

# Chile



UK seafood industry exports from Chile 2018*		
Fish Type	Value, £	Weight, tonnes
Mussels	3,764,747	1724
Salmon	4,946,368	652
Other Fish	964,497	401
Horse/Jack Mackerel	179,314	215
Swordfish	149,790	17
Abalone	86,076	3

\*Source: Her Majesty's Revenue and Customs (HMRC).

## Introduction

This report is part of a series of country risk profiles that are designed to provide an understanding of the social risks associated with source countries that play a key role in the UK's seafood industry. Each report covers risks related to the production and processing of wild catch and aquaculture seafood products.

This report covers issues such as labour rights, working conditions, illegal fishing and impacts of the industry on local communities, and the mitigation efforts and regulatory frameworks put in place to address these issues.

This country risk profile has been compiled by Verisk Maplecroft on behalf of Seafish. Information on issues has been collated from publicly available sources, varying from international rankings and ratings, research by academics and other organisations, through to media articles. It has been prepared for general information only. You should not rely solely on its contents; always verify information from your own suppliers in your own supply chain. References for all information sources are provided.

## Overview

Chile is one of the world's largest fishing producers and was the second-largest producer of salmon in 2018. Farming is expected to continue rising, largely driven by growing demand from China in particular, and a global trend away from meat-intensive diets. Overall, 80 percent of the value and 55 percent of the volume of Chile's seafood exports came from aquaculture in 2017.<sup>1</sup> Major seafood exports from Chile to the UK include salmon, other mussels and other marine fish.

## Social risks

**Social protest and labour unrest pose main challenges.** Social risks related to Chile's fishing industry are generally low, linked to the country's comprehensive regulatory framework and adherence to international standards. The main social challenge is linked to environmental issues, with local groups increasingly challenging what they view as environmental mismanagement of freshwater and marine resources. Companies are seeking to assuage such concerns through community engagement programmes and adherence to tighter environmental targets, but such concerns are likely to remain a flashpoint for community tensions.

**Beyond these socio-environmental concerns, labour issues also provide a challenge.** The aquaculture industry is a major employer in Chile, with positions for skilled and unskilled labourers. Around 80,000 people are employed in harvesting and processing.<sup>2</sup> Aquaculture also provides unskilled positions, which are largely filled by agricultural workers in farm localities. These unskilled positions do present a greater risk of labour rights violations. This is particularly problematic in aquaculture, as the maintenance of facilities can involve hazardous underwater work.

In addition, an increasing amount of workers are contract or temporary workers.<sup>3</sup> According to the 2014 FAO report on aquaculture employment, only 25% of Chile's salmon production workers are permanent. This compares poorly to Canada, for example, where 90% of salmon farm workers are employed on a permanent basis. While this reflects the flexibility of Chile's labour market, it can also pose several labour rights risks. In particular, a lack of permanent staff may put less pressure on companies to maintain high labour and working standards, leading to a greater risk of accidents due to lower standards and reduced workplace training. Aquaculture has one of the highest injury and mortality rates within Chile's economy.<sup>4</sup> In 2014, the mortality rate for the aquaculture industry was 11.3 per 100,000 employees, second only to the mining industry with 12.1 per 100,000.

**Freedom of association and strike action are permitted by Chile's labour regulation and often utilised by workers in the aquaculture industry.** For example, in 2018 workers went on strike to protest against a new regulation governing quotas for cuttlefish.<sup>5</sup> The industry can also be disrupted by strikes along the supply chain, such as a 2017 customs strike or transport strikes, which delay export of fish.

## Regulations and risk mitigation

**New Chilean law aims to crackdown on illegal fishing in an effort to protect seafarer rights.** OceanMind, a UK-based technology company that uses satellite monitoring to track fishing vessels, is working with the Chilean government to help deter illegal, unregulated and unreported (IUU) fishing.<sup>6</sup> The new law modernises the National Fisheries and Aquaculture Service (SERPANESCA) using a Vessel Monitoring System (VMS), which is an essential tool that will direct officials towards those fishing illegally.<sup>7</sup> Illegal fishing can be linked to major human rights violations and these new regulations give SERPANESCA more power to punish the supply chain players who trade in – and profit from – illegally caught fish.

## International conventions and rankings

The following tables indicate which international labour conventions Chile has ratified. The ratification of these conventions is a good indicator of a source country's commitment to enforcing internationally accepted best practices in the seafood industry when combined with thorough national legislation and well-resourced enforcement mechanisms.

