



AN ETF MANIFESTO ON A SOCIAL AGENDA FOR QUALITY SHIPPING IN EUROPE

EUROPEAN TRANSPORT WORKERS' FEDERATION

10 proposals to make tomorrow's maritime transport sector a generator of wealth and EU-based jobs

According to a recently published study from Oxford Economics, European shipowners control 40% of the world fleet by gross tonnage and the total contribution of European shipping to EU GDP is about €145 billion. Despite the economic crisis, this industry has retained its profitability and potential for growth thanks to a steady increase in the volume of world seaborne trade.

However, shipping's positive performance and growth potential are not creating jobs in the EU!

At a time of significant unemployment particularly amongst young people, shipowners continue to replace European officers and ratings with low cost crew from outside Europe. The marked and prolonged decrease in EU seafarer numbers – particularly officers and ratings from higher cost European countries – and the resulting erosion of European maritime know-how, is partly due to a shortage of shipowners committed to training and employing the next generation of EU seafarers and partly due to the unregulated nature of European shipping markets. The solution can never be to compensate for the decline in EU seafarers with onshore jobs in other sectors but to rejuvenate our maritime skills base in Europe through the regulation of, and investment in, sea-going employment opportunities for EU residents.

The scale of this challenge is significant but **a solution must be found which balances competitiveness with the socio-economic need for more and better jobs at sea for EU domiciled seafarers**. This is all the more important as the falling number of experienced ratings and officers will inevitably lead to skills shortages within the EU maritime cluster that demand seafaring expertise.

European shipping policy has become synonymous with unregulated and distorted competition that favours those who seek to operate at the lowest common denominator. In addition, the shortage of qualified European seafarers, be it ratings or officers, within Member states and across the EU, has been seriously neglected and this will eventually have a negative impact on safety standards, the operation and maintenance of vessels, as well as on industrial relations and measures to protect the marine and wider environment. The EU must promote the recruitment and retention of skilled European based seafarers or risk losing the capacity to operate and maintain a diverse merchant shipping fleet.

To understand the context in which shipping operates, it is necessary to recall that Flags of Convenience (FOCs) ships using EU ports and trading between EU countries are not regulated at the same level as European national flags which are bound by EU Directives and derisively referred to by shipowners as “gold plated legislation”. Too often, shipowners flag out to an FOC to cut manning costs, at the expense of European seafarers. This is a convenient mechanism for major shipping interests to minimize their labour costs by lowering standards and to avoid legal obligations to seafarers, such as social security protection, under national flags. The short term competitive advantage from deregulated FOC registers has been repeatedly denounced by the ETF and will continue to be so. These practices undermine competitive balance and

promote social dumping to the detriment of EU shipowners under national registers who are committed to employing EU seafarers, not to mention the seafarers themselves.

It is noted that the Commission has encouraged the concepts of “blue belt”, “blue growth” and “common EU maritime space” in an attempt to redefine intra-EU voyages as domestic and not international. It must be recognised that such concepts are not intended to protect European Seafarers’ jobs or to provide for competition in EU national waters on the basis of quality of service rather than employment costs. Neither are these initiatives of any practical use in underpinning or enforcing maritime or employment law of national flag registers although they do seek to address administrative burdens which is welcomed by the ETF.

Moreover, it is common knowledge that one of the last strongholds of EU seafarers’ employment is to be found on board vessels carrying out regular passenger and ferry services. But European seafarers are also under threat in this sector from cheaper labour. In particular, the discrimination on pay rates continues even amongst EU seafarers within certain Member States; and since the withdrawal of a proposed Directive on manning conditions by the European Commission in 2004, a legal instrument to address the problem of social dumping in the European ferry sector is both long overdue and of critical importance.

