



SEAFARERS AND ILLEGAL RECRUITMENT FEES 2024 INSIGHTS

EXECUTIVE SUMMARY

New research shows that **31% of seafarers** have been asked to pay a recruitment fee to get a job onboard a merchant vessel. Of these, 28% were asked within the last eight months (ie in 2024) - demonstrating that this practice, despite being illegal under the Maritime Labour Convention¹, is current and endemic. Furthermore, seafarers are accumulating intolerable levels of debt in order to secure a position on board a ship – with some being charged up to, or even more than, \$10,000 for a job at sea. 74% of those asked to pay a fee did so.

A staggering 80% of seafarers asked to pay illegal recruitment fees did not report the incidents to authorities, with many unaware that this practice is illegal. The payment of illegal recruitment fees is not only a financial burden for seafarers but also has a serious impact on their mental health. The resulting stress can lead to unsafe working conditions on board ships. Safety on board could also be put at risk as certificates and seafaring experience are 'for sale', and therefore priority is given to those who are prepared to pay the fee over the best candidates.

This illegal practice must end. Shipping companies and cargo owners must be made aware of these malpractices and ensure that seafarers aboard vessels they are associated with are not victim to illegal recruitment fees. All players involved in the shipping industry must come together to advocate against the charging of recruitment fees.



I have encountered numerous seafarers who have informed they were asked to pay fees to an agent to secure a job onboard ship."

(Master, India)



I've always stood against such malpractices.
Despite being the best cadet, I've been unable to get onboard for the past 1.5 years due to my refusal to pay these illegal fees."

(Deck Cadet, Pakistan)



There is too much fraud in maritime manning agents; companies should directly hire suitable candidates."

(Oiler, India)

¹ See Appendix 2 for details of the Maritime Labour Conventions and its clauses on recruitment fees.

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ABOUT THE AUTHORS

This briefing is a joint publication by The Institute for Human Rights and Business (IHRB) and TURTLE, an ethical maritime recruitment platform. It is the second publication on recruitment fees in the shipping industry and is part of a collaboration between the Sustainable Shipping Initiative (SSI) and IHRB around Delivering on Seafarers' Rights. The central pillar of this collaboration is a Code of Conduct for the industry designed to help strengthen respect for the human rights and welfare of the world's nearly two million seafarers. Developed in partnership with the Rafto Foundation for Human Rights and published in 2021, the Code of Conduct can be used by shipowners and operators to assess whether their current operations meet their seafarers' rights and welfare obligations as stipulated in international law and the UN Guiding Principles on Business and Human Rights. It is supplemented by a practical self-assessment questionnaire developed by IHRB and SSI and now developed into a Crew Welfare Self-Assessment Tool by RightShip. This Tool provides guidance for companies on concrete ways to adopt the commitments outlined in the Code of Conduct and track progress against them.

This report uses data collected in a survey undertaken by ethical maritime recruitment platform TURTLE between 22.05.2024 to 31.7.2024. The survey was also disseminated by the <u>International Transport Workers Federation</u> (ITF), the <u>Mission to Seafarers</u>, ISWAN and members of the Sustainable Shipping Initiative among their seafarer networks. The survey was designed by TURTLE and IHRB with the support of ITF, ISWAN, and the Maritime Anti-Corruption Network (MACN). This briefing was funded with assistance from the Swiss Federal Department of Foreign Affairs. Further information on the questionnaire, survey sample, data collection, and analysis methods can be found in Appendix 1.

The charging of recruitment fees is prohibited by the Code of Conduct (Clause 2.1), and the Maritime Labour Convention (Standard A1.4 5(b) - See Appendix 2).

Photos in this briefing are taken by seafarers for the <u>ITF</u> Seafarers' Trust Annual Life at Sea Photo Competition.



INTRODUCTION

In April 2023, IHRB and TURTLE published <u>Seafarers and</u> <u>Recruitment Fees: Research Briefing.</u> That publication reported that up to a third of seafarers surveyed had been asked to or had paid recruitment fees to get a job onboard a merchant vessel.

