

Fishers Labour Rights: A Comparison between North Atlantic Fishing Countries



Scottish Government
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Peter Greene (presenting)
Estelle Jones
Cornilius Chikwama
marinescotland

- Outline previous research and latest developments
- What is the problem?
- What could this imply?
- What further considerations are there?
- Summary and proposed discussion points

- Marine fishing is increasingly viewed as a ‘globalised sector of the world economy’;
- While, employment aboard vessels is described as ‘a truly global, multi-national and multi-cultural occupation’.
- This presentation is partly based on previous work:
 - *Pay Gaps between Domestic and International Fishers: The Case for Economics or Ethics* by Jones, Botterill, Chikwama and Gray (2017).

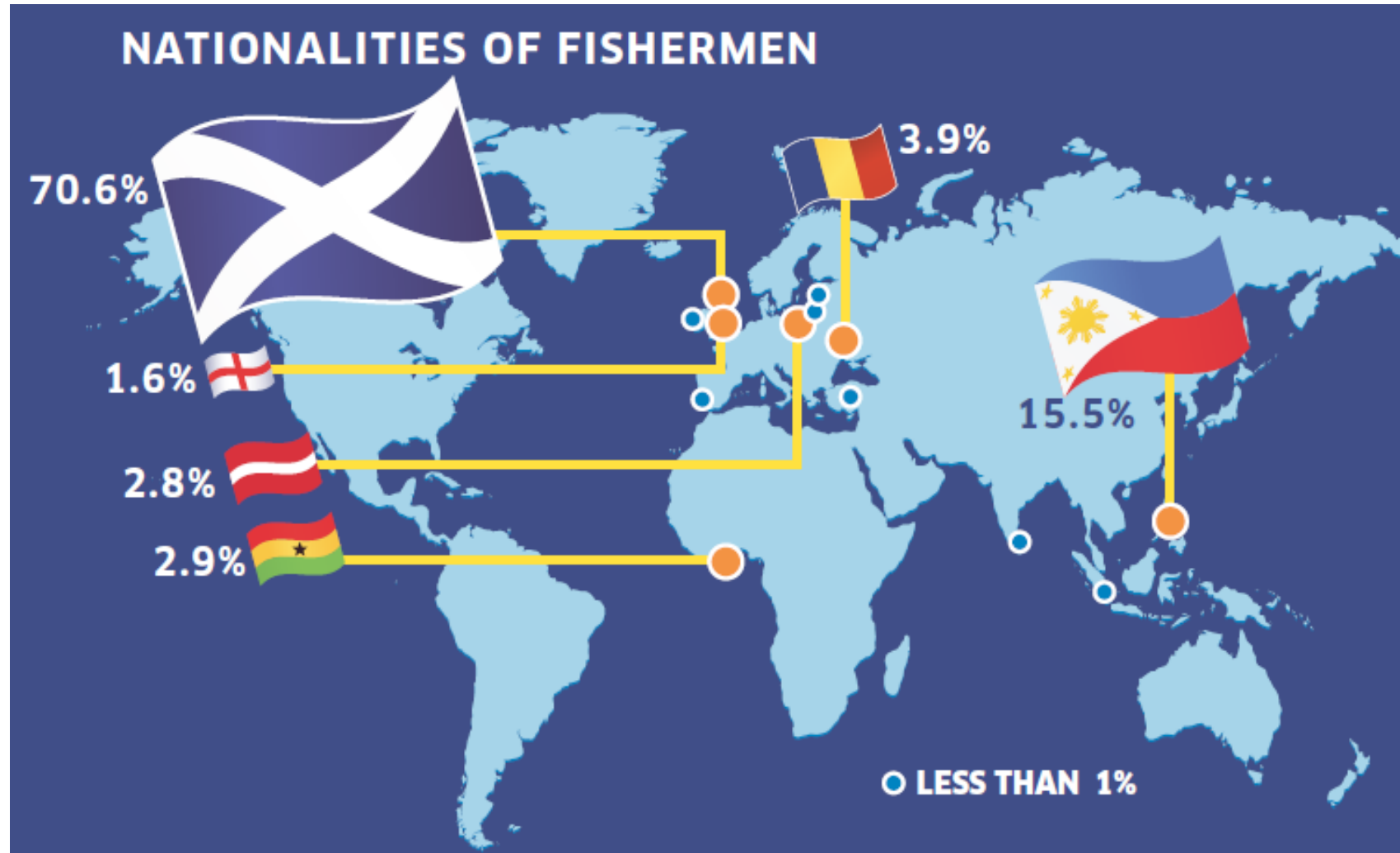
Jones et al (2017):

