

Seafarers and Recruitment Fees

Research Briefing, April 2023



*Photo credit:
Vadym Mundiyevesky, Ukraine*

Executive Summary

New research¹ has found that from almost 5,000 responses by seafarers, almost 40% experienced at least one form of unethical or illegal action in violation of international standards relating to worker rights either during the recruitment process or while working at sea. Of those, 70% reported having been asked or made to pay fees to manning agents in order to secure a job or finding job offers were fake after making payment. This finding will be complemented by in-depth qualitative [research currently being carried out](#) by Mission to Seafarers, Liverpool John Moores University and IHRB on this issue.

Not only is it prohibited to charge recruitment fees for a job under the [Maritime Labour Convention](#), but the subsequent debt burden on seafarers can be a significant factor in the risk of forced labour. With 90% of world trade carried by sea, there is almost no company immune from needing to carry out due diligence on this issue - from the shipping industry itself to commodity companies and high-street brands. To minimise the risk of forced labour among seafarers, the shipping industry and its customers must work collectively to tackle this issue of illegal recruitment fees being charged to seafarers and seek an industry-wide shift to the '[Employer Pays Principle](#)' whereby no worker is paying the costs of their own recruitment.

“

Many seamen like me have been cheated by agencies and do not know how to proceed. There is a tendency to buy seamen and sell them. I hope that someday something good will happen against this.

Indian seafarer (corruption in India)²

”

Contents

About the Authors	3
Introduction	4
Patterns of Fee Charging	5
Consequences & Reporting	7
What Can be Done?	8
Appendix 1	9
Appendix 2	10

¹ Survey designed by TURTLE in conjunction with the Maritime Anti-Corruption Network. For full details of survey methods, see Appendix 1.

² The quotes scattered through the document have in some cases been edited for sense, but otherwise left as typed. Where applicable the first country is the nationality of the seafarer, the second (in parentheses) is where the corruption took place.

About

This briefing is part of a collaboration between the [Sustainable Shipping Initiative \(SSI\)](#) and the [Institute for Human Rights and Business \(IHRB\)](#) 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 in collaboration with RightShip, which, through its [Crew Welfare Self-Assessment 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 online maritime recruitment platform [TURTLE](#) of the 85,000 seafarers on its books, between 22.09.2022 to 21.02.2023. The survey was designed by TURTLE in conjunction with the Maritime Anti-Corruption Network ([MACN](#)) and covers a range of worker related issues. This briefing focuses on responses around the payment of recruitment fees to manning agents for jobs (or fake jobs). It 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).

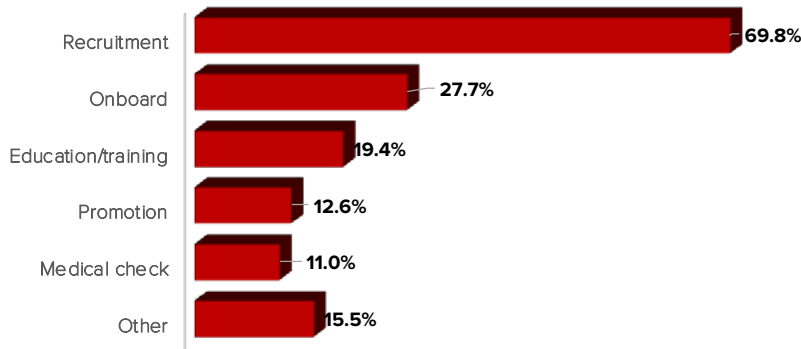
Photos in this briefing are taken by seafarers for the [ITF Seafarers' Trust Annual Life at Sea Photo Competition](#).



