

Social risks in the Thai poultry sector

An explorative study using
social@risk™



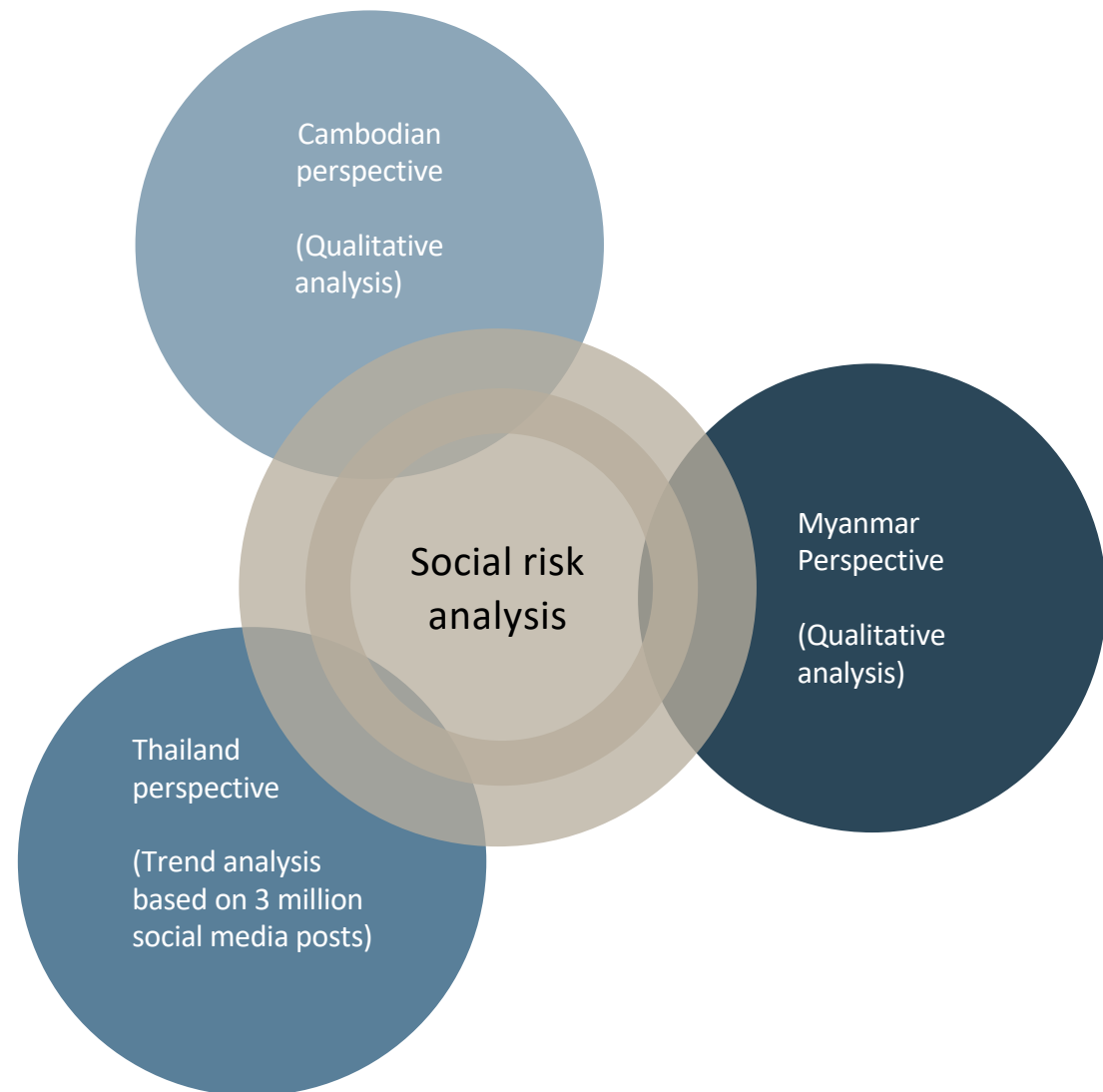
Findings

*Social risks in the Thai
poultry sector*

Globalworks Lund AB



Complex setting

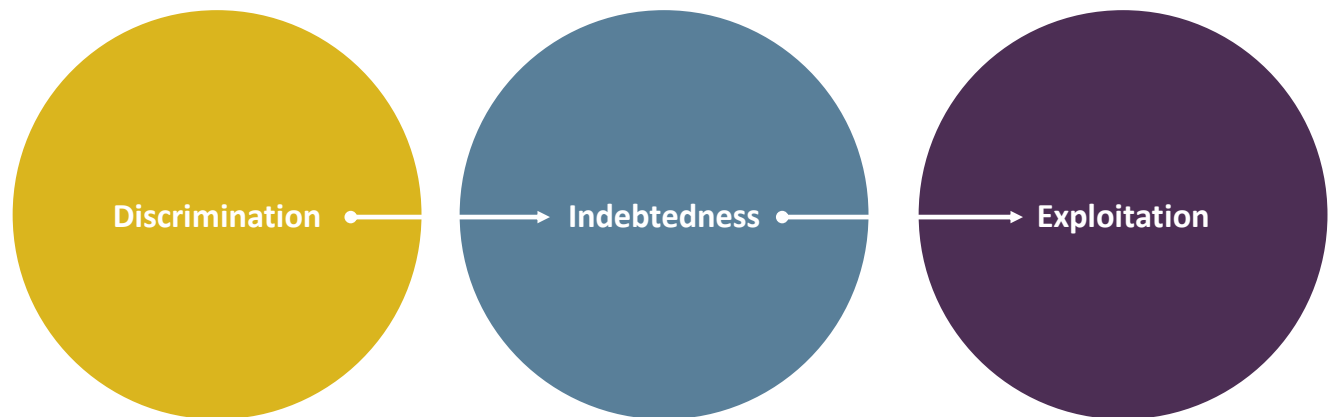


Very high social risk exposure

