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WORLD MARITIME UNIVERSITY
Malmö, Sweden

**RECRUITMENT OF GHANAIAN SEAFARERS
ON FOREIGN SHIPS**

**An Opportunity for Ghana's Participation in
Maritime Labour Supply**

By

PATIENCE AMOABENG-PRAH
Ghana

A dissertation submitted to the World Maritime University in partial
fulfilment of the requirements for the award of the degree of

MASTER OF SCIENCE

In

SHIPPING MANAGEMENT

1999

DECLARATION

I certify that all the material in this dissertation that is not my own has been identified, and that no material is included for which a degree has previously been conferred on me.

The contents of this dissertation reflect my own views, and are not necessarily endorsed by the University.

..... (signature)

..... (Name)

..... (Date)

Supervised by: Professor Toshio Hikima
Associate Professor
Maritime Education and Training
World Maritime University

Assessed by: Capt. Jan Horck
Lecturer
World Maritime University

Co-assessed by: Capt. Danny W Waters
Former Rector
World Maritime University

ACKNOWLEDGEMENTS

To God Almighty be the glory, and to my Lord and Saviour for the grace and strength to begin and finish this work. The road has been long and the journey has been tough. I could not have come this far without the support of the countless multitudes who have helped along the way. Words are not adequate to convey my heartfelt gratitude, but I say may the Lord bless you all.

I, however, want to take this opportunity to express my profound gratitude to the Global Foundation for Research and Scholarship of Japan for their kind support in providing funding to enable me undertake this programme at the World maritime University.

Sincere thanks and appreciation to my supervisor, Professor Toshio Hikima for his, guidance, contribution and support in completing this study, and to all members of the faculty who helped in divers ways.

Thanks to the WMU Library staff for their kindness in going the extra mile to help me find all the necessary material for my research, and to all my colleagues for the meaningful insights I gained through our interaction and discussions.

Finally, to the officials of the Ministry of Roads and Transport and the Division of Shipping and Navigation, I want to say thank you for this opportunity.

ABSTRACT

Title of Dissertation: **Recruitment of Ghanaian Seafarers on Foreign Ships: An Opportunity for Ghana's Participation in Maritime Labour Supply**

Degree: **Master of Science**

The employment of Ghanaian seafarers on foreign ships in large numbers is a new development in Ghana's maritime experience, which was not anticipated when the nation's major shipping legislation was made several decades ago. In the light of the decline in local employment opportunities due to the collapse of national shipping, foreign employment has become the only option open to about 22,000 trained Ghanaian seafarers currently registered in the country.

The employment situation of the Ghanaian seafarer today may not be promising, but the opportunities offered by globalisation in shipping, especially the globalisation of seafarers' employment are enormous. This offers hope, not only to the Ghanaian seafarer who has invested huge sums of money to complete both his academic and professional education, but to the nation as a whole for the preservation of maritime skills and know-how.

The presence of a good training facility and the desire of Ghanaian school leavers to go to sea are enough justification for encouraging and developing the seafaring profession. As the nation reviews its maritime legislation in line with current global trends, it is important that some thought is given to this. After all, it's been said that spotting trends and taking advantage of them is what shipping is about. It is not only interesting, it might turn out to be a very profitable exercise.

KEYWORDS: SEAFARERS, TRAINING, ADMINISTRATION, FOREIGN EMPLOYMENT.

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LIST OF ABBREVIATIONS

ARPA	Automatic Radar Plotting Aid
BSL	Black Star Line
DSN	Division of Shipping and Navigation
ERP	Economic Recovery Programme
GMNOA	Ghana Merchant Navy Officers Association
GSEWB	Ghana Seamen's Employment and Welfare Board
ILO	International Labour Organisation
IMO	International Maritime Organisation
NTC-M	Norwegian Training Center-Manila
NUGS	National Union of Ghanaian Seafarers
NUMAST	National Union of Marine Aviation and Shipping Transport Officers
POEA	Philippines Overseas Employment Administration
PSC	Penang Shipbuilding Corporation
STCW	Standards of Training, Certification and Watchkeeping
TUC	Trades Union Congress

CHAPTER 1

INTRODUCTION

1.1 Background of the Study

Seafaring has been a source of employment for young Ghanaians for many years, partly due to its location as a coastal state and also its encounter with major maritime nations in the past 200 years. During the early part of this century, Ghana, then known as the Gold Coast, had shipping alliances with countries like Israel and Britain. This relationship offered several Ghanaians the opportunity of serving on vessels belonging to these two nations and paved the way for them to train as seafarers of all categories.

Ghana's involvement in shipping increased at the attainment of independence when a fleet of foreign-going vessels was built and a nautical training facility was established in 1958 to produce seafarers to man the fleet. The collapse of the national line in the early 1990s left several Ghanaian seafarers stranded at home without jobs or travelling to certain key shipping countries in a quest for employment.

The collapse of national shipping and the present changes in the seafaring career have not discouraged Ghanaian seafarers. Probably due to the presence of a maritime training facility, more school leavers are still eager to train as seafarers. This occupation has always been associated with glamour and still does in spite of the challenges cadets have to go through, waiting for months or sometimes years for their turn to complete their service.

The aspiration of these cadets that after their sea term they would be qualified for employment on foreign ships is what keep most of them going. Unfortunately, this

development has not gained the attention of policy makers and seafarers seeking employment on foreign ships are left at the mercy of recruiting agents who invariably give more consideration to ship owners interests. The risks involved in foreign employment, whether one is recruited from Ghanaian ports or one has to travel on one's own, are numerous and can only be mitigated through governmental involvement.

Today, in an effort to help ship owners reduce costs, governments in developed maritime nations are liberalising manning regulations to enable ship owners employ certain percentages of foreign nationals on national flag ships. Several developing nations have taken advantage of this and become famous as suppliers of maritime labour with the list growing every year.

1.2 Purpose of the Study

Not too long ago the mention of a Filipino sailor invoked images of a rating from a third world country who had to work on board ships of developed maritime nations under harsh and deplorable conditions. They were, by far, regarded as the lowest paid personnel on a vessel and were never associated with responsible positions on the ship.

The situation is completely different today. The shipping recession of the 1970s, the drive by ship owners towards cost cutting measures, and the subsequent shortages of maritime personnel in most developed nations combined to transform the image of the Philippines from a source of cheap maritime labour to a rich source of competitive maritime personnel.

In spite of its place as a major maritime labour source, training facilities in the Philippines still remain inadequate. The number of the maritime schools that passed for the IMO White List is a witness to this fact. Yet, in as much as the majority of Filipinos are ratings on most vessels, the presence of an overseas employment co-

ordinating body has helped tremendously in improving the conditions of service of Filipino crew on foreign ships.

Looking around today, one can see a steady growth in the number of countries supplying maritime labour, and what is significant about them all is the systematic governmental policy backing their activities. In 1984 ratings from the People's Republic of China suddenly appeared on the scene with the Chinese government clearly stating its intention of flooding the labour market with low cost Chinese crew (ISF, 1990).

More recently, countries from Eastern Europe have followed suit. First was Poland in 1985 when the Polish administration, taking advantage of its specialised training facilities, moved in quickly to exploit the growing demand for well trained, cost-effective maritime labour for open registry fleets. Yugoslavia, Croatia, Bulgaria and Russia also followed.

The economic benefits of this practice to the countries involved, in terms of employment generation and added value cannot be overemphasised. Yet it must be stressed that without adequate government regulation things can get out of hand. There are reports of a higher level of abuses, discrimination and deaths among crew on foreign flagships. The presence of national regulation on these issues is the only way of overcoming such problems.