Introduction

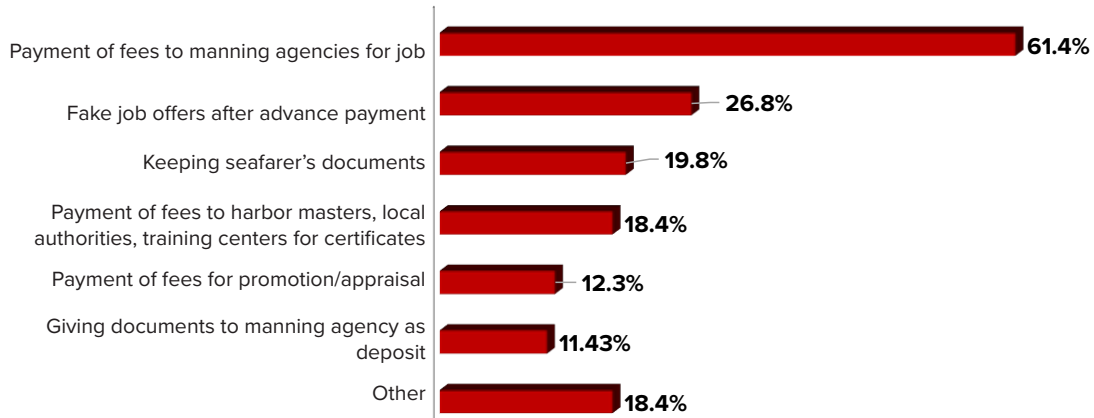
Research carried out in Q4 2022-Q1 2023 has found that, of 4,926 seafarers³, 38.9% have experienced at least one form of unethical or illegal action in violation of international standards relating to worker rights either during the recruitment process or while working at sea. Of those, 70% reported incidents occurring during the recruitment process:

In which situation did you experience corruption? (base 1,059⁴):



Of those reporting incidents, almost two thirds (61%) had been asked or made to pay fees to manning agents in order to secure a job. Over a quarter (27%) reported paying recruitment fees for job offers that turned out to be fake.

What type of corruption was it? (base: 1,059):



This briefing will focus on the findings around the payment of recruitment fees and fake job offers.

“ *If i pay they will give a job*
Pakistani (Pakistan) ”

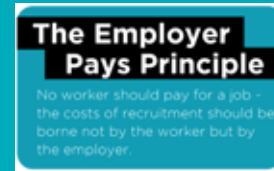
“ *In India, there are no jobs for seafarers who don't give a bribe - only money or help from relatives will get you onboard*
Indian (India) ”

³ The survey was sent to 85,000 seafarers - 4,926 responded. For full details of questionnaire and survey methods, see Appendix 1.
⁴ There was a fallout of 857 respondents before this question due to report design which will be corrected in future surveys.

What are Recruitment Fees?

Recruitment fees are generally defined as “any fees or costs incurred in the recruitment process in order for workers to secure employment or placement, regardless of the manner, timing or location of their imposition or collection.”⁵

The **Employer Pays Principle** states that “No worker should pay for a job - the costs of recruitment should be borne not by the worker but by the employer.”⁶



The negative impacts to workers in all industries of the charging of recruitment fees for jobs are well documented, and there are numerous initiatives to eradicate the practice globally.⁷ However, the extent to which seafarers face such practices within their own recruitment processes has until now not been fully understood.

Payment of recruitment fees can result in significant debt - resulting in conditions that can amount to forced labour. The outcome for seafarers can be devastating, with crippling levels of debt, and if they lose their job, the fees must often still be repaid. Furthermore, the payment of fees not only results in considerable levels of debt for seafarers, but also adversely impacts the whole profession.

“
Very hard to get employment after 40 years sea service, because of huge amount of Ukrainians and Russians on the market, paying for their employment
 Bulgarian (Bulgaria)

“
Almost all crewing agencies in georgia request huge amounts of money to be recruited and nobody really takes care of it
 Georgian (Georgia)

“
I have not seen a single company that does not deceive sailors or extort their money from them.
 Lithuanian (Lithuania)

“
To all crew executive OFFICER please stop take money from crew to get the job.
 Nigerian (Nigeria)

Patterns of Fee Charging

The countries where payment of recruitment fees for seafaring jobs is most prevalent are India and Nigeria. This largely reflects the geographic spread of the sample⁸, but is unsurprising given the prevalence of recruitment fees in these

5 <https://www.ihrb.org/explainers/what-are-recruitment-fees>. A full definition of recruitment fees has been published by the International Labour Organization: https://www.ilo.org/global/topics/labour-migration/publications/WCMS_536755/lang-en/index.htm