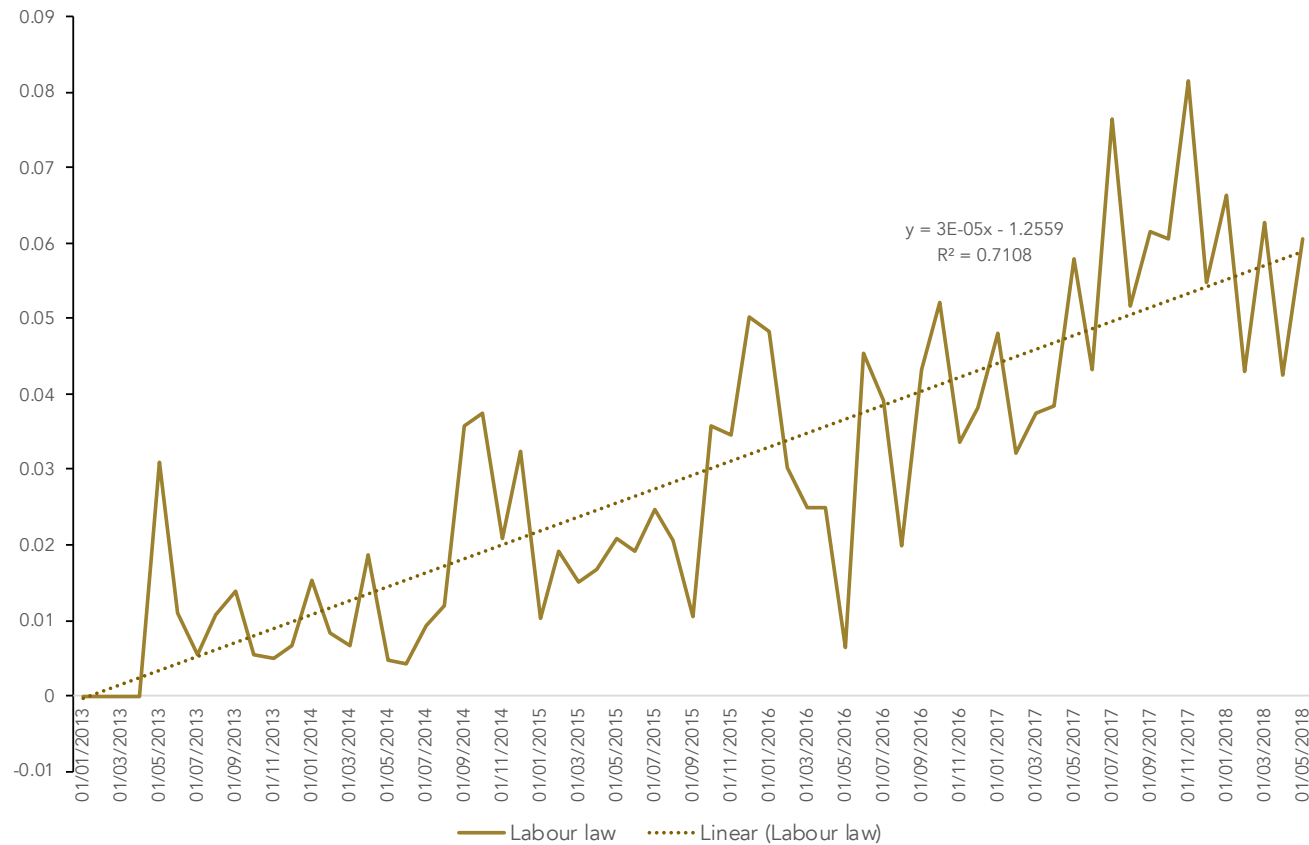
The risk of human rights violations and exposure to social risks in the Thai poultry sector is very high. Exploitative practices are hard to tackle because they are the result of a migrant labour regime that operates far beyond individual factories.

