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Evaluation of the Electronic Payment system in the Thai Fishing Industry



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EVALUATION OF THE ELECTRONIC PAYMENT SYSTEM IN THE THAI FISHING INDUSTRY

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EXECUTIVE SUMMARY

BACKGROUND

Migrant workers in the Thai fishing sector are disproportionately vulnerable to abuse and exploitation, due to a combination of poor economic conditions, low levels of financial literacy, little access to basic social services or legal protections, and risk of debt bondage to employers. These conditions create a challenging environment for workers.

In 2017, over 600,000 workers were employed in the Thai fishing, freshwater aquaculture, and seafood processing industries.¹ Among those, 300,000 were registered migrant workers.² Specifically, more than 57,000 migrant workers were employed in the fishing and seafood industry.³

In 2017, the ILO Ship to Shore Rights Project conducted a study on working conditions within the Thai fishing industry and found that many workers experienced withholding of salaries and illegal salary deductions. Withholding of wages is an indicator of forced labour. Therefore, the ILO recommended the introduction of an electronic payment system which would ensure that all fishers have a bank account so that salary payments could be verified. The Royal Thai Government accepted this recommendation and amended the law to require fishers to be paid monthly wages via personal bank accounts.

The electronic payment system provides the Government and workers with greater transparency concerning payments and utilizes banks as a third-party entity to verify payments. Prior to the introduction of the electronic payment system in the fishing sector payrolls were usually managed through direct cash payments and workers were usually not given pay slips. Consequently, there was no reliable method to track whether and when salary payments were made or means of verifying the salary that fishers were actually receiving. The electronic payment system is expected to help solve this problem through improved transparency of payments.

In this context, the purpose of this study was to provide a comprehensive and impartial assessment of the effectiveness of the electronic payment system. The evaluation considered whether the system has delivered on the following:

- Is effective in protecting workers against payment violations;
- Is effective in enabling workers to access a regular wage and maintain understanding/control over their wage payments, including consideration of banking infrastructure and financial literacy;
- Is effective in relation to enabling transparency and accountability of payments within the fishing sector.

To assess how the system is working, the present study evaluates the process of opening a bank account and the management of the ATM or bank card separately. Of the 703 respondents interviewed, 105 worked in the seafood processing sector and 598 in the fishing sector. 50 per cent of the fishers interviewed were migrants from Myanmar and 50 per cent were from Cambodia. The seafood processing sector- where workers have been paid electronically over a longer period of time- was included as a control sample to compare banking behavior with a related but separate sector.

¹ International Labour Organization (ILO). 2018. *Ship to shore rights. Baseline research findings on fishers and seafood workers in Thailand*. Bangkok, Thailand. Available at: https://www.ilo.org/asia/publications/WCMS_619727/lang--en/index.htm

² *Ibid.*

³ *Ibid.*

SELECTED FINDINGS

Of the 703 respondents interviewed, 105 worked in the seafood processing sector and 598 in the fishing sector. 50 per cent of the fishers interviewed were migrants from Myanmar, and 50 per cent were from Cambodia.

EFFECTS ON WORKERS' FINANCES

The study analyzed the impact that the electronic payment system has had on the finances of migrant workers, who traditionally have been amongst the most marginalized and vulnerable communities due to exploitation by employers, poor economic conditions and low access to basic social services. **Overall, it is clear that the system has helped to ensure that worker payments are more regular and more secure, although issues still remain.**

Benefits of Electronic Payment System

Better minimum wage compliance: In relation to salary, while a 2018 ILO study found that one third of fishers were paid less than the legal minimum wage before salary deductions, the present analysis highlighted that 97 per cent of fishers and 91 per cent of seafood sector workers earned minimum wage or more. This indicates that the electronic payment system may have contributed to higher minimum wage compliance.

More difficult to make illegal deductions: Furthermore, the electronic payment system may have contributed to making illegal deductions more difficult. Only 3 per cent of the fishers reported having salary deductions. However, since over half of the fishers don't have any control over their ATM card, they may not be aware of the amount being deducted after the employer withdraws cash. Indeed, those who had borrowed money from their employer were more likely not to have control over their ATM card and their average salary was also significantly lower compared to fishers who had not taken out a loan. They were also less likely to receive commission (share of catch), suggesting that such payments were offset by loan payments and instead were offered a lower, fixed salary.

Improved payment frequency: Another area where the electronic payment system generated benefits was in relation to payment frequency. The analysis found that 99 per cent of fishers and 100 per cent of migrant workers in the seafood sector were paid at least on a monthly basis.

Implications for Financial Literacy

Through the electronic payment system, most fishers have access to a bank account. The high degree of smart phone ownership that exists represents an opportunity to remit funds using digital platforms. However, this study found low levels of knowledge of digital financial services by migrant workers. Migrant workers showed low to moderate levels of financial literacy. Bank representatives interviewed believed that lack of financial literacy would restrict migrant workers from using more advanced bank services.

Unintended Consequences

With regards to their economic situation, debt is of particular concern as it can lead to dependency and can be used by employers to take advantage of migrant workers. This is particularly concerning if employers have control over bank books and ATM cards – migrant workers may not be able to track what debt re-payments are made from their salary and therefore they may lose track of how much they still owe. Migrant workers are often subject to two distinct types of debt: 1) debts incurred as a result of recruitment fees and loans or 2) debts incurred as a result of advances taken out from employers to cover expenses or to remit money back home.

Despite uncertain economic conditions, many fishers and seafood workers borrow money once on the job in Thailand to pay for daily expenses and support their families back home. Some 31 per cent of the seafood workers, and 51 per cent of the fishers had borrowed money or taken out an advance since coming to Thailand. Notably, none of the migrant workers interviewed had obtained formal credit through a bank or microfinance institution. Instead, 75 per cent of fishers borrowed money from their employer – a stark contrast to seafood workers, where 84 per cent borrowed from family or friends. This shows fishers are at risk of being much more dependent on their employers and face potential risk of being trapped by debt bondage.

FINDINGS RELATED TO IMPLEMENTATION OF THE E-PAYMENT SYSTEM

Workers have bank accounts

All the migrant workers interviewed had a bank account, which had been opened nine months earlier on average. However, few migrant workers were able to open the bank account by themselves: many of them, working in both the fishing and seafood sector, were accompanied to the bank, and assisted throughout the process by their employer or supervisor.

A large proportion of workers do not have control of their accounts

Only two per cent of fishers were able to open a bank account on their own, while the majority (78 per cent) were accompanied to the bank and 20 per cent had their bank account opened for them when they were not physically present. The situation was very similar with seafood workers with only three per cent able to open a bank account themselves, 81 per cent who were accompanied to the bank, and 16 per cent who had a bank account opened for them. Khmer are 10 per cent more likely than Burmese to have the bank account opened for them by an employer or supervisor. In relation to control of their own bank account, 45 per cent of Khmer fishers and 30 per cent of Burmese fishers reported having signed a document to authorize their employer to keep the bank book and ATM card on their behalf.

Most provinces have a bank branch, but may not be located near ports

The most popular banks used were Kbank, the Government Savings Bank (GSB), Krungthai Bank and Bangkok Bank, which all have branches in the six areas covered by the survey (with the exception of Bangkok Bank who did not have a branch in Phang Nga). Indeed, few fishers held bank accounts with banks that did not have any branch office in the province in which they worked. However, bank branches may not always be close to the port area, and the geographical location of bank branches has relevant implications for financial inclusion.

Workers are not using in-bank services, which means that workers are not regularly obtaining a statement of money coming in and going out of their accounts.

The usage of in-bank services was very low, with 95 per cent of the fishers and 88 per cent of the seafood workers never using any such services. In-bank services include updating of bank passbooks. This indicates that the vast majority of workers do not have a regular statement of money coming in and out of their accounts, which is key to accountability and control of finances. The survey highlighted that language barriers were the most common issue (31 per cent for seafood workers and 30 per cent for fishers) followed by access to the bank branch (14 and 10 per cent respectively). Other problems, such as not having the correct documents or bank staff being unwilling to assist, appeared to be quite rare. Similarly, lack of trust in the banking system did not appear to be a major issue. Stakeholders from different industries also agreed that migrant workers generally trust banks.

Although the most common issues cited as to why workers don't use in-bank services were language related, two thirds of migrant workers did not experience any problems with opening their bank account. However, this is likely due to the fact that most of them had assistance from other people (employer, supervisor).

Most fishers do not have control over their ATM cards – this is a strong indication that most fishers do not have full control over their pay, even though they have a bank account.

The practices around ATM cards were found to be vastly different between fishers and seafood workers: in the seafood sector, 79 per cent of migrant workers kept their ATM card and knew how to use it, compared to only 21 per cent in the fishing sector. Alarming, 53 per cent of the fishers did not have any control over their ATM card. One in five fishers (20 per cent), had to borrow their ATM card from their employer if they needed to use it. This is a strong indication that most fishers do not have control over their finances, even though they have a bank account. When the ATM card is controlled by employers, fishers become more vulnerable to potential economic abuses.

Control of ATM cards by fishers is important not only to reduce economic exploitation, but it will also provide opportunities for fishers to practice and learn how to use ATMs and manage their finances independently. In addition, fishers can access a record of their balance via the ATM machine. If they use and control their ATM card, they are then able to check their bank balance to determine if the wage payment they receive monthly is as promised or lower than it should be.

In using their ATM cards, most fishers received help from their employer (52 per cent) or from a work colleague (12 per cent); seafood workers were mostly helped by their employer (42 per cent), a colleague (24 per cent) or by a friend or family member (16 per cent).

Migrant workers in the seafood sector were more proficient in using their ATM card: 94 per cent of them know how to use it and 84 per cent of them had used it to withdraw cash. This profile of behavior was very similar among the fishers who did have control of their own ATM card and provides a strong indication that barriers to using ATMs have been exaggerated. If fishers *have access*, they can use it.

In light of anecdotal suggestions that employers control ATM cards because fishers experience frequent usage issues, the present survey assessed the challenges faced by migrant workers when using ATMs. Some two thirds of migrant workers overall had not experienced any issues using ATMs. Among the rest, ATM language selection was the issue most commonly mentioned. Indeed, few banks offer language selection for Burmese and Khmer. However, despite the lack of language selection, most migrants can still use the ATMs. As noted above, fishers and seafood processing workers who had *control* of their cards reported *using* the cards. This implies that control over the ATM card is the primary barrier to usage of the card. Other concerns such as long queues, ATM location, and non-functional ATMs did not appear to be common issues.

BENEFITS AND OPPORTUNITIES FOR CONTINUOUS IMPROVEMENT

Despite the observed challenges, the findings of the present study indicate that the electronic payment system has potentially contributed to ensuring more regular salary payments and has generated a number of benefits with opportunity for further improvement.

Government officials and bank representatives believe that the electronic payment system has increased transparency and accountability and that it allows migrant workers to have more control over their salaries, which may be true as long as they have control of their ATM card. Fishers and seafood workers noted that electronic transfer of money is safer than cash payments, and that using an ATM is convenient, as it allows cash to be withdrawn only when needed. Vessel

“It is good for labor inspectors to check bank evidence, easier to work on complaints and to predicate complaints.” – Labor inspector interviewed

owners agreed that the new system created more transparency and accountability, but also noted that it has created complications for employers who need to go to the bank more frequently and spend extra

time to teach workers about the new system. NGO representatives lamented the lack of enforcement and regulation around the system, stressing that it is not possible to determine whether employees are withdrawing money themselves, due to the fact that some employers maintain control of the ATM cards.

In these early stages of adoption it's very possible that the new electronic payment system only provides a degree of improved transparency and accountability. The potential for creating a paper trail with an electronic system of wage payments is a positive change for the industry. However, if workers are not actually controlling their bank documents, tracking their bank balances (and labour inspectors are not tasked with verifying deposits and debits) and have no record of payments, it does not really improve workers' control over their finances. Until workers are able to control their ATM cards and verify transactions regularly, unscrupulous employers could game the system by paying workers and then withdrawing cash for them, with no record of the amount actually handed over to workers or any paper trail to capture deductions.

Overall, the bank infrastructure to support the electronic payment system is already in place in Thailand. This infrastructure could be improved further through the expansion of mobile banking services, by increasing Khmer and Burmese language services (bank and ATM), and through broader support from bank staff in opening bank accounts and using ATMs. Other stakeholders should also consider providing programs/opportunities to educate migrant workers on financial literacy and designing services tailored to the needs of migrant workers, such as cost-effective remittances.

For recommendations, see section V.

ABBREVIATIONS

ATM	Automated teller machine
DFS	Digital Financial Services
DLPW	Department of Labour Protection and Welfare
FAO	Food and Agriculture Organization of the United Nations
FED	Foundation for Education and Development
FSP	Financial Service Provider
GSB	Government Savings Bank
HRDF	Human Rights and Development Foundation
IFC	International Finance Corporation
ILO	International Labour Organization
LPN	Labour Rights Promotion Network
MFI	Microfinance Institution
MWRN	Migrant Workers Rights Network
NGO	Non-governmental organization
NFAT	National Fisheries Association of Thailand
PIPO	Port-in Port-out
SHG	Self-help group
UN Women	United Nations Entity for Gender Equality and the Empowerment of Women
UNCDF	United Nations Capital Development Fund

I. INTRODUCTION

I.1 SHORT HISTORY OF THE THAI FISHING SECTOR

Trade in fish and fish products continues to grow globally and developing countries contribute more than half of the world's exports. Within this global market, Thailand has gained a significant share and the value of its fish exports reach over US \$7 billion.⁴

Since the 1980s, the Thai fishing industry was already on par with those of high-income countries, but it was not closely controlled by the Royal Thai Government. For example, there were no restrictions on fishing gears such as the mesh size of trawling nets, resulting in undersized commercial food fish being caught. Inappropriate and inconsistent policies were another crucial factor contributing to a significant decrease in Thailand's fish stocks. The structure of employment and working conditions in the fishing sector experienced decreased profits and increased additional changes during this time as a result of lower catch sizes, rising fuel costs, and increased level of Thai worker's education. Fewer Thai workers were willing to accept work on fishing boats due to the lower pay and the adverse working conditions. As a result, demand for labor began to shift to migrant workers, especially from Myanmar and Cambodia.

The fishing sector soon became heavily reliant on migrant workers. In 2012, the National Fisheries Association of Thailand (NFAT) claimed that Thailand had a labour shortage in the fishing industry that required at least 50,000 fishers.⁵ The challenges pertaining to smaller catch sizes and higher fuel prices coupled with inadequate supply of workers resulted in deceptive and coercive labour practices including forced labour and human trafficking.

I.2 THE THAI FISHING SECTOR TODAY

The commercial fishing and seafood industry account for a significant part of the revenue in the Thai economy. In 2018, Thailand's fish exports ranked fourth in the world with a total value of US \$6.6 billion behind Viet Nam, Norway and China.⁶ In addition, aquaculture exports - particularly shrimp products - contributed significant income for the country. In the same year Thailand ranked sixth globally for aquaculture production, exporting nearly 1.3 million tons of farmed fish.⁷ Apart from its economic contribution, the fishing and seafood industry create many jobs, thus playing an important role in social development.

Despite limits to working hours being regulated by the Thai Labour Protection Act, the provisions of the act do not apply to the fishing sector. Historically, fishers often had unspecified working hours or have work shifts of 17 hours or longer per day.⁸ ILO reported that 38.5 per cent of migrant fishers surveyed are resting less than five hours each day.⁹

⁴ International Labour Organization (ILO). 2013. *Employment practices and working conditions in Thailand's fishing sector*. ILO Tripartite Action to Protect the Rights of Migrant Workers within and from the Greater Mekong Subregion (GMS TRIANGLE project). Bangkok, Thailand.

⁵ National Fisheries Association of Thailand. 2012. *Report on recruitment and employment practices in the fishing sector*, unpublished.

⁶ International Labour Organization (ILO). 2018. *Ship to shore rights. Baseline research findings on fishers and seafood workers in Thailand*. Bangkok, Thailand. Available at: https://www.ilo.org/asia/publications/WCMS_619727/lang--en/index.htm

⁷ Food and Agriculture Organization (FAO). 2012. *The state of world fisheries and aquaculture 2012*. Rome, Italy.

