing workers. In the Fisheries Act No. 45/2009 the term 'nelayan' is defined as people who 'capture' fish for their livelihood rather than process it.

¹¹⁵ For example, Law No. 7 of 2016 concerning Protection and Empowerment of Fishermen, Fish Cultivators, and Salt Farmers; Government Regulation No. 7 of 2000 concerning Seamanship; Government Regulation No. 27 of 2021 concerning regarding the implementation of the fisheries sector

In any case, this is not a human rights-based piece of national legislation, and does not provide any protection provisions to workers. Fisheries Act No. 45/2009 focuses on the management of Indonesia's fisheries, and outlines the rules and regulations for persons engaged in the fisheries business. The law is silent on protection provisions for workers, such as the minimum wage, requirements for contracts, working conditions, and so on. The law is further silent on the rights of female workers, the prohibition of child labour, and so on.

Law No. 11 of 2020 concerning Job Creation (Omnibus law)

Law No. 11/2020 concerning Job Creation is considered in this legal analysis; however, it is currently awaiting a verdict regarding its conformity with the Constitution of Indonesia. The Constitutional Court of Indonesia stated on 25 November 2021 that the Omnibus Law is contrary to the 1945 Constitution. The Court allowed the law to remain in force until an amendment is made within two years after the verdict is read, or it would be deemed "permanently unconstitutional".¹¹⁶

This law, which was passed on 5 October 2020, is aimed at boosting foreign direct investment and economic growth by improving the ease of doing business. The law introduces a new framework for business licensing. Importantly, the Omnibus Law amends 77 existing national laws covering various issues including, but not limited to: Environmental protection, spatial planning, special economic zones, small and medium enterprises, land rights, transport, energy, agriculture, fisheries, and taxation. Specifically, the Omnibus Law has introduced a range of changes to Law no. 13/2003 concerning manpower on, inter alia, regulation of fixed-term contracts and outsourcing, wage determination, dismissals, severance pay, leave, working time, and use of foreign workers – the majority of which reduce existing worker protections. The Law also introduces unemployment insurance as an additional form of workers' social security scheme, and amends some aspects of the Overseas Migrant Worker Law of 2017.¹¹⁷ The Omnibus Law also makes potentially negative changes to Law No. 40/ 2004 on Social Security.

In terms of changes made by Law No. 11/2020 concerning Job Creation to the provisions regarding work contracts, it revokes Article 59 of Law 13/2003 concerning manpower. This revocation eliminates the maximum period for a temporary work agreement, the maximum period of extensions, and other conditions which currently lead to the conversion of a temporary work arrangement to a permanent work arrangement. Indonesian labour law draws a distinction between fixed-term and permanent work contracts where, in addition to security of employment term, a key difference between the two types of contract relates to dismissal payments. In general, fixed-term workers have the right to compensation for lost wages if their contract is ended early by their employer, while permanent workers have rights to severance and reward payments. Law 13/2003 concerning manpower, and its implementing regulations, provide that if work was still remaining to be done after three years, a fixed-term contract could be renewed provided that there was at least a 30-day break in between the two contracts, and then it could only be renewed once for a maximum period of two years.¹¹⁸ Under the new Law No. 11/2020 concerning Job Creation, fixed-term contracts are restricted only to seasonal work or work that can be completed in a certain time period; contracts that do not meet these criteria will be deemed to be permanent.¹¹⁹ However, the maximum length of fixed-term contracts has now been entirely removed in Law

¹¹⁶ See: <https://www.business-humanrights.org/en/latest-news/indonesia-legal-aid-foundation-deems-courts-ruling-on-omnibus-law-vague-indecisive/>

¹¹⁷ Mahy, P. (2021) Indonesia's Omnibus law on job creation: Reducing labour protections in a time of COVID-19.

¹¹⁸ Law no. 13/2003 on Labour, art. 59(6); Minister for Labour Decision no. 100/2004 on Limited Time Employment Contracts, art. 3.