The here presented analysis suggests that social risks are amplified due to a causal chain of three elements:

- Discriminatory migrant labour regime
- Mechanisms of discrimination increase the risk of indebtedness
- Indebtedness facilitates bonded and forced labour relations with highly exploitative practices



Relative share of social media posts about labour law related issues.



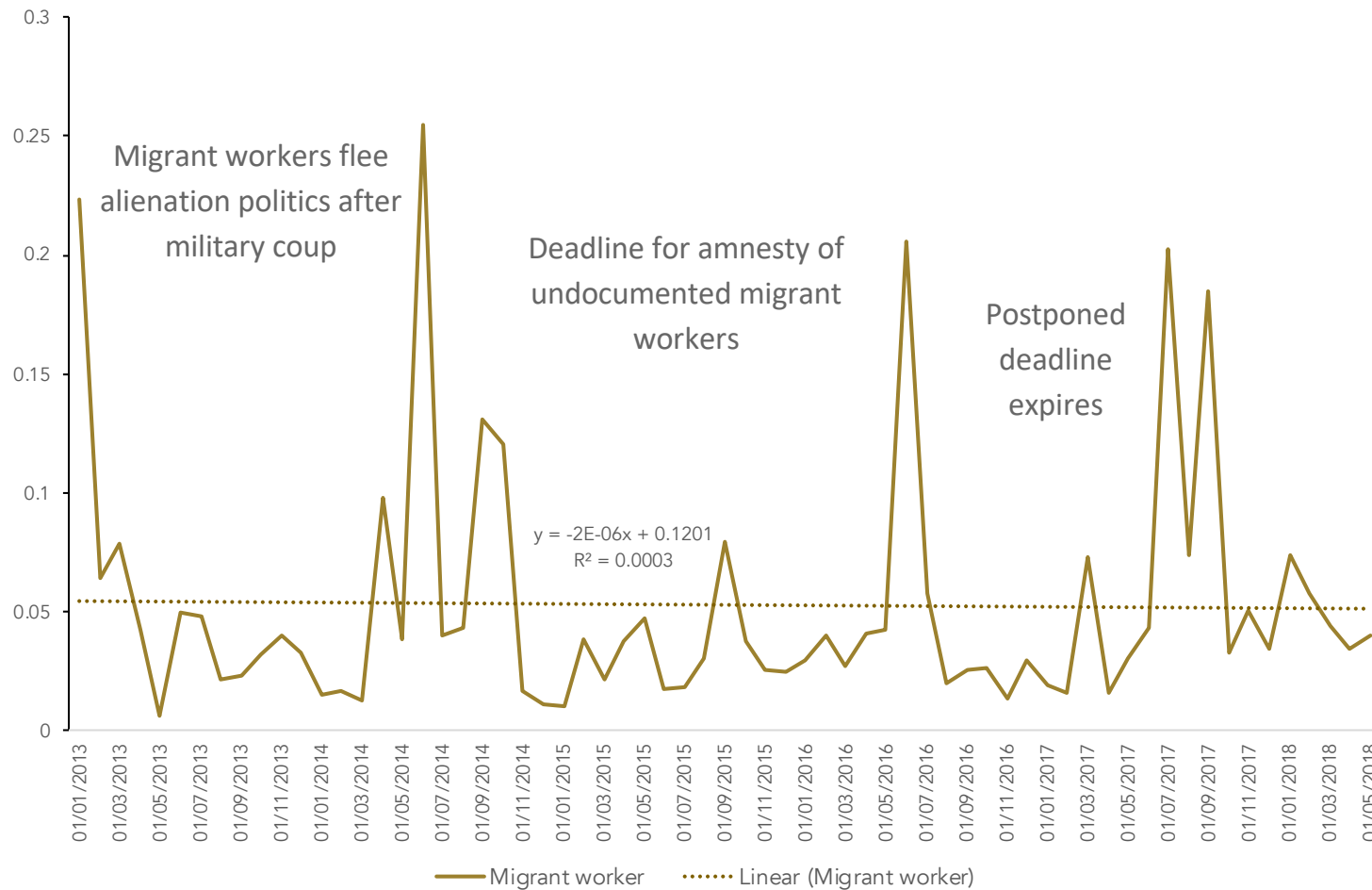
Rising interest of
labour law related
issues among Thai
people.