⁸ International Labour Organization (ILO). 2014. *Work in fishing in the ASEAN region: Protecting the rights of migrant fishers*. Tripartite Action for the Protection and Promotion of the Rights of Migrant Workers in the ASEAN Region Regional Office for Asia and the Pacific. Bangkok, Thailand.

⁹ International Labour Organization (ILO). 2013. *Employment practices and working conditions in Thailand's fishing sector*. ILO Tripartite Action to Protect the Rights of Migrant Workers within and from the Greater Mekong Subregion (GMS TRIANGLE project). Bangkok, Thailand.

In 2017, there were over 600,000 workers employed in fishing, freshwater aquaculture and seafood processing.¹⁰ Among those, there were over 300,000 registered migrant workers.¹¹ The Thai fishing and seafood industry registered more than 57,000 migrant fishers in 2017, working on approximately 6,700 commercial fishing vessels.¹² Following pressure from the European Commission, who issued a “yellow card” on the Thai fishing and seafood sector in 2015, the Thai government has introduced a number of reforms to eliminate child labour, minimize labour abuse, and ensure better conditions for workers.

A recent survey confirmed that there were few cases of child labour and physical violence was not commonplace.¹³ However, one-third of fishing and seafood workers had experienced wage and pay violations. The violations varied but withholding of wages and illegal deductions were found to be the most common and if enforced using some form of penalty or menace of penalty, could constitute a case of forced labour.¹⁴

In an attempt to avoid these violations and guarantee compliance with the laws, in November 2017 the Ministry of Labour issued a Ministerial order requiring electronic payment for fishers via bank accounts as an effort to ensure that workers are fairly paid. In March 2018, the Thai Cabinet approved the Ministerial Regulation on Labour Protection in Sea Fishing Work, which requires that sea fishing workers are paid “monthly wages via bank transfer and that employers who own overseas fishing vessels shall provide communication devices for fishing workers to communicate with authority concerned or family members during their time at sea”.¹⁵

I.3 REGULAR PAYMENT OF WAGES: TRANSPARENCY, ACCOUNTABILITY, AND ECONOMIC EMPOWERMENT

I.3.1 Thai Fishing sector moving from cash to electronic payment system

Migrant workers in the Thai fishing sector are often marginalized and vulnerable, due to a combination of factors. Many are unable to access formal financial services except through cooperatives, NGOs, MFIs and SHGs. Instead they rely on borrowing from informal lenders and from relatives and friends. Many banks are not ready or not interested in bearing the risks of clients without collateral security.

The way in which fishers are recruited has a relevant impact on their economic condition: many fishers incur debt during the recruitment process and the burden of high and often illegal brokerage fees prevents

¹⁰ International Labour Organization (ILO). 2018. *Ship to shore rights. Baseline research findings on fishers and seafood workers in Thailand*. Bangkok, Thailand. Available at: https://www.ilo.org/asia/publications/WCMS_619727/lang--en/index.htm

¹¹ *Ibid.*

¹² *Ibid.*

¹³ *Ibid.*

¹⁴ The ILO Forced Labour Convention, 1930 (No. 29) defines forced or compulsory labour as “all work or service, which is exacted from any person under the menace of any penalty and, for which the said person has not offered himself voluntarily” (article 2.1). The ILO framework of indicators for measuring forced labour derive from theoretical and practical experience of the ILO Special Action Programme to Combat Forced Labour. They are based on the definition of forced labour specified in Convention No. 29. Their classification in this report is based on the definitions and classifications framework as set out in the ILO report *Hard to See, Harder to Count – Survey Guidelines to Estimate* (2012).

¹⁵ Ministry of Foreign Affairs of the Kingdom of Thailand. *Press Release: Thailand approved draft regulation for sea fishing workers to receive monthly wages via bank transfer*. 30 Mar 2018. Available at: <http://www.mfa.go.th/main/en/news3/6886/87831-Thailand-Approved-Draft-Regulation-for-Sea-Fishing.html>

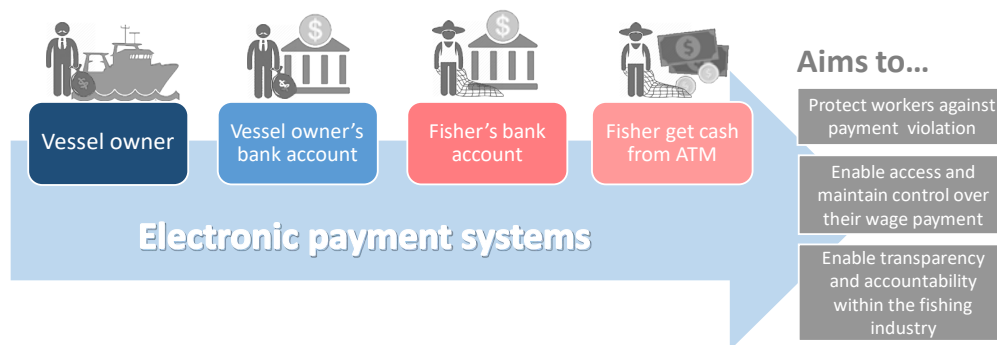
some fishers from saving money.¹⁶ However, despite their many expenses, ILO estimated that over 50 per cent of migrant workers in the fishing industry remitted funds to their families on a regular basis.¹⁷

Before the introduction of the electronic payment system, the Thai fishing sector mainly used a cash-based system, in many cases paying out a lump sum after several months and pay slips were seldom used. As a result, it was common for fishers to be paid less than the legal minimum wage, be subject to salary deductions for various expenses including illegal deductions, and to have their salary withheld for two or three months.^{18 19}

The combination of cash payments, lack of payslips and low levels of financial literacy created many economic risks for fishers, in particular for migrant workers. These conditions generated a challenging environment for both fishers and labour officials. Migrant workers, who are disproportionately vulnerable to abuse and exploitation, can easily incur debt from recruitment fees (despite ILO Convention 188 implies that workers should not have to pay to secure a job) and might experience a number of barriers to access formal financial services.

With the introduction of electronic payments, the government has the ability to use an independent third party – the banks – to verify that salaries have been paid. It was an attractive solution for the government as it helped to make it easier for labour inspectors to verify compliance with wage laws. Hence, the government was relatively quick to adopt it. Figure 1 below shows how the electronic payment system works.

Figure 1. Flowchart of bank payroll payment:



Based on early reports, the electronic payment system has experienced a number of challenges. Many anecdotal reports noted that workers often did not have control over their ATM cards, limiting their control over their wages. This is one of the most pressing issues. Furthermore, in order to access their wage, workers need easy access to ATMs at the port. However, anecdotal reports have stated that ATMs are available in some ports but not in others. Another key issue was the capacity of workers to feel comfortable with opening a bank account and using an ATM. It was said that for some workers this would present a significant learning curve and trusting the banks to keep their money was another anticipated barrier. Some employers also found the electronic payment system to be cumbersome and given that

¹⁶ International Labour Organization (ILO). 2013. *Employment practices and working conditions in Thailand's fishing sector*. ILO Tripartite Action to Protect the Rights of Migrant Workers within and from the Greater Mekong Subregion (GMS TRIANGLE project). Bangkok, Thailand.

¹⁷ Ibidem

¹⁸ International Labour Organization (ILO). 2014. *Work in fishing in the ASEAN region: Protecting the rights of migrant fishers*. Tripartite Action for the Protection and Promotion of the Rights of Migrant Workers in the ASEAN Region Regional Office for Asia and the Pacific. Bangkok, Thailand.

¹⁹ International Labour Organization (ILO). 2018. *Ship to shore rights. Baseline research findings on fishers and seafood workers in Thailand*. Bangkok, Thailand. Available at: https://www.ilo.org/asia/publications/WCMS_619727/lang--en/index.htm

turnover is higher in the fishing sector compared to the seafood sector, the added administrative burden could be felt especially amongst smaller fishing operators.²⁰

The present study was commissioned to assess the effectiveness of the electronic payment system, evaluating the system's efficacy in protecting workers, and verifying whether the system is instrumental to create more transparency and accountability.

1.3.1 Potential impact on financial literacy and inclusion

The introduction of the electronic payment system could potentially have positive impact on migrant worker's financial inclusion. "Financial inclusion means that individuals and businesses have access to useful and affordable financial products and services that meet their needs – transactions, payments, savings, credit and insurance – delivered in a responsible and sustainable way".²¹

Whilst not a goal of the Ministerial order itself, financial inclusion can be achieved when access to appropriate financial services is combined with adequate financial education, so that individuals and micro entrepreneurs have the literacy to select the most suitable product to meet their needs and make an optimal use of them. According to a 2013 survey, 74 per cent of Thailand's adult population has a bank account and an additional 23 per cent of the population use other formal financial services while two per cent rely only on informal products.²² Only one per cent of the population neglect to use any financial products (neither formal nor informal) to manage their financial lives.²³

With regards to financial literacy, Thailand scored 68 out of 100 on the MasterCard Financial Literacy index which is in line with the average score for countries in Asia and the Pacific region.²⁴ However, according to the Finscope survey, more than 50 per cent of the Thai population is not satisfied with their current financial status.

In this context, the adoption of the electronic payment system for fishers can contribute to financial inclusion and empowering of workers by affording them direct access to financial services, while increasing knowledge of their rights and how to manage their finances. However, how quickly this can be achieved remains to be seen. As system adoption grows and matures, challenges specific to migrant workers in the fishing sector must be taken into consideration to achieve true impact.

²⁰ International Labour Organization (ILO). 2018. Ship to shore rights. Baseline research findings on fishers and seafood workers in Thailand. Bangkok, Thailand. Available at: https://www.ilo.org/asia/publications/WCMS_619727/lang--en/index.htm

²¹ World Bank. 2018. Financial Inclusion Overview. Available at: <https://www.worldbank.org/en/topic/financialinclusion/overview>

²² United Nations Capital Development Fund (UNCDF) and Finmark Trust. 2014. *Finscope Thailand 2013*. Available at: <https://finmark.org.za/finscope-thailand-2013-survey-highlights/>

²³ *Ibid.*

²⁴ Chong, D. 2013. *MasterCard index of financial literacy report*. Available at:

<http://www.masterintelligence.com/content/intelligence/en/research/reports/2013/mastercard-index-of-financial-literacy-report-2013h1.html>

II. OBJECTIVES AND LIMITATIONS

2.1 RESEARCH OBJECTIVES

The purpose of this project was to provide a comprehensive and impartial assessment of the effectiveness of the payment system. For detailed information on the study methodology refer to Annex I.

The evaluation considered whether the system has delivered on the following:

- Is effective in protecting workers against **payment violations**;
- Is effective in relation to enabling workers to **access a regular wage** and maintain understanding/control over their wage payments, including consideration of banking infrastructure and financial literacy;
- Is effective in relation to enabling **transparency and accountability** within the fishing sector.

This evaluation assessed the degree to which the objectives of the system are being met and investigated factors contributing to any divergence between expected and actual results. The evaluation considered both **positive and negative outcomes**, identifying unforeseen circumstances which could indicate the system has not worked as expected or is being manipulated. The evaluation also looked at whether the system is effective as a means to enhance economic empowerment, financial inclusion and access to credit for workers. To obtain detailed insight into how and why challenges occur and assess how they could be overcome, a number of evaluation questions were set for the planned survey. The questions were explored with both employers and migrant workers so that results could be compared and contrasted. This helped to identify where expectations and experiences were aligned and where there were differences.

Table 1. Research questions

Key evaluation questions
1. To what degree have the objectives of the electronic payment systems (increased transparency and accountability, reduced wage-related violations, and improved worker control over wages) been achieved? What factors explain the degree to which objectives have been met to date, and what can be done to strengthen and maximize its effectiveness?
2. What negative or unexpected consequences or impacts have emerged in response to the introduction of the electronic payments systems? What unique challenges or consequences or negative externalities are faced by specific groups or stakeholders?
3. To what degree are key stakeholders equipped to successfully engage in and benefit from the electronic payments systems? What sort of preparation was done in advance of the roll-out to enable compliance? Is the enabling environment (e.g. infrastructure, financial literacy, etc.) adequate for supporting the system’s success? What are the key barriers and enablers and what can be done to optimize stakeholders’ engagement?
4. Provide specific recommendations for different stakeholders (i.e. government, employers, banks, civil society) about how the challenges identified could be overcome and the system strengthened to safeguard workers and establish indicators to assess the effectiveness of the electronic payment system in future.

2.2 LIMITATIONS

There is a lack of accurate official data on labour migration. As a result, the migrant population profile in Thailand remains largely unknown and no clear sampling frame is available. Respondents were selected via intercept using quotas, which means there was no scientific basis for calculating sample size and the sample selected was not a pure probability sample. To mitigate against any systematic sampling bias, an effort was made to spread the sample as far as possible and to use quotas to ensure good representation.

The question regarding number of hours worked per day did not appear to yield accurate data. The question was changed for this survey, to ensure that time spent on repairing nets and cleaning and sorting fish was also included. However, it was evident that some respondents misunderstood the question and only highlighted time spent doing those additional tasks. To correct the mistake, the Survey Team re-contacted fishers to confirm the correct working hours. Corrections could be made but the result still appears to be inconsistent in comparison with past surveys with fishers.

Few migrant workers in the fishing sector stated they had salary deductions, although many of them stated they had acquired debt since coming to Thailand. Loans and advances were in most cases provided by employers. However, the questionnaire did not specifically clarify whether fishers were still in debt at the time of the survey and how debt payments were made to the employers. In a previous study with migrant workers in the fishing sector, over half of the fishers had salary deductions and it was assumed this practice would still be in place. To verify this, salaries were compared between fishers who had taken out employer loans and those with no loans. **Those with loans did indeed have lower salaries, suggesting debt may be deducted from their salary even though the fishers themselves do not necessarily perceive them as salary deductions.** A possible explanation could be that the loan is already factored into the salary.

Given these limitations, some caution in interpreting the data should be taken. The recommendations made have taken these limitations into account.

III. FINDINGS

3.1 SURVEY RESPONDENT PROFILES

Of the 703 respondents interviewed, 105 were interviewed from the seafood sector and 598 from the fishing sector. Seafood workers were included in order to have comparison sample so that results could be analysed in a broader and more realistic context. The sample of fishers has been broken down further into sub-samples based of country of origin and who controls the fisher's ATM or bank card (see also section 3.2.3). 50 per cent of the fishers interviewed were Burmese migrants and 50 per cent were Khmer. In the majority of cases it was the employer who had control of the fisher's ATM or bank card, meaning they would keep the bank card and use it to take out money on behalf of the fisher. These sub-groups have been included in many parts of the analysis as they helped to uncover most of the significant differences found in the data.

Tables 2 and 3 show the profiles of the migrant workers covered by the survey. Overall, the demographic profiles across the various segments are similar, which indicates the samples selected should be reasonably representative and there is a good basis for comparing results between fishers and seafood workers.

The majority of fishers and seafood workers are young males under the age of 35 years. Most have had little in the way of formal education. Even though seafood workers appear to be slightly more educated than fishers, most of them completed less than 6 years of basic education or never attended school. Most were married-especially seafood workers (71 per cent)-and had children.

For purposes of assessing the ability to integrate with the Thai society, their work experience and position, and potential language barriers, respondents were asked about their language skills and employment situation. Khmer fishers had somewhat better understanding of the Thai language compared to Myanmar fishers. However, language skills were not found to have any association with ATM card control.

The respondents were asked how long they have worked in the industry. On average, Myanmar fishers had worked in the sector for 5 years while Khmer workers had worked for an average of 4 years. Most of the migrant workers (83 per cent) were not sure how long they would stay in Thailand, but among those who knew Myanmar fishers said they planned to remain in Thailand for another 8 years while Khmer fishers said they planned to stay 5 more years.