As if the situation described above were not serious enough, **European seafarers face abundant and unresolved challenges**; chief amongst them:

- The misuse of State Aid Guidelines to Maritime Transport which fail to protect and promote employment for European seafarers to the extent originally envisaged;
- Repeated and unacceptable attempts to deconstruct key national collective bargaining rights provided in ILO instruments, such as the Maritime Labour Convention, 2006 and Convention No. 98, ‘Right to Organise and Collective Bargaining, 1949’;
- The growing use of criminal proceeding against seafarers after a maritime accident, resulting in detention or application of unjustified high fines or unfair jail sentences against officers and shipmasters;
- The lack of clearly defined maritime career paths;
- Increasing barriers to seafarers’ freedom of movement regarding transfer, transit and shore leave;
- Fatigue, long working hours and insufficient rest time as prime underlying cause of work-related accidents and jeopardising the safety culture at sea;
- The ageing and male dominated demographic of the maritime industry which prevents women from taking their rightful place in the industry and the lack of investment in recruitment and training;
- Vulnerability of seafarers to job losses imposed by some shipping employers in response to extra cost of compliance with legislation to reduce the industry’s environmental footprint.

Finally, the description of the problem would not be complete unless it included the absence of consistent, comparable and reliable data on European seafarer training or employment, for ratings or officers, in particular: employment demand/supply, trainee information, qualifications, recruitment practices and retention, amongst others. Such a lack of data inhibits policy development at EU level, particularly when such information is crucial to achieving long term strategic outcomes.

Against this background, the ETF Maritime Transport Section (MTS) calls for urgent action by European policy makers to make tomorrow’s maritime transport sector a generator of wealth and jobs in shipping for EU resident seafarers. In order to achieve this, the **ETF invites you to endorse the following 10 proposals**:

10 Proposals for Quality Shipping in Europe

1. EU maritime stakeholders and European institutions are invited to join forces in **an EU-wide campaign aimed at promoting more and better jobs at sea for European Seafarers**, officers and ratings. In this respect, there is a need to create an enabling environment for the re-flagging of EU-controlled tonnage – away from FOC and second registers – back to EU national flags (first registers) to avoid the disastrous consequences of a race to the bottom, unfair competition and social dumping rule. An approach similar to the US Jones Act is considered to be an example how this could be achieved by regulating all intra-EU shipping and establishing requirements for social and employment conditions of all seafarers engaged on such trades. This will ensure European standards prevail and allow European domiciled seafarers the opportunity for training and careers in the maritime industry.
2. **A revamped Directive on manning conditions for regular passenger, ferry and cargo services operating between Member States** must be submitted by the EU legislator, in order to ensure a level playing field for all seafarers working on or engaged in exclusive and regular trade in the EU and to stop the downwards spiral in salaries and discriminatory practices on grounds of nationality and/or place of residence or flag of registration. Such long-awaited legislation should ensure that the employment conditions on-board a ship operating between different States are those of the country which applies the most favourable standards – a race to the top. In addition, ETF recommends the urgent adoption of a legal basis for establishing the right of Member States to stipulate the manning conditions on vessels providing offshore services in their waters.
3. **The closing of loopholes in State aid to maritime transport:** State aid grants did not intend the collapse in EU registered tonnage or EU seafarer numbers, not to mention the continued rise in the use of Flags of Convenience. EU taxpayers' money subsidises the employment and exploitation of non EU seafarers, with shipowners profiting from the low pay, insecure employment and worsening working conditions that characterises the low cost crewing model. Loopholes need to be closed, for example, companies that use dual registration to take advantage of tonnage tax, the use of chartered ships and the use of disreputable manning agencies, including those from outside of the EU28. Moreover, future state aids granting should be strictly linked to the employment of EU nationals under each national flag register. Second registers must only be permitted where there are clear benefits to EU seafarer employment. This must happen now in order to reverse the Commission's recent decision not to change to the way State aid to maritime transport is granted.
4. Strive to **counter the widespread contemporary tendency to criminalise seafarers** and find a way to impose the idea of a transposition of both the IMO/ILO Guidelines on the Fair Treatment of Seafarers in the Event of a Maritime Accident and the IMO Code for the Investigation of Marine Casualties and Incidents into Community law.
5. **Keep quality-training, education and certification standards high on the agenda** while exploring the possibilities to review the current maritime education and training curricula for shipping and related sectors. Improve training, recruitment, job prospects and retention of European seafarers while ensuring shipping companies allocate an appropriate number of training berths for trainees so as to facilitate the completion of their training period and the entrance into the seafaring labour market.
6. Achieve **safer conditions of employment on-board vessels trading in European waters** through respecting the obligations as regards maximum hours of work and minimum hours of rest for ratings and officers, and the implementation of **transparent and mandatory adequate manning scales** for the duties required for the safe operation of vessels, beyond national territorial limits.
7. Have the **right for social security and state pension entitlements granted to all seafarers serving on board EU flagged vessels** – irrespective of their nationality and their place of residence – recognised by the EU and the Member States governments.