International Labour Organization (ILO) Conventions	Ratification
Freedom of Association and Protection of the Right to Organise (No. 87)	Yes
Right to Organise and Collective Bargaining (No. 98)	Yes
Forced Labour (No. 29)	Yes
Abolition of Forced Labour (No. 105)	Yes
Equal Remuneration (No. 100)	Yes
Discrimination (Employment and Occupation) (No. 111)	Yes
Minimum Age (No. 138)	Yes
Worst Forms of Child Labour (No. 182)	Yes
Hours of Work (Industry) (No.1)	Yes
Weekly Rest (Industry) (No.14)	Yes
Protection of Wages (No. 95)	No
Minimum Wage Fixing (No.131)	Yes
Occupational Safety and Health (No. 155)	No
Occupational Health Services (No. 161)	Yes
Labour Inspection (No. 81)	No
Private Employment Agencies (No. 181)	No
Maritime Labour Convention (No. 186)	Yes
Work in Fishing Convention (No. 188)	No

United Nations (UN) Conventions	Ratification
Convention against Transnational Organized Crime and the Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children	Yes
Convention against Transnational Organized Crime	Yes
Convention for the Suppression of the Traffic in Persons and of the Exploitation and the Prostitution of Others	No
Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families	Yes
Convention to Suppress the Slave Trade and Slavery	Yes
Supplementary Convention on the Abolition of Slavery, Slave Trade and Institutions and Practices Similar to Slavery	Yes

Other Conventions	Ratification
FAO Agreement on Port State Measures to Prevent, Deter and Eliminate Illegal, Unreported and Unregulated Fishing	Yes

## Rankings in global indices

### US Department of State Trafficking in Persons (TIP) Report

The TIP report is released annually by the US Department of State and offers a summary of the laws and enforcement efforts of various countries with respect to human trafficking. Specifically, it ranks countries based on a '3P paradigm' of prosecuting traffickers, protecting victims and preventing crime. Scoring on these elements is then collated to give each country a ranking. The rankings range from Tier 1 which indicates governments of countries that fully comply with the Trafficking Victims Prevention Act (TVPA) minimum standards for the elimination of trafficking to Tier 3 for the governments of countries that do not fully comply with the TVPA's minimum standards and are not making significant efforts to do so.

#### Rating: Tier 1

According to the US Department of State's 2019 Trafficking in Person's report, Chile fully meets the minimum standards for the elimination of trafficking.<sup>8</sup>

### Global Slavery Index

The 2018 Global Slavery Index measures the extent of modern slavery country by country, and the steps governments are taking to respond to this issue, to objectively measure progress toward ending modern slavery.

There are two rankings:

1. Rankings of countries by prevalence of the population in modern slavery. Rankings range from 1 to 167 - with 1 the worst and 167 the best, in terms of the prevalence of slavery.
2. Rank of countries in terms of Government response to the issue. This is an indication of how governments are tackling modern slavery.

#### For prevalence Chile ranks: 162/167 (where a ranking of 1 indicates highest risk).

The Global Slavery Index rates Chile as low risk for the prevalence of forced labour and gives the government a good rating for its response to the issue.<sup>9</sup>

In terms of Government response Chile ranks BBB. This indicates the government has implemented key components of a holistic response to some forms of modern slavery with victim support services, a strong criminal justice response, evidence of coordination and collaboration, and protections in place for vulnerable populations. Governments may be beginning to address slavery in supply chains of government procurement, or of businesses operating within their territory. There may be evidence that some government policies and practices may criminalise and/or cause victims to be deported.

## EU Illegal, Unreported and Unregulated Fishing Carding Process/Watch List

Under the IUU Regulation, non-EU countries identified as having inadequate measures in place to prevent and deter this activity may be issued with a formal warning (yellow card) to improve. If they fail to do so, they face having their fish banned from the EU market (red card) among other measures.

Chile is not listed on the EU IUU watch list.

## Endnotes

- 1 Salmon Business, 26 February 2018, 'Chilean harvest up 15% from 2017'. Available at: <https://salmonbusiness.com/chilean-harvest-up-15-in-2017/>
- 2 MIKE Powered by DHI, Undated, 'Ensuring sustainable aquaculture production in Chile'. Available at: <https://www.mikepow-eredbydhi.com/global/references/nala/overview/ensuring-sustainable-aquaculture-production-in-chile>
- 3 UN Food and Agriculture Organization, 2014, 'Improving governance of aquaculture employment'. Available at: <http://www.fao.org/3/a-i3128e.pdf>
- 4 British Medical Journal, Undated, 'Work-related injuries resulting in death in Chile: a cross-sectional study on 2014 and 2015 registries, Vivienne Bachelet. Available at: <https://bmjopen.bmj.com/content/8/6/e020393>
- 5 Chile Today, May 2018, 'Chilean fishermen on strike as jobs are in danger'. Available at: <https://www.chiletoday.cl/chilean-fishermen-on-strike-as-jobs-are-in-danger/>
- 6 Undercurrentnews, 8 September 2017, 'Company uses satellite data to help Chilean navy counter IUU fishing'. Available at: <https://www.undercurrentnews.com/2017/09/08/company-uses-satellite-data-to-help-chilean-navy-counter-iuu-fishing/>
- 7 Oceana, 3 January 2019, 'New law that modernizes Sernapesca leaves Chile at the forefront in the fight against illegal fishing'. Available at: <https://oceana.org/press-center/press-releases/new-law-modernizes-sernapesca-leaves-chile-forefront-fight-against>
- 8 United States Department of State, June 2019, 2019 Trafficking in Persons Report: Spain. Available at: <https://www.state.gov/reports/2019-trafficking-in-persons-report-2/chile/>
- 9 Global Slavery Index, 2018, Country Data. Available at: <https://www.globalslaveryindex.org/2018/data/country-data/chile/>

For further information see the Seafish ethics in Seafood web page.  
Available at: <https://www.seafish.org/article/ethics-in-seafood>