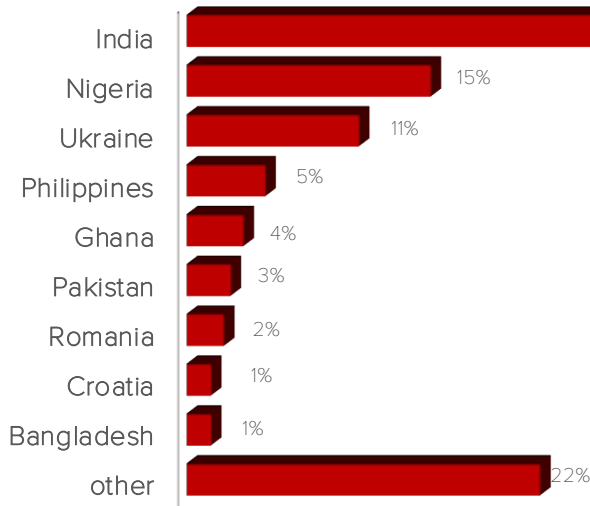
6 This is Principle 1 of the Dhaka Principles (www.dhaka-principles.org)

7 <https://www.ihrb.org/employerpays/employer-pays-resource-bank>

8 See Appendix 1 for geographic spread of sample and of seafarers globally

countries in other industries.⁹ Experience of being asked to pay of recruitment fees is also high in Ukraine and the Philippines, reflecting the high proportion of seafarers globally who hail from those countries:¹⁰

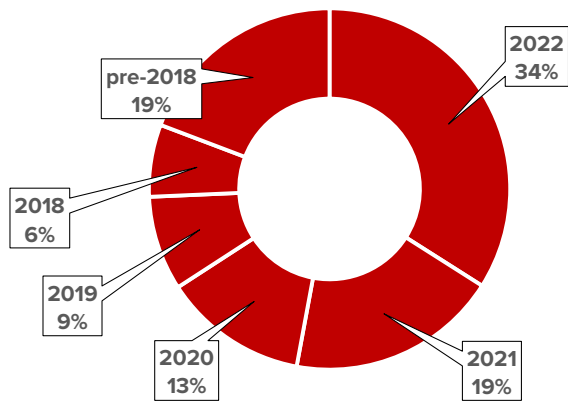
Where did incidence of charging of recruitment fee take place? (base: 738):



“After refusal to participate in payment of no fictitious manning costs, manning agency spread negative references across other agencies.
Croatian (Croatia)”

The great majority of instances were in the last two years, meaning practice is currently prevalent and ongoing:

When did the corruption happen? (base: 738):



“Told me I’ll get job...[if I] spend 3.3 lakhs [\$4000] for starting as a cadet in a ship.
India (India)”

Of those reporting being charged recruitment fees, 45% were officers, 16% cadets, 39% ratings.

9 See for example ILO’s Global Study on Recruitment Fees and Related Costs, 2020 https://www.ilo.org/global/topics/labour-migration/publications/WCMS_761729/lang-en/index.htm

10 See Appendix 1

Consequences & Reporting

It would seem reasonable to assume that non-payment of recruitment fees would result in most if not all cases in the seafarer not being given a contract.

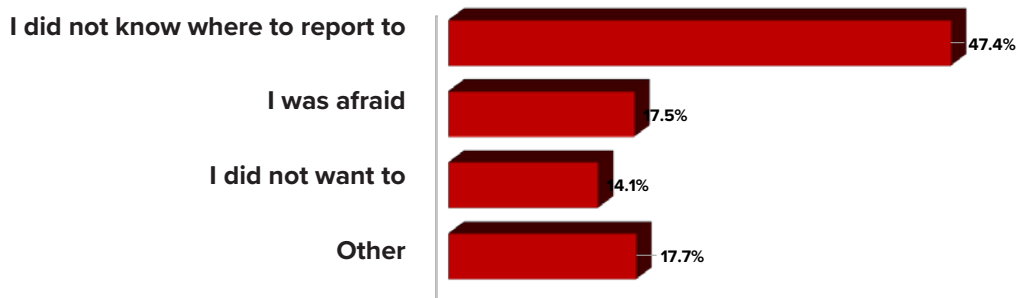
*“If I don't give them money or any form gratification I will not be posted to go work my posting will be delay.
Nigerian (Nigeria)”*

Beyond that, 44% of those who had refused to pay recruitment fees reported being blackmailed by the manning agency as a result, and 45% stated that the manning agent threatened to spread negative references to other agencies. In other words, there is often very little choice but to pay the recruitment fee.