“

“We see illegal workers as a threat because there were a lot of them and no clear measures to handle them, which could lead to social problems.”

(Thai army spokesman Sirichan Ngathong, May 2014)

Relative share of social media posts about migrant worker related issues.



Migrant workers are not part of a labour law debate but are framed within political campaigns of the military regime



The MOU enacted in 2016 and coming into full effect 2018 reflects the politics of alienation. Legalisation is not becoming easier but the social risks of getting caught increase dramatically



Discrimination

After the final window for registration closed Summer 2018 the police and migration offices began with large-scale crack-downs on migrant workers





The cost of unregistrerad labour

Employer

10.000-100.000 Baht / 50.000-200.000 (repeated offense),

Up to 1 year prison,

3 year exclusion from applying for migrant labour licenses

The employer will also be punished for providing shelter to a non-registered foreigner under the 1979 immigration act:

50.000 Baht

Up to 5 years prison

Migrant

5.000-50.000 Baht

Migrants will also be punished for settling down without registration under the 1979 immigration act:

20.000 Baht

Up to 2 years prison

10.000 Bath / 2770 SEK / 263 EUR

Discrimination

Obstacles of becoming registered

Average rate of MOU expenses (10.000 Baht / 2770 SEK / 263 EUR)

Myanmar 14.000 Baht /person

Cambodia 17.500 Baht/person

Laos 15.000 Baht/person

Low capacity to process registrations

Current capacity 1.000 persons / day

There are approximately 7.000.000 undocumented migrant workers in Thailand

About 5.000.000 will try to stay. That implies that more than 12 years are needed to implement the MOU

Insufficient legal security for migrants

Successful registration depends on employer demand, sectorial regulation, and government quota

Social risks for undocumented workers

Criminalisation

Indebtedness

Social risks for registered workers

Cheating

Indebtedness

Indebtedness paves the way for bonded/forced labour

Paying fees to private recruitment agencies

Paying fees to traffickers

Paying back registration fees to employer

Debt trap for migrant workers

Bonded / Forced labour is facilitated by

Debt and confiscated ID card to ensure repayment

Work registration, which is tied to a specific employer

Weakly regulated recruitment agencies

The risk for unnoticed human rights violations is high due to

Workers widespread and located in remote areas

Complex supply chains with small-scale production sites

Control of workers through debt is hard to identify

Additional issues

Paying recruitment fees without getting a job

Ending up in another sector or industry

Debt trap for migrant workers



There is a high likelihood that migrant workers have to deal with additional costs. The risk of failing to pay instalments in time can be traumatising and a threat to migrant workers' health