Objectives were to provide information:

- on structure of workforce – age, nationality and skills
- remuneration practices

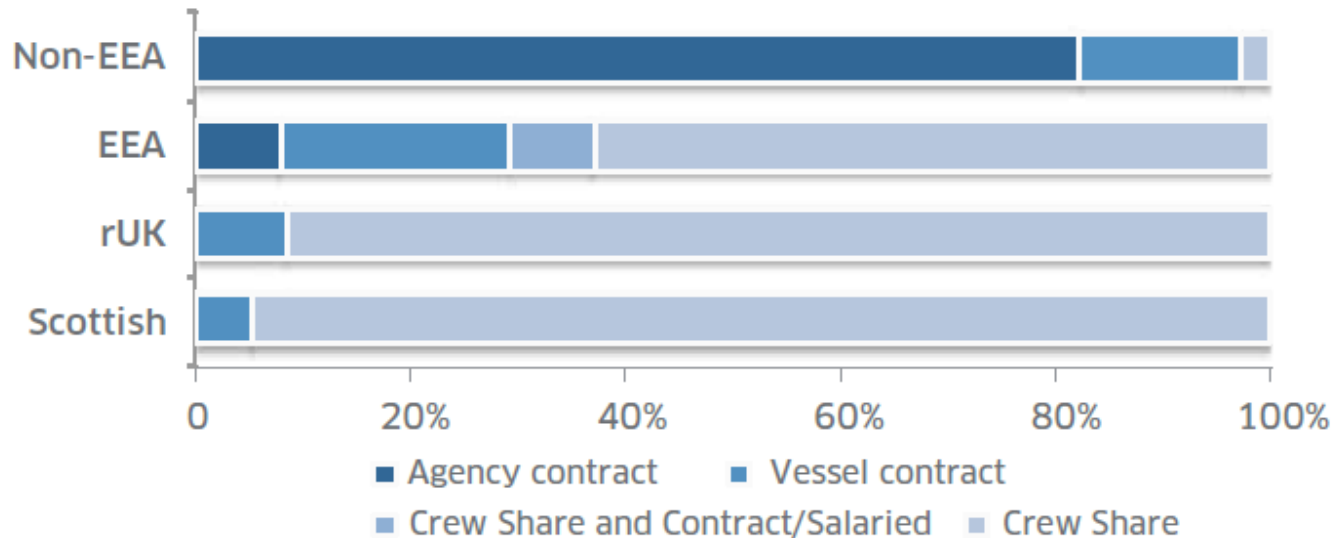
Methodology

- stratified purposive sample of 222 vessels by fleet segment
 - covered 753 crew members
- vessels recruited from all ports and major harbours in Scotland
- face to face interviews with skippers and crew on quayside
- data collection and entry managed by Seafish