There is no doubt that foreign employment contributes substantially to the economies of labour supplying countries. Studies reveal that the creation of jobs through participation in shipping requires a huge capital investment of about 70m US\$ to create 50 jobs (Bernard Francou, 1999). Any effort at creating jobs for Ghanaian seafarers would therefore require a capital of about 300b US\$ to generate employment for all Ghanaian seafarers!

The presence of a good training facility that plays a leading role in STCW training requirements in the sub-region calls for a more conscious effort at promoting Ghanaian seafarers on the international market. This will no doubt require a careful

regulation of the activities of recruitment agencies both at home and abroad, and the establishment of structures for the proper co-ordination of the training and promotion needs of the Ghanaian seafarer. Apart from easing the current unemployment situation there is the possibility of developing this activity as an avenue for the maritime sector to make some contribution to the Ghanaian economy and also retain the seafaring expertise we have invested so much in.

Plans to promulgate a new maritime legislation to replace the obsolete Shipping Act of 1963 clearly indicate that there are attempts to create a new maritime environment that would be in line with the changes witnessed in shipping in the past couple of years. Although these laws have been more reactive to the changing international scenarios than proactive, it is nevertheless a step in the right direction. The various sectors of the maritime industry such as training and employment of maritime labour should also be brought in step to reflect the liberalised environment through harmonised regulations.

1.3 Scope of the Study

The study focuses on the roles of the Division of Shipping and Navigation or the soon to be established Maritime Administration and the Regional Maritime Academy as administrators and trainers towards the realisation of this objective. It brings into perspective the need of taking an active interest in the utilisation of the human resource aspect of maritime transport by drawing on the experiences of countries that have already experienced the benefits of such programmes.

Whilst recognising the important role of recruitment agencies in the realisation of this objective, lack of information about their activities prevented any extensive mention of this group. Efforts to bring them into the picture are however outlined in the concluding parts of the study.

1.4 Methodology and Order of Presentation

The study is based on sampled interviews with the Ghanaian maritime community, specifically at the Ministry of Transport, the Regional Maritime Academy and the Associations of seafarers. Discussions with visiting professors, hosts companies during field study trips and resident professors on seafarer issues have also been useful in putting this study together.

For the sake of organisation and coherence, the study has been divided into six chapters. Chapter one, which is the introduction, discusses the background to the study, its purpose, scope and the methodology adopted.

Chapter two provides a cursory look at the maritime industry today in the light of global trends in the regulation and operations of sea transport. It also discusses the wide and varied opportunities such developments present to developing countries who have not been able to preserve their national shipping as a result of these very developments.

Chapter three examines the impact the various sectors of the maritime industry have had on the Ghanaian economy and highlights the dominant role maritime education and training plays in the Ghanaian maritime industry today.

Chapter four looks at reasons for the growth of international crewing and the opportunities this has offered several developing countries, particularly in the Philippines to get involved in shipping without necessarily owning ships.

Chapter five studies the quality of seafarers from Ghana and how they compare with seafarers from other countries. It also examines the training and promotional needs of seafarers should Ghana decide to participate in international crewing.

Chapter six looks at the prospects and constraints of international supply of maritime labour. What are the gains to be derived and what are the obstacles that need to be overcome? These are the questions the chapter seeks to answer.

The final chapter, which is the conclusion, outlines the need for technical co-operation and gives recommendations for further action.

CHAPTER 2

THE MARITIME INDUSTRY TODAY

The shipping industry in the context of global trade is undergoing a process of change, which has affected the crewing, and operation of ships. The key aspects of this process of change are the globalisation of the industry, technological innovations, and the internationalisation of shipping regulations, all which have far reaching manpower implications.

2.1 Globalisation, trade liberalisation and Maritime Transport Production.

Shipping, by its very nature, has for centuries been an international venture. It is, therefore, not surprising that in the light of the present trend of globalisation, modern shipping is progressively breaking out of its traditional national characteristics and assuming a more international character. Today, ship ownership and operation are more multinational than national as we see several nations losing control over their tonnage. This phenomenon is not peculiar to shipping. Until recently world trade was concentrated mainly in Europe and parts of America. Today, world trade has become more diversified due to the accelerated industrialisation in the newly developed and emerging markets, particularly in Asia and the Pacific region. Looking around today, one can see the entire structure of the world economy undergoing tremendous changes. Countries all over the world are exchanging positions with regard to production and trade.

Developments in the transport and communication systems of the world today have made the world smaller and accessibility to the production factors easier and cheaper. Industry looks abroad not only seeking raw materials and finished products but also cheaper and better production factors. This has led to specialisation as countries concentrate on improving what they can do better and cheaper. The international division of labour is seen not merely in different products but also within the fabrication process of the same product. The era of semi- isolated national economies is fast fading as enterprises and governments search globally for technical capabilities, cheaper inputs and market access advantages (Ma, 1999).

The same can be said of the shipping industry. In the provision of maritime transport services ship owners and operators look all over the world in search of cheaper and better inputs for their operations in order to remain competitive. These may be realised in the benefits that are associated with ship building, ship registration, ship operations and crewing which lead to minimising costs and maximising income.

2.1.1 Supply of World Tonnage

In the maritime industry, these changes are witnessed in the major areas of maritime transport supply. Maritime transport has always been regarded as an integral part of international trade which until recently led several countries to acquire a national merchant fleet to cater for their international trade. The world's trade leaders were invariably the leading maritime nations. Great Britain had been the biggest maritime power and at the same time one of the world's trade leaders for several decades. Other important maritime nations like France, Italy, the United States, Germany and Japan were also the world's largest trading nations.

This is no longer the picture today. Several fundamental changes have taken place in the maritime industry as a result of the tremendous developments the world economy and international trade have undergone. Shipping has gradually become a specialised business in its own right and is no longer attached to a nation's international trade as it used to be. Many traditional maritime nations have lost their

positions of maritime supremacy due to the effects of globalisation, but this also opens up several opportunities for countries that are not considered traditional maritime nations to participate in maritime transport supply.

New maritime nations have emerged which are not necessarily big trading nations. Countries such as Greece, Hong Kong, Norway, Liberia and Panama have fleets which far exceed what is needed for their own trade. The first three countries known as 'cross traders' engage a substantial part of their fleet in the carriage of other countries' trade rather than their own.

