

DIASPORA

OF FILIPINO SEAFARERS: *A Look at the Flag of Convenience (FOC) System*



*Presented during the
JCJ Maritime Forum Series
Mariners System
Manila Yacht Club
Thursday, June 28, 2012*

By Evita L. Jimenez
Published in UKTAW, Mariners 2011

With UPDATED DATA



Study on Seafarers

- as a unique occupational group of migrant workers who live their own

diaspora

“suspended migrants”

“sea-based”

with a special form of social identity

as migrant workers with **no host destination**
traversing international waters throughout
their contracted time



Increasing transnational migration

- Philippines: **major provider of seafarers worldwide** (increasingly with higher educational profiles – UNCTAD, 2010)

30% of the world's employed seafarers

One out of five aboard ships is a **Filipino**
recorded number of seafarers (POEA 2010):

347,150

Target in 2016: **50%** of the world's share (PJMG)



Largest provider of officers

PHILS: Today, the world's
TOP provider of marine officers

(UNCTAD, 2010)

57,688

Educational infrastructure of about
90 maritime schools which graduate
some **40,000** seafarers / year.

Licensed crewing agencies: **421** (UNCTAD, 2010)



The 12 biggest suppliers of officers and ratings in 2010

Country	# ofofficials	Marketshare	Country	# ofRatings	Market Share
Philippines	57,688	9.2	China	90,296	12.1
China	51,511	8.3	Indonesia	61,821	20.4
India	46,497	7.5	Turkey	51,009	21.2
Turkey	36,734	5.9	Russian	40,000	32.5
Ukraine	27,172	4.4	Malaysia	28,687	36.4
Russian	25,000	4.0	Phils	23,492	39.5
US	21,810	3.5	Bulgaria	22,379	42.5
Japan	21,297	3.4	Myanmar	20,145	45.2
Romania	18,575	3.0	Sri Lanka	19,511	47.8
Poland	17,923	2.9	US	16,644	50.0
Norway	16,082	2.6	India	16,176	52.2
Indonesia	15,906	2.5	Honduras	15,341	54.3



Constant increase of Filipino Seafarers

2008	2009	2010
261,614	330,424	347,150
		<i>From POEA 2010</i>

Seafarers: biggest sub-sector of OFWs



Major contributor to Philippine economy

Out of \$16B
remittances of
OFWs,
\$ 7B from seafarers
keep the economy
afloat



Place of Work: Flag of Convenience (FOC)

The term **flag of convenience** describes the business practice of registering a merchant ship in a sovereign state different from that of the ship's owners, and flying that state's flag on the ship. Ships are registered under flags of convenience to reduce operating costs or avoid the regulations of the owner's country.



The *MOL Pride*, owned and operated by the Japanese company [Mitsui O.S.K. Lines](#), flying the [flag of Liberia](#).



The country of registration determines the laws under which the ship is required to operate



Many SHIP OWNERS register their vessels using dummy companies from such countries as Bahamas, Barbados, Honduras, Panama, Burma, Jamaica, Liberia, and Marshall Islands.

Many shipping companies operating mostly cargo vessels and tankers that prefer the FOC system come from the U.S., Japan, Norway, Denmark, Sweden, Australia, Germany, and France. They resort to FOC to avoid paying high wages and compliance with the strict labor standards of their own country which must be enforced in their flag vessels.





32 countries being used as FOCs

Antigua and Barbuda; Bahamas; Barbados; Belize; Bermuda (UK); Bolivia; Burma (Myanmar); Cambodia (Kampuchea); Cayman Islands; Comoros; Cyprus; Equatorial Guinea; French International Ship Register (FIS); German International Ship Register (GIS); Georgia; Gibraltar (UK); Honduras; Jamaica; Lebanon; Liberia; Malta; Marshall Islands (USA); Mauritius; Mongolia; the Netherlands; Antilles; North Korea; Panama; São Tome and Príncipe; St Vincent; Sri Lanka (Laos); Tonga; and Vanuatu.