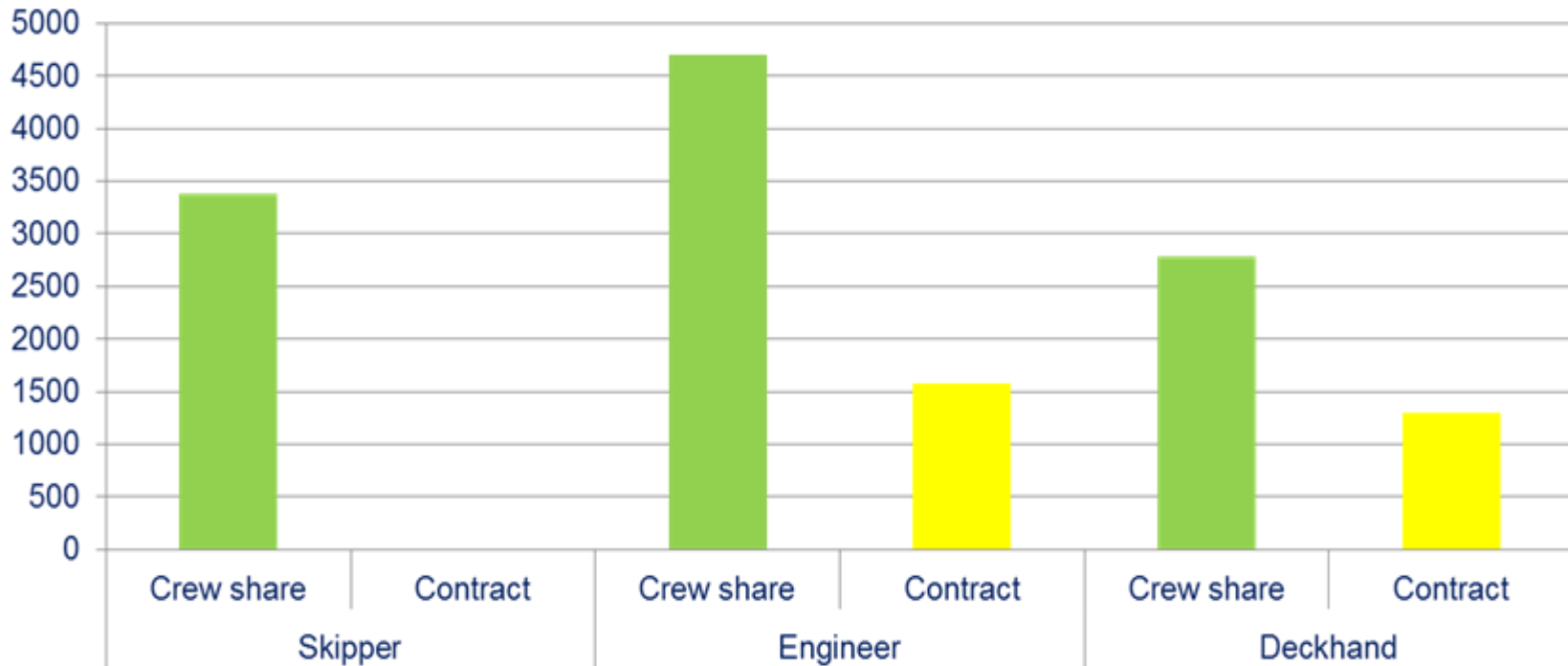
- Non-EEA crew require a work permit to work legally in the UK
- However, most recruited under the CRM01 transit visa
 - gives right of passage through the UK to join or leave a named vessel from a UK port
 - does not give crew right to reside in the UK and therefore not protected by UK employment law
 - crew can only work wholly outside of the UK territorial waters (beyond 12 nautical miles from shore)
- Non-EEA crew contracted via third party employment agencies in home country or treated as self employed
 - they do not have an employment contract with the vessel

- Significant differences in contracting arrangements by nationality



- Majority UK and EEA crews on crew share
 - Paid a share of the value of vessel landings
- Almost all non-EEA crews on contracted arrangements
 - Paid fixed monthly salary by an agent (the majority) or vessel owner

Average Vessel Remuneration Costs by Position: All Vessels



- Differences in cost of living between countries
 - unequal pay is fair for equalising welfare impacts – (purchasing power parity argument – World Bank International Comparison Programme)
- Incentive compatibility of contracts and productivity
 - Share pay arrangements offer flexibility to adjust effort and reduces incentives to shirk (share cropping literature)
- Risk sharing and risk premium
 - Fishers on crew share arrangements share some of the entrepreneurial risks with vessel operator
- Labour market segmentation
 - Equilibrium wages are different between countries and immigration controls stop convergence