¹¹⁹ Law no. 11/2020 on Job Creation, amending Law no. 13/2003 on Labour, art. 59. See also Constitutional Court Decision no. 7/PUU-XII/2014 on how a worker may request that their contract be deemed as permanent.

No. 11/2020 concerning Job Creation, along with all restrictions on renewal. While this removal of maximum time limits on fixed-term contracts is intended to give employers more flexibility, it is possible that employers will use the new rules to avoid granting entitlements to workers.¹²⁰

In terms of changes made to wage determination under Law No. 11/2020 concerning Job Creation, the new law risks lowering the wages of workers. First, the new law has introduced an exemption from the requirement to pay minimum wages for small and micro enterprises.¹²¹ Wages in these enterprises are instead to meet a certain percentage of average consumption with the exact calculation to be determined in the implementing regulations. No definition has yet been provided for these enterprises and an implementing government regulation is needed to define them (including for other parts of the Omnibus Law).

Second, the new Law No. 11/2020 concerning Job Creation also eliminates Article 91 of Law 13/2003 concerning manpower, which means that the obligation has been removed for employers to pay the workers with the wage according to the existing legislations in case where wage arrangement between workers and employers are lower than the statutory wage standard.

Amnesty International suggests that new provisions concerning wages will flatline the minimum wage standard in all cities within a province.¹²² The generic provincial minimum wage will be determined by the Governor. The introduction of this article also affects the amount of sectoral minimum wage which was previously higher than the city/regency minimum wage.¹²³

Third, Law No. 11/2020 concerning Job Creation adds Article 88B, which gives employers the freedom to determine the output units assigned to the workers as a basis for calculating wages (piece-rate system).

In terms of working time and leave, under the new Law, some de-regulatory changes have been made to working time and leave. The law adds Article 77A, which allows increased overtime work for specific sectors where compensation amounts for extra hours worked will be determined by individual employers through a work period scheme rather than government stipulated rate. While the choice between using either a five or six-day working week remains (both with a total of 40 hours), it is now only compulsory to give workers one rest day per week.¹²⁴ Previously, using a five-day working week pattern required providing two rest days. The number of permitted hours of overtime has been increased from three to four hours per day and from 14 to 18 hours per week.

Law No. 11/2020 concerning Job Creation further changes the provision for paid leave in Article 93(2) of Law 13/2003 concerning Manpower. This amendment eliminates some forms of paid leave including menstruation leave, leave for family occasions (marriage, circumcision, baptism, or death of family members), and parental leave. Currently these forms of leave are in addition to the 12-days of paid annual leave provided to workers.

120 Mahy, P. (2021) Indonesia's Omnibus law on job creation: Reducing labour protections in a time of COVID-19.

121 Law no. 11/2020 on Job Creation, art. 81(28), introducing Law no. 13/2003 on Labour, new art. 90B.

122 Amnesty International (2020) Commentary on the labour cluster of the Omnibus Bill on job creation (Ruu Cipta Kerja).

123 Amnesty International (2020) Commentary on the labour cluster of the Omnibus Bill on job creation (Ruu Cipta Kerja).

124 Law no. 11/2020 on Job Creation, art. 81(23), amending Law no.13/2003 on Labour, art. 79.

ANNEX 2:

Research methodology



"Fish sold in the wet market"
Photo: © IOM 2022

The study sought to answer three key research questions about the migration and employment experiences of internal migrant workers in the land-based pre- and primary seafood processing sector.

Research question 1: What are the labour conditions for internal migrant workers employed in pre- and primary seafood processing enterprises?

The first research question focused on working conditions for internal migrant workers in primary processing operations. To understand the labour migration process of internal migrant workers, the study examined the following sub-questions:

1. What does the internal migration process, particularly the recruitment and deployment stage, of land-based workers employed in primary and secondary seafood processing activities in Indonesia look like?
2. What kind of activities are internal migrant workers mostly engaged in?
3. What particular labour rights violations and practical barriers do these workers face?
 - a. What are the particular rights violations and barriers facing women workers?
 - b. What are the particular rights violations and barriers facing informal workers?
 - c. What are the barriers these workers face in accessing effective remedy?
4. How has the COVID-19 pandemic in Indonesia exacerbated the challenges and violations facing workers?