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8. **Help the sector make greater efforts to reduce its environmental footprint**, while ensuring that any regulation be based on the flag-blind principle. Moreover, the use of the SAG scheme should be considered to modernize the EU fleet, and make it more environmental-friendly, including with regards to the exposure of seafarers to particulates (SOx and NOx emissions) that pose a potential health hazard, although any public subsidy should be at least be matched by shipowners and linked to EU seafarer employment on the retro-fitted vessels in question.
9. **Implementing the concept of Fair Transport to shipping**. This concept should be viewed as a way to give seafarers a fair deal in the supply chain in terms of secure employment, better working and living conditions on board ships and providing a reward to EU shipowners that commit to supporting the specific criteria through the right to display a Fair Transport badge.
10. **Challenge the image of a male-dominated sector in which women should have their full part to play**. At a time when all transport modes are taking equality issues seriously and, as part of that, appealing more to women, maritime is the exception with low overall levels of female participation in the workforce. Any initiatives aimed at making the industry more attractive to women should be supported. In this respect, particular attention should be paid to: the image of the maritime profession; training, recruitment and career path policies; the need for a work place free from harassment and bullying; the reconciliation of working life and family life on the model of some countries in Europe where the involvement of female seafarers is already significant.

The ETF MTS is fully committed to raise its voice to preserve and boost the employment of Europe/EU-domiciled seafarers, improving on-board working and living conditions, and ensuring the highest possible standards in safety, environmental and social terms at sea and beyond, within the European maritime cluster as a whole. Ahead of the expected mid-term review of the EU's maritime transport policy until 2020, **the ETF campaign to uphold and protect the European shipping's social dimension needs your full support.**

All European policy makers, first and foremost the European Parliament, the European Commission, the Council of the EU, National Governments and especially Shipping Ministers as well as all maritime stakeholders of good will are indeed **invited to firmly engage with European seafarers in the promotion of the above-mentioned 10 proposals** to achieve the economic, environmental and social sustainability of the maritime industry in Europe. Jobs, growth and fairness, those are the key words used by Mr. Jean-Claude Juncker when committing himself to an ambitious agenda for a new start for Europe.

European shipping has many assets to leverage to contribute towards achieving the targets set by the new President of the Commission. But only an **ambitious social agenda** to be implemented in the EU and beyond, across the continent, will allow shipping to be a quality sector, free of social dumping, able to offer growth, jobs and fairness to young Europeans who are despairing of finding a place in the labour market.

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*The ETF represents more than 3.5 million transport workers from 231 transport unions and 41 European countries, in the following sectors: railways, road transport and logistics, **maritime transport**, inland navigation, civil aviation, ports & docks, tourism and fisheries. Its Maritime Transport Section (MTS) defends the interests of European and third country seafarers working on European controlled vessels. The MTS gathers 77 affiliated unions from 33 countries – among which all EU countries – and it is proud to give voice to c.a. 272,000 seafarers. The ETF MTS representativeness as European social partner in maritime transport is undisputed and it has always striven to maintain a demanding dialogue with the European Community Shipowners' Associations for several decades.*