National minimum wage of non-EEA countries (ILOSTATS, 2016)

Countries	Hourly Min. Wage £	Percentage of UK Hourly Min. Wage
Philippines	1.07	11.5%
Sri Lanka	0.18	3%
Ghana	0.18	3%
Indonesia	0.47	7%
Turkey	2.98	26%

- **Public perceptions**
 - reputation with members of the public and consumers matter
- **Pay differential as proxy for other unobserved inequities?**
 - media reports about poor treatment and conditions for non-EEA crew
- **Ethical sourcing and marketing considerations**
 - Can industry deliver what supply chain is asking for
- **Scottish Government policy on living wage**
 - Practice not in line with SG policy
- **Plus, is there an international agreement angle here?**

C188 - Work in Fishing Convention, 2007 (No. 188)

Convention concerning work in the fishing sector (Entry into force: 16 Nov 2017)

Adoption: Geneva, 96th ILC session (14 Jun 2007) - Status: Up-to-date instrument (Technical Convention).

Convention may be denounced: 16 Nov 2027 - 16 Nov 2028

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Preamble

The General Conference of the International Labour Organization,

Having been convened at Geneva by the Governing Body of the International Labour Office, and having met in its ninety-sixth Session on 30 May 2007, and

Recognizing that globalization has a profound impact on the fishing sector, and

Noting the ILO Declaration on Fundamental Principles and Rights at Work, 1998, and

Taking into consideration the fundamental rights to be found in the following international labour Conventions: the Forced Labour Convention, 1930 (No. 29), the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), the Right to Organise and Collective

Payment of fishers

Article 23

Each Member, after consultation, shall adopt laws, regulations or other measures providing that fishers who are paid a wage are ensured a monthly or other regular payment.

Article 24

Each Member shall require that all fishers working on board fishing vessels shall be given a means to transmit all or part of their payments received, including advances, to their families at no cost.

Hence, is there a need for further international action to increase protections in this area?

If earnings differentials exist in the Scottish fleet, do they also exist in other fleets?

What are the non-EEA and non-domestic workforce compositions like elsewhere?