Half of merchant ships: OPEN REGISTER

choice of flags allows companies to take advantage of another country's infrastructure and the efficiencies of effective and non-bureaucratic maritime administrations typically offered by the prominent open registers

Panama FOC



Traditional reasons for choosing an open register include protection from income taxes, wage scales and regulations.



Top 10 Flags Employing Filipino Seafarers:

Country	2007	2008	2009
Panama	51,619	53,912	67,362
Bahamas	29,681	29,177	36,054
Liberia	21,966	21,632	29,796
Marshall Islands	9,772	11,859	18,068
Singapore	10,308	12,130	15,674
Malta	7,513	11,025	14,786
Norway	8,188	8,883	11,447
UK	8,172	8,232	10,313
Cyprus	7,052	7,446	9,425
Netherlands	7,017	7,796	9,281
Total Top 10	161,288	172,092	222,206
TOTAL	226,900	244,144	329,728



Top 10 Occupations of Filipino Seafarers:

Occupation	2007	2008	2009
Able Seaman	31,818	34,563	45,338
Oiler	19,491	20,941	27,483
Ordinary Seaman	17,355	18,715	23,737
Chief cook	7,778	9,022	12,651
Second Mate	7,873	8,694	12,119
Bosun	7,737	8,603	11,555
Messman	7,810	8,320	10,536
3rd Engr Officer	7,056	7,995	11,307
3rd Mate	6,559	7349	9,857
2nd Engr Officer	6,369	6,878	9,557
Total top 10	119,846	131,080	174,140
TOTAL	226,900	244,144	329,728



Onboard FOC: a common culture

area of work

is the ocean-going vessel

working, living together in a state of community

**undertake “circulatory” or
“transversal” labor migration**

**Yet retain their common language,
values, norms and beliefs**



a common plight

as workers and members of a hierarchical organization aboard their vessels of work.

shared problems: seafarers' rights as contractual workers

Subject of the study: seafarers onboard FOCs or Flag of Convenience



OBJECTIVES of the STUDY:

Look into how the **Filipino seafarers** respond to the system that prevails inside the **FOC** as their “community vessels” their **DIASPORA**



Find out policy interventions and/or mechanisms have been made available by government in their homeland to mitigate problems they face in their work



A socio-cultural study

While problems need to be addressed, it is important to appreciate the situation of Filipino seafarers:

How many and who they are, under what conditions do they work at sea,

how they live and work onboard a ship with other seafarers from **different nationalities and cultures**, and

what problems associated with their group culture and the system at work occur in their daily grind as seafarers





Seafarers' "settlement", their DIASPORA

Filipino seafarers working in FOCs are compelled to adapt to the working conditions and system of the FOCs

looking at the Filipino seafarers in a new light, what makes them different from other OFWs even as they are bound by the common pattern of *diaspora*

Onboard ships they are part of an over-all organizational set-up



highly mechanical nature and character of the organization owned by big foreign shipping companies



Seafarers' Diaspora: FOCs?

Diaspora (a scattering or sowing of seeds or dispersal/dispersion) refers to any people or ethnic population forced or induced to leave their traditional ethnic homelands, being dispersed throughout other parts of the world, and the ensuing developments in their dispersal and culture.



More than 1/4 of the world's total merchant marine fleet (about 1.2M) with 2/3 of them on board European owned ships.

Chances of having Filipinos among the casualties in maritime disasters are high as what happened in the 2003 SS Norway explosion, the most fatal cruise-ship accident in the US in over a decade where **7 of the 8 who died were Filipinos**



FOC system: a problem for seafarers?

Seafarers onboard FOCs are exposed to **multicultural** and **hierarchical** structure with its concomitant problems



whenever a seafarer is hurt or stricken ill, or dies while performing duties aboard the ship, real ship owners are able to escape from their responsibilities.