Income of a migrant worker in the poultry sector

Basic salary per day: 250 Bath

Overtime pay per day: 56 Bath

Bonus per month: 550 Bath

Food allowance per month: 330 Bath

100 Bath / 28 SEK / 2,6 EUR

Living costs

3 meals per day: 150 Baht

3 bottles of water per day: 30 Bath

Social security fund deposit per month: 20 Bath

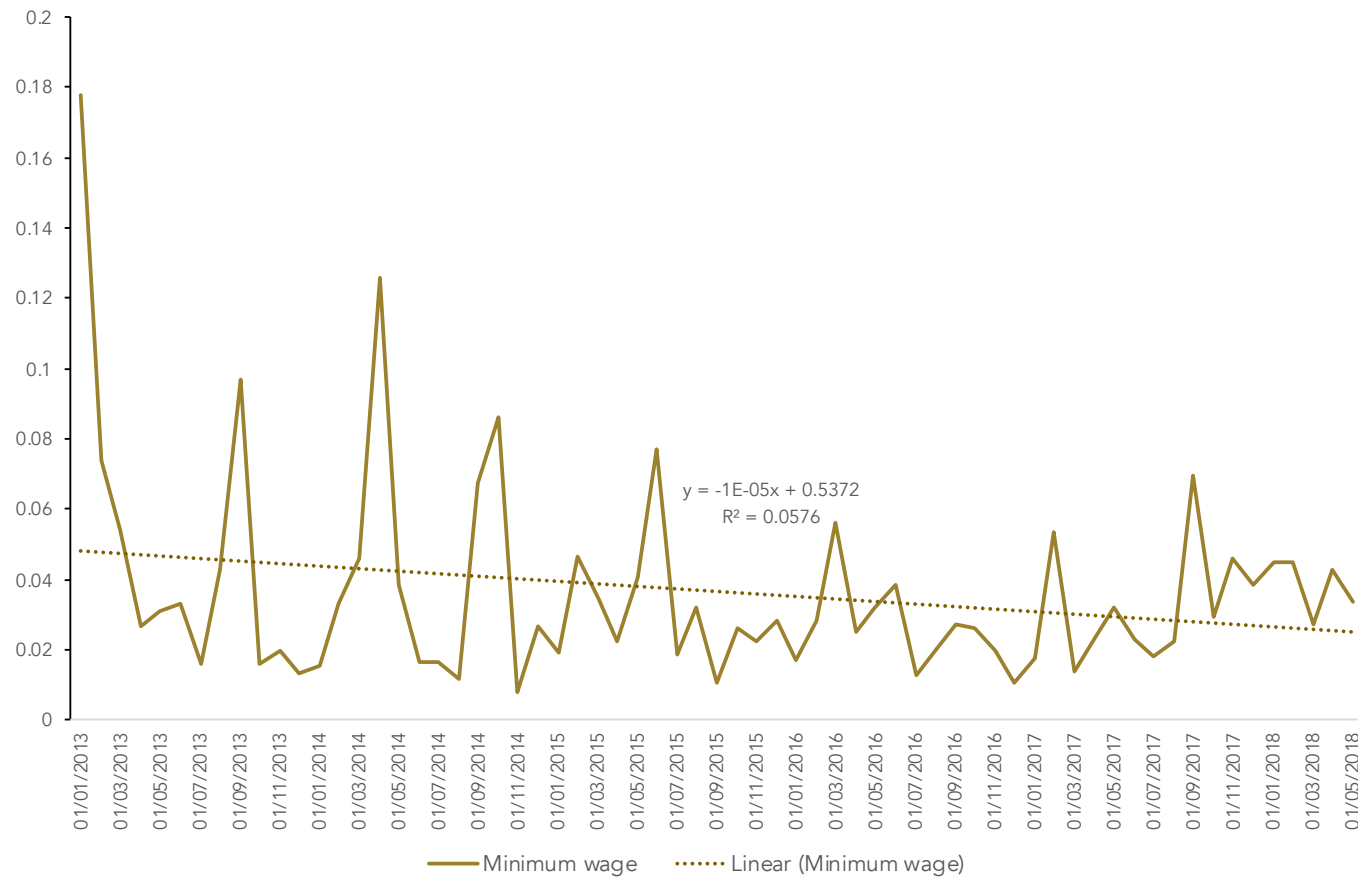
Other daily necessities and remittances per month: 100 Bath

Debt repayment per month: 30 Bath

This living cost scenario implies that a worker has to repay debts for 2 years – and there are no additional cost for medical care, loss of money due to theft, cheating, or force. No additional deductions by the employer.