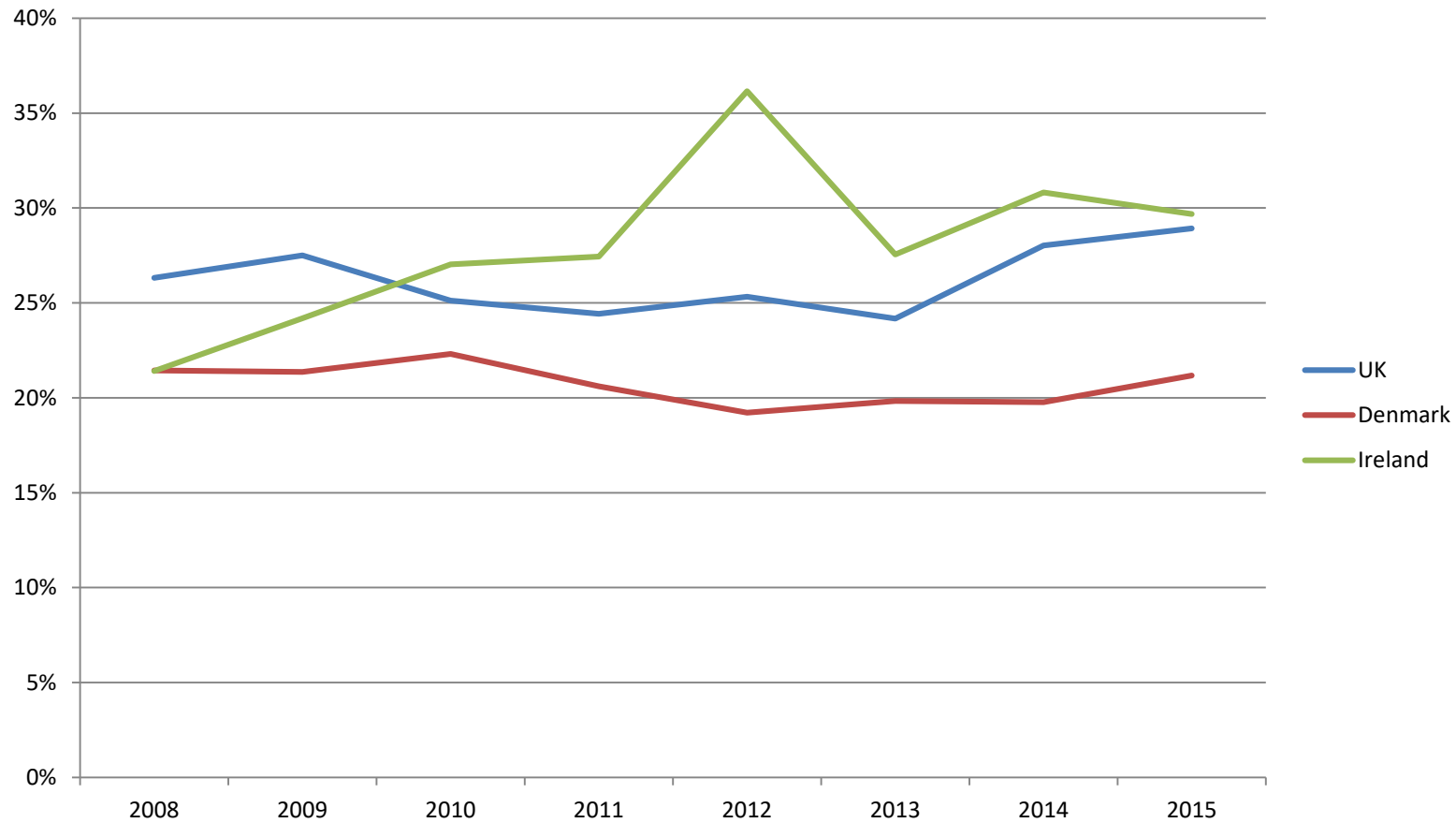
If such differentials exist elsewhere this could exacerbate the disparities found in Jones et al (2017).

This could in turn result in unfair and inequitable employment practices.

Some initial thoughts:

- Are labour costs a key factor in businesses decision making?
- Can wage differentials be substantial enough to affect comparative advantage?
- What type of employment legislation do others have?
- And, how is this legislation applied in practice – a very complicated area for comparative analysis!
- Is there a *role* for more transnational standards and guidance?

Labour costs as a proportion of expenses, 2008-2015



Source: DCF

	Average monthly earnings of employees, USD PPP 2011	Minimum Wage, USD PPP 2011
Denmark	4,266 (2014)	
Iceland	4,717 (2016)	
Ireland	3,863 (2016)	1,913 (2016)
Norway	4,648 (2015)	
Russia	1,449 (2016)	268 (2013)
UK	3,207 (2015)	1,560 (2015)

- Blanton and Peksen (2016) – economic liberalisation comes at the cost of respect for labour rights.
- Low (1992) – polluting industries and their exports expanded faster than clean industries in poorer countries than richer ones. As richer, adopt more environmentally friendly approaches.
- Salvatore (2014) – importance of considering productivity when examining measures to protect domestic wages. Correct domestic distortions, domestically.
- Sheldon (2006) – imperfect competition, incentive to reduce environmental legislation if non-coop prisoners dilemma.
- Cole and Elliott (2007) – find mixed impact on jobs in UK heavy industry from environmental standards, costs are only a fraction of total.

1. International employment agencies
2. Dissatisfaction at wage differentials
3. Public perceptions
4. Local wage policy
5. Multilateral action?

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- Is there a *role* for more transnational standards and guidance?
- **Contact Details:** peter.greene@gov.scot and estelle.jones@gov.scot