STUDY uses the various concepts of culture –political and organizational -- and trans-nationalism

Schein (1992): what group culture exists for the seafarers aboard FOCs while working and living together as a community onboard: Pakikisama, pagtitiis, tiyaga, pasensya

Filipino seafarers being away for a long time from their homeland work and live not on settled communities but on board ships





Filipino culture plays crucial role in adapting to problems faced by seafarers

Among studies cited: is **Steven McKay's**, "At Home on the Move: Filipino Seafarers and the Making of a Transnational Ethnic Niche," a paper presented at the 2004 annual meeting of the American Sociological Association, San Francisco California.

Cites the significant role of the Philippine state and how, in its attempt to harness the resources of the Diaspora, has helped construct the Filipino seafarer as both "cheap labor and nationalist hero."




Findings

Seafarers' daily lifestyle – 24 hour- in their diaspora onboard ships generally follow a hierarchy of roles in their work places aboard ships:

The list of officers and crew in hierarchy the Captain, Chief Mate, Second Officer, Third Officer, Fourth Officer, Boat Swain, Carpenter, Able Seaman (AB), or Ordinary Seaman (OS). Furthermore, assisting the Captain are the Radio Operator, and Chief Engineer); under the Chief Mate are the Chief Steward and Chief Officer; the Chief Steward has the Chief Cook, and 3 Stewards; Chief Engineer has the Second Engineer, 3rd Engineer, and 4th Engineer; the Third Officer has the Machinist, Oiler, Wiper; the Third Engineer has the Electrician. Among them, however, there are only Captains hired while mostly employed are of low rank



contractual & temporary employment



most seafarers
employed onboard
only for six to nine
months

There is no
standard pay scale
given by foreign
vessels hiring
Filipino seafarers.

Filipino seafarers suffer from exorbitant fees charged by many training schools, poor working conditions, inadequate food and accommodation, port restrictions (particularly in the U.S.), sea accidents/ mishaps, lack of medical care, discrimination, piracy/abduction, and general lack of protection provided by international law.



FOC system, Filipino seafarers have no means of protecting themselves against unfair labor practices, exploitation or other crimes.

It is also clear that while at sea, Philippine laws offer no protection and international conventions governing the seafaring industry are either ineffective or cannot be invoked by a country (Philippines)


It all begins the place or address of the seaman's residence. Because they are always on board and in international waters, the Filipino seafarers' **place of residence remains their country of origin**. For instance, even if the vessel is registered to an FOC like Liberia chances are, the seaman will never even see Liberia during his entire voyage. Their problems cannot be resolved onboard the FOC.



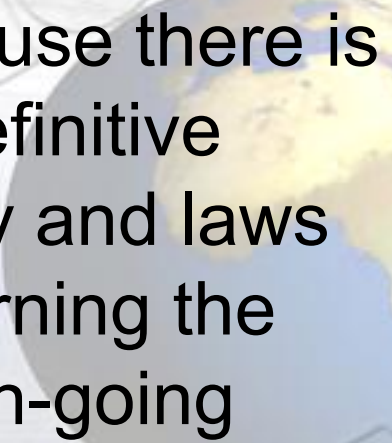
To cope with problems onboard FOCs, Filipino seafarers manage and adapt to their situation

Despite being global people, Filipino seafarers cannot invoke international laws to protect their rights because there are no such laws for them

Hence, seafarers in practical terms, are compelled by the nature of their contracted jobs, to adapt to their new environment inside the ship based on their individual occupations with “routine, standard responses often resulting in short term solutions.



Filipino seafarers are clearly left with holding on to existing mechanisms of adaptation and learning



Because there is no definitive policy and laws governing the ocean-going vessels and their crew.

Filipinos' cultural tenacity, especially to adapt and go along with the dominant values, attitudes, group norms and “rules of the games” inside the organization within the ship, that make the life of the Filipino seafarers “less stressful and less intimidating”



the best behavior and attitude that lowpaying Filipino seafarers can demonstrate is to “go along” with the dominant views in the organization

“Pakikisama” is the Filipinos’ way to adapt and get along with the others. NOT to complain

Oftentimes, *pakikisama* (go along well) is combined with being “*pasyensyoso*” (patient) and “*matiisin.*” (work without complaint).

This was important for him because he had to show his “best” towards his superiors who would always pat him on his back in acknowledgment.



OR one reason why jumping ship is a better option for some Filipino seafarers

When FOCs do not provide the same protection for the Filipino seafarers because they are not *kababayan* to the owners of the ships... one option is they jump ships



The diaspora of Filipino seafarers driven by economic necessity

*And the **need to survive** domestic poverty brought about by the economic failures of every political leadership whose socio-political survival ironically is also badly dependent on the same Filipino workers driven away from home*



Why do Filipino seafarers have no access to Philippine labor laws when on board FOCs?

Philippine labor laws are generally designed for land-based workers

In effect, the country's labor laws and regulations are subordinated to the demands of the global maritime labor market.

Available mechanisms put in place by the government to address problems related to the system of the FOC have been mainly done through the route of the Philippine Overseas Employment Agency (POEA), Department of Foreign Affairs, Maritime Regulatory Authority (MARINA) and non-government organization (NGO) initiatives and interventions



Various cases involving Filipino seafarers aboard FOCs show increasing danger for the security of the working crew and officers.

In October 2008, the *M/V African Sanderling*, with 21 Filipino seafarers aboard, was hijacked by rebels in Somalia.

Before that, the *M/V Efximos* exploded off the coast of United Arab Emirates (UAE), leaving four Filipino seamen dead. The ship was owned by Greek nationals but used the Maltese flag as its carrier.

All of these ships were flying FOCs and it had been difficult for the families and even the organizations advancing the rights and welfare of the Filipino seafarers to make the ship owners accountable because FOCs conceal their true identities.



Needed: POLICY LEVEL intervention

Problems related to the FOCs in particular can only be decided on the policy level.

But the hands of the government are tied due to its weaknesses in addressing the problems of the continuously weakening local economy and its dependence on foreign companies including shipping firms to recruit its work force aboard their FOCs.

Remedial Recommendations

Executive Department: Should streamline and systematize for efficiency, all maritime-related agencies whose functions tend to conflict and weed out redundancies

Congress: Revisit of the Labor Code with a view toward integrating or clarifying the rights of Filipino seafarers and the obligation of the state; should also ratify other international labor treaties or conventions most especially the ILO's Maritime Labor Convention



RATIFY Maritime Labor Convention

The Convention sets out seafarers' rights to decent conditions of work on a wide range of subjects, and aims to be globally applicable, easily understandable, readily updatable and uniformly enforced. It has been designed to become a global instrument known as the "fourth pillar" of the international regulatory regime for quality shipping, complementing the key Conventions of the International Maritime Organization (IMO).

SEAFARERS'
RIGHTS

ratification of the MLC would help engender more positive laws and regulations governing the system of ship operations and governance vis-à-vis ensuring the rights and welfare of **the seafarers, the propelling force in the shipping industry.**



Philippines not signatory yet ... MLC

Seafarers' groups in the Philippines have formed an alliance, the Decent Work for Seafarers Alliance to push for the ratification of the Maritime Labor Convention (MLC) which was adopted by member-states of the International Labor Organization (ILO) in 2006.

So far, only 10 member states namely, Canada, Norway, Spain, Croatia, Bulgaria, Bosnia, Liberia, Panama, Marshall Islands, Herzegovina and Bahamas have ratified the convention while the rest of the members, including the Philippines, have not. Thus, the convention has not been enforced.



More Recommendations

- **Research.** More studies should be done with regard to the particular situation of Filipino seafarers and their families;
- **Support intervention from NGOs:** To help provide legal, moral, psycho-social and other forms of intervention to victims of injustices committed aboard FOCs;



Recommendations

- **Revisit, Assess, Evaluate** the decades' old labor export policy of government to be replaced by an emphasis on jobs-creation at home. This also entails reviewing globalization policies that promote the export of cheap labor for the global profit-driven international market;



Main Recommendation

- ***Develop a national shipping industry*** which would accommodate and harness the skills and knowhow of Filipino seafarers and maritime professionals toward self reliance and national development. (NB. *The steel industry is the backbone of shipping*) #