Research question 2: How does the legal framework protect pre- and primary seafood processing workers?

The second research question focused on the legal framework governing work in the pre- and primary seafood processing sector in Indonesia. To identify the key protection gaps, the study examined the following sub-research questions:

1. What legislative barriers do internal migrant workers face throughout the migration process?
2. Which legal frameworks apply to land-based workers employed in seafood processing sectors in Indonesia?
 - a. How do these laws apply to internal migrants?
 - b. How do these laws apply to informal workers?
3. Are these legal frameworks being effectively enforced in the seafood processing sector?
4. What protection gaps exist in these laws and policies with reference to international laws and standards?

Research question 3: How can the protection of internal migrant workers in the pre- and primary seafood sector be enhanced?

The third research question focused on the roles and actions of different stakeholders in advancing the protection of informal workers in the seafood sector. The study examined the following sub-research questions:

1. What efforts are relevant stakeholders currently undertaking to remedy the violations facing these workers?
2. How can the Indonesian government, civil society, private sector actors, and the international development community contribute to efforts to efficiently and effectively address the challenges and violations facing these workers?

Methods

The research informing this report drew on a mixed methods methodology that involved primary and secondary data collection. Primary quantitative data collection included a worker survey while qualitative data collection included key informant interviews and field observation methods. Secondary data collection consisted of a desk review of existing literature and trade and production statistics and a review of the legal framework.

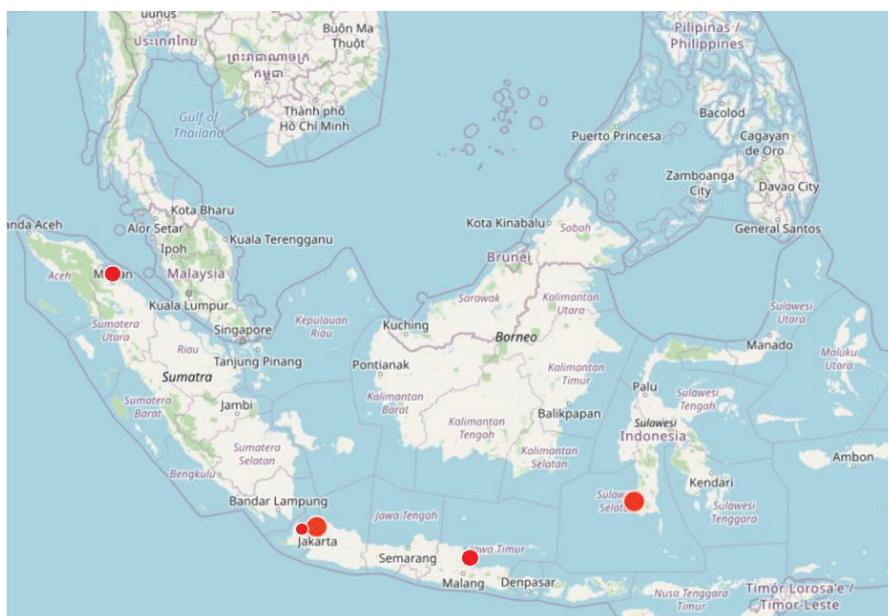
Worker survey

Based on the findings of the desk review and an analysis of existing survey tools, an extensive worker survey was designed for this study. The survey included modules on migration, recruitment, documentation, income and wage deductions, expenses, working conditions, social reproductive labour, accommodation, social security, debt, coercion, grievance mechanisms, and the impact of COVID-19.

Researchers and interpreters participated in training workshops on the wording and terminology used within the survey tool, to improve the consistency of the data collection. Following a pilot in Makassar, South Sulawesi in December 2021, the survey tool was revised and finalised.