As the briefing stressed, not only is this practice prohibited under the Maritime Labour Convention, but the subsequent debt burden on seafarers can also be a significant factor in the risk of forced labour. Safety issues due to psychological consequences of this situation are severe as well and add to risks that shipping companies may not secure the most qualified crews by continuing this unlawful practice.

This year TURTLE and IHRB carried out further research focussing on recruitment fees specifically (rather than corruption more widely), to get more insight into levels of debt, and mental health implications. 2,627 seafarers responded to the 2024 survey.

Heard from seafarers, that still many crewing agencies in many countries (especially mid/far east and Eastern European) are asking for fee." (Master, Georgia)

I have been asked for money multiple times, even once when I paid I didn't get the position and salary which I was promised, instead, I got lesser salary and a longer contract."

(2nd Officer, Montenegro)

I hope to stop this problem and have direct contact between seafarers and companies." (2nd Engineer, Egypt)



WHAT 'FEES' COMPRISE AND WHO IS ASKING FOR THEM

31% of seafarers surveyed say they have been asked to pay a recruitment fee for a job. Of these, 73% said they were asked to pay money, however, seafarers also reported being asked for gifts, unpaid apprenticeships, and/or money for agency fees, visas, travel expenses, medical expenses, and even sexual favours (2%).

The % who were asked to pay a fee was similar for both men and women.

Even I was being denied food onboard and was asked to pay for my food and accommodation inspite of me being under contract." (4th Engineer, India)

When there is a high level of corruption in the country, and especially in the maritime sector, there is not always a choice. And you have to pay to have a job and be able to provide for your family." (3rd Officer, Ukraine)

In the comments (other), many stated they had a monthly amount deducted from their salary.

62% said they were asked for a fee by a crewing or manning agent, 41% said they had been asked by another company or person linked to a crewing/manning agent or a shipping company; 24% mentioned an online recruitment platform² and 12% said by the shipping company itself.³

This demonstrates that there are many company types, individuals, online and offline who are in the game of extorting money from seafarers in this way.

What kind of recruitment fees were you asked to pay?		
Money (e.g. bank transfer, cash)	73%	
Administrative/Agency Fees/ Registration Fee	34%	
Visa Fees (which were not reimbursed later)	20%	
Travel Expenses (which were not reimbursed later)	16%	
Medical expenses other than for certificates (which were not reimbursed later)	16%	
Unpaid apprenticeships or work before going on board	7%	
Gifts (vouchers, goods or services, etc.)	6%	
Other	5%	

Base: All who were asked to pay recruitment fee (815)

Paying for hotel bill while awaiting vessel I was programmed to join.
I was once denied my wages and pension fee." (3rd Officer, Nigeria)

Giving of gifts like cigarettes or whisky to crew manager for a favourable lineup."

(Master, Philippines)

There are many crewing agencies saying (free employment) but asking illegally money (fees)." (Chief Engineer, Algeria)

²This question was multiple choice as seafarers may have been asked more than once to pay a fee, therefore totals greater than 100%

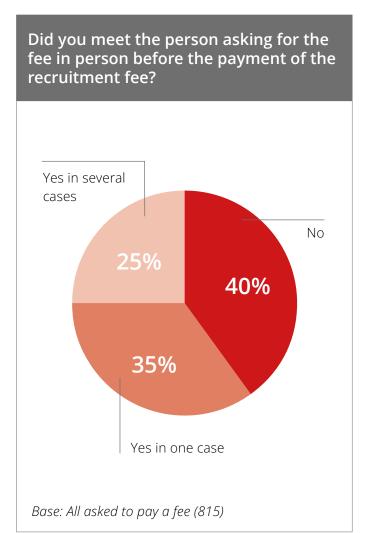
³ Although not specified it is likely that 'online recruitment platform' was taken to mean Facebook pages by the respondents

Seafarers reported that in the majority of cases they did actually meet in person the agent asking for the recruitment fee. However, 40% handed over money to someone they had never met, possibly reflecting the level of desperation for a job.