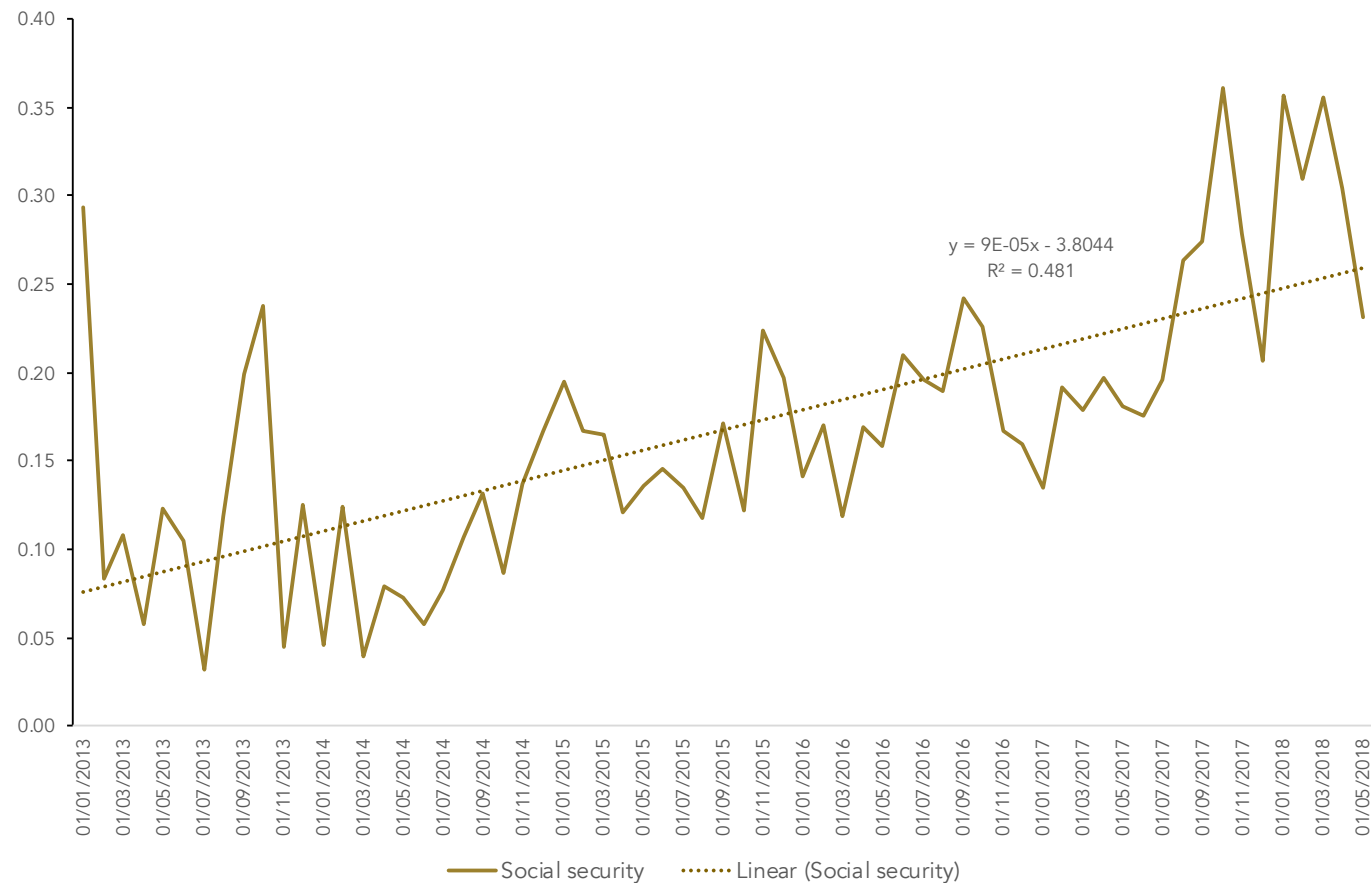
A living cost scenario based on information from job advertisements and price estimates from social media.
Result: Migrant workers in the poultry sector are far away from receiving living wages.

Relative share of social media posts about minimum wage related issues.



In social media the minimum wage is considered to be insufficient for satisfying the most basic needs. Its relevance in Thai public discourse is low. Migrant workers often are paid below minimum wage.

Relative share of social media posts about social security related issues.



Exploitation

Social security is an increasingly important topic in Thai public discourse. Yet migrant workers are not part of the discussion. Change ahead?

Social security alienation

Termination without compensation

Unfair dismissal

Infringement on freedom of association and collective bargaining

Expelling labour rights NGOs that challenge ongoing normalised labour and human rights violations





Exploitation

Migrant workers in the poultry sector are exposed to severe health risks, which eventually will transform into severe social risks.

A perspective on small scale sub-contactors



Migrant workers in the poultry sector are exposed to severe health risks, which eventually will transform into severe social risks

A perspective on large-scale processors



Exploitation

Migrant workers often do not receive compensation or proper care when they get injured in an accident. There are also discussions about how to finance the transport of dead bodies home.





Lessons

*Social risks in the Thai
poultryry sector*

Globalworks Lund AB



Major findings:

1. Debt trap
2. Private recruitment agencies
3. Minimum wage and living wage
4. Health risks

Plausible recommendations:

1. Recruitment and migration channel part of supply chain (employer responsibility)
2. Debt trap, wage and deductions (employer responsibility)
3. Low legal rights awareness (NGO support where the Government fails)
4. Low health risks awareness (NGO support and employer responsibility)

Debt trap

Minimum wage and
living wage

Private recruitment
agencies

Health risks