*“The crewing officer of the Manning agency blacklist seafarers for refusing to lobby or give bribe. Such seafarers are made to bear the financial torture of prolonged leave periods and shorter sea services.
Nigerian (Nigeria)”*

In 71% of cases, the seafarer did not report the incident - most because they didn't know who to report it to. Many were also too afraid to:

Why did you not report the corruption (base: 525):



*“Who will believe me?
Did not believe it would make any difference
Chief of the manning agency threatened my wife and daughter with assault.
I did not want to report it because, it was my only chace to get a job, as no one was ready to help by any means
I was afraid to lose any job opportunity by blacklisted my name especially taking into consideration my age and high competition on seafarer's job market in Ukraine.
No use of reporting this to the official in India bcoz they too asks for money to register the complaint plus mental torture from the officials.”*

Of those who reported being charged recruitment fees, most reported to the shipping company, the national authorities, the manning agency itself or the flag state. Some seafarers reported to the Maritime Anti-Corruption Network (MACN).

What Can be Done?

This research suggests the the practice of charging seafarers recruitment fees could be widespread in the industry as there has been little due diligence on this specific issue to date. The problem looks particularly prevalent in India, Philippines, Ukraine, and Nigeria - countries that between them provide over half of the world's seafarers. The International Transport Workers' Federation (ITF) has been active for several years in exposing and blacklisting corrupt manning agencies¹¹, including creating an [online mechanism](#) to report scams and fake jobs. Mission to Seafarers is also carrying out important work on this issue with Liverpool John Moores University. In India, ISWAN has been working with local partners to understand and campaign against [fraudulent crewing agencies](#). However, there needs to be applied leadership and action from all stakeholders to end this corrupt and illegal practice:

- **Shipping companies** need to ensure that seafarers employed on board their ships have not been charged recruitment fees to secure their work contracts.
- Customers of shipping companies - including **charterers, commodity companies and traders, and container cargo owners** - must carry out human rights due diligence in line with the UN Guiding Principles on Business and Human Rights across their value chains - this includes their shipping suppliers.
- As the payment of recruitment fees is prohibited under the Maritime Labour Convention, **port state authorities** must investigate any reports of the charging of recruitment fees.
- **Home states** (where manning agencies are based) must ensure that manning agencies do not charge fees for jobs, and importantly must enact and enforce penalties for such practices.
- There needs to be greater **awareness** of the illegality of the charging of recruitment fees, among seafarers, national authorities, ship operators and cargo owners.
- There also need to be **effective mechanisms** to penalise offending agencies and for remedy 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.

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, forthcoming EU Corporate Sustainability Due Diligence legislation) will, to a greater or lesser extent, place the legal responsibility on **all 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 SSI will continue to work through collective action with all stakeholders to rid the shipping industry of the practice of charging recruitment fees to seafarers and other workers.

“
There are many fake people keep circulating fake vacancies
Indian (India) ”