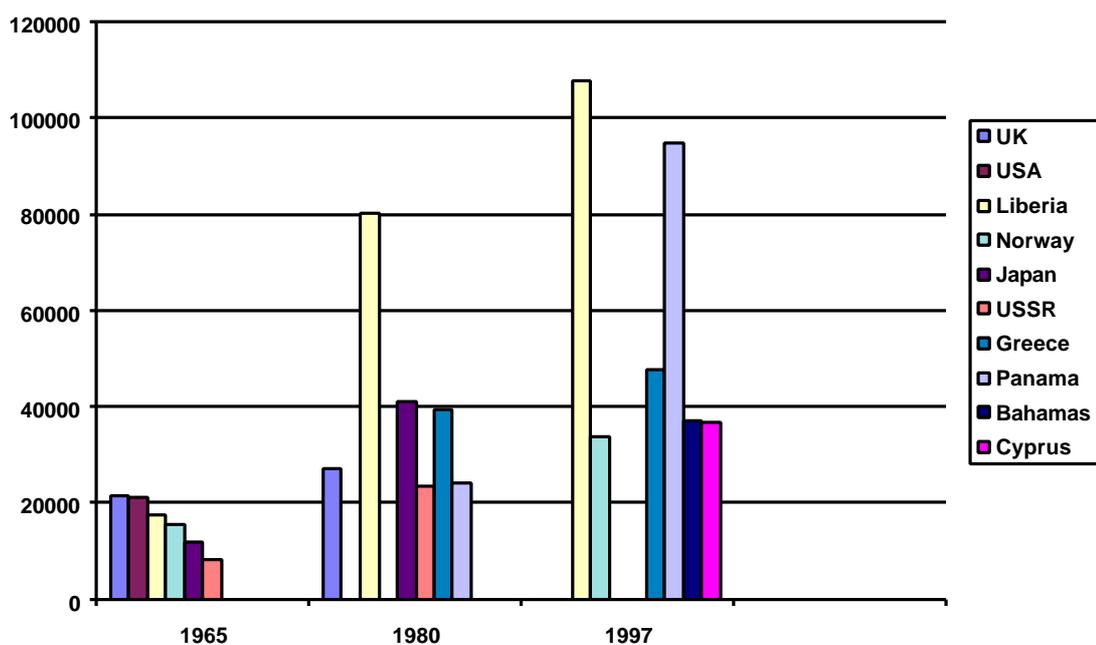


Fig. 2.1 World 6 Biggest Ship Owning Nations in 1965, 1980 and 1997

What is significant about countries like Liberia and Panama is that they are among a number of countries which provide a liberalised shipping regime that allow foreign ships to be registered under its flag. This practice known as the **open registry** has become a very competitive business especially among developing nations due to the economic benefits derived. Although the system has attracted a lot of criticism from

the international maritime community the benefits to both the countries of registry and the owners of ships registered under these flags are enormous.

What is more important in this increasingly competitive shipping business is that Ship owners under this regime are given the opportunity of maximising benefits that go with ship registration and minimising payments of complicated corporate taxes and other social costs related to seamen. Owners are able to avoid all economic and other legislative responsibilities regarding the terms of employment of the factors of production that would have been applicable if their vessels were registered in the countries of national origin (Metaxas, 1985).

2.1.2 Ship Building

Another area in maritime supply where globalisation enables shipowners to obtain competitive bargains is in the acquisition of new buildings. Until the middle of the century, ocean going ships were mostly built in Europe and North America. These countries, considering the huge amounts involved in shipbuilding, provided various forms of assistance in the form of loans and subsidies. Ships built in OECD countries received 80% financing of the total cost of the vessel with payment spread over a period of 8 years at low interest rates. Most orders for new buildings came from nationals of these countries and the loans and subsidies helped the shipyards to stay in business.

These supports were, however, removed in the wake of trade liberalisation and the shipbuilding industry in these countries suffered a big decline. The high costs involved in acquisitions from these yards robbed them of most of their clients and most of them had to close down. Those who managed to stay in business shifted to the building of specialised vessels that required high technology and were expensive to build such as military ships, submarines and passenger ships.

To remain competitive, shipping companies from all over the world have shifted from the traditional shipbuilding yards with high technology and also very high costs to new

building markets. The beginning of the second half of the century saw Japan rising to be a major ship builder and in subsequent years turning out almost half of the world total tonnage each year. This market share was successfully retained for about three decades due to the competitive pricing until South Korea emerged as another shipbuilding nation to contend with. These two countries in recent years turn out about 70% the world total.

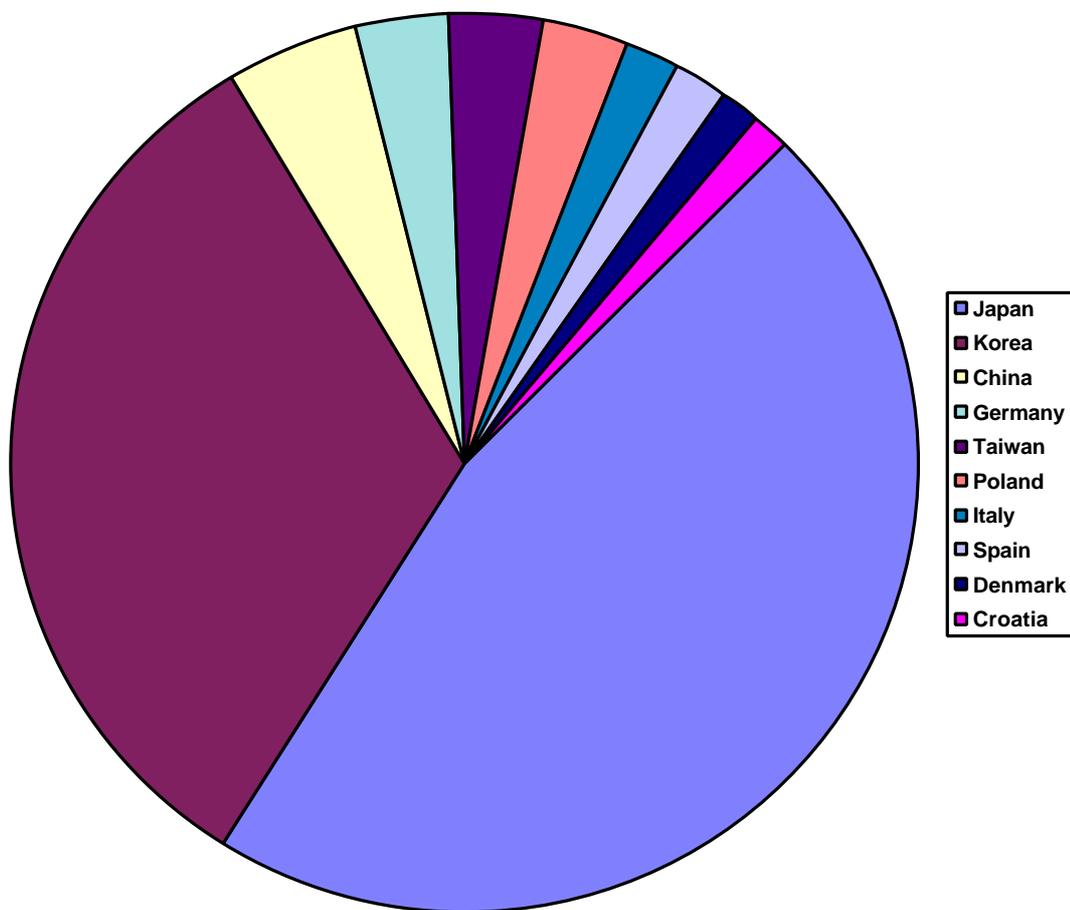


Fig. 2.2 World's Leading Shipbuilding Nations - 1996

2.1.3 Global Operational Patterns

As mentioned earlier, one of the most significant characteristics of the maritime industry today is the process of internationalisation in ownership and operations of ships. A vessel owned by a Greek national, for instance may be registered in Liberia, be trading between Europe and Asia, and be manned by officers and ratings from all over the world.

The operational patterns of ships have also been greatly altered due to trade liberalisation and market access which are characteristic of globalisation. Today few big multinational companies' names in the shipping industry are everywhere, having lost their national identity.

It should also be noted that in the light of these developments shipping has become more and more dependent on international factors rather than on state support or subsidies. It is therefore not surprising that in the present highly competitive shipping market owners are highly conscious of the few cost factors which offer scope for cost reductions, the most prominent being manning costs which represent over 50% of operating costs. Since national legislation in most traditional maritime nations restricts the potential for cost reduction, many owners have flagged out to flags of convenience.