Between December 2021 and March 2022, 201 workers involved in the pre- and primary processing of seafood in five provinces in Indonesia were surveyed for this study. Workers were interviewed in Bahasa Indonesia by the Indonesian researcher in six locations: Muara Angke and Muara Baru in Jakarta; Belawan, Medan, North Sumatra; Tangerang, Banten; Makassar, South Sulawesi; and Surabaya, East Java, as laid out in Figure 15.

Figure 18: Research locations



Workers surveyed for the study were identified either through CSOs, unions, or other workers, or were approached by the research team within migrant communities. 23 per cent of workers were approached to participate in the study through a CSO (n=47), one per cent (n=3) were approached through a union, one per cent (n=2) were identified through snowballing from other workers. The majority of workers, 74 per cent (n=149), were approached to participate by the researcher without a gatekeeper. Surveys were conducted using KoBoToolbox, with data input directly into an electronic version of the survey tool.

Field observations

As workers were primarily interviewed in their homes and communities, the researcher had the opportunity to observe their living conditions. Most homebased workers were interviewed while working in their home, which further provided opportunities for the researchers to observe the nature of homebased work. Observations were documented using fieldnotes.

Key informant interviews

Eight key informant interviews with two government ministries, three workers' organizations, two CSOs, and one international non-governmental organizations (NGOs) were conducted between December 2021 and March 2022. Interviews were conducted in English with Bahasa Indonesia interpretation. Key informant interviews were used to support the contextualisation and triangulation of the worker data collected and the analysis of the Indonesian legal framework.

Desk review

The study started with a literature review – both academic papers and reports produced by international organizations and civil society organizations. There is, however, limited literature available focusing on employment in the pre- and primary seafood processing sector in Indonesia. The literature review therefore included wider reports on informal work, informal processing in the context of small scale fisheries, and working conditions in the formal seafood processing sector. This review informed the research tools, particularly the worker survey, and was subsequently used to triangulate the survey findings. The desk review also included an exploration of trade and production data, to understand where Indonesian seafood products end up.

Review of the legal framework

The legal framework governing labour protection, small and medium enterprises, and social protection in Indonesia was reviewed to inform the findings of this report. The analysis focused on the protections in place for workers employed in the pre- and primary seafood processing sector and in formal land-based SME factories. The review also focused on the gaps in their legal protections, particularly for workers in the informal sector.

Worker survey

The quantitative data from the survey tool was downloaded from KoBoToolbox in Excel format. The initial data cleaning was undertaken by the Indonesian field researcher, with further data cleaning undertaken by the lead researcher with input from the field researcher. Any queries in the data cleaning were discussed and agreed upon, with cross reference to qualitative notes made during the data collection. The data analysis was then conducted by the lead researcher using Excel. Data was disaggregated by workplace, by sex, and by survey location, to assess for key trends. The findings of this analysis form the basis of this report.

Qualitative data

Typed notes were made by the lead researcher during KIs. The cleaned, anonymised interview notes were input into a OneNote notebook and a coding frame was developed. The coding frame focused on the key themes under investigation, including informal work, migration, recruitment, income, debt, social security, working conditions, living conditions, gender, the impact of COVID-19, and access to services. Under each theme, sub-codes were developed. The KI data was then coded in OneNote, using the coding frame, and the key findings used to triangulate and contextualise the quantitative research findings.

Limitations

The six survey locations were selected on the basis of being popular destinations for internal migration and areas where high volumes of catch are landed with large numbers of seafood processing facilities. The sampling strategy used to identify workers was not designed to provide a statistically representative sample. As such, the worker survey data described throughout this report is used to illustrate key issues and trends among workers in the pre- and primary seafood processing sector; however it is not statically representative of all internal migrant workers in the informal land-based seafood processing sector.

Due to an outbreak of Omicron variant of COVID-19 in Indonesia in early 2022, it was not possible to conduct focus group discussions with workers. The quantitative findings from the worker survey data were therefore triangulated using the key informant interviews, field observations, and the literature review.

The study focuses on the perspectives and lived experiences of workers in the pre- and primary seafood processing sector in Indonesia. Although employers' associations were invited to participate in the study, they were not interviewed. As such, the study does not include the perspective of employers in the pre- and primary seafood sector.



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