Table 2. Demographic profile

Profile	Total Seafood n=105 (%)	Total fishers n=598 (%)	Burmese fishers n=299 (%)	Khmer fishers n=299 (%)	Fisher keep ATM card n=161 (%)	Employer keep ATM card n=437 (%)
Sex						
Male	54	100	100	100	100	100
Female	46	-	-	-	-	-
Age						
18-24	18	21	18	23	16	22
25-29	29	23	22	23	24	22
30-34	25	18	20	16	19	18
35-39	13	18	19	18	20	18
40 years or older	15	29	20	19	21	19
Education						
Never attended school	12	27	25	29	19	30
Completed less than 6 years of basic education	52	45	45	44	48	44
Completed 6 years of basic/elementary education	27	20	21	19	24	18
Completed 9 - 12 years of basic education	9	8	8	8	9	8
Marital status						
Married	78	59	56	63	63	58
Children	71	53	51	56	59	51

Table 3. Language and employment profile

Profile	Total Seafood n=105 (%)	Total fishers n=598 (%)	Burmese fishers n=299 (%)	Khmer fishers n=299 (%)	Fisher keep ATM card n=161 (%)	Employer keep ATM card n=437 (%)
Work sector						
Fishing	-	100	100	100	100	100
Seafood processing	100	-	-	-	-	-
Country of Origin						
Myanmar	50	50	100	-	50	50
Cambodia	50	50	-	100	50	50
Can speak Thai						
None or very little	5	9	12	6	6	10
Some	19	21	23	19	16	23
Quite well	69	64	59	70	68	63
Fluent	8	6	7	5	10	4
Currently employed						
Full time	99	100	100	100	100	100
Part time	1	-	-	-	-	-

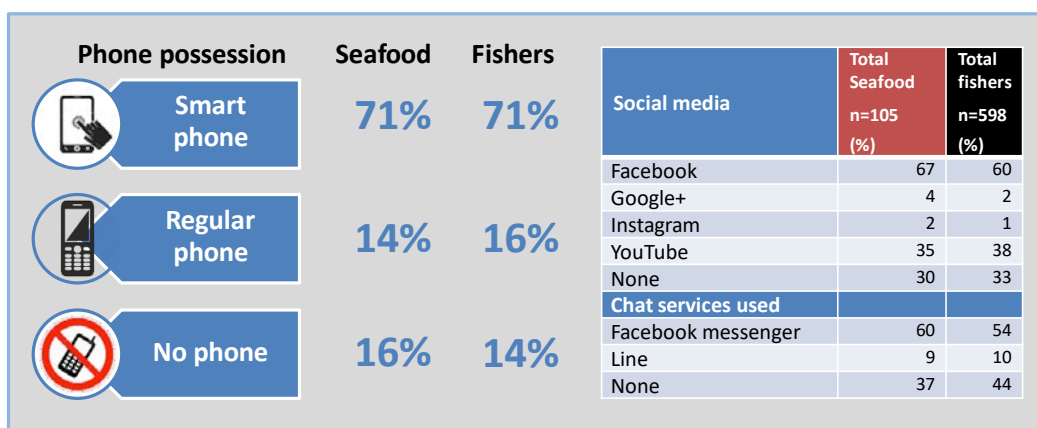
Social media use and mobile phones can impact labour market choices, mobility and even working conditions.²⁵ In order to understand how to best reach fishers with financial literacy campaigns and awareness-raising programmes as well as to assess the scope for promoting the use of digital financial

²⁵ International Labour Organization (ILO). 2018. *Ship to shore rights. Baseline research findings on fishers and seafood workers in Thailand*. Bangkok, Thailand. Available at: https://www.ilo.org/asia/publications/WCMS_619727/lang--en/index.htm

services in the future, respondents were asked if they owned a mobile phone (smartphone or normal phone) and which social media and chat services they used. The results are summarised in the Figure 2 below.

While 71 per cent of the fishers had a smart phone and 16 per cent owned a regular phone, some 16 per cent did not have any access to any phone. As underlined by the findings, Facebook is the most popular social media platform, followed by YouTube. With a large margin, Facebook Messenger is the most popular chat services used, followed by Line.²⁶ It is worth noting that 44 per cent of fishers did not use any chat services and 33 per cent don't use social media.

Figure 2. Social media and chat service used



3.2 IMPLEMENTATION OF THE ELECTRONIC PAYMENT SYSTEM

The electronic payment system for fishers was established in an effort to ensure that workers are fairly paid according to labour laws, which requires that fishers are paid monthly wages via bank accounts. To assess how well the system is working, the process of opening a bank account and management of the ATM or bank card are dealt with separately.

3.2.1 Documents required to open a Thai bank account

As shown in Table 4, in order to open a bank account most migrant workers could recall that passport (96 per cent) and work permit (82 per cent) were required documents. Some also mentioned being asked to provide other documents such as a visa, reference letter and address in Thailand. Bank requirements were also analysed as part of the desk review and it was found that banks have different eligibility requirements for opening accounts. These requirements may not be implemented uniformly across branches or in individual cases.

²⁶ Line is an App developed in Japan for instant communication mainly on mobile devices such as smartphones and tablets.

Table 4. Document required to open a bank account by major banks

Documents required Base: Seafood n=105, Fishers n=598	All (%)	Kbank (%)	GSB (%)	Krungthai (%)	Bangkok Bank (%)	SCB (%)	Ayudhya (%)
Passport	96	98	97	100	100	100	100
Work permit	82	84	99	95	77	93	93
Visa	25	26	22	29	42	31	7
Reference letter	12	9	24	11	21	24	-
Address in Thailand	3	3	3	3	5	4	7

According to a government representative and NGO participant, at the beginning of the implementation of electronic payment system for fishers employers experienced difficulty in opening bank accounts because the banks were not familiar with the identification and immigration documents usually held by migrant workers. Most vessel owners interviewed mentioned having to prepare additional documents that were required by the bank. Only a few vessel owners said it was easy to open a bank account for their employees. One NGO representative said:

“...the banks have no idea about documents relating to migrant workers, they do not know about the sea book so they got confused when the law changed.”

It was reported that, in order to clarify the bank’s roles in the implementation of the electronic payment system, the Department of Labour Protection and Welfare (DLPW) invited bank representatives to a meeting and requested their cooperation. Despite a reported agreement between DLPW and banks on having more flexible guidelines for migrant workers, findings from the survey with migrant workers and interviews with stakeholders indicate that, in practice, some bank staff still ask for documents aside from the agreed required documents and refuse to open an account. One bank representative stated:

“Banks are usually quite flexible but the issue of money laundering is still a problem so banks need to apply know your clients (KYC) approach. We need to be aware of all documents, sometimes we do not want to approve a reference letter from the employer instead of their address in Thailand. Because it is difficult to check if it is actually their employers' signature or if the company exists... it is up to the bank staffs to approve or reject the documents they are not familiar with. Each bank has a different way to handle the situation for unfamiliar documents.”

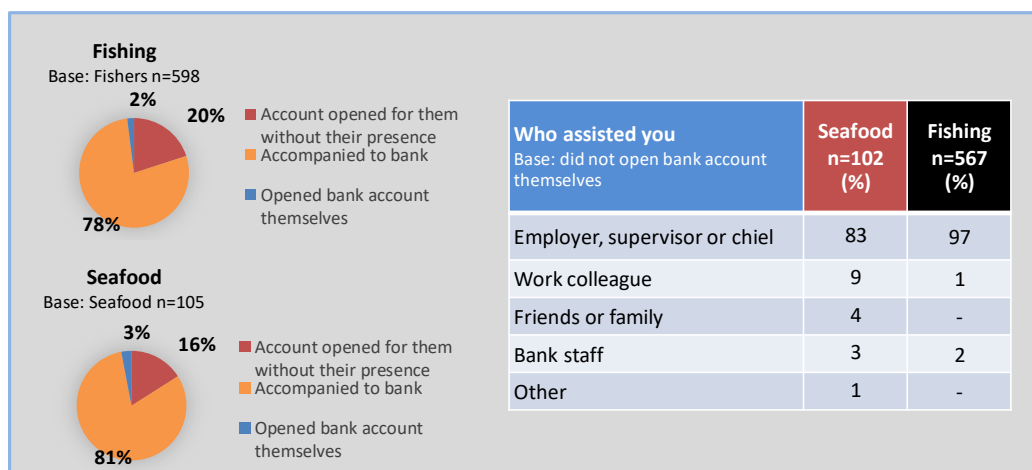
It was found that bank staff have been given the discretion as to which documents are required to open an account, which has led to inconsistent access to bank services for workers. In addition to causing inconvenience for employers who have to provide documents and guarantees for their employees, these results indicate that banks don’t follow a uniform system when it comes to verifying new account holders. In effect, bank policies and the requirements under the electronic payment system may therefore not yet be clear and fully aligned.

3.2.2 Bank account opening and use of bank services

All migrant workers interviewed had a bank account and on average it had been opened nine months earlier. But very few had opened their bank account all by themselves. As shown in Figure 3 below, only two per cent of fishers and three per cent of seafood workers were able to open bank account on their own. Most migrants workers in both the fishing (78 per cent) and seafood sector (81 per cent) were accompanied to the bank, and assisted throughout the process, in most cases by their employer,

supervisor, or *chieu*. Some migrant workers were not even involved in the process of opening an account at the bank, one in five (20 per cent) migrant workers in the fishing sector and some 16 per cent of those in the seafood sector had someone else open the bank account for them. Khmer are 10 per cent more likely than Burmese to have the bank account opened by someone else. Overall, it appears employers play a major role in opening bank accounts for migrant workers in both the seafood and fishing sectors.

Figure 3. Assistance received in opening a bank account



The most popular banks used were Kbank, the Government Savings Bank (GSB), Krungthai Bank and Bangkok Bank (Table 5). These four banks all have branches in the all six areas covered by the survey with the exception of Bangkok Bank who does not have a branch in Phang Nga. However, bank branches may not always be close to the port area. Other banks are less popular though most of them have branches in most areas. Overall, very few fishers held bank accounts with banks that did not have any branch office in the province in which they worked. The geographical location of bank branches has relevant implications for financial inclusion.

Table 5. Banks used by fishers across regions

Bank	Total n=598 (%)	Rayong n=121 (%)	Chonburi n=120 (%)	Samut Sakhon n=120 (%)	Pattani n=78 (%)	Songkhla n=78 (%)	PhangNga n=81 (%)
Kbank	52	64	49	50	49	64	30
GSB	12	14	5	1	-	26	35
Krungthai	15	3	6	33	27	1	22
Bangkok Bank	8	5	27	8	-	-	1
SCB	5	2	5	1	15	5	6
Ayudhya	2	3	3	-	6	-	1
TMB	1	-	-	4	-	1	-
CIMB	< 1	-	-	-	3	-	-
Thanachart	< 1	-	-	3	-	-	-

It is worth noting that, although having a bank account is a positive indicator, being banked does not automatically translate to being financially included. Having a bank account is a crucial step towards financial empowerment of an individual as it represents a safe and convenient means to save money, receive

payments, pay bills and acquire greater control over expenses. However, control and ability to use the bank account are critical further steps to enable financial inclusion.

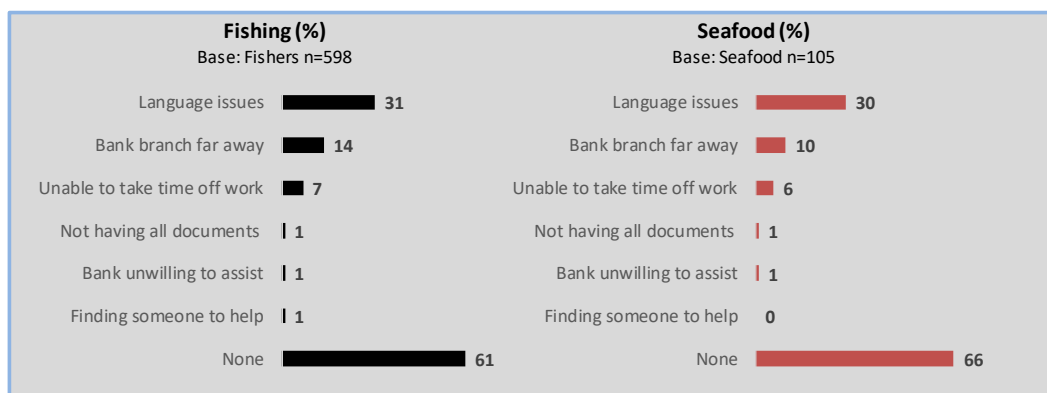
In relation to control of their own bank account, 45 per cent of Khmer fishers and 30 per cent of Burmese fishers reported having signed a document to authorise their employer to keep the ATM card or bank book. Workers in the fishing sector are more likely than workers in the seafood sector to have signed a document which allows their employer to keep their bank book and ATM card.

In relation to using in-bank services (such as, deposit or withdraw money at the bank counter, deposit a cheque, update or get a new bank book, report stolen bank book or ATM card, set up mobile banking, take out loan, etc.) alarmingly 95 per cent of the fishers and 88 per cent of the seafood workers do not use any. For fishers, of the 5 per cent interviewed that do use in-bank services those used are very basic, such as getting a new ATM card and requesting or updating their bank passbook. Having the ability to update bank passbooks is critical, as it allows workers to track and verify payments made by their employer along with any withdrawals.

Vessel owners interviewed said that fishers had generally low levels of financial literacy which could create problems for them. They noted that fishers faced technical difficulties with ATM cards, explaining that they rarely wanted to use bank services, except for ATMs that are available in their native language. Other stakeholders interviewed recognized that language was a major barrier to accessing and using bank services.

To understand why the usage of in-bank services was so low, migrant workers were asked about the challenges experienced when opening their bank account. Figure 4 shows that seafood workers and fishers share very similar experiences. The most prominent issue is language (31 and 30 per cent) followed by access to the bank branch (14 and 10 per cent). Other problems such as not having the correct documents or bank staff unwilling to assist appear to be quite rare. An explanation for the fact that around two thirds of migrant workers did not experience problems with opening the bank account may be that most of them had assistance from other people, as reported in Figure 3.

Figure 4. Problems experienced by workers when opening a bank account



As highlighted by the stakeholder interviews, lack of trust in the banking system does not appear to be a major issue. Stakeholders from different industries (government officials, NGOs representatives, vessels owner and bank staff) agreed that migrant workers generally trust banks.

“Migrant workers see that the banking system is quite trustworthy.”

However, NGO\ representatives noted that migrant workers may not be treated equally to local Thai customers.

“Have little access to bank services because some banks are not welcoming them and they feel treated unequally.”

Moreover, the predicament of language issues - as already identified by the quantitative survey - was reiterated in several interviews with different stakeholders. One participant said:

“Most migrant workers who cannot speak Thai do not feel comfortable to contact the bank.”

The main finding related to using in-bank services for migrant workers is that language and the ability to communicate with bank staff represent the primary barrier to using such services. As a result, assistance appears to be necessary, often by employers, to overcome the first hurdle of opening the bank account. However, this does not address the deeper goal of achieving financial inclusion as independent access to financial services is considered key to economic empowerment. Given the relatively large migrant population in Thailand (estimated at just under 4 million people) and with the vast majority coming from Myanmar and Cambodia,²⁷ banks should ensure that translation services are available for Burmese and Khmer migrant workers.

3.2.3 Control over and usage of ATM Cards

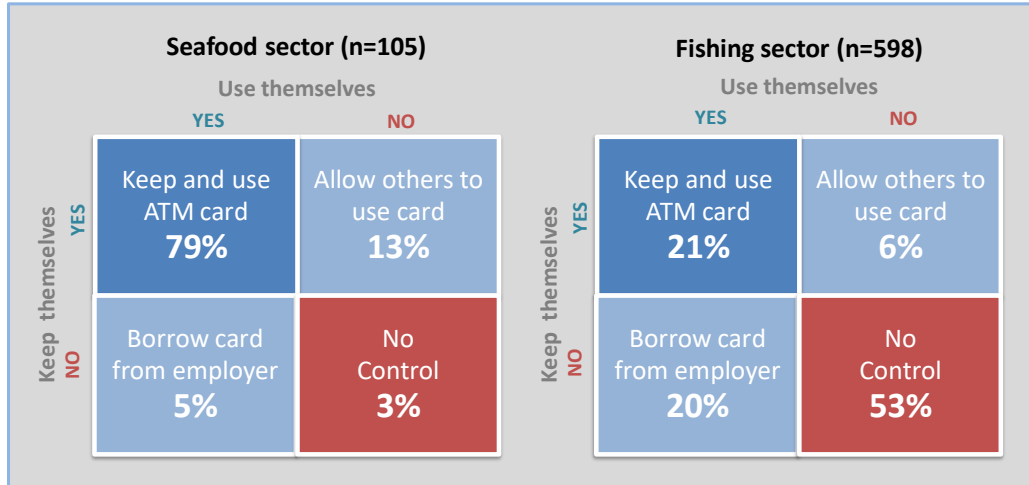
The electronic payment system represents an opportunity for more transparency around salary payments and deductions: salaries are transferred into bank accounts with workers able to monitor these payments and any deductions. In line with the assessment of migrant workers' challenges to access the banking system and open bank accounts, in order to evaluate the effectiveness of the electronic payment system and measure financial inclusion of migrant workers it is crucial to understand their control over and use of their ATM cards.

Prior to conducting this study there was anecdotal evidence that some employers in the fishing sector keep the ATM card on behalf of the fishers and in some cases employers also use it to withdraw money and pay salaries. The findings of this study confirms this indeed does happen in the fishing sector and to a far less extent in the seafood sector.

In order to assess the level of control that migrant workers have over their ATM, they were asked whether a) they kept the ATM card themselves and b) they knew how to use the ATM card. In this case significant differences between migrant workers in the fishing and seafood sectors were found, as shown in Figure 5. In the seafood industry 79 per cent of migrant workers keep the ATM card and know how to use it compared to only 21 percent in the fishing sector. Over half of all fishers (53 per cent) have no control over their ATM card and a further 20 per cent need to borrow their card from their employer if they want to use it. This is a strong indication that the fishing sector operates differently and most fishers do not have financial inclusion or economic empowerment.

²⁷ United Nations Thematic Working Group on Migration in Thailand. 2019. *Thailand Migration Report 2019*. Available at:

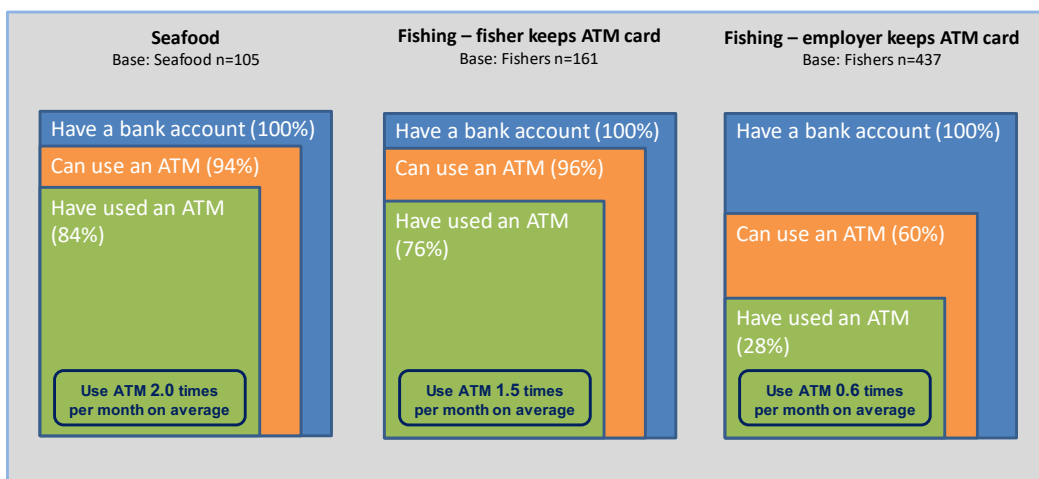
Figure 5. ATM card control



As a result of this, migrant workers in the seafood sector are significantly more proficient in using their ATM card and the vast majority of them (94 per cent) keep and know how to use it and 84 per cent have used it to withdraw cash (Figure 6). To determine the effects of employer interference fishers were divided into two groups: those who keep the ATM card themselves and those whose employer keeps the ATM card.

Fishers who keep the ATM card display very similar behavior to those in the seafood sector with 96 per cent saying they know how to use an ATM and 76 per cent having used their card. In contrast, when the employer keeps the ATM card, fewer (60 per cent) fishers say they know how to use an ATM and only 28 per cent had actually used their card. Logically, when fishers are not provided access to their bank cards there is limited opportunity for them to practice and learn how to use ATMs independently. This also means that fishers are vulnerable to economic abuses which may not be evident at a superficial inspection, unless labour inspections are broadened in scope.

Figure 6. ATM card usage by sector



Surprisingly, of the stakeholders interviewed, only NGO representatives made the connection between control over ATM cards and potential illegal salary deductions.

“If employers are the one who withdraw money, they can still make deductions anyway. Therefore, migrant workers need to be the one who keep the ATM card.”

Respondents were also asked who showed them how to use the ATM card (Table 6). Many fishers received support from their employer (52 per cent) followed by a work colleague (12 per cent). Similarly, seafood workers were mostly helped by their employer (42 per cent), a colleague (24 per cent), or by a friend or family member (16 per cent). Overall, this suggests that most migrant workers are not able to bank independently or to keep their account information private as the typical bank customer would.

When asked about who might be the best person to help them open a bank account and use ATMs, the majority of interviewed migrant workers (89 per cent of fishers and 69 per cent of seafood workers) identified their employer. Notably, bank staff are not often recognized as a suitable source of support. This could be due to perceived communication issues and reluctance on behalf of both workers and bank staff to engage with one another.

Table 6. Support received

Showed how to use the ATM	Seafood n=105 (%)	Fishing n=598 (%)	Employer keep ATM card n=437 (%)	Fisher keep ATM card n=161 (%)
Employer	42	52	50	55
Work colleague	24	12	5	32
Bank staff	4	1	1	2
Friend or family	16	2	1	4
Learned by myself	6	2	1	3
Nobody – still can’t use it	6	31	41	4

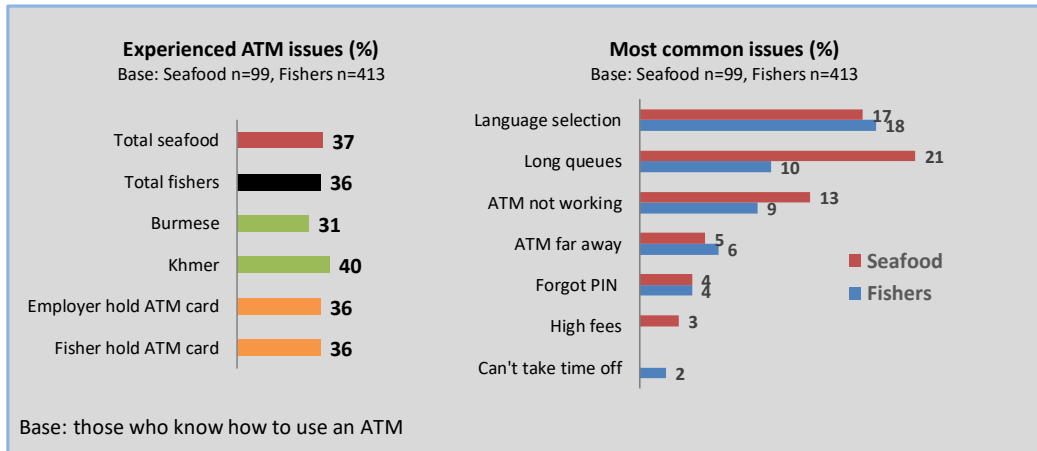
Perceived best person to help	Seafood n=105 (%)	Fishing n=598 (%)	Employer keep ATM card n=437 (%)	Fisher keep ATM card n=161 (%)
Employer	68	89	92	79
Bank staff	10	5	3	7
Work colleague	10	5	2	11
Friends or family	13	2	1	2

There have been anecdotal suggestions that employers take control of the ATM card because migrant workers experience frequent issues when using ATMs. This was explored by asking respondents about the challenges they experienced while using an ATM (Figure 7). Not surprisingly, ATM’s language selection was the issue most commonly mentioned. Indeed, ATM language selection for Burmese and Khmer remains limited in Thailand and most banks in Thailand do not offer Burmese or Khmer within their language selection. Only Bangkok Bank offers both the languages, while Krungthai Bank, Siam Commercial Bank, and Thanachart’s ATMs have Burmese as a language option.²⁸ It is worth noting that, ATM languages, other than Thai and English, are treated as additional features that can be easily installed on any ATM. According to a bank representative interviewed, not all ATMs offer all language options and the bank decides which languages are required based on the ATM location. The limited language offering impacts fishers’ ability to use ATMs and makes them dependent on others to help.

²⁸ This was verified by phone calls to banks and real use on the ATM machines in multiple locations.

Long queues can be an issue, mostly experienced by seafood workers, followed by non-functional ATMs. These findings are consistent with the fact that seafood workers use ATMs more often (i.e. twice per month) and thus have greater opportunity than fishers to actually experience problems. Some NGO representatives and vessel owners noted that ATMs were not easily accessible in all ports. However, this problem was rarely mentioned by the fishers or seafood workers and most had not experienced any problems with ATMs being too far away. Similarly, forgetting the PIN and facing high fees are only reported as problematic by relatively few migrant workers.

Figure 7. Experienced issues using ATMs

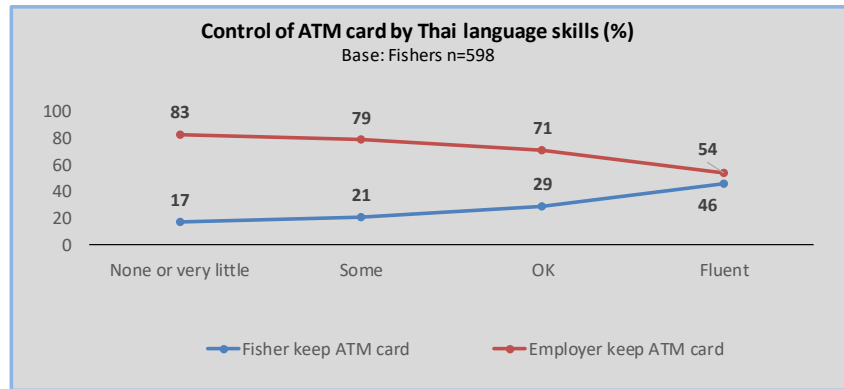


Whilst ATM language selection can be improved for better accessibility, seafood workers—who face similar language issues to fishers (Figure 7)—have greater control and usage of ATM cards (Figure 5). This implies that a key barrier for fishers to accessing their wages electronically is not so much due to language or ability to use ATMs, but the fact that employers take control over their ATM cards.

It is interesting to note that poor language skills has an association with less ATM card control and vice versa (Figure 8). Those fluent in Thai were much more likely to hold on to the ATM card themselves. Whilst not asked directly, it appears that having Thai language skills give workers increased confidence in using ATMs and accessing their accounts independently. Behaviour of workers in the seafood sector suggests that fishers may be less inclined to give employers control over their ATM card if they had the language skills and the confidence to use them on their own.

A key barrier for fishers to accessing their wages electronically is less dependent on language and ability to use ATMs, but the fact that employers take control over their ATM cards.

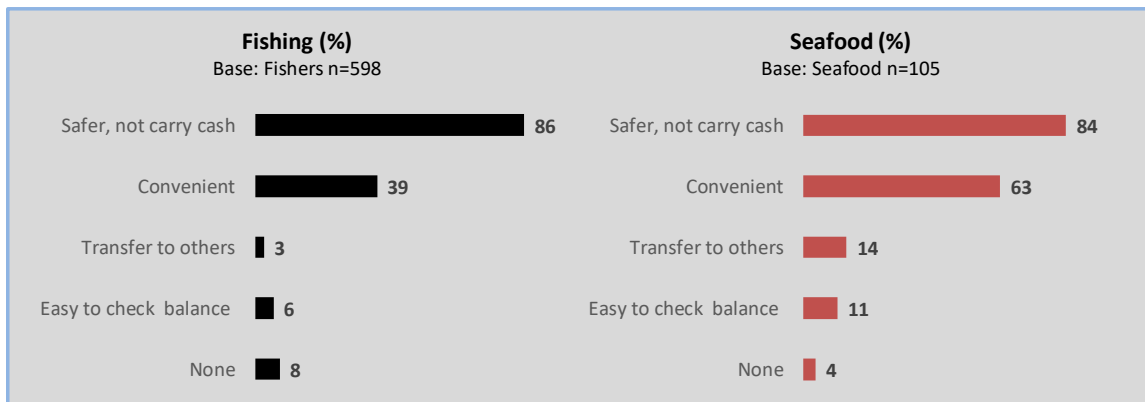
Figure 8. Relationship between Thai language skills and ATM card control



3.2.4 Perception of the electronic payment system

As noted, work remains to make the electronic payment system more user friendly and capable of increasing the financial inclusion of migrants working in the fishing sector. This study does uncover, however, positive indications that the new system is an improvement over the previous cash-based system of paying salaries and is one that is likely to generate more transparency as stakeholders adapt to the new system. To this end many migrant workers agreed that the electronic payments system offers many advantages (Figure 9). First of all, both fishers and seafood workers noted that electronic transfer of money is safer than cash payments, as they do not have to carry around cash. Secondly, they recognized that using an ATM can be more convenient, as it allows cash to be withdrawn only when needed. Not surprisingly, more seafood workers mentioned the benefit of convenience, most likely due to more frequent use of ATMs compared to fishers. Overall, however, both groups show very similar understanding of potential benefits.

Figure 9. Perceived benefits of electronic payments and use of ATMs



Government officials, vessel owners, NGO representatives, and bank staff were also asked about the overall challenges and enablers of the electronic payment system and the impact that it has had on migrant workers' financial inclusion.

Although vessel owners agreed that the new system created more transparency and accountability, they noted that it has created complications for the employers who now need to frequently go to the bank

and spend extra time to teach workers about the new system.

NGO representatives were more cautious in their appraisal of the new system. They pointed at the lack of enforcement and regulation of the system, stressing that it is not possible to determine whether employees are withdrawing money themselves and underlining the risk that, despite the new system, employers are still in control of the salaries by holding on to the ATM card.

“It is hard to believe that wage-related violations have ended since employers maintain their power by for example withholding workers ATM cards or documents. It may even be stated that employers withdraw the money for their workers since they do not know how to do it, therefore these violations have not been abolished but continue to oppress migrant workers.”

They further explained that the Thai government should enforce existing regulations and increase the penalties for employers who do not comply.

“The government needs to make the laws stronger and the punishments more severe against employers who break the new rules.”

A challenge lamented by the vessel owners was the lack of lead time prior to implementation of the electronic payment system. Vessel owners claimed that they were not prepared to adapt to the new system and this view was also shared by all NGO representatives interviewed.

“The change occurred really fast and no one had time to prepare for anything.”

Some stakeholders interviewed claimed that migrant workers have low to moderate levels of financial literacy. Bank representatives in particular believed that lack of financial literacy would restrict migrant workers from using ATMs. Some NGO representatives agreed with the notion that migrant workers don't know how to manage their money. On the other hand, vessel owners claim that migrant workers have the ability to save money and manage their finances independently.

Notably, respondents including government officials and bank representatives unanimously claimed that the electronic payment system has increased transparency and accountability. The new system helps to enforce the law and makes it easier for labor inspectors to keep track of records.

“It is good for labor inspectors to check bank evidence, easier to work on complaints and to predicate complaints.”

Many government officials, bank staff, and vessel owners noted that thanks to the new system, migrant workers have more opportunity to control their salary payments:

“The employees have established some bargaining power and the electronic payment system has led to more accurate and transparent payments from the employers.”

Some expressed skepticism and said that whilst the new system has the potential to reduce wage-related violations by making it possible to track payment records, some employers take control of the ATM card so they can withdraw money on behalf of the migrant workers.

“The new system will not lead to migrant workers having more control of their wage payments as the power remains within the hands of the employers.”

Government officials stated that in order to maximize the effectiveness of the electronic payment system, the relevant governmental bodies should ensure that migrant workers and employers fully adopt this new method of salary payment. They suggested developing teaching aids in Khmer and Burmese to ensure that migrant workers can readily learn how to use ATMs etc. NGO representatives added that the electronic payment system had a positive impact for the migrant workers but more time is needed to allow them to get used to the system. They further noted that, if correctly implemented, the system is able to provide benefits to both employers and migrant workers.

“They just need some time to adjust and learn. They will be able to ensure that they get paid and that their money are safe.”

Banking infrastructure to support the electronic payment system is already in place in Thailand. The infrastructure could be made more efficient by expanding mobile banking services, increasing the level of financial education of migrant workers, offering more support (provided by banks staff) for opening bank accounts and using ATMs, as well as offering services tailored to the needs of migrant workers such as cost effective remittances.

Whilst the electronic payment system has brought many challenges, the findings of the present study indicate that the system may have positively contributed to improving various working conditions. This is discussed further in the following section.

3.3 IMPACT ON WORKING CONDITIONS OF MIGRANT WORKERS

This section looks at the working conditions of migrant workers surveyed including method of salary payment, compliance with minimum wage, salary deductions and remittances. As noted, migrant workers in the Thai fishing sector have traditionally been amongst the most marginalized and vulnerable communities due to a combination of exploitation by employers, poor economic conditions and low access to basic social services. Debt is of particular interest as it can lead to dependency and can be used by employers to take advantage of migrant workers.

3.3.1 Debt acquired since coming to Thailand

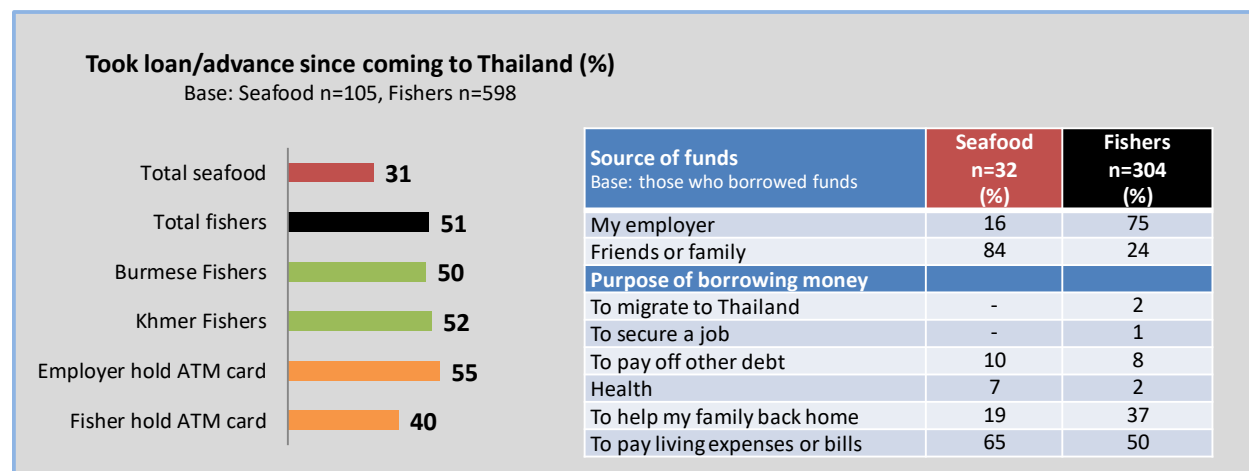
Migrant workers in particular are often subject to two distinct types of debt. First, when arriving in Thailand many are already laden with debt that is often incurred as a result of recruitment fees. This is partly due to the lack of an official mechanism for fishers to legally migrate into Thailand (despite, for example, a pending MoU with Myanmar to fill the labour shortage in the fishing sector). The other type of debt is a result of loans or advances taken out from employers in order to cover expenses or to remit money back home. The focus for this study was on debt incurred since coming to Thailand.

Many of the migrant workers interviewed had borrowed money after coming to Thailand either in the form of a loan or an advance from the employer. It was not possible to assess whether workers made a clear distinction between loans and advances, so they were combined. Just over half (51 per cent) of fishers had taken out a loan or advance, compared to 31 per cent of seafood workers (Figure 10).

Notably, none of the migrant workers interviewed had obtained formal credit through a bank or microfinance institution. Not only did fishers stand out because they were more prone to have debt, fishers also borrow money from their employer (75 per cent) to a much greater extent than seafood workers, who predominantly borrowed from family and friends (84 per cent). This highlights a higher level of dependency on the employer amongst fishers. In the majority of cases the money was needed to pay

for everyday living expenses or to help family members in the country of origin. However, 8 per cent of the fishers reported borrowing money to pay off other debts. This highlights that fishers in particular are exposed to the risk of being trapped by debt bondage.

Figure 10. Loans and source of funds



3.3.2 Salary payments

Salary payments are regulated by the Ministerial Regulation on Labour Protection in Sea Fishing Work No. 2 B.E.2561 (2018) and Ministerial Regulation No. 10 on Sea Fisheries Work (1998). The first stipulates that fishers should be paid at least once a month and the latter that employers should provide fishers with a payment record and grant them up to 30 days paid leave per year. Moreover, employers are requested to keep a list of their crew, assigned work tasks and terms of remuneration. However, the ILO found that as many as 94 per cent of migrant workers did not recall having signed a contract with their employer.²⁹

A study conducted by the ILO in 2018 found that one third of fishers were paid less than the legal minimum wage, before salary deductions. The electronic payment system may have contributed to higher minimum wage compliance: 97 per cent of fishers reported earning the minimum wage³⁰ or higher as shown in Figure 11. For the seafood sector compliance with the minimum wage was somewhat lower, at 91 per cent (81 per cent for women). That fishers generally receive a higher salary compared to those working in the seafood sector can be explained by the nature of their work and the wage disparity that exists between male and female workers. Even though the Thai Labour Protection Act establishes limits on working hours, it does not apply to employment in the fishing sector due to fishers being out at sea for

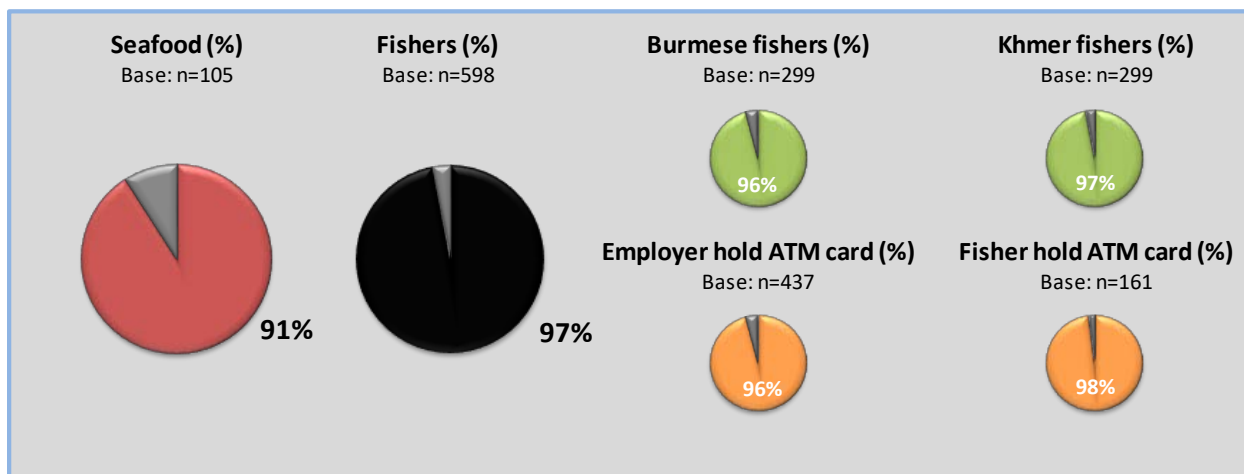
²⁹ International Labour Organization (ILO). 2018. *Ship to shore rights. Baseline research findings on fishers and seafood workers in Thailand*. Bangkok, Thailand. Available at: https://www.ilo.org/asia/publications/WCMS_619727/lang--en/index.htm

³⁰ Based on minimum wages enforced by the Ministry of Labour on 1 April, 2018. Depending on the province, the minimum wage varies between 308 up to 330 baht per day. Pattani (308 baht); Songkhla and Phang Nga (320 baht); Samut Sakhon (325 baht); Rayong and Chonburi (330 baht). Minimum wage compliance for seafood workers was calculated based on a daily wage equivalent. Minimum wage for fishers was calculated based on a monthly wage equivalent since they should be paid on a monthly basis. That is, earning more or equal to the set daily minimum wage multiplied by 30.

several days at a time.³¹ The present study found that fishers on average worked 6.5 days per week and spent 11 days out at sea on an average fishing trip. Migrant workers in the seafood sector worked an average of 6 days per week.

Compliance with minimum wage was found to be similar between Burmese and Khmer fishers. Similarly, whether or not fishers had control over their ATM card did not appear to have any impact on minimum wage compliance. These findings suggest that the majority of fishers are better off today than before the introduction of the electronic payment system. However, as highlighted in the following section, debt should not be ignored as it seems to play a significant role, particularly in the fishing sector.

Figure 11. Compliance with minimum wage



Another area where the electronic payment system appears to have generated success is in relation to payment frequency. As shown in Table 7, 99 per cent of fishers and 100 per cent of migrant workers in the seafood sector are paid at least on a monthly basis. In seafood processing around one in five (22 per cent) seafood workers are paid more frequently on a weekly or bi-weekly basis. All seafood sector workers interviewed had fixed salaries, while fishers reported receiving either a fixed salary (78 per cent) or a salary in combination with a commission, so called ‘share of catch’ (22 per cent). The remaining one per cent received commissioned based salary only.

Migrant workers were also asked how much money they earned in an average month. As Table 7 below shows, the average monthly wage received was higher in the fishing sector where fishers were paid 11,600 baht, compared to seafood workers who had an average salary of 10,200 baht (9,900 baht for women workers). When taking debt into account an interesting pattern starts to emerge. Fishers who had taken out a loan earned a lower salary on average (11,200 baht) compared to those who did not take a out a loan (12,000 baht). If the loan was with the employer and if the employer also controlled the fisher’s ATM card, the salary was found to be lower still at 10,950 baht. Although not asked directly, this suggests that fishers who had loans may have had loan payments deducted from the salary.

³¹ It should be noted that ILO’s Convention No. 188 establishes the minimum hours of rest to be provided to fishers on board fishing vessels to be at least ten hours in any 24-hour period; and not less than 77 hours in any seven-day period (ILO, 2007), which comes to an average of 11 hours on average per day.

Table 7. Salary payment

Salary	Total Seafood n=105	Total fishers n=598	Took out a loan n=304	Didn't take a loan n=294	Loan with family n=74	Loan with employer n=169	Loan and ATM card with employer n=141
Average monthly salary	10,200	11,600	11,200	12,000	11,200	11,150	10,950
Payment frequency	%	%	%	%	%	%	
Daily, weekly or bi-weekly	22	2	2	1	1	3	2
Monthly	78	98	97	98	97	96	97
Lump sum	-	1	1	1	1	1	1
How is salary determined							
Fixed salary	100	78	90	66	88	91	94
Fixed salary plus share of catch	-	22	10	33	12	8	6
Share of catch only	-	1	-	1	-	1	-

3.3.3 Salary deductions

The introduction of the electronic payment system may have contributed to making illegal deductions more difficult. Only three per cent of the fishers reported having salary deductions. However, since 53 per cent of fishers did not have any control over their ATM card, these fishers may not be aware of how much money is actually transferred into their bank account or how much is being deducted after the employer withdraws cash. For these reasons, it is possible that fishers were not fully aware whether deductions were made or deductions were already factored into the salary agreed with the employer. It is worth mentioning that the vast majority of fishers did not update their bank passbook and it is uncommon for employers to provide salary pay-slips, therefore workers had limited access to documentation citing deductions and limited ability to know if they were legal or illegal.

Salary deductions were more common in the seafood sector, where 31 per cent of the respondents reported an average deduction of 430 baht. In the vast majority of cases the deduction was a legal deduction for social security as required by Thai tax laws. On the whole, there appears to be a lower incidence of illegal or unauthorised deductions in the seafood sector. As such, the seafood sector appears to be more transparent as highlighted by more workers being aware of social security deductions.

Those with loans did indeed have lower salaries, suggesting debt may be deducted from their salary even though the fishers themselves do not necessarily perceive them as salary deductions. .

According to the Foreigners' Working Management Emergency Decree, (No.2) B.E. 2561 (2018)³², employers cannot request or accept money from foreign employees, except if it is for “*the expense paid by the employer beforehand, such as, passport fee, health checkup fee, work permit fee, or other fees...*”. Deductions can be made from the salary, overtime payment, or the money the foreign employee has the right to receive. The few fishers that reported having salary deduction had an average deduction of 1,200 baht, mainly for work permits, salary advances or other debt payments. These types of deductions are legal in Thailand provided they don't exceed more than 10 per cent of the salary: 7 out of 19 fishers had salary deductions that were greater than 10 per cent of their salary.

³² Foreigners' Working Management Emergency Decree, (No.2) B.E. 2561 (2018), available at <http://dancham.or.th/wp-content/uploads/2019/02/Foreigners-working-management-emergency-decree.pdf>

3.3.4 Remittances

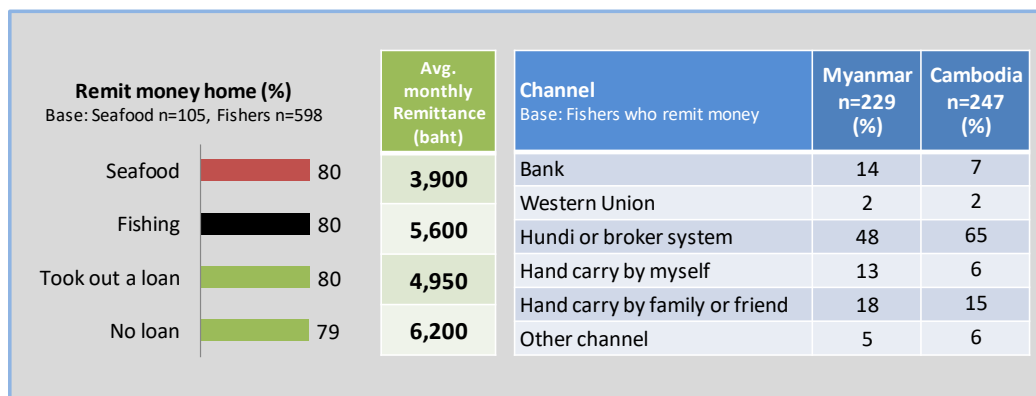
As noted, the burden of high brokerage fees and other debt has implications on migrant worker’s economic empowerment and financial inclusion and can prevent them from saving money. Approximately 60 per cent of the fishers surveyed by the ILO in 2013 did not have any savings; however, over 50 per cent of them remitted funds to their families on a regular basis.

Despite uncertain economic conditions, fishers and seafood workers tend to borrow money once on the job in Thailand to support their families back home. Some 19 per cent of the seafood workers and 37 per cent of the fishers answered “to help my family back home” when asked about the purpose of borrowing money.

It was found that, in line with other studies that have been done in Thailand, the vast majority of migrant workers from Myanmar and Cambodia send money home (80 per cent overall).^{33 34} On average they sent money home 8 times per year, either sending money home every month, which is most common, or sending money home every two months.

On average, fishers sent more money home: 5,600 baht per month compared to 3,900 baht remitted by seafood workers (Figure 12). Fishers who had debt would still remit money home but the average amount would be lower at 4,950 baht. The Hundi or broker system was the most common channel for both Burmese and Cambodian workers, followed by hand carry, either by the migrants themselves or with the help of family or friends. The survey also showed that Burmese workers rely more on banks than Cambodian workers.

Figure 12. Common remittance channels



Through the electronic payment system most fishers have access to a bank account. Paired with the high degree of smart phone ownership (see section 3.1), this represents an opportunity to remit funds using digital platforms. This could increase the transparency of the remittance system as well as create a reduction in transfer costs. Online platforms and digital financial services provide an opportunity open to migrant workers, particularly if banks would expand their client outreach and product offerings. This

³³ International Labour Organization (ILO). 2018. *Ship to shore rights. Baseline research findings on fishers and seafood workers in Thailand*. Bangkok, Thailand. Available at: https://www.ilo.org/asia/publications/WCMS_619727/lang--en/index.htm

³⁴ International Labour Organization (ILO). 2013. *Employment practices and working conditions in Thailand’s fishing sector*. ILO Tripartite Action to Protect the Rights of Migrant Workers within and from the Greater Mekong Subregion (GMS TRIANGLE project). Bangkok, Thailand.

would also allow banks an opportunity to expand their service offerings and increase revenue. A key benefit to fishers would be the potential reduction in remittance costs and increased control over their finances.

Seeing this as a potential opportunity, mobile money services (e-wallet) were explored as part of this study. However, results indicated there are low levels of knowledge of digital financial services by migrant workers. Although e-wallet services are becoming increasingly popular in Thailand and are offered by several banks in collaboration with other service providers (such as mobile network providers and mini-mart stores like 7-Eleven), very few migrant workers are aware of these services. Notably, none of the migrant workers interviewed had ever used such a service. In terms of future interest, less than 15 per cent overall said they may consider such a service in the future.

Thailand has some 2 million registered migrant workers from Myanmar and Cambodia. With an average remittance of 5,000 baht per month, the value of this market segment can be estimated to around 200 million baht (USD 6.5 million) per month, assuming a 2 per cent remittance fee.

Figure 13. Awareness of Thai e-wallet

Heard of Thai e-wallet	Seafood n=105 (%)	Fishing n=598 (%)
None	96	98
True money wallet	4	2
AIS M Pay	-	1

Have use e-wallet	Seafood n=105 (%)	Fishing n=598 (%)
Never	100	100
Consider using e-wallet		
Yes	2	1
Maybe	14	10
No or not sure	84	89

Kills with vessel owners, government officials, NGO representatives, and bank staff confirmed there is general low knowledge of both mobile banking and e-wallet services among migrant workers. This highlights the need for awareness raising, financial education, and digital literacy for migrant workers. Capacity building programmes will provide them with the knowledge to assess their own and their family’s financial needs and select those financial products and services that are best suited to meet those needs.

The introduction of the electronic payment system is a crucial first step to increase financial inclusion of migrant workers, as well as to reduce economic and social abuse and discrimination. It will take time and there are some switching costs, both practical and structural, but evidence indicates that there is indeed a net benefit: beginning with the increased transparency that the system provides.

IV. CONCLUSIONS

On the whole, the present analysis demonstrated that the electronic payment system generated substantive improvements in payment of migrant workers (such as monthly payments, minimum wage, etc.). If the challenges observed in its implementation (such as the low levels of control over bank books, ATM cards and language barriers) as well leveraging the existing bank infrastructure are addressed and remedied, the electronic payment system has the potential to increase migrant workers' financial inclusion and economic empowerment, thus improving their socio-economic conditions overall.

Therefore, once the cultural and structural obstacles are overcome and workers and employers are better educated and enabled to be formally banked, the benefits produced by the electronic-payment system will far outweigh the negatives.

The study emphasized that the electronic payment system generated several positive effects:

- **The electronic payment system has contributed to greater compliance with wage payments in the fishing sector.** A recent study found that many fishers were paid every two or three months, despite the law requiring monthly payments.^{35 36} The findings of the present study indicate that the electronic payment system has contributed to higher compliance of monthly wage payments for fishers. Hence the electronic payment system contributed to greater alignment with the Ministerial Regulation 107, in terms of frequency of wage payments. Furthermore, results also suggest that the electronic payment system may have contributed to more fishers being paid a minimum wage.
- **The electronic payment system has reduced the fishers's exposure to wage deductions.** In a study conducted in 2018, 53 per cent of fishers surveyed were subjected to deductions from their wages.³⁷ This study showed that the introduction of the new system may have contributed to a positive countertrend.
- **The bank infrastructure to support the electronic payment system is, for the most part, already in place.** Apart from ATM language selection, most of the major banks that migrant workers use have branches in the province that they work in and there was very little evidence to suggest that ATMs are not available, or not working. However, some fishers in Phang Na and Pattani reported that they experienced problems with access to ATMs, stating they were too far away.

On the other hand, the analysis uncovered areas that should be addressed to increase the effectiveness of the electronic payment system as well as the financial inclusion of migrant workers:

³⁵ Ministerial Regulation 107,

³⁶ International Labour Organization (ILO). 2014. *Work in fishing in the ASEAN region: Protecting the rights of migrant fishers*. Tripartite Action for the Protection and Promotion of the Rights of Migrant Workers in the ASEAN Region Regional Office for Asia and the Pacific. Bangkok, Thailand.

³⁷ International Labour Organization (ILO). 2018. *Ship to shore rights. Baseline research findings on fishers and seafood workers in Thailand*. Bangkok, Thailand. Available at: https://www.ilo.org/asia/publications/WCMS_619727/lang--en/index.htm

- **ATM card control among fishers is still low. High levels of bank account ownership does not automatically translate into usage of in-bank services or control over ATM cards.** All fishers and seafood workers interviewed had a bank account. However, having a bank account does not automatically translate to control over finances. Alarming, 95 per cent of the fishers do not use any in-bank service, meaning that they do not update their bank passport which shows payments in and out of their account. Additionally, only 21 per cent of workers in the fishing sector have full control of ATM card while 53 per cent have no control of their ATM card. This means that, while a higher percentage of fishers appear to be paid at least the minimum wage after deductions and at a monthly frequency compared to before the introduction of the electronic payment system, they are not necessarily receiving this salary through their bank account. Rather, 53 per cent of employers control ATM cards for fishers, and continue to withdraw funds from workers' accounts in order to pay workers in cash.
- **Lack of language selection in bank services represents a key barrier for using the electronic payment system and for financial inclusion of migrant workers.** Language barriers were the main problem migrant workers faced when opening their own bank account. Migrant workers who were fluent in Thai were slightly more likely to open their bank account on their own, while those who are less able to communicate in Thai needed to be accompanied by employers to the bank. When asked about the barriers to use ATMs, the most common response was ATMs' language selection. Most banks in Thailand do not offer Burmese or Khmer on their ATMs – something easily remedied, according to bank staff. This limited language offering has a strong impact on fisher's ability to access bank services independently, gain control, and use their ATM cards independently. The fact that those fluent in Thai were much more likely to keep their ATM cards is a clear indication of this.
- **Low levels of education and control over ATM cards.** The study highlighted that most migrant workers possess low levels of education and financial literacy, including scarce knowledge of digital financial services. The majority of fishers surveyed had little formal education. A strong negative relationship was also found between lack of education and ATM card ownership: for fishers who had never attended school, only 19 per cent kept an ATM card. The relationship between card retention and education has relevant implications: because fishers did not have control of their own cards, they did not get to learn how to use them. Thus, improving workers' degree of control over their bank accounts is a crucial instrument to increase fishers' financial independence and empowerment. It is important to note that seafood processing workers, who have been using electronic banking for longer, have fewer problems and greater control over their finances than fishers.
- **Fishers are vulnerable to being overindebted to and dependent upon employers.** The combination of low financial literacy and informal borrowing can create conditions for over indebtedness. Many migrant workers were asked if they had borrowed money since coming to Thailand, either in the form of a loan or advance. One in two (51 per cent) of fishers had borrowed money and in most cases, fishers borrowed from their employer (75 per cent) while seafood workers borrowed predominantly from family and friends (84 per cent). In the fishing sector there is a strong relationship between debt/lower salary payments and control of bank access by the employer.
- **Fishers and seafood workers remit significant amounts of money home.** The vast majority of migrant workers (both fishers and seafood workers) from Myanmar and Cambodia sent money home (80 per cent in total). Moreover, it was found that they would remit money home even if they had debt tying them to their employers. A large portion of workers' salaries

are being remitted, ranging from around 4,000 to 6,000 baht per month, representing up to 50 per cent of the salary. Most migrant workers use the Hundi broker system or hand carry to send money home, but very few use banks.

V. RECOMMENDATIONS

Recommendations for Department of Labour Protection and Welfare, Ministry of Labour:

1. **Continue to support and monitor the implementation of the electronic payment system.** The system appears to have improved compliance on wage payments in the fishing sector in comparison to the seafood industry where no such policy exists. Overall, all stakeholders said that the new system is doing well in term of promoting fair payments, transparency, and accountability in the fishing sector: more fishers receive regular monthly payments, are paid minimum wage, and appear to be less subjected to illegal salary deductions. However, deductions are still occurring, particularly in relation to debt. The implementation of the electronic payment system is a first step towards social and financial inclusion for migrant workers in Thailand. Therefore, the effort should continue while ensuring migrant workers gain more control over their own income and bank account.
2. **Improve labour inspections by including regular checks on: (a) whether workers have possession of and control over their ATM/bank card; (b) alignment between the salary paid and the salary agreed as per work contract; (c) working hours.** This would help to close potential loopholes in the system and ensure that migrant workers have full control over their salary and ATM cards and that they know the contractual working conditions. Port In Port Out (PIPO) officials and labour inspectors should ensure that workers have access to their ATM cards, know their own PIN numbers, and are able to withdraw money from an ATM themselves. They should be trained to triangulate evidence and detect signs of potential payment violations, such as in cases where the ATM card PIN numbers are written on the back of the card allowing third parties to access the account. It is recommended that the DLPW requests technical support from the International Labour Organization (ILO) or others on how to improve the interview techniques currently used. The tools used by PIPO inspectors could also be strengthened. An important tool to help the authorities and enforcement agencies identify non-compliant vessel operators is the Common Risk Assessment (CRA). Wage payments (amount and regularity), debt, document retention as well as ATM card or bankbook retention should be included as a parameter of the CRA tool. These indicators could show the dynamics and direction that may escalate to real labour violations.
3. **DLPW should consider implementing a ban on release forms that allows employers to keep workers' documents, such as passport or ATM card.** Additionally, the DPLW should ensure both employers and workers understand that this kind of release form or contract could potentially be the cause of payment violations or involuntary work. Employers who withhold workers' documents can be prosecuted under article 131 of the Foreigners' Working Management Emergency Decree B.E.2560 or article 352 of the criminal law (misappropriation).
4. **Promote the advantages of using the electronic payment system with employers as well as provide more support through awareness raising and capacity building programmes with vessel owners.** The DLPW should organize a meeting with vessel owners and NGOs to encourage regular dialogue on how to make the electronic payment system more effective. They may also be able to help in the transition by providing training, stipend, or other incentives. The electronic payment system can aid employers in many ways such as easier

accounting management, compliance with labour inspections, etc.

5. **Promote the advantages of using the electronic payment system with migrant workers.** Migrant workers should be informed that keeping their ATM card and bank book is their right and is in their interests, in order to have broader control over their wage payments and finances. Using ATMs is also safer as there is no need to carry around cash and they are relatively easy and convenient to use. Keeping PINs private should also be promoted. To help ensure this, migrant workers should be encouraged to always be present when opening a bank account. General information on bank services should also be provided, so migrant workers understand the use and importance of bank books and how they can be used to record banking statements and monitor their finances.
6. **Prepare an official letter (brochure) explaining relevant identification documents that migrant workers use; convene and share the findings of this report with all banks.** DLPW had already communicated and requested for cooperation from Thai Bank Association; however, specific actions required of them were not given. Certain action points should be listed out and given to Thai Bank Association to be passed on to all banks. It is also recommended that communication be established at the provincial level. Provincial DLPW should set up a meeting with local bank branches to identify and discuss implementation problems regarding infrastructure and services in the coastal provinces since the problems experienced varied, depending on location. The study demonstrated that the infrastructure can be made more efficient and user friendly. This could be done by pushing financial service providers to expand mobile banking services and by encouraging banks to offer more support (such as ensuring the availability of translation services) to migrant workers for opening bank accounts and using ATMs. DLPW should also collaborate with the Anti-Money Laundering Office (AMLO) to find middle ground on how the banks can be more flexible and establish a compliant policy as pertains to migrant workers' documentation for opening a bank account, while remaining in compliance with the Anti-Money Laundering Act.
7. **Encourage some of the major banks including Kbank, GSB, SCB, Krungthai Bank and Bangkok Bank to add Burmese and Khmer language selections to ATMs and employ Burmese-speaking or Khmer-speaking staff for certain branches in coastal provinces.** The priority areas in this regard should be Pattani and Songkhla, where significantly more migrant workers reported issues with ATM language and ability to communicate with bank staff.

Recommendations for vessel owners/ employers:

8. **Employers should issue monthly payslips for migrant workers.** According to Ministerial Regulation on Labour Protection in Sea Fishing Work (No.2) B.E. 2561, employers have to issue a document concerning payment (payslip) and overtime payment for workers. Employers should also make the documents available in languages migrant workers can understand. These documents have to state salary, overtime pay and other extra pay, including the amount deducted from the salary by employers, so that they can be used as a reference for workers. This would allow fishers to see how much money was transferred into their bank account along with any deductions made. A payment record will improve transparency and control over finances for workers, and workers can use the record to verify against the balance shown in their bank book or the balance shown when they use the ATM.

In addition to the payslip, employers should also provide a monthly written record of any loan taken by employees, with details of the loan and repayments made. This will ensure greater transparency over debts and debt repayments for migrant workers.

9. **Support migrant workers to independently manage their bank account and ATM card.** The current practice where employers control the ATM card and take out money on behalf of the fishers creates dependency and risk for exploitative behavior. Evidence from this study suggests that fishers indeed have the ability to learn how to use ATMs, similar to migrant workers in the seafood sector.
10. **Initiate dialogue between vessel owners or fishing associations and DLPW to support the implementation of the electronic payment systems.** Vessel owners have been under a lot of pressure since the system was introduced and there was limited lead time for any substantial preparations. A constructive dialogue with DLPW can encourage consistent compliance from the industry and improve vessel owners' understanding of how the electronic payment system can benefit and protect their business operations by providing proof of regular and full wage payments to workers.

Recommendations for banks:

11. **Encourage bank staff of every bank and every branch to apply the same guidelines when opening a bank account for migrant workers and making sure they have full ownership of the account and PIN.** Assistance from the government may be needed in order to drive banks to serve migrant workers better. Senior management at each bank should impart to all staff that it is their responsibility to comply to the established common guidelines among bank associations for providing services to migrant workers. As with the recommendations above, more comprehensive and culturally-sensitive training should be offered as part of regular onboarding of all bank staff working in provincial branches.
12. **Explore the opportunity of offering migrant workers cost effective remittance services with major banks in Thailand.** Potential business benefits and expanded services for banks should also be highlighted. Thailand has some 2 million registered migrant workers from Myanmar and Cambodia. With an average remittance of 5,000 baht per month, the value of this market segment can be estimated at around 200 million baht (USD 6.5 million) per month, assuming a 2 per cent remittance fee.
13. **Promote best practice around implementation of the electronic payment system.** Banks should be encouraged to provide educational materials in Burmese and Khmer on how to use ATMs as well as on PIN security. For example, making sure fishers themselves are the ones selecting the PIN and keeping that number private is an important best practice. Although it is common for the employer to accompany workers to open their bank accounts, this practice does not promote financial independence or autonomy and doesn't build confidence or skill on the part of workers. Bank guidelines should be re-evaluated in order to require employers to be less involved in the process. Bank staff must dedicate extra time to walk workers through the opening and management of accounts. In the long run, this will protect migrant workers' rights as bank customers by ensuring workers receive the support they need to maintain full control over their account and ATM usage. This transitional step and capacity building are necessary in order to make the system function as intended – and should help to create customer loyalty.

Recommendations for civil society organisations:

14. **Conduct awareness raising campaigns and education programmes aimed at increasing migrant workers' education and financial literacy.** These could be promoted to workers and employers in or near port areas. This should also be done at an international level - CSOs could lead the communications with labour attache or other relevant stakeholders in setting up pre-departure educational programs in countries of origin. The training agenda should include financial literacy, ATM card and personal document safe keeping, as well as knowledge on available bank services.
15. **Explore the opportunity to set up self-help groups or co-operatives amongst fishers to increase access to financial services and knowledge-sharing on financial literacy.** Such groups could be set up with the help of civil society organisations who work on the ground in the relevant port locations.
16. **Use this study as an advocacy tool with relevant stakeholders to maintain the dialogue and ensure coordinated efforts to improve the electronic payment system.** Certain aspects should be highlighted for discussion. For example: control of ATM card, financial inclusion, language, and value of access to bank services. Partnerships, roundtable discussions or workshops could be organized among fisher rights groups, DLPW, banks, the ILO and other relevant stakeholders to improve and implement recommendations.

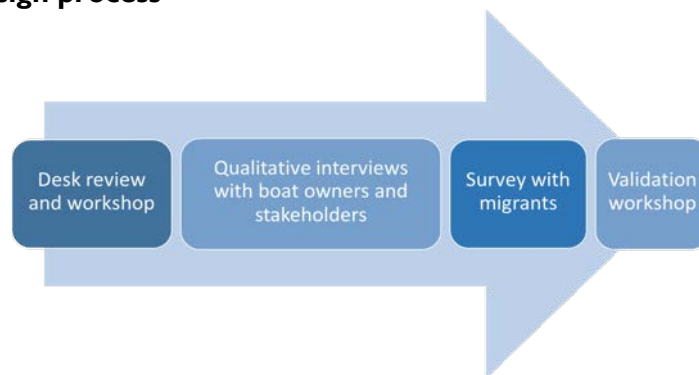
ANNEX I

I.1 METHODOLOGY

I.1.1 Research design

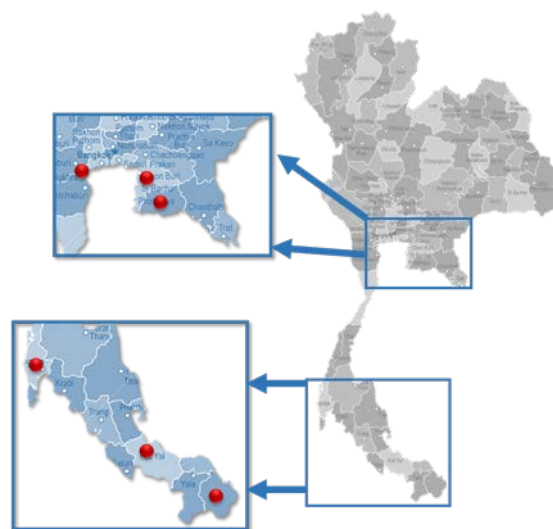
The assessment was carried out using a mixed-methods approach as outlined in Figure 14 below. An initial desk review was carried out first followed by in-depth interviews with key stakeholders including vessel owners, members of the fishers association, relevant government officials, banks, NGOs and workers unions. Following this, a quantitative survey with migrant workers in the fishing and seafood sectors was done. This design ensured that what was learned in one stage could feed into the next, thereby maximizing insight around the final result.

Figure 14. Study design process



To capture the current situation since implementing electronic payment systems in the Thai fishing sector, data was collected from migrant workers in the fishing sector from across six districts (i.e. Rayong, Chonburi, Samut Sakorn, Pattani, Songkla, Phang Nga) shown in Figure 15 below. Since the electronic payment system was only made compulsory in the fishing sector, migrant workers in the seafood processing sector were included as a comparison group. Seafood workers have used electronic payments for a longer period of time and their example could shed some light on how outcomes will evolve in the fishing sector.

Figure 15. Selected survey locations



1.1.2 Data collection methods

Desk review

The Project Team conducted an initial desk review to better understand the current situation in the Thai fishing sector since the implementation of the electronic payment system. In particular recent studies and surveys conducted in the fishing sector, including a rapid assessment carried out by the ILO that specifically focused on the electronic payment system. The document review was conducted between February and March 2019, followed by additional reviews to explore specific issues (see reference list). As part of the desk review an initial workshop was also held with representatives from the fishing sector in January 2019 to seek input on critical issues to explore as well as suitable survey areas.³⁸ Apart from providing a good overview, the desk review provided useful input for the methodology as well as the development of the data collection tools.

Stakeholder interviews

Most interviews with stakeholders were conducted face to face. However, for practicality some interviews with provincial stakeholders were conducted by phone. The moderator guide used has been included as Annex IV. All 31 interviews were conducted in Thai by Rapid Asia senior staff and experienced moderators (Table 8). To obtain a broad view of how the electronic payment system was working, a wide set of stakeholders were interviewed with representation from employers, workers, government and private sector service providers. The target list was quite ambitious and despite some refusals, representatives were interviewed from all target organisations.

³⁸ The workshop had representation from trade Unions and civil society organization and was held in conjunction with the ILO Ship to Shore Rights Project at the Enterprises Workers' Relations Confederation (SERC)

Table 8. Stakeholders interviewed

Stakeholder organisations	Number of interviews
Boat captains / owners	13
Bank representatives	1
Bank of Thailand / Thai Bank Association	1
Department of Labour Protection and Welfare, Ministry of Labour	1
PIPO or other government inspectors	4
Fisheries Associations	1
Stella Maris	2
Migrant Workers Rights Network (MWRN)	1
Raks Thai	2
Foundation for Education and Development (FED)	1
Human Rights and Development Foundation (HRDF)	1
Migrant Working Group	1
International Labour Organization (ILO)	1
Environmental Justice Foundation (EJF)	1
Total	31

For each interview conducted responses provided by informants were summarized into an analysis template to categorize them against the relevant research questions. All interviews were recorded on an MP3 device, which allowed the Project Team to follow up and clarify important points captured. Key findings were determined by gathering the most frequent responses together with suitable case studies and quotes. The key findings were then linked back to each research objective in preparation for triangulation.

Survey with migrant workers

The target respondents for the survey were migrant workers from Myanmar and Cambodia who worked in the fishing sector. To be included in the survey the fishers should have worked in the Thai fishing sector for at least 6 months and should have been working for an operator that had already implemented electronic payments to pay worker salaries. A total of n=598 fishers were interviewed.

In order to understand the extent to which electronic payment systems have been adopted in other sectors, a comparison sample of migrant workers in the seafood processing sector was also included. They were selected and interviewed in the same areas but most of them came from Samut Sakhon and Rayong where most of the seafood processing factories are located. A total of n=105 seafood workers were interviewed.

To have as representative of a sample as possible, a three-step sampling approach was adopted. The sampling steps included proportional allocation across coastal zones, random intercept of fishers, and using screening criteria to ensure adequate representation of larger fishing vessels and cross section of migrant workers. There is a general lack of accurate data regarding the number of fishers in the fishing sector. However, by combining government data on registered migrants (2016) and fishing boats (2010), it was possible to estimate the overall distribution of fishers across the four coastal zones in which the 6 target locations are located. The sample distribution is shown in the Table 9 below.

Table 9. Sample distribution across selected locations

Coastal zone	Location	Fishers sample (n)	Seafood workers sample (n)	Migrant workers' country of origin
East	Rayong	121	31	Khmer
	Chonburi	120	3	Burmese / Khmer
Central	Samut Sakhon	120	49	Myanmar
Lower Gulf	Pattani	78	12	Burmese / Khmer
	Songkhla	78	10	Burmese / Khmer
Andaman	Phang Nga	81	-	Burmese
Total	Total	598	105	

To further ensure accurate representation of the sample it was important to ensure a good spread of fishers in each of the 6 locations. Sensitivity was also needed in terms of the time and place in which fishers were interviewed. Interviewing fishers at the docks would not have been ideal as boat owners could potentially interfere. Hence, sampling was conducted in a number of intercept locations where fishers could be randomly interviewed. Participants were consequently intercepted and interviewed at markets, migrant host communities, coffee shops or restaurants, temples, or at home. The chosen sampling method allowed fishers to speak freely and under non-threatening circumstances. Finally, quotas were used to ensure representation of fishers from predominantly larger fishing vessels. Overall, 87 per cent of all fishers interviewed worked on larger vessels (those with a net weight of 10 tons or more).

Data collection was done using computer aided personal interviewing (CAPI) and the Survey Team collected data on computer tablets. The CAPI system used was Survey Solutions developed by the World Bank Group. The Project Team scripted the survey to be used on the CAPI system and monitored data quality during data collection. Attention was paid to the many questions capturing ratio data such as salary and remittances made, to make sure that the data were consistent and to remove outliers. The quantitative data were analysed using the Statistical Package for the Social Sciences software (SPSS), and analysis was carried out across a number of pre-determined sub-groups. For example, fishers and seafood workers, the comparison group, were analysed separately. Fishers, being the larger sample, could be broken down further.

I.2 GENDER SENSITIVITY

Gender concerns were considered throughout the entire process of conducting the baseline survey, making sure a gender lens and gender-sensitive approach were applied (Table 10).

Table 10. Gender sensitivity

Stage	Gender sensitivity
Project Team	<ul style="list-style-type: none">▪ Included senior gender expert.▪ Male and female management representation.
Desk review	<ul style="list-style-type: none">▪ Special attention was given to gender issues and gender context analysis (the extent to which project documents established attainable and clear gender-responsive objectives).
Meetings	<ul style="list-style-type: none">▪ Participation by both men and women.▪ Inclusion of gender expert.
Method	<ul style="list-style-type: none">▪ Equal numbers of men and women participants (i.e. seafood sector)▪ For some stakeholder groups, this was not always possible but it was ensured a critical mass of women and men were included.
Data collection	<ul style="list-style-type: none">▪ Equal representation and participation were ensured (i.e. seafood sector).▪ All interviewers followed ethical procedures.

I.3 QUALITY ASSURANCE

The questionnaire and moderator guides were reviewed in detail by both the Project Team and client staff. Several revision rounds were undertaken. Once the tools were agreed, they underwent translation and pre-testing. Translations were carried out by experienced translators and the translated versions of the questionnaire were also independently checked by local Freedom Fund staff, with special attention to technical terms and language, before final sign-off was made.

Because interviews were carried out with migrant workers, interpreters had to be used in cases where the migrant worker could not speak Thai well enough for a productive interview. To aid in the process, show cards were produced in Burmese and Khmer languages allowing the respondents to also see the answers. This method helps to avoid misinterpretation of answers and also engages respondents more in the interview process.

Prior to data collection a training was conducted at the Rapid Asia office in Bangkok. The training was conducted by the Project Team and had participation of the field manager as well as all supervisors, moderators and interviewers. All interviewers received question-by-question training on the questionnaire and were briefed on sampling, quality-control and progress reporting procedures. They also conducted role plays and pilot interviews to become familiarized with the questionnaire prior to fieldwork.

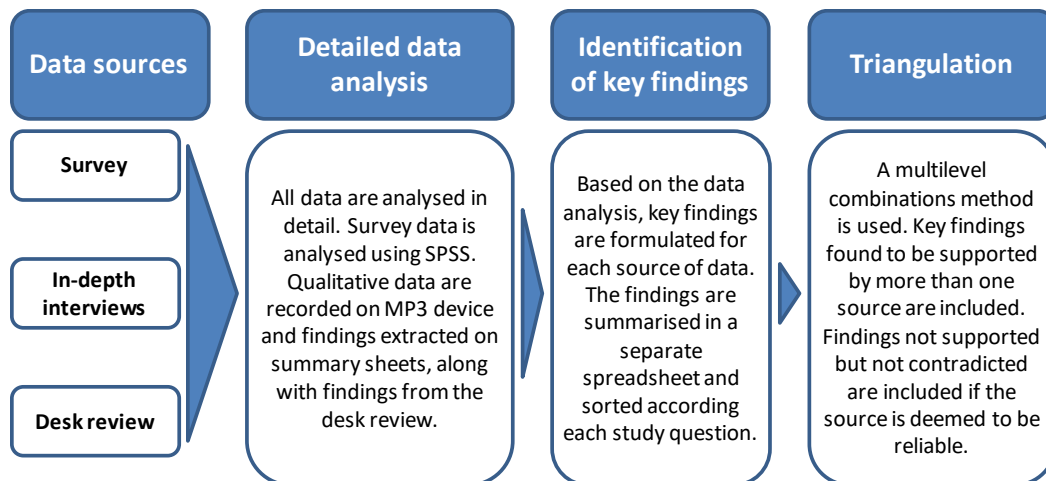
All in-depth interviews were recorded on an MP3 device for quality control purposes.³⁹ A standard template was also provided to the Survey Team to compile interview summaries. Summaries were checked by the Project Team and in cases where answers were deemed to be insufficient, they were sent back to the moderator for clarification.

³⁹ This was to enable call-backs to participants to clarify answers if needed. The recording only started after consent was made and personal details were not recorded. Recordings were not available to any third party and were deleted after six months for confidentiality purposes.

All completed interviews underwent several checks to ensure data quality. This included validation of 20–30 per cent of all interviews for each interviewer. This was done through direct monitoring of fieldwork or through call-backs to respondents to verify that an interview took place. Completed interviews were continually checked for consistency and non-compliant interviews were flagged to allow the interviewer or supervisor to make the necessary corrections. The final data file was also subject to several data tests to ensure that the data were clean, consistent and did not include outliers.

As part of analysis, triangulation was done using the multilevel combinations approach to ensure proper triangulation between different data sources.⁴⁰ First, data from the desk review, in-depth interviews and the survey were analysed separately to extrapolate key findings. Second, all key findings were linked to the set research questions. Finally, triangulation was done by examining the key findings across the different information sources (Figure 16). The triangulation was done as part of a workshop held in May, 2019.

Figure 16. Data triangulation process



When reconciling the data and selecting the most important findings, a pre-established triangulation logic was applied, and findings found to be supported by two or more data sources were prioritized and included. Findings not supported by other data sources could still be included provided they were supported by a critical mass of respondents. Findings not consistent with the above logic would not be included.

⁴⁰ USAID, 2013. *Conducting Mixed-Method valuation*. Technical Notes, Version I, June 2013

ANNEX II

SURVEY QUESTIONNAIRE

E-Payment

[March, 2019]

Version: FINAL

Name of Respondent				
Address				
Date of Interview	__/__/2019	Time begin		Time ended
Name of Interviewer				

INFORMED CONSENT

Thank you for agreeing to talk with me today. I'd like to introduce myself – I am (NAME) from Rapid Asia, a social research organization based in Thailand. We are conducting a study on electronic banking. It would be very helpful if you could spare a moment to answer a few questions. There are no right or wrong answers, so please give us your honest opinion. Any information collected from you will be kept strictly confidential. We will not use your name, address or any other personal information by which you could be identified. Your participation in the interview is entirely voluntary and you can withdraw any time.

Do you have further questions about this survey? (MAKE CLARIFICATION AS NEEDED)

CONFIRM UNDERSTANDING

Do you understand and give your consent to be interviewed for the study? IF YES CONTINUE

S1 RECORD REGION, LANGUAGE, AND SAMPLE

REGION		LANGUAGE		CHECK QUOTA
Rayong	1	Burmese	1	
Chonburi	2	Khmer	2	
Samut Sakhon	3			
Pattani	4			
Songkhla	5			
Phang Nga	6			

S2 RECORD LOCATION IN RELATION TO THE PORT

Up the coast to the right when facing the port	1
Down the coast to the left when facing the port	2
Inland from the port	3

S3 RECORD INTERVIEW LOCATION

Host community	1
Market	2
Coffee shop / eating place	3
Temple	4
Other	5

S4 **RECORD RECRUITMENT METHOD**

Intercept	1
Snowballing	2

S5 **RECORD SEX**

Male	1
Female	2

S6 **RECORD SECTOR**

Fisher	1	CONTINUE
Seafood processing	2	
Other	3	STOP

S7 What is your country of origin? **(Select one)**

Myanmar	1	CONTINUE
Cambodia	2	
Other	3	STOP

S8 How well can you speak Thai? **(Select one)**

None or very little	1	CONTINUE, MUST USE INTERPRETER
Some	2	
OK	3	GO TO S10
Fluent	4	

S9 **WRITE INTERPRETER FIRST NAME**

S10 Are you currently employed full time or part time? **(Select one)**

Yes, full time	1	CONTINUE
Yes, part time	2	
No	3	STOP

SHOW CARD

S11 What is your current work position? **(Select one)**

General boat crew / staff member	1	CONTINUE
Chief / Supervisor	2	
Higher position	3	STOP

S12 How many years have you worked in fishing / seafood production in Thailand?

ROUND UP TO THE NEAREST YEAR

Less than 6 months	STOP
	Years

S13 How many more years do you plan to stay in Thailand?

ROUND UP TO THE NEAREST YEAR

	Years
Don't know	99

Employment Conditions

E1 How long are you normally out at sea on a usual fishing trip?

Days	Weeks	Months
------	-------	--------

SHOW CARD

E2 I want to know the type of fishing boat are you work on. What is the boat capacity? **(Select one)**

Less than 10 tons	1
10 tons or more	2
Don't know	3

SHOW CARD

E3 How big is the boat? **(Select one)**

Less than 12 meters	1
12 meters or more	2
Don't know	3

SHOW CARD

E4 What type of net is being used? **(Select one)**

Straight gillnet	1
Cast net	2
Long hook line	3
Trawl net	4
Purse seine	5
Encircling gillnet	6
Scoop net	7
Don't know	8

E5 How many hours per day do you normally work including fixing nets, cleaning, sorting fish etc?

Hours per day

E6 How many days per week do you normally work? **(Select one)**

1	2	3	4	5	6	7	Days per week
---	---	---	---	---	---	---	---------------

SHOW CARD

E7 How is your salary determined? **(Select one)**

Fixed salary	1
Fixed salary plus share of catch	2
Share of catch only	3
Other (SPECIFY)	4

SHOW CARD

E8 How often do you get paid? **(Select one)**

Daily	1
Weekly	2
Monthly	3
Lump sum after a longer period	4
Other (SPECIFY)	5

E9 How much money are you paid from your employer each month?

--

E10 Have you borrowed any money since coming to Thailand to work?

Yes	1	CONTINUE
No	2	GO TO E14

SHOW CARD

E11 From whom? **(Select one)**

Employer	1
Family or friends	2
Informal money lender	3
Bank	4
Microfinance institution	5
Cooperative	6
Other	7

SHOW CARDE12 What was the main purpose of the loan? **(Select one)**

To migrate to Thailand	1
To secure a job	2
To pay off other debt	3
Health	4
Education	5
To help my family back home	6
To pay living expenses or bills	7
Other	8

E13 Did you take out an advance on your salary before you started to work?

Yes	1
No	2

SHOW CARDE14 What deductions are made from your salary, if any? **(Select all that apply)**

None	1	GO TO B1
Tax	2	CONTINUE
Social security	3	
Accommodation	4	
Food	5	
Clothing or equipment	6	
Advances on pay	7	
Interest on advance on pay	8	
Payment for other debt (not advance)	9	
Penalties/punishment	10	
Work permit or related documents	11	
Deductions are made but don't know for what	12	
Other (SPECIFY)	13	

E15 How much is deducted each month?

E-banking

B1 Do you currently have a Thai bank account in your name?

Yes	1	GO TO B3
No	2	CONTINUE / STOP IF SEAFOOD PROCESSING

SHOW CARDB2 Why not? **(Select all that apply)**

My employer, supervisor or Chiel has my bank book / ATM card	1	GO TO B5 GO TO B19
Prefer to be paid in cash	2	
Difficult as I can't speak Thai	3	
Don't have all the documents needed	4	
Bank not willing to help	5	
Bank branch far away	6	
Can't take time off work	7	
Can't find someone willing to help	8	
Don't trust banks	9	
Other	10	

SHOW CARDB3 Did you open the bank account by yourself? **(Select one)**

Yes	1	GO TO B6
No, someone else came with me to the bank	2	CONTINUE
No, someone opened the account for me	3	

SHOW CARDB4 Who assisted you? **(Select one)**

My employer, supervisor or Chiel	1
Work colleague	2
Friend or family	3
Bank staff	4
Other	5

B5 Do you recall signing a form to allow your employer, supervisor or Chiel to hold (safekeeping) your bank account / ATM card? **(Select one)**

Yes	1
No	2

SHOW CARDB6 Which bank? **(Select one)**

Bangkok Bank	1
Kasikorn (Kbank)	2
Siam Commercial Bank (SCB)	3
Krungthai	4
TMB	5
Bank of Ayudhya (Krungsri)	6
Thanachart	7
Kiatnakin Bank	8

CIMB	9
Other (SPECIFY)	10
Don't know	11

SHOW CARD

B7 Which of the following documents did you need to open the Thai bank account?
(Select all that apply)

Passport	1
Work permit	2
Visa	3
Reference letter	4
Address in Thailand	5
Don't know	6

B8 How many months have you had your Thai bank account?

	Months
Don't know	99

SHOW CARD

B9 When opening the bank account did you experience any of the following problems?
(Select all that apply)

Language issues	1
Not having all the documents needed	2
Bank unwilling to assist	3
Not able to talk to bank staff	4
Bank branch far away	5
Being able to take time off work	6
Finding someone willing to help	7
Other (SPECIFY)	8
None	9

SHOW CARD

B10 Have you visited your bank branch for any of the following services?
(Select all that apply)

Take out cash	1
Deposit cash or check	2
Update pass book	3
Get a new pass book	4
Get a new ATM card	5
Report a lost or stolen bank book or card	6
Set up mobile banking	7
Take out a loan	8
Other (SPECIFY)	9

None	10
------	----

SHOW CARD

B11 Do you have an ATM card? **(Select one)**

Yes, and I keep it myself	1	GO TO B13
Yes, but my employer, supervisor or Chiel keeps it for me	2	
No	3	CONTINUE

SHOW CARD

B12 Why not? **(Select all that apply)**

My employer, supervisor or Chiel has my ATM card	1	GO TO B19
Don't need it, paid in cash	2	
Lost it	3	
No ATM available or far away	4	
No ATM from my bank available	5	
Don't know how to use it	6	
Does not offer Khmer/Burmese language	7	
Not allowed to leave the boat or port area to go to the ATM	8	
Other (SPECIFY)	9	

B13 Have you ever taken out money from the ATM yourself?

Yes	1
No	2

B14 Did someone else ever use your ATM card to take out money for you?

Yes	1
No	2

SHOW CARD

B15 Who showed you how to use the ATM? **(Select one)**

Don't know how to use it yet	1	CONTINUE
Learn by myself	2	
Bank staff	3	
My employer, supervisor or Chiel	4	
Work colleague	5	
Friend or family	6	
Other	7	

B16 How many times did you use the ATM last month yourself? **(Select one)**
IF NONE PUT ZERO

	Times
--	-------

SHOW CARD

B17 Which of the following issues have you experienced with ATMs? **(Select all that apply)**

Forgot my PIN code	1
No ATM available or ATM far away	2
No ATM from my bank available	3
High transaction fees	4
Does not offer Khmer/Burmese language	5
Not able to take time off work	6
Long ATM queues	7
ATM out of money or not working	8
Not allowed to leave the boat or port area to go to ATM	9
Other (SPECIFY)	10
None	11

SHOW CARD

B18 What advantages do you see with using an ATM? **(Select all that apply)**

Convenient	1
Safer, don't have to carry cash	2
Can check my balance regularly	3
Can transfer money to others	4
Other (SPECIFY)	5
None	6

B19 Do you receive your salary in cash or by transfer to your bank account?

Transfer to my bank account	1	MAKE SURE THEY ANSWERD YES IN B1
Cash	2	CONTINUE / STOP IF SEAFOOD PROCESSING

SHOW CARD

B20 Who would be the best person to help migrants like yourself to open a bank and learn how to use an ATM? **(Select one)**

Bank staff	1
Your employer	2
Local NGO	3
Work colleagues	4
Friends and family	5
Other	6

SHOW CARD

B21 Which of the following Thai mobile money or e-wallet services have you heard of? **(Select all that apply)**

Rabbit LINE Pay	1
True Money Wallet	2

Alipay	3
AIS mPay	4
AirPay	5
Other	6
None	7

B22 Have you ever used mobile money or e-wallet in Thailand or in your home country? **(Select all that apply)**

Yes, in Thailand	1	GO TO R1
Yes, in home country	2	
No	3	CONTINUE

SHOW CARD

B23 Would you consider to use mobile money or e-wallet in Thailand? **(Select one)**

Yes	1
Maybe	2
No	3
Don't know	4

Remittances

R1 Do you send money home to your family?

Yes	1	CONTINUE
No	2	GO TO D1

R2 How many times per year do you send money home? **(Select one)**
IF EVERY MONTH CIRCLE 12, IF EVERY SECOND MONTH CIRCLE 6

1 2 3 4 5 6 7 8 9 10 11 12

R3 How much do you normally send each time?

	baht
--	------

SHOW CARD

R4 Which of the following channels do you normally use to send money home? **(Select one)**

Bank	1
Money transfer organization (e.g. Western Union, MoneyGram, etc.)	2
Hundi or broker system	3
Hand carry by myself	4
Hand carry by family or friend	5
Other channel	6

DEMOGRAPHICS

SHOW CARD

D1 What type of mobile phone do you have, if any? **(Select all that apply)**

Smart phone or tablet	1
Regular mobile phone	2
None	3

SHOW CARD

D2 Which of the following social media sites do you subscribe to, if any? **(Select all that apply)**

Facebook	1
Google+	2
Instagram (IG)	3
YouTube	4
Twitter	5
Other	6
None	7

SHOW CARD

D3 Which of the following chat services do you use, if any? **(Select all that apply)**

Google (Hang Out)	1
Facebook (Messenger)	2
WhatsApp	3
Line	4
Other	5
None	6

SHOW CARD

D4 Which of the following best describes your current level of education? **(Select one)**

Never attended school	1
Completed less than 6 years of basic education	2
Completed 6 years of basic/elementary education	3
Completed 9 years of basic education	4
Completed 12 years of education	5
Diploma, University or higher education	6

SHOW CARD

D5 How old are you? **(Select one)**

Below 18 years	1
18 – 19 years	2
20 – 24 years	3
25 - 29 years	4
30 - 34 years	5
35 – 39 years	6
40 years or older	7

D6 Are you married?

Yes	1
No	2

D7 Do you have children?

Yes	1
No	2

D8 In case I have missed anything and need to contact you, what is the mobile number I can reach you on? **DO A MISSED CALL TO CHECK**

Phone	<input type="text"/>
-------	----------------------

THANK YOU FOR YOUR TIME AND COOPERATION

ANNEX III

MODERATOR GUIDES

IDI MODERATOR GUIDE

(February, 2019)

FINAL

1. Respondent full name		Location			
Date	____ / ____ / 2018	Time begin		Time ended	

ESOMAR DECLARATION

I confirm that, before returning this questionnaire, I have checked that it meets and was carried out in accordance with the MRS Code of Conduct and instructions supplied to me for this study. I understand that the information given to me during the interview must be kept confidential.

Signed by moderator: _____

INTRODUCTION

Thank you for spending the time talking with me today. I'd like to introduce myself – I am (NAME) from (ORGANISATION)

We really do appreciate you giving us your time today. We are currently undertaking a study on electronic payment system in fishing industry and would like to hear about your work and experience with this subject.

Your contribution is very valuable and there are no right or wrong answers, just give your honest opinion.

I will record our discussion so I can concentrate on what you are saying. The recording will be erased within 60 days and will only be used for internal processing purposes. Your record will not be shared with anybody except people from our research team. May I record our conversation? **[Yes / No]**

Please be assured that we will not use your name in our report. Would it be ok for us to use your organizations' name, or do you prefer for us to list the kind of organization it is?

While we are talking, if you want to stop the interview at any time, please say so and we will do that, or you can decide not to answer a question and that is ok.

CONFIRM UNDERSTANDING (Yes, I understand and hereby give my consent to be interviewed for the study [with / without] tape recording)

WARM-UP QUESTIONS

- When and how did you first hear about the new electronic payment system?
- What was your initial reaction to the government regulation on implementation of electronic payment system in fishing industry?
- How were the migrant workers informed of the change in regulation?
- Do you have an opinion on the new system? Would you consider it effective?

EFFECTIVENESS OF ELECTRONIC PAYMENT SYSTEM

- How did migrant workers react to the change of payment method? Was it positive or negative reaction? Why?
- How would you rate migrant workers' trust in banking system?
- To what extent do migrant workers have access to bank services? Do they receive same services with Thai workers?
- How easy is it for migrant workers to open a bank account? Whose responsibility is it to ensure they have a bank account?
- In your opinion, which are the barriers that prevent migrant workers access to financial services?
- What are the bank guidelines for opening an account for migrant workers? What documents are needed to open an account? How flexible are the banks in applying these guidelines?
- To what extent do migrant workers have access to their documents (ID, bank book, ATM cards)?

(For government officials only)

- What was the rationale/intention behind "release form" allowing employers to keep work permit and identification documents for migrant workers?
- What are the documents employers allowed to keep for migrant workers?

(For vessel owners or employers only)

- Have you ever asked migrant workers to sign a release form allowing you to keep their personal documents on their behalf before? For what purpose? What are the documents you keep for them?

- To what extent do migrant workers have access to ATM machine? Is there any ATM in all areas and is it accessible?
- To what extent do migrant workers know how to withdraw money at ATM machine? Whose responsibility is it to ensure they know how to use ATM?
- In your opinion, to what extent do language barriers restrict migrant workers to use ATM or receive bank services?

- In your opinion, to what extent do financial literacy/financial education restrict migrant workers to use ATM or receive bank services?
- In your opinion, to what extent do ID-documents ownership restrict migrant workers to use ATM or receive bank services?
- How would you rate, on average, the financial literacy of migrant workers?
- How would you rate, on average, migrant workers' knowledge of the following digital financial services?
 - Mobile banking
 - E-wallet
- In your opinion, do migrant workers have capacity to manage their own income and expenses?
- After the implementation of electronic payment system, how did this impact on wage payment?
- To what extent do migrant workers have more or less control of their wage payment?
- In your opinion, to what extent does electronic payment system help enabling transparency and accountability within fishing industry?

IMPACTS OF ELECTRONIC PAYMENT SYSTEM

- In your opinion, what impact has electronic payment system have on migrant workers in fishing industry?
- To what extent do the impacts vary among different groups of migrant workers? Who benefit the most from the change? Who benefit the least from the change?

(For vessel owners/employers)

- What impact has electronic payment system have on employers? In what ways has the new system benefitted you/your business?
- What particular challenges do they have? Are there challenges that impact a specific group of workers?
- Would it be possible to overcome the challenges? How?
- Since the change, would you say things are generally moving in the right or wrong direction? Why?
- What are your recommendations (to government, to financial institutions, to employers) to improve trust, access and use of the electronic payment system for migrant workers?

COMPLIANCE, ENABLING ENVIRONMENT AND BARRIERS

- How equipped were you to implement electronic payment system? What changes you had to make in compliance to the regulation?

(For vessel owners/employers)

- Which kind of support you received to implement the system?
- What kind of support you gave to migrant workers to ensure they can adapt to new payment method?

(For government official only)

- What kind of support the government provide to help vessel owners and employers to prepare for the shift to electronic payment system?
 - What are the government's concerns in implementing electronic payment system?
 - What mechanism is used to verify if e-payment regulations are being met/monitor compliance? What could be done to improve compliance?
-
- To what extent do you think you have implemented electronic payment system successfully? What worked well? What did not work well?