2.1.4 Maritime Labour

One significant effect of this process of internationalisation in shipping is the increasing demand for seafarers, especially in developed countries. The high cost of operating ships has compelled shipowners in the traditional maritime countries in Europe, the Scandinavian countries and North America to look for ways of minimising costs in order to remain competitive. Since it has been estimated that crew costs constitute about 40% of all operating costs of shipowners this area remains the most important area of savings. The shipowner's ability to recruit cheaper foreign crew from low-income countries invariably becomes his bet to remain competitive.

There is said to be a high demand of seafarers of all categories in OECD countries and other open registry countries including Liberia and Panama. Statistics show that ship officers are in short supply in the UK and the Scandinavian countries. As the situation is expected to be getting worse in the near future, it is believed that new sources of seafarers will have to be explored, particularly in Asia and Africa (Ma, 1998).

2.2 Technological Innovations

In addition to these above-mentioned developments in the maritime industry, another very significant development is innovation in modern technology in the building and operations of ships. Technological changes have largely been made in the size and propulsion units of vessels. Big container vessels with over 6000 TEU capacity have been built and propellers designed to give greater thrust and efficiency. Notable developments have also been made in navigation and maritime communications. The use of information technology at sea in ship/shore communications and in land side logistics all have far reaching implications on the manpower needs of the industry.

The manpower needs of these developments are enormous. Although the use of information technology has shifted several responsibilities from crew to office personnel, seafarers still need to be highly skilled personnel with a certain amount of versatility to be able to handle the complex requirements of these high-tech vessels.

Ironically, with these developments in the manpower needs of the industry, there is an anticipated crisis in the supply of qualified seafarers in the next decade. This shortage in number and skills has been largely due to a number of factors including reduction in financial support from governments to develop and maintain maritime training facilities, and more prominently and quite ironically the above-mentioned developments for which they are needed.

Fast ships, containerisation, less crew and others have all conspired to rob seafaring of the attraction it once held. Even though the industry requires more educated personnel at sea these would, because of their qualification, rather work ashore. There is therefore the need to restore the attraction that used to be the hallmark of seafaring.

2.3 Internationalisation of Shipping Regulations

As shipping shifts from its national characteristics and becomes more global internationalisation of shipping regulation has become an acceptable fact. Since the middle of the century, notable international bodies, particularly the IMO have made several international regulations regarding safety construction and equipment, pollution prevention and safe manning.

It should however be noted that the past decade has witnessed acceleration in the making and enforcement of such regulations including the ISM Code and the Revised STCW '95 Convention. The international enforcement of these regulations through flag states and port state controls provides a global regime for ensuring standardisation in global shipping.

2.4 Opportunities of Globalisation

Although these developments have a general tendency of pushing several players off the maritime pitch, it nevertheless provides an opportunity for global competition, removing protectionism and several other barriers to ensure free market access to whosoever has a commodity or service to trade.

In the light of these developments and the anticipated manpower shortage in the industry, one such opportunity would be the supply of well-trained, qualified, skilled and competitive seafarers on the global market. As shipowners try to take advantage of global resources to remain competitive there is no limitation to a nation's ability to participate in an area where there is a comparative advantage.

CHAPTER 3

THE PLACE OF THE MARITIME INDUSTRY IN THE GHANAIAN ECONOMY

The economic role of the maritime industry in the development of any country cannot be over emphasised. The location of Ghana as a coastal state has afforded the nation several benefits of the sea including having seaports to serve its international trade. In spite of the fact that other transport modes play an increasing role in the carriage of this trade, the bulk of the nation's trade still goes by sea. This has led the nation to place a very high priority on the development of its two major seaports as the gateway to the country and its landlocked neighbours.

3.1 Development of national shipping

The history of Ghana's mercantile marine activity dates back to the early 1900's when Ghana, then called the Gold Coast, was a British colony. A number of European shipping lines had been trading at the shores of the Gold Coast. UK lines, in particular, made regular sailings to the shores and employed an increasing number of Ghanaian seafarers.

At the attainment of independence in 1957, Ghana embarked on an ambitious maritime programme. A state shipping corporation and other shipping related industries were established as follows:

1. 1957 - Establishment of a national shipping line, the Black Star Line;
2. 1958 - Establishment of Ghana Nautical College.

3. 1970 - Establishment of Tema Shipyard and Drydock Corporation; and
4. 1962 - Building of the Port of Tema as a major import seaport;

3.1.1 Maritime Administration in Ghana

In 1963 the nation's first shipping law, the Merchant Shipping Act, was passed establishing the Shipping and Navigation Division within the Ministry of Transport as the body responsible for the nation's maritime activities.

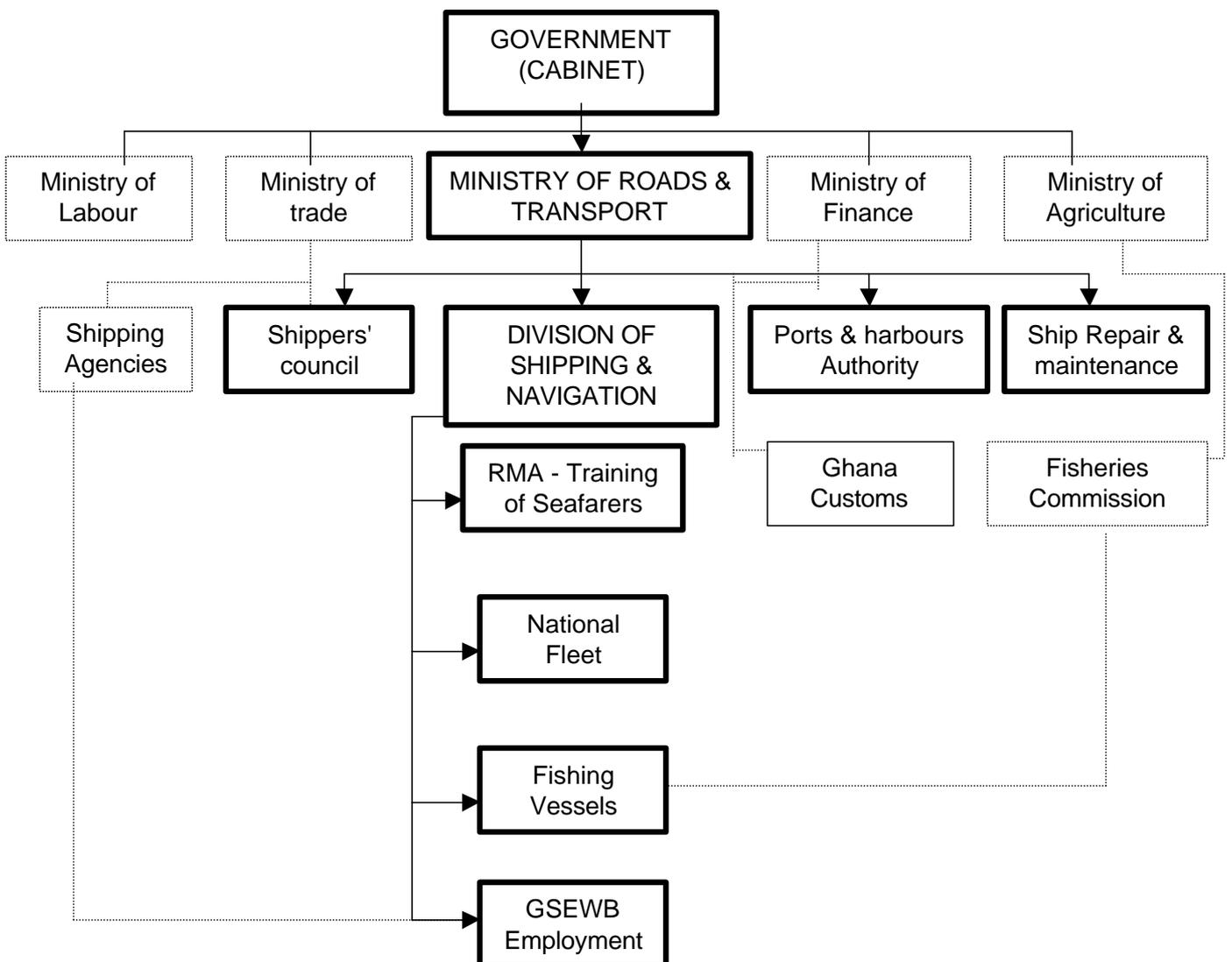


Fig.3.1 Structure of maritime administration in Ghana

— Organisations with indirect maritime responsibilities
 — Organisations with direct maritime responsibilities