(...) the crewing company in Ukraine, there you can go to any vessel but you need to pay for it (buying for experience on any vessel including records in the seaman's book) and they arrange the rest." (Master, Poland)

Even tho Shipping companies pay manning agencies to recruit seafarers, manning agents still deduct from seafarers salaries. They don't produce the original contract given to them by the shipping company, they make their own contract for you to sign after deducting their cut."

(Female 2nd Officer, Nigeria)





HOW MANY PAID FEES AND HOW MUCH

Over a quarter of seafarers who were asked to pay a fee (26%) refused to do so. By rank, 29% of officers and cadets refused to pay, however, only 20% of ratings, suggesting that lower ranks feel less able to refuse.



However, this means that three quarters felt obliged to pay. Of those who paid a fee, 35% paid less than \$500, 47% paid between \$500 and \$5,000, and 8% paid \$5,000 or more. These are huge amounts for a job whose length, details, and possibly even existence, are not guaranteed. (NB some respondents said they had a regular sum deducted from their monthly salary on an ongoing basis).

The highest proportion of those paying \$1,000 or more were from India (45%).

The statistics above relate only to the most recent incidents. When asked how much debt seafarers had accumulated over their career, the numbers are even more shocking. Of those who have reported paying fees, 29% have accumulated up to \$500 of debt to date, 41% between \$500 and \$5,000, and 15% over \$5,000 worth of debt.

The highest proportion of those paying \$1,000 over their careers were from India (39%).

on the most recent occasion?		
Less than \$99	8%	
\$100-\$499	27%	
\$500-\$999	22%	
\$1,000-\$4,999	25%	
\$5,000-\$10,000	6%	
More than \$10,000	2%	
Prefer not to say	8%	
Don't know	2%	
Base: All who paid a fee (600)		

How much have you paid in total in your career?		
Less than \$99	8%	
\$100-\$499	21%	
\$500-\$999	17%	
\$1,000-\$4,999	24%	
\$5,000-\$10,000	10%	
More than \$10,000	4%	
Prefer not to say	8%	
Don't know	6%	
Base: All who paid a fee (565)		



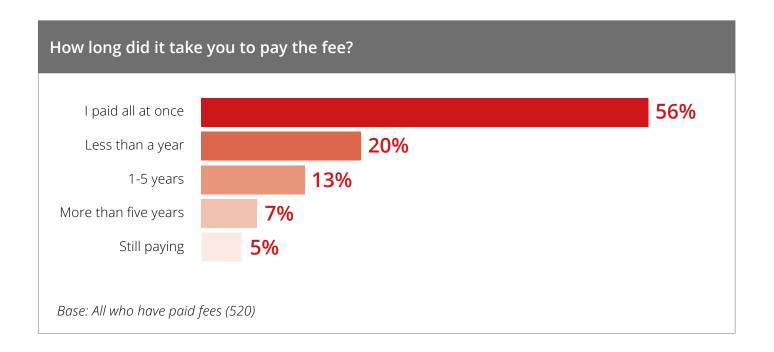
It is almost impossible for cadets to enter this industry without paying this huge amount in the name of a service charge in India." (Electrician, India)



The worse part is I went to borrow all this money." (Engine Cadet, Ghana)

These huge sums result in a long-term debt burden, with some seafarers (7%) needing over five years to pay off debts.

It is probable that a proportion of those who paid off the fees immediately borrowed money to do so, thereby incurring interest rates on top of the fee.





RANK, VESSEL TYPE, NATIONALITY

In terms of rank, in 42% of cases the seafarers were officers at the time they were asked to pay a fee, while in 18% of cases they were cadets and in 43% were ratings. This demonstrates that more senior ranks are just as likely to be asked to pay recruitment fees as lower ranks. In 25% of cases, seafarers were senior officers at the time of being asked to pay a fee, and 8% were Masters ie ship captains.

"

3rd party recruitment company, small shipping company always asking the service charge. Specially all junior ranks suffers before joining ship. It's like seafarers are hostages or slaves." (2nd Engineer, Bangladesh)

Of those who *actually paid*, 40% were officers at the time

In terms of vessel type, 27% of cases involving fees were for jobs on board container ships. Container cargo owners must recognise the charging of recruitment fees as a significant problem in their tier 1 transport supply chains.⁴

22% of cases were for offshore vessels (e.g. platform supply vessels, to support offshore oil and gas exploration activities).

Consistent with 2023 research, the greatest incidence of fee-charging is in India, at 23%, followed in 2024 by Ukraine, Nigeria, Philippines, Ghana, and the United Kingdom. This roughly reflects the numbers of seafarers that generally originate from those countries, although the practice of charging recruitment fees seems comparatively more widespread in India than elsewhere across many industries (see Appendix 1 for breakdown of respondent and global seafarer nationalities).

Paint It White: A Perfect Day for Painting. Painting is easy but painting at height is another story. Photographer Junel De Lima, ITF Seafarers Trust Photo Competition.

⁴This question on ship type was added during fieldwork, so has a smaller base of 165 respondents

WHAT DID THE JOB LOOK LIKE?

52% of seafarers reported that they had not started the job for which they had been asked to pay. This suggests that seafarers may have been asked to pay for a job offer that turned out to be fake, intentionally decided against accepting it, or the company did not follow through.

Many jobs advertised, particularly on Facebook or on fake websites, do not exist. ITF runs a campaign to raise awareness of what seafarers should look out for to avoid such frauds.

® ITF ShipBe sure

All the companies should find alternative channels rather than Facebook or Instagram, to recruits seafarers. All fake news [jobs] come from there, then link to websites beyond any possible control from the web." (2nd Officer, Italy)

In the majority of cases, when the seafarer started the job, it was as reported to be as promised. But in many there were discrepancies between the promise and what was delivered.

What I experienced is giving money under the table to give me a rotation/ or contract by the fleet manager of manning agency, if we dont give them, I need to wait for a long time for my next ship assignment."

(Fitter, Philippines)



Pid you start the job(s) you were asked to pay for? Yes in several cases No No Yes in one case Base: All asked to pay a fee (815)

How was the job you started?		
The job was as promised	59%	
The job was different	15%	
The vessel was different	20%	
The job did not exist	6%	
The vessel was not seaworthy	11%	
Basic working rights have not been observed	14%	
Basic working rights have been observed	14%	
Base: All who started job (374)		

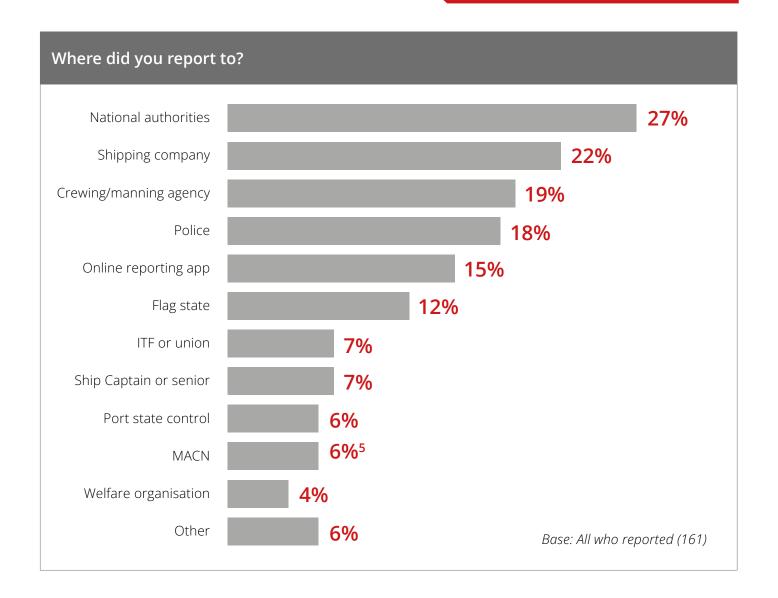
REPORTING TO AUTHORITIES

Only 20% of those asked to pay a recruitment fee reported the incident to any authority. Of those not reporting, 40% said they didn't know where or to whom to report the incident, 15% were afraid to report, 37% said it would make no difference. Worryingly, 22% didn't realise it was illegal to charge recruitment fees to seafarers.

Of the 20% who did report, 27% did so to national authorities.



Recruiting agents asking for a certain percentage of first salary."
(AB, Nigeria)



⁵MACN's anonymous reporting system doesn't currently allow for direct verification of illegal fee sharing by seafarers. The platform is primarily designed for maritime stakeholders to report corruption demands encountered during port calls.

MENTAL HEALTH IMPACTS

Almost three quarters of those asked to pay a fee said the demand had impacted their mental health in one way or another. The payment, or just the demand for payment, puts the seafarer under stress. Most cited financial stress. The sheer amounts involved (see above) indicate how awful and life-changing they can be. Almost 50% of those who paid fees paid between \$500 and \$5,000. It is difficult to put this figure in the context of salaries that vary so widely by country of origin of the sailor. Debt itself can of course escalate with interest, causing more stress. Further, depression, anxiety, sleep disturbances and concentration problems, and certainly substance misuse, can seriously impact safety on board. This aspect is important for shipping companies because it influences crews' work.



I felt betrayed by the Maritime Industry." (2nd Officer Nigeria)



I still want to go on ship or rig but after this fraud I'm afraid everyone is asking money." (Pump Man, India)

As a seafarer we already have lots of difficulties in our life(career) to top it we have difficulties completing our cadetship and clearing the mate exams with the salary we get as a cadet. The financial difficulties and the burden to take care of our loved ones makes it emotionally more difficult than any other. If just the waiting period is less during the initial stages it would been so much better." (Deck Cadet, India)

How did the demand for and/or payment of a fee affect your life and your mental health? 43% Financial stress Depression 20% Anxiety and stress 18% Bad impact on relationships 15% Sleep disturbances 15% Concentration problems 9% Substance abuse 5% 5% Migraines My mental health was not affected 27% Other 7%

Base: All asked to pay a fee (815)



WHAT NEEDS TO BE DONE?

This updated research, like the results of last year's briefing, demonstrates that the practice of charging seafarers recruitment fees is widespread and endemic in the industry, and that resulting levels of debt are pushing many seafarers towards modern slavery conditions.

ITF has been active for several years in exposing and blacklisting corrupt manning agencies, including creating an online mechanism to report scams and fake jobs. Mission to Seafarers also works on individual cases and at advocacy level on the issue.

MACN is committed to reducing corruption in the maritime industry by empowering the next generation of seafarers. Its approach is grounded in the rights established by the Maritime Labour Convention. Through specialized training for cadets and young seafarers, MACN equips them with the knowledge to recognise and resist corrupt practices, fostering a more ethical maritime environment.

ISWAN has an ongoing campaign against fraudulent crewing agents in India and operates SeafarerHelp – a free, confidential, multilingual helpline for seafarers and their families of any nationality. The service is available 24 hours a day, 365 days a year, and provides emotional, wellbeing and practical support. Website: www.iswan.org.uk/seafarerhelp.

However, there needs to be applied leadership and action from shipping companies, cargo owners and government agencies to end this corrupt and illegal practice. Many of the recommendations below were outlined in our April 2023 research. IHRB, SSI and TURTLE have worked hard since then to raise awareness of this problem among all linked to the maritime sector. IHRB has conducted panels on the issue at the Global Forum for Responsible Recruitment in June 2023, at Norshipping in Oslo in June 2023, at its annual SEAFAIRER Roundtable in Singapore in November 2023, via its Responsible Shipping Dialogue, and through extensive outreach in the industry, much in partnership with the above organisations. TURTLE has given presentations at the MACN members' meeting in Copenhagen in 2023 and at the ISWAN members' meeting 2023 in Helsinki.

But the practice is still rampant. Priority actions for all relevant stakeholders include the following:

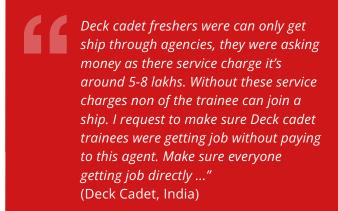
- Shipping companies need to ensure that seafarers employed on board their ships have not been charged recruitment fees to secure their work contracts ⁶
- Shipping companies need to create opportunities for seafarers to report incidents and provide multiple and reliable channels to find a job without being charged recruitment fees.
- Customers of shipping companies including charterers, commodity companies and traders, and container cargo owners - have a responsibility to carry out due diligence on this issue with their shipping suppliers.⁷
- As the payment of recruitment fees is prohibited under the Maritime Labour Convention, flag state and port state authorities of countries who have ratified the Convention are required to investigate any reports of the charging of recruitment fees.
- Home states (where manning agencies are based) have an obligation to ensure that manning agencies do not charge fees for jobs, and enact and enforce penalties for such practices.
- Greater efforts are needed to build awareness of the illegality of the charging of recruitment fees, among seafarers, national authorities, ship operators and cargo owners.
- Effective mechanisms are required to penalise offending agencies and to provide remedies for seafarers who have paid illegal recruitment fees, including possibly, reimbursement by employers of fees already paid.
- Seafarers need to know how and where to report such practices.
- There needs to be a direct link between shipping companies and seafarers so that seafarers have a safe gateway to their employers.

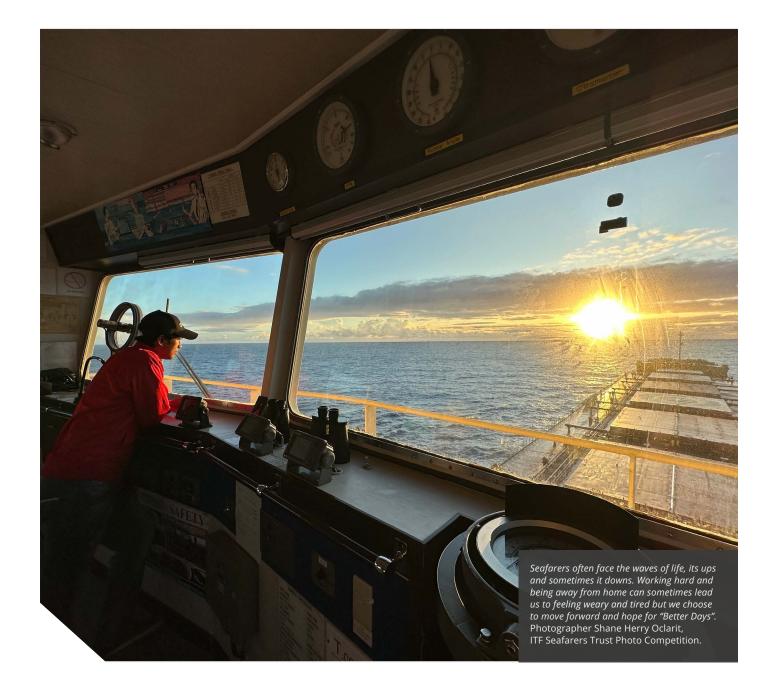
⁶See RightShip's <u>Crew Welfare Self-Assessment Tool</u>

⁷ See the Seafarers' Rights Code of Conduct – see Appendix 2 for Code of Conduct's recruitment fee clause

Increasing legal requirements (e.g. Norwegian Transparency Act, German Supply Chain Act, France's loi de vigilance, Modern Slavery Acts in UK, Australia and elsewhere, the EU Corporate Sustainability Due Diligence Directive) will, to a greater or lesser extent, require companies to report on what steps they are taking to mitigate human rights risks in their operations and in their supply chains, and shipping is no exception.

IHRB and TURTLE will convene a working group to raise targeted awareness and advocate strongly to end the practice of seafarer paid recruitment fees. If you would like to find out more about this group please contact shipping@ihrb.org.





APPENDIX 1 - SURVEY DETAILS

In total, 2,627 responded to the survey between 22.05.2024 to 31.07.2024. The survey was sent out to 98,000 of TURTLE's database of 180,000 seafarers, and was also disseminated by the <u>International Transport Workers Federation</u> (ITF), the <u>Mission to Seafarers</u>, ISWAN and members of the Sustainable Shipping Initiative among their seafarer networks.

The nationality of respondents roughly equates to the nationalities of seafarers as calculated by UNCTAD's <u>latest quinquennial survey</u> (2021), with the exception of a larger number of Indians, Filipinos, Nigerians, Ukrainians, and Pakistanis, and a lower number of Chinese, Russians and Indonesians.

In terms of rank, 49% of respondents were officers (UNCTAD: 45%), 7% cadets, 44% ratings (UNCTAD: 54%). The sample was 5% female, 95% male (0.3% non-binary). 11% were in the 18-24 age group, 31% 25-34, 43% 35-54, 2.8% 55+.

The data have not been weighted by age, nationality, gender or rank, or any other demographic or other characteristic

Nationality	Respondents (2024)	UNCTAD (2021)
India	23.0%	6.0%
Philippines	17.0%	13.0%
Nigeria	9.0%	1.0%
Ukraine	8.0%	4.0%
Ghana	4.0%	0.1%
Pakistan	4.0%	1.0%
Romania	3.0%	1.0%
Russia	3.0%	10.0%
Croatia	3.0%	1.0%
Poland	2.0%	2.0%
Georgia	2.0%	0.4%
Turkey	2.0%	2.0%
Egypt	2.0%	0.4%
Bangladesh	2.0%	0.3%
Montenegro	2.0%	0.3%
South Africa	2.0%	0.2%
Lithuania	1.0%	0.2%
Bulgaria	1.0%	1.2%
Ethiopia	1.0%	0.2%
Latvia	1.0%	0.4%
Venezuela	1.0%	0.3%
Zimbabwe	1.0%	0.0%
Tanzania	1.0%	0.2%
Indonesia	0.2%	7.0%
China	0.0%	7.0%
US	0.0%	3.0%
Other	5%	37.8%

APPENDIX 2 - MLC AND RECRUITMENT FEES 2

The <u>ILO Maritime Labour Convention 2006 As amended (2018)</u> has been ratified by 104 countries (as of August 2023) representing 96.6% of the world's gross tonnage.

Regarding recruitment fees it states the following:

Standard A1.4 - Recruitment and placement

- 5. A Member adopting a system referred to in paragraph 2 of this Standard shall, in its laws and regulations or other measures, at a minimum:
- (b) require that no fees or other charges for seafarer recruitment or placement or for providing employment to seafarers are borne directly or indirectly, in whole or in part, by the seafarer, other than the cost of the seafarer obtaining a national statutory medical certificate, the national seafarer's book and a passport or other similar personal travel documents, not including, however, the cost of visas, which shall be borne by the shipowner.

Delivering on <u>Seafarers' Rights Code of Conduct</u> (2021) Sustainable Shipping Initiative (SSI), Institute for Human Rights and Business (IHRB)

2. Fair Terms of Employment

Ensures seafarer recruitment is free from risks of forced labour

The shipowner/ship operator:

- 2.1. Prohibits forced labour, including through practices that can lead to forced labour situations, such as through debt bondage due to the payment of recruitment fees and related recruitment costs, by verifying that seafarers have not paid fees or other charges for recruitment or placement to a seafarer recruitment and placement service and includes this requirement in the shipowner/ship operator's contracts with seafarer recruitment and placement service.
- 2.2. Verifies that seafarers have not been subject to fraud, substitution of contracts, or retention of passports.





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Cover image: Rescue Drill - During our Rescue Boat Lowering. Photographer Allan Brent P. Baladad, ITF Seafarers Trust Photo Competition.

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