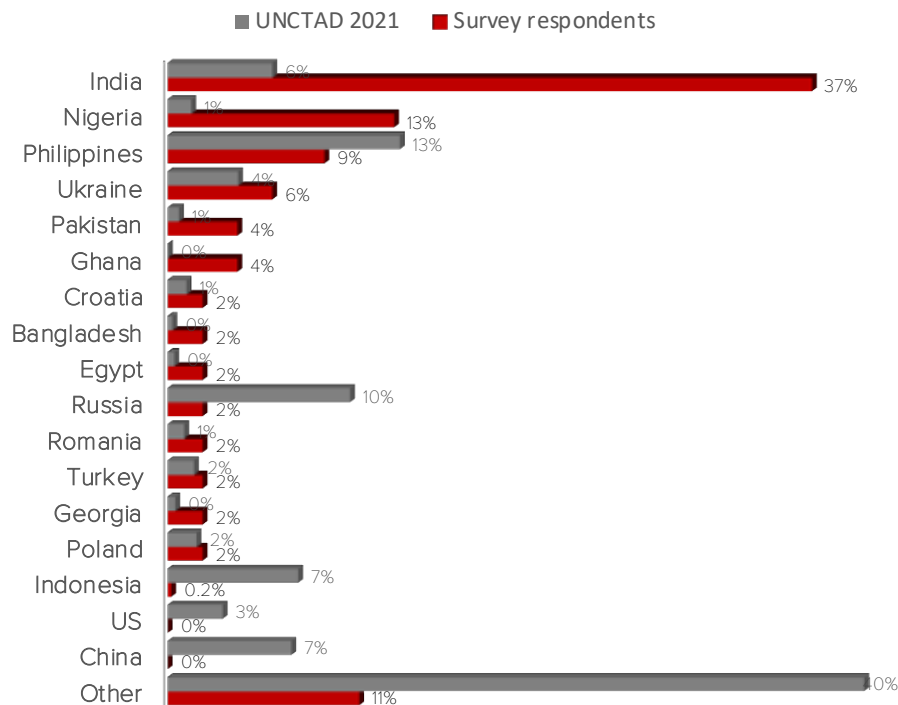
“
I was very lucky to notice the corruption scheme on time, but I suffered a lot of time loss, being misled and led to believe a job offer is a real one...
Bulgarian (UK) ”

¹¹ See for example: <https://www.itfseafarers.org/en/news/filipino-authorities-suspend-recruitment-agency-after-itf-red-list-warning-over-illegal-fees>

Appendix 1

TURTLE undertook a survey of the 85,000 seafarers on its books between 22.09.2022 to 21.02.2023. The survey was entitled “**Survey about your experience(s) with corruption**” - there were 4,926 responses (approx 6% response rate). The survey was designed by TURTLE in conjunction with the Maritime Anti-Corruption Network (MACN) and covers several issues. This briefing focuses on the responses around the payment of recruitment fees to manning agents for jobs (or fake jobs).

The nationality of respondents roughly equates to the nationalities of seafarers as calculated by [UNCTAD](#), with the exception of a larger than average number of Indians and Nigerians, and a lower than average number of Chinese, Russians and Indonesians:



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

Further research may be conducted in due course specifically on recruitment fees to discover more detail, including for example, amounts paid and to whom.

Appendix 2

Maritime Labour Convention, 2006, As amended (2018)

International Labour Organization

https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---normes/documents/normativeinstrument/wcms_763684.pdf

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 Seafarers' Rights Code of Conduct (2021)

Sustainable Shipping Initiative (SSI), Institute for Human Rights and Business (IHRB)

<https://www.sustainableshipping.org/resources/seafarers-rights-code-of-conduct/>

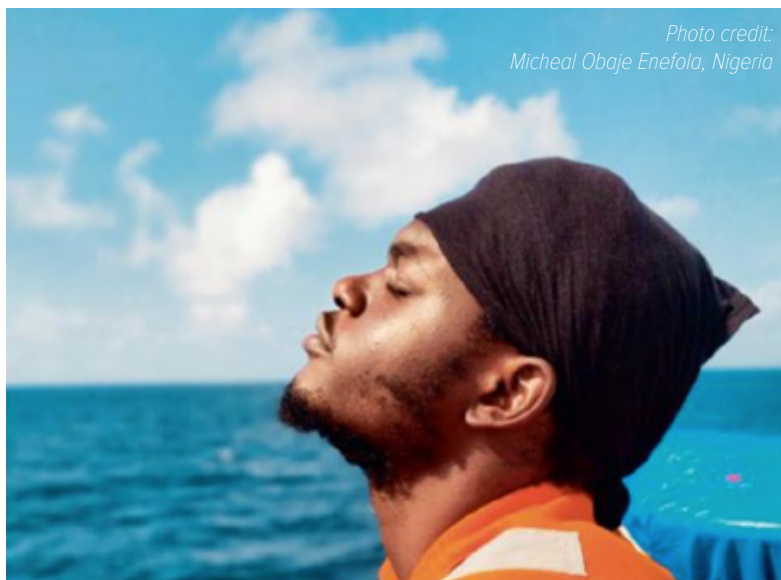
2. Fair Terms of Employment

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.



*Photo credit:
Micheal Obaje Enefolo, Nigeria*