3.2 The Maritime Sector and the Ghanaian Economy

3.2.1 Black Star Line

The state shipping corporation, the Black Star Line (BSL) was established in 1957 with the major objective of promoting international trade. The BSL acquired a large fleet of general cargo vessels and for over two decades operated successfully. At that time many countries believed that the most effective way to expand the maritime industry was through direct state participation in its financing and management. State management however, did not place much emphasis on the economics of shipping.

One of the few economic arguments often cited for building a national fleet was that freight earned from both foreign and local shippers would help control the balance of payment deficits. These attitudes completely ignores the fact that shipping, in addition to being a servant to international trade can equally be traded as a service, and thus expand a nation's foreign trade.

Until the decline and subsequent disappearance of the company in 1997 the company was able to meet these objectives by serving the trading, political and strategic needs of the country.

Economic benefits: a) Impact on employment and added value.

This has been one of the three major arguments for national participation in shipping, the provision of employment opportunities.

Direct employment:

Between the period of 1960 and 1980 the Black Star Line helped in providing employment for Ghanaian seafarers by absorbing a number of trained maritime labour in the country including cadet trainees out of a total of 21,000 on general cargo vessels.

1990s: not more than **200** out of more than **22,000** seafarers on 4 16dwt general cargo ships.

Office staff: **280** based at home and abroad.

This number is negligible, less than 1.0% of the total seafaring population. Since it takes a huge investment of about 70m USD to create 50 jobs it would require about 300b USD to generate employment for all Ghanaian seafarers!

Indirect employment:

Maritime training	40 staff and workers
Mercantile administration	30 (examination, certification, & registration of seafarers and registration of ships)
Employment board	12 (Seafarers roster & welfare issues)
Total Indirect Employment	82

Added value through Salaries of direct and indirect employments.

B. Impact on Volume of Trade

The rationale of promoting international trade worked well at the beginning, but later it was obvious that the BSL could not identify with the nation's trading needs. The atmosphere of trade liberalisation exposed the inefficiencies of the company. National shippers opted for foreign lines due to a) higher freight rates, b) delays and c) lack of logistic packages. Thus it had a negative impact on external trade.

C. Impact on Balance of Payments

This has been the most argued point in national shipping since 1963 and the whole Ghanaian shipping policy had been based on this. Did national shipping really make any meaningful impact on the balance of payment problems? The in and out movement of capital which is a summation of revenue from export of goods and services and expenditure for import of goods and services help determine this.

Elements to consider include the presence or absence of the various factors of maritime transport production.

Notwithstanding, the maritime industry was never regarded as an industry in its own right. Shipping was basically regarded as a servant of trade and every effort at its development was justifiable in as much as it helped to boost international trade. It is, therefore, not surprising that the commercial benefits of the maritime industry were never considered and shipping never really made any significant contribution to the national economy on its own.

3.2.2 Port Infrastructure

Another important aspect of maritime transport that has received considerable attention has been the development of port infrastructure. Before the 1980s ports, as the other areas of maritime transport services, were important solely for the fact that they helped facilitate international trade. Even though the two major seaports in Ghana were considered successful, their contribution to the national economy in terms of direct revenues was nothing to write home about.

In 1983, however, things turned around when Ghana, under the Economic Recovery Programme (ERP) emphasised competition and pursued a free market economy. The various sectors of the economy, including the maritime transport sector, were brought in line with this new trend through appropriate policy changes and action programmes.

The two major ports of Tema and Takoradi were rehabilitated and expanded with deeper drafts to remove the limitation on size of vessel that could enter the harbours and attract major shippers in the subregion. This programme has led to the realisation of the enormous contribution the ports could make in terms of direct revenues to the economy. Even though the liberalised economy dealt a final blow to the already dying national shipping, the development of the port as a commercial venture has been tremendous. The port of Tema, particularly, serves a wide range of shippers and major shipping lines from all over the world. All clients, irrespective of nationality

receive the same treatment as the ports are aspiring to be a transshipment hub for the sub-region.

Economic benefits: a) Impact on employment and added value.

Direct employment: Ghana Ports and harbours employ... (administration & dock workers)

Indirect employments include clearing and forwarding agents, customs, etc.

Added value: a) Salaries of employment

b) Impact on trade volume -large, trade facilitation

c) Impact on balance of payment-positive

3.2.3 Registration of Ghanaian ships

Ship registration happens to be one of the major functions of the maritime administration in Ghana. This activity is undertaken in line with the provisions of the maritime legislation of the country embodied in the Merchant Shipping Act of 1963. In accordance with the 1958 Convention of the High Seas, the act of registration confers nationality on the vessels and permits them to fly the flag of Ghana.

The office of the Registrar of Ghanaian Ships is established within the Shipping and Navigation Division of the Ministry of Transport and serves as the mercantile marine office at the ports as well. Conditions for registration of vessels under the Ghanaian register are based on the closed registration system that permits only vessels owned by Ghanaians or on bareboat charter to Ghanaians to be registered.

There are prospects of expanding the conditions for registration to attract more ships. This change in policy would undoubtedly, attract vessels that are not owned by Ghanaians to be registered on the Ghanaian register. This open registration system sometimes referred to as Flag of Convenience will allow and in fact make it easy for ships owned by foreign nationals to fly the Ghanaian flag (Alderton, 1995).

This 'Open Registry' system, however, is surrounded by a lot of controversies the discussion of which is outside the scope of this study. It should be made clear, nonetheless that the new shipping Bill likely to be passed this year has provisions that would ensure the existence of a genuine link between ship and state as required by the 1986 United Nations Conditions for Registration of Ships.

Economic benefits:

- Fleet size: There are currently 200 ships on the register growing at the rate of .15 Ships a year.
- Current revenue: 20 million cedis per annum.

3.2.4 Ship Repair and Maintenance

Another major activity that came into being with the establishment of national shipping was ship repair and maintenance. In 1970 the Tema Shipyard and Drydock Corporation was established. It was located close to the Port of Tema with the objective of repairing and maintaining the national fleet and providing dry-docking facilities for foreign vessels, especially those which called at the ports, to earn foreign exchange.

The commercial orientation in the objectives for the establishment of the shipyard helped tremendously in its development. Though a state owned enterprise the success of the shipyard was astounding as shown by its output and its employment generating capacity from 1990-1996 when it was privatised.

Economic Benefits

The shipyard employs about 300 Ghanaian workers, though divested of state ownership. It is currently being run by Penang Shipyard Corporation, a Malaysian Group, and is known as PSC Tema Shipyard

3.2.5 Seafarers Affairs

The acquisition of a large fleet of general cargo vessels led to the establishment of a nautical training institute in 1958. The main objective of the institute was to train engine and deck officers and ratings of all categories to operate the national fleet. These officers replaced the expatriate officers, especially British officers, who were then in charge of the vessels. Now regionalised under the International Maritime Organisation, the Regional Maritime Academy, as it is called, trains hundreds of seafarers each year for the English-speaking countries in the sub-region.

3.2.5.1 Administration and Certification System for Ghanaian Seafarers

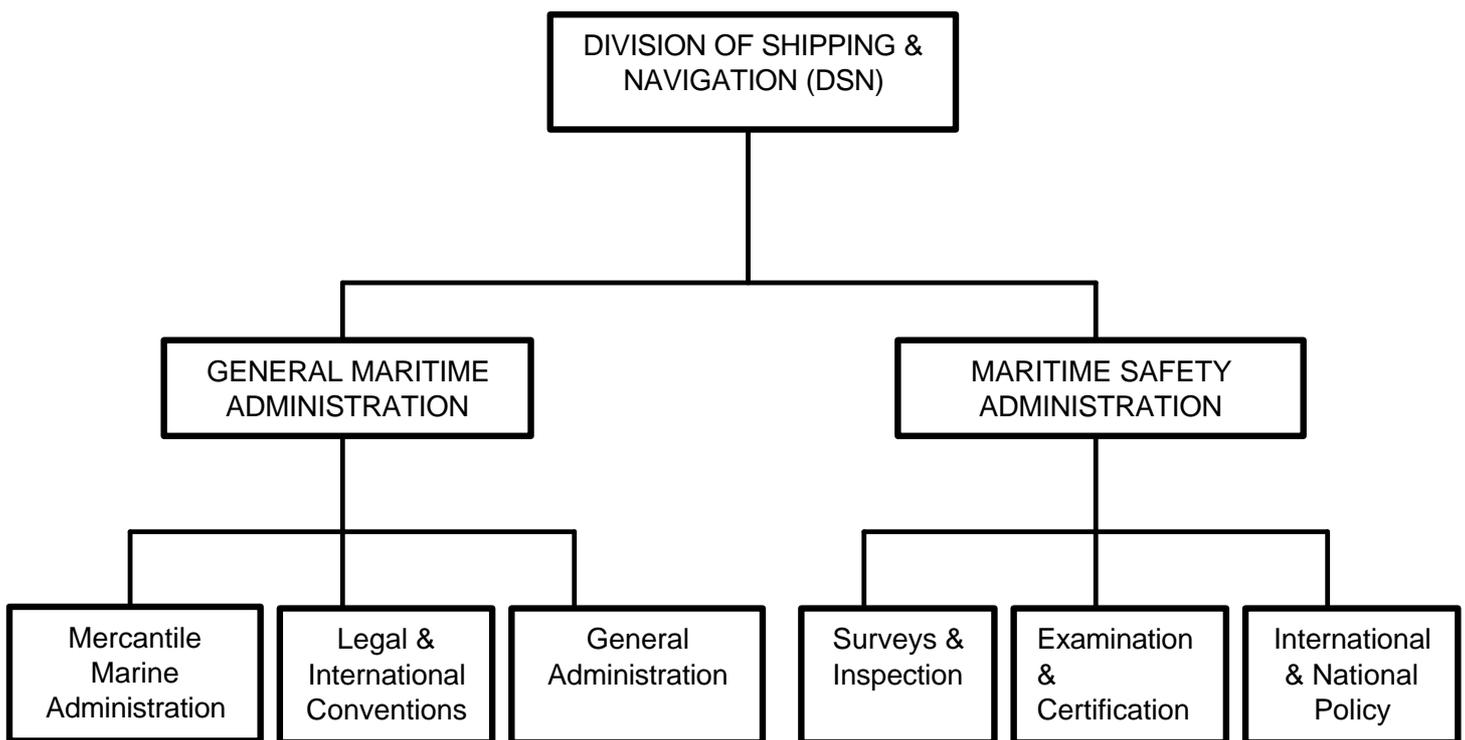


Fig.3.2 Structure of Division of shipping and Navigation. Responsible for maritime administration, including seafarers affairs.

Administration of seafarers' affairs in Ghana is the responsibility of the Division of Shipping and Navigation. These responsibilities include:

- education and certification of Ghanaian seafarers;
- placement of seafarers on Ghanaian and foreign ships;
- signing of Articles of Agreement;
- working conditions of seafarers;
- marine labour safety;
- Employment security and welfare of sailors.

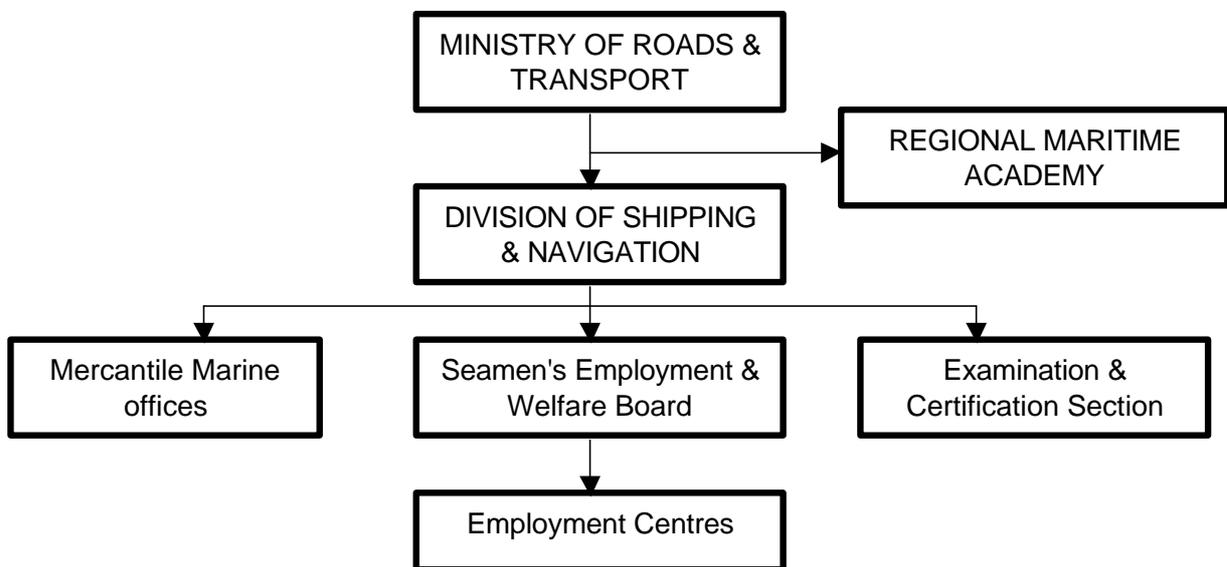


Fig. 3.3 Administrative Structure For Seafarers

Ministry of Roads and Transport

- Transport policy (including maritime transport) formulation and co-ordination.
- Transport project planning and implementation

Division of Shipping and Navigation

- Maritime transport policy formulation and implementation.
- Ensure the proper implementation of the provisions of the STCW '95 Convention which include
 - Establishing a record system for the issue of certificates and endorsements;
 - Providing information to other contracting parties as requested;
 - Establishing standards of medical examination;
 - Ensuring more stringent inspections and procedures;
 - Determining extent of refresher and upgrading training;
 - Ensuring companies' compliance with regulation 1/4 and codes.

Mercantile Marine Offices

- Seafarers Articles of Agreement.
- Settling disputes between shipowners and crew.
- Certification for lifeboat, survival at sea and fire fighting training.
- Inspection of seafarers working conditions.

Seamen's Employment and Welfare Board

- Administration of seamen's roster.
- Administration of seafarers' employment fund.

Employment Centres

- Allocation of vessels

Examination and Certification Section

- Conducting written and oral examinations for officers of all categories.
- Issuing certificates of Competency for officers of all categories.
- Performing all other functions in relation to the provisions of the STCW Convention.

3.2.5.2 Education and Training of seafarers

The Regional Maritime Academy

The Regional Maritime Academy, under the Ministerial Conference on West and Central African States on Maritime Transport is the only recognised institution for the

training of seafarers in Ghana. As stated above, the Academy was established in 1958 as the Ghana Nautical College by the government of Ghana. The purpose was to educate and train ship officers to man the national fleet. In 1972 it was turned into a regional training institution for the English speaking West and Central African states, namely Cameroon, the Gambia, Ghana, Liberia and Sierra Leone.

The Academy is supported by the IMO because it plays a very important role in providing STCW courses for seafarers in the sub region.

Curriculum of the Regional Maritime Academy

The Academy has four educational departments, all which lead to the award of a Diploma. They are:

- Department of Nautical Science
- Department of Marine Engineering
- Department of Electrical and Electronics
- Department of Maritime Studies

For the purpose of this study, detailed attention will be paid to the first two, the nautical and engineering departments, which train seafarers.

Entry requirements:

- General Certificate in Education (Advanced Level) in Maths and Physics, and an Ordinary Level pass in English Language; or
- Senior Secondary qualification in English, Maths, Physics and any related science subject;
- Must be medically fit with good eyesight
- Must be above 18yearsold and not more than 24.

Duration of the Course: Four semesters of 16 weeks each.

Other Courses: The Academy offers opportunities for the training of ratings as well. Courses offered include basic pre-sea training, seamanship and general ship knowledge, steering and emergency procedures. Certificates include Auto-mechanics, Refrigeration Engineering, Fisheries (Skippers and Second Hand), Tug mates, efficient deck hand and Lifeboat courses. The minimum training programmes recommended by the IMO namely First Aid, Survival at Sea and Fire Fighting are also handled at the Academy.

International Convention on Standards of Training, Certification and Watch-keeping for Seafarers (STCW) 1995

The STCW '95 Convention provides minimum standards which countries are expected to meet or exceed. Its provisions seek to improve upon the competence of seafarers worldwide. In 1998, the International Maritime Organisation, in conjunction with the Academy, hosted a regional Seminar in Ghana on the implementation of the STCW Convention in the sub-region. The Regional Maritime Academy has implemented the requirements of the convention and diligently performs its role in ensuring that seafarers are trained in accordance with the standards listed below:

- Internal quality assurance reviews.
- External independent monitoring of processes and procedures.
- Reports to the International Maritime Organisation.
- The employment of appropriately qualified lecturers, instructors and assessors with the relevant experience.
- Upgrading of requirements for revalidation, refresher and updating training.
- Efforts at Radar training by simulators.
- Mandatory minimum safety training for all seafarers.

The contribution of the RMA to the training needs of seafarers, not only in Ghana, but also in the whole sub-region cannot be overemphasised. It is, however, regrettable to note that the Academy receives very little technical and financial support from the MINCONMAR and its member states. Due to this there has been lack of funds to acquire equipment and expertise to replace the former Radiotelephony Department with a Global Maritime Distress satellite System (GMDSS) Department.

Diploma in Nautical Science / Engineering

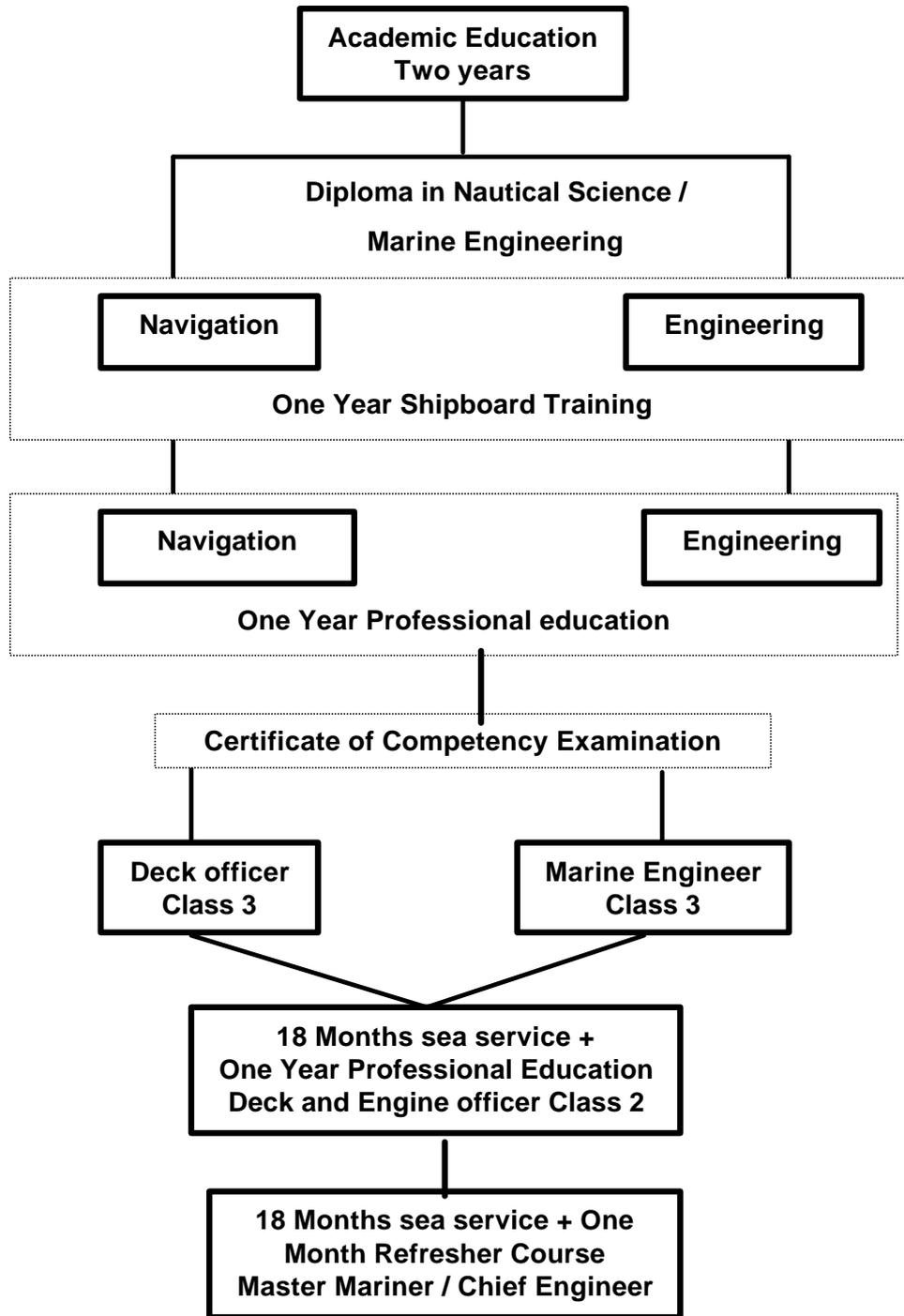


Fig.3.4 Curriculum Layout of the Regional Maritime Academy

CHAPTER 4

ECONOMICS OF INTERNATIONAL CREWING

There is nothing new in looking to the nationals of one country to man the ships of another. In distant history the Romans, Phoenicians, Greeks and Arabs all built formidable fleets for trade or war on the strength of foreign seafarers to serve on their ships.

International Shipping Federation.

4.1 Current Manning Trends

Foreign manning of ships is not a new phenomenon. As far back as 1660 laws enacted in the UK gave this practice recognition. Other European colonial empires such as France and Holland, in the more recent past had seafarers from their colonies serving on their trading ships. It was, however, until the middle of the century when countries like the Philippines made a business out of the international supply of maritime labour that the practice took on a more international and economic form.

Manning trends today show an increasing globalisation in the recruitment of seafarers. Shipping companies no longer limit their search for seagoing personnel to their nationals, but rather look all over the world in a quest for more competitive crew to man their vessels. A typical European shipping company may have its maritime personnel sources distributed as follows: 55% Asian, mainly from the Philippines; about 4% of its own nationals; between 30-40% from Eastern Europe and about 6% from Africa.

Another interesting feature in manning today is the increasing shortage of skilled maritime labour. This shortage is more acute in most traditional maritime nations and the situation is expected to be getting worse in the very near future. Most shipowners

do not see this as a major threat to the survival of the industry because they can shift from region to region looking for more competitive sources of personnel. To policy makers who are more interested in the systemwide effects of such trends, this shortage is ominous to the maritime industry and a major threat to the survival of their maritime traditions.

Concern about the shortage of skilled labour, however, is not entirely new. As far back as the 1960s labour concerns led to the setting up of the Pearson Committee whose first observation was the concern of the Federation and Officers' Association at the loss of experienced men from the industry, particularly as new entrants required extensive and costly training (Hill, 1972, 1).

Several reasons have been given for this trend, the root being the increasing mechanisation of the maritime industry. The positive technological advances made in the maritime industry have inadvertently, but slowly and surely eaten away the attractions the seafaring career once held, robbing the industry of one most essential input in maritime transport, that is labour.

One major effect of specialisation and sophistication of shipboard technology has been the need for less and less crew to man vessels. The move towards single-man bridge operations and even self-automated ships means the creation of much smaller communities on board ships. Crew have to battle with the psychological problems associated with isolation and have to work long hours. Even though shipboard management requires masters to ensure that crew have enough rest before undertaking further activities this is often not possible. The result has been overwork and fatigue.

Added to this has been the introduction of containerisation. The improved efficiency in cargo handling as a result of containerisation coupled with advanced shore handling facilities has ensured quick turn around times in ports. Sailors have no time to leave their confinement on board to go ashore. This is among the reasons why potential recruits are even less encouraged to go to sea as the profession gets more and more unattractive and more so with the reduced employment opportunities. The

general effect has been the casual attitude towards the seafaring career as job security grows less and less.

Another reason has been given as the general rising living standards, even among shore workforce. It is generally believed that the greatest attraction of the seagoing career had been the high salaries and wages seafarers receive. It is therefore not surprising that high unemployment, low standards of living and low education are the best incentives to get people into the seafaring profession. This is no longer possible today because shore based jobs pay well these days and most officers are highly educated and prefer to work ashore after a few years at sea.

As employers of maritime labour, the attitude of shipowners to this development has not been helpful either. In his article 'Recruitment and manpower supply and demand' Norman Lopez points out that shipowners' response to the shipping recession of the 1970s and early 1980s has been a major step that kept the developed countries from recruiting their own nationals (Lopez, 1989).

The response mainly focused on flagging out and using cheap labour crews, sacrificing nationals of the countries where the ship-Owners were based and where the ships were originally registered.

4.2 Reasons for International Crewing

Although employing foreign personnel on board vessels is not an entirely new practice as stated earlier, shipowners had previously been bound by national legislation to employ a very high percentage of crew from the ship's nationality. Flag states required that all officers had to be nationals of the Flag State. To most governments who were also owners, this was very important because it was believed that apart from ensuring employment opportunities and employment security, nationals would have the best interest of the vessel and its employment at heart. The few foreigners who gained employment were recruited as ratings. Owners could not depend on the working habits of crew from other countries.

The situation, however, is entirely different today with mixed crew manning vessels of the various flags. Most sea staff today are selected from different nationalities as far

as the Flag State allows, based on the owners preference in the light of his costs. Global operational patterns and the internationalisation of shipping regulations have made it possible for shipowners to recruit, train and retain their needed labour from all over the world. In so doing shipowners have been able to determine the cost levels of the crew they engage, taking international labour laws on minimum into consideration.

4.2.1. Crew Costs

The subject of costs is a very important element in every economic venture, and concerns about costs have been the major reason given by shipowners for international crewing. Shipping costs are traditionally categorised into three main elements, which are **capital, operating and voyage costs**. A ship's **capital costs**, which refer to the cost of owning the vessel mainly covers acquisition costs, which include loans and repayments and capital charges such as depreciation and interests on loans. **Voyage costs** are the variable costs incurred in undertaking a particular voyage and involves cost element such as fuel costs, port charges, cargo handling costs agency fees and canal dues where necessary.

Operating costs comprise all the costs and expenses incurred in the day to day operation of the vessel at sea and in port. Sometimes referred to as running costs, operating costs include manning, maintaining, supplying and insuring a vessel. A major cost element of a vessel's operating costs is manning costs. These costs which represent about 30-40% of a vessels operating expenses are defined by (Tolofari1989, 125) as:

...the direct and indirect costs of crewing a vessel and as such consist of: basic pay, overtime payments, supplementary payments - bonuses, efficient service and certificate payments, special work payments, leave pay, leave subsistence, medical expenses and sick leave pay, personal and national insurance contributions, pensions, victualling, travelling and repatriation expenses, training and maintenance allowances with study leave pay, standby pay, union payments, cadets training, etc.

The list seems endless but can be grouped into three basic components: wages, travel costs and others. Of these three the wages component is the largest single component of crew costs. The combination of these elements vary with the registry of the ship and are determined by ship's size and manning scales for particular types of ships, nationality of crew and conditions of service.

It is important to note that manning scales, which determine the numbers of crew required for manning different types and sizes of ships are determined by national regulations and have a direct bearing on crew costs. There is a great difference in the sizes of crew in particular countries, and the wage scales also differ. The Average compensation including pay and fringe benefits of officers in countries like Sweden, Japan, USA, Norway and Denmark are much higher than Taiwan, China or South Korea. The disparity between crew sizes of traditional flags and open-registry fleets are also evident. In countries such as Sweden, trade unions strongly oppose any reduction in the number of crew, even when it is technically possible to do so without prejudice to the safety and operation.

4.2.1.2. Open Registry and Crew Costs

Economic considerations (primarily operating costs) explain why ... shipowners have had to resort to these registries (open registries) in order to remain internationally competitive.

Federation of American Controlled Shipping (1976)

A major advantage of the Open Registry system is the relaxed laws on manning that permit the shipowner to crew his vessels without any prejudice to nationality. To the shipowner this is extremely important because this, more than anything, accounts for the wide disparity in wages. Although the International Labour Organisation and the International Transport Federation negotiate and set minimum wages with shipowners' associations or through government regulations, the differences in wage levels reflect differences in economic development and the cost of living in the crew's home country.

It is not surprising that high cost of operating vessels has been the major compelling factor for shipowners in the traditional maritime countries in Europe, the Scandinavian countries and North America to look for ways of reducing costs in order to remain competitive. The estimation that crew costs alone constitute about 40% of all operating costs, make shipowners attempt to reduce these costs by flagging out of their traditional registers and register their ships in countries other than where they are domiciled. The relaxed laws of these registers enