



Philippine Global Seafarers: A Profile

Maragtas S.V. Amante *



SUMMARY

Although the Philippines provides more than one quarter of the world's seafarers employed aboard internationally trading ships, and its position as the world's leading supplier of ships' crews seems assured, it has not been possible for crew managers, officers of international agencies, associations and other interested parties to find reliable information about Filipino seafarers and their circumstances in one publication. This report modestly aims to remedy this gap, by providing a profile of the Philippine seafarers in the global labour market.

Between October 2002 and January 2003, separate surveys were conducted, of seafarers (n=374) and students (n=658) enrolled in 11 maritime colleges, with the aim of generating a dependable profile of Filipino seafarers. The survey results were subsequently amplified by a search of available documentation and interviews with crewing managers, senior government and trade union officials. Websites and publications by government agencies, employers and unions, and seafarer organizations provided other data.

The entry of Filipino seafarers in the global labour market occurs in the context of the following stark realities of a third world country:

- Huge foreign debt of US\$ 50 billion.
- Perennial trade deficits (\$ 322 million in by November 2003).
- Widespread poverty (34 percent of population in 2000)
- Relatively low national income per person (\$ 1,050 per capita in 2003)
- High unemployment (10.1 percent, October 2003)

Filipino seafarers have become a vital component of the country's Overseas Filipino Worker (OFW) economy. Remittances from all OFWs are a major source of US dollar earnings, contribute significantly to stabilising the balance of payments, prevent foreign exchange instability, and serve as a buffer against drastic devaluations of the peso which could lead to inflation. Politicians refer to OFWs, including seafarers, as the "new heroes" in acknowledgement of their economic role.

* *Maragtas S.V. Amante* was Mols Sorenson Postdoctoral Research Fellow, Seafarers International Research Centre, Cardiff University, March 2002- Feb 2004. Fellowship support for research fieldwork is gratefully acknowledged. Errors and opinions are the author's sole responsibility.
Email: maragtas2001@yahoo.com, maragtas@up.edu.ph

Growth of the Philippines' seafaring labour force

Official records of the Philippine Overseas Employment Administration (POEA) show that in 2003 there were **214,691** seafarers hired or rehired ('deployed') through the agency.

The years from 1986 to 1990 saw a rapid expansion in the Philippine seafaring industry. The number of Filipino seafarers more than doubled, from 52,290 to 111,212. The rate of increase from 1986 to 1990 averaged 16.6 percent every year. Between 1991 and 1995, the number of Philippine seafarers increased but by a slower rate of 8.3 percent. From 1996 to 2000, the number of seafarers still increased, but at a much lower annual rate of 3.7 percent.

Basic socio-economic characteristics

- Philippine seafarers in this survey were, on average aged 37 years.
- A Bs were aged 34 years,
- Junior officers, 40 years and
- Senior officers, 44 years old.

Age started work at sea and work experience

- The average age of seafarers on their first voyage was 24 years.
- Senior and junior officers first went to sea at 23 years, ratings when 25.
- As one would expect, senior officers had most work experience (17 years), junior officers had 15 years experience, while ratings had nine years experience of working at sea.

Retirement' age

- Respondents reported their intention of giving up their sea careers on reaching the age of 50. The differences between the ranks were not great: senior officers intended to stop at an average of 52 years, while junior officers declared to stop at 53 years of age. Ratings intended to finish earlier, at 49 years old.
- The expected worklife span at sea for the sample Filipino seafarers was 26 years on average.
- Senior and junior officers had the longest expected worklife span at sea, at 30 years.

Flag of last ships

- Seafarers reported working mostly on vessels with the following flags: Panama (38 percent); Liberia (10 percent); Bahamas (8 percent); Norway, Denmark and Sweden (6 percent); and Malta (6 percent).
- Most of their ships trade world-wide (50 percent); in the Asia – Pacific route (22 percent); and in Europe (11 percent).

Regional origin and linguistic group

- Most seafarers in the sample came from the Bisaya - speaking islands of Cebu, Davao and Bohol (30 percent), the Ilonggo-speaking islands of Panay and Negros (28 percent) and 23 percent from Mindanao, where both Bisaya and Ilonggo are used. These are among the poorest regions of the Philippines.
- All seafarers said they could speak and understand English, and more than 50 percent said they could read or write it.

Use of the English language

All survey respondents indicated that they could speak and understand English, but not everyone said they could write or read it. A legacy of American colonialisation (1898-1946), English is mostly the medium of instruction in the Philippines, with local languages used to supplement explanations to clarify concepts. Reading materials, examinations and communications are also mostly written in the English language. At an early age, children are exposed to many English-language movies, television programs, magazines and newspapers. Regional languages are auxiliary official languages and media of instruction in the regions.

Siblings, children and dependents

- Filipino seafarers come from large families, eight persons on average (six siblings, two parents).
- Most are married (73 percent). Those with two children constitute 30 percent of the sample, and those with three children, 25 percent of the sample.
- Seafarers support an average of five dependents, including parents, brothers or sisters, and their children.
- Fifty percent support three to five dependents, while 33 percent support six or more dependents.

Why be a seafarer?

Seafarers view their job as a way out of poverty, but are also attracted to a career at sea. Many seafarers insisted that “good pay” was their main motive (49 percent) while marking also among the list of reasons that it was their ambition to be a seafarer (46 percent). While Filipino seafarers came mostly from poor rural backgrounds, the love of a career at sea also is uppermost among their reasons.

Seafarers explained their choices, in terms of wanting their families to have a better life”; “help their parents and family”; “send brother(s), sister(s), or children to school”; or “help pay our debt, loans”. Some said that they have “heard of the difficulties and dangers associated with working at sea, but they have no choice, since there were very few economically attractive job opportunities”.

Parental occupation

- Fathers were fishermen (32 percent), farmers (21 percent), or self-employed workers i.e. market vendor and carpenters (16 percent), and seafarers (9 percent).
- Mothers were usually full time housewives (55 percent); self-employed, i.e. market vendor (15 percent), or employees in government or company offices (12 percent).

Maritime education in the Philippines

Philippine maritime *education* consists of **four to five year college** degree programmes for *officers* (marine deck and engineers). College admission means that the student has completed six years of elementary and four years of secondary (high school) education, or a total of ten years compulsory pre-collegiate education.

Many of the maritime schools offer a ladder-type program -- after completing two to three year schooling, students are given an “associate in nautical or marine engineering degree” prior to cadetship, whose graduates find employment as ratings. After shipboard work experience, some go back to finish the college program, take the licensure examinations, and qualify as officers.

As of June 2002, there were 76 accredited universities and colleges which offer maritime courses -- 68 of these offer a Bachelor of Science in Maritime Transport (BSMT) program for deck officers and 59 offer a Bachelor of Science in Marine Engineering (BSMarE), for engineering officers. Many schools offer both programs, as well as “associate degree” (non graduate tertiary level) courses. The IMO website (www.imo.org) however lists the Philippines as having the world’s largest number (n=98) of MET institutions. Most maritime schools offer short-term training upgrading courses for seafarers alongside the regular degree programs. Of the 76 schools, seven are government owned.

Most Philippine maritime schools adopt the **“3 - 1” model** (three years of classroom schooling plus one year shipboard cadetship training). Variations of the curriculum are used by some maritime schools for various groups of students, such as:

“2 – 1 - 1” model: two years of classroom schooling plus one year shipboard training (cadetship) plus one year additional classroom schooling.

“1 – 1 - 2” model: one year classroom schooling plus one year shipboard training (cadetship) plus two years additional classroom schooling.

Maritime training

Maritime *training* provides a variety of short courses which update competencies of seafarers, both officers and ratings, for career development, promotion, and to qualify for STCW'95 certification. Seafarers spend an average of \$ 230 for these short term courses which lasts 1 to 3 days. Simulator courses however costs more, from \$ 327 to \$454. There were 41 maritime training centres accredited by the Maritime Training Council (MTC) in 2002. The MTC was created in 1984 to coordinate the efforts of a dozen or so government agencies based in different ministries, all involved in maritime education and training.

Education profile of seafarers

Most seafarer survey respondents had a college degree (55 percent), and 47 percent of them had completed a maritime course -- either BS Marine Transport (39.8 percent) or BS Marine Engineering program (7.5 percent). Those who finished an associate level (non-graduate college level) in maritime education were 31.8 percent of the sample.

Support and costs of maritime education

While students may have obtained financial assistance from a variety of sources for their maritime schooling, parents were still the major source of support (83.7 percent). Family members also provided assistance: brothers or sisters (18 percent); other relatives (15 percent) and even godparents (3.3 percent).

It is significant that 37.8 percent of students were sponsored in their studies by shipping or crewing firms. On the other hand, some siblings of the student-respondents (18 percent) had been obliged to cut short their own schooling so that their brothers could continue their maritime education.

Some students indicated that their parents borrowed money or took out loans to pay for schooling (14 percent), and even sold or leased property such as land, farm animals and cattle (5.6 percent) to raise funds for their schooling expenses. Students on shipboard training were provided "training allowances", from which savings were used to pay for other schooling expenses (51 percent).

Parents of maritime students paid **US \$ 5,000** on average for tuition, living and other schooling expenses for the four-year, eight semester programme. The average semestral expense was \$ 625.42 (or \$1,250.84 each year). For a four-year programme, this was equivalent to about US\$ 5,000 for each student -- about five times the average per capita income of \$ 1,050.

Pay profile

- Senior officers receive on average \$ 2,086.
- Junior officers receive on average \$ 1,714.
- A Bs reported an average pay of \$1,000 per month (30 percent lower than the ITF TCC rate of \$ 1,300 effective January 2002).
- Basic pay was about half of total pay for all ranks.

Union membership of seafarers

- 47 percent of respondents said they are union members, and 10 percent said they were former union members.
- About 43 percent said they are not a member of a union.
- A greater percentage of junior officers (51 percent) and ratings (47 percent) are union members, compared to senior officers (38 percent).

Union membership is for the duration of the seafarers' employment contract. Collective bargaining agreements may include all Filipino seafarers in a given voyage (union shop provision). Membership fees of mostly \$ 5 monthly are automatically deducted from the seafarers' pay.

While most seafarers have positive views about their union, open ended comments also indicate very limited or zero awareness of freedom of association, and the rights to collective bargaining, negotiations, grievance procedures, and disputes settlement. No seafarer interviewed recalls participation in any union election, and many complained about not receiving any report, which explained or accounted for their union contributions.

Union and non-union pay differential

- Union members have a positive 15 percent pay differential over non-union members.
- The union pay differential for ratings in this sample is 2.3 times greater than that for officers.
- Seafarer union membership has a positive pay premium. Union members receive, on average, \$ 1,329 total 'all in' pay. Non-union members receive \$ 1,157.
- Ratings received a higher average union differential (\$192) than officers (\$ 58). The union pay differential is \$ 24 for senior officers, but for junior officers it is much higher, at \$ 128. Among A Bs, union members receive \$137 (15 percent) higher than the \$ 938 average for non-union members.

Pay differential and length of contracts of employment

- There is a negative relationship between pay and length of employment -- the longer the contract, the lower the pay. It is usually expected that higher pay and longer contracts go together.
- Philippine seafarers with a contract length of less than 6 months have the highest pay in this survey (\$ 1,535 on the average). Those with 6 to 9 months contract have slightly lower pay, at \$ 1,350.

Reported pay then declines to \$ 1,148 for those with contracts 10 to 12 months.

Crewing agencies and seafarer recruitment

Seafarers formally enter the labour market through crewing agencies. Where shipping company-owned agencies are almost invariably dedicated to crews for their own ships, the great majority of agencies, including the very largest, serve many 'owners and managers'.

Sources of labour market information on vacancies or new opportunities include relatives, friends, classmates, school officials, and former fellow crew.

Seafarers visit crewing agencies and the union hiring hall of AMOSUP for the latest job postings and announcements. The Rizal Park seafarer labour market in Manila is also a popular venue where seafarers effectively verify information about working conditions, policies as well as practices by crewing agencies and shipping firms.

Seafarers recruited by wholly owned agencies are much more likely to experience continuity of employment and not suffer age discrimination.

The POEA website (www.poea.gov.ph) shows an accredited list of 417 crewing agencies, involved in recruitment, processing and deployment of seafarers.

There is strong competition among crewing agencies, and the POEA website maintains a "watch list" of crewing agencies found guilty, or with pending cases of fraud and non-payment of salaries and remittances to seafarers. The POEA also maintains another "watch list" of OFWs, which includes seafarers.

The policy and regulatory context

Government policy aims "to ensure qualified, competent and globally-competitive Philippine seafarers" (RA 8544, 1998); while providing "protection to labour" (PD442, 1974); including overseas Filipino workers (RA8042, 1995). Other laws and presidential orders express similar policies. Policy implementation is decentralised and distributed among independent government agencies involved in labour market regulation. These agencies have their own histories, legislative mandates, officials, staff, as well as constituencies.

The 1987 Philippine constitution provides for human rights, education, labour and employment, business contracts, capital ownership, industry development, and other aspects which all have implications upon seafarers. There are at least six (6) laws enacted by congress, four (4) presidential decrees by the martial law regime of President Ferdinand E. Marcos, four (4) presidential executive orders, a presidential letter of instruction, and

remnants of the code of commerce dating back to the Spanish era which affect the seafarers. In addition, several Supreme Court decisions either confirm or validate legal principles on the employment and compensation of seafarers. Proposals to repeal, amend or consolidate policies and laws on Philippine seafarers are still pending, some for several years, before congress.

There are at least 14 government agencies involved with the seafarers, particularly in the regulation of their education, training, certification, and employment in the global labour market. These agencies were vested with specific functions as mandated by various laws. The *Philippine Overseas Employment Administration (POEA)*, under the Department of Labour and Employment (DOLE), is the most important government agency which regulates the global labour market engagement of Filipino seafarers.

The POEA's Seafarers Processing Division requires seafarers and employers not covered by ITF contracts to adopt the Standard Employment Contract (SEC), with provisions on pay, working hours, disputes settlement, compensation claims for accidents and injuries, and other working conditions. POEA also accredits and issue licenses to crewing or manning agencies, and assists seafarers in pursuing complaints and claims against employers. Its mandate is derived from the Philippine Labor Code, and the Migrant Workers and Overseas Filipinos Act of 1995 (RA8042). The POEA accredits, and promotes a standard contract for seafarers.

Employment contracts

- Average length senior and junior officers contracts were 9 months. Ratings contracts averaged 10 months. The few cadets in the survey had average contracts of 11 months duration.
- There were some variations in contract duration by ship-type: passenger ships, 8.5 months; tankers, 9.2 months; bulk carriers, 10 months.

Job search

- Job search includes the time spent applying, processing papers for a new employment contract, and the waiting time to board the ship. Seafarers spent an average 7.2 months in job search. Senior officers spent 7.3 months, junior officers slightly less, at 6.9 months and ratings 7.3 months. Cadets had the longest job search period at 13 months.

Coastal and inter-island work experience

- Many seafarers have work experience and training in domestic shipping (41 percent), before joining the global labour market. Others had work experience in fishing boats and training ships (9 percent). Many seafarers started in domestic ships as deckboys or cadets (18 percent); as mess stewards (4 percent) and as oilers or wipers (5 percent).
- In between jobs in the global labour market, only 8.5 percent of seafarers had shore-based jobs. Few seafarers said they look for land-based jobs, in between jobs at sea.

Experience with mixed nationality crews

- Seafarers in the survey said that they work in ships with multinational crews, but mostly with many Filipinos aboard. A few said that full Filipino crews are common in the Asian routes.
- Filipino seafarers said they work mostly with vessels commanded by captains or masters from Europe (27 percent); Japan (14 percent) or the Philippines (14 percent); and Greece (13 percent)
- Chief mates and chief engineers were reported mostly from the Philippines (22 percent); Western Europe (17 percent); Eastern Europe (Croatia, Ukraine, Poland, Russia), 9 percent; Japan (9 percent).
- Junior officers were reported to be mostly from the Philippines (72 percent), India (5.5 percent); Baltic states (4.6 percent).
- Seafarers also said that the principal nationality of ratings in their last ship were Filipinos (88 percent). Seafarers also work with ratings that were of Asian nationality (2 percent -- from India, Pakistan, China, and Korea).

Conclusions

The Philippines continues to be a significant supplier of seafarers in the global labour market. This phenomenon occurs in the context of continuing efforts by global shipping companies to cut costs, rationalise crewing, and comply with, among others, international conventions on maritime labour and protection of the environment. There is also a diversity of countries where global seafarers came from, giving prominence to multinational crews. High unemployment, widespread poverty and low national income meanwhile characterise the Philippine economy, which 'pushes' people to find jobs as overseas Filipino workers.

In the areas of industrial relations and disputes settlement, Philippine labor laws and court decisions guide seafarer industry stakeholders in their recruitment and employment practices. Unlike other maritime countries, there is however no specialized maritime court in the Philippines, which could have jurisdiction over disputes on shipping, labour disputes between seafarers and employers, compensation claims, shipping disasters, and the like. Interviews with seafarers during the survey revealed a list of common problems in their employment in the global labour market. These most common problems are the following:

- Age limits as a form of employment discrimination.
- Watchlisting (or blacklisting) of seafarers;
- Increased costs for identity documents of seafarers, i.e. visa requirements in US ports.
- Contract substitution by employers.
- Non-compliance of seafarer contracts by unscrupulous employers.
- Reduction in compensation; delayed or non-payment of salaries.
- Exorbitant interest rates for overseas employment placement.
- Onerous requirements for medical examinations and certifications.

- Inadequate food and accommodation aboard.
- Lack of awareness of grievance procedures aboard.
- Limits on postponement of cases for illegal dismissals and claims.
- Irrelevant ‘cash cow’ training outside of STCW95 requirements.
- Medical and educational assistance for seafarers’ families and dependents.
- Need for a labour market information center for seafarers.
- Action on ambulance chasers, who victimize seafarers and their families pursuing claims for accidents, injuries or death.
- Need for more expertise for the mediation, conciliation and voluntary arbitration of disputes involving seafarers and their employers.

Philippines industry leaders and officials continually express the hope that the country maintain its top position, or even further enlarge its share of the global labour market.

The conclusions derived from this profile of Philippine global seafarers point to the need to pursue more vigorous and sustained policy reforms to strengthen maritime education and training, with benchmarks as well as standards consistent with best practices in leading countries.

At the same time, the protection and welfare of seafarers through labour market regulation requires more resources to be allocated to the institutions and agencies which deal with them. The forthcoming consolidation of ILO maritime labour conventions will test the capacity and readiness of the Philippine seafaring industry to realise more decent work for the seafarers, a core dimension of global labour market competitiveness.

Philippine Seafarers Assistance Programme
www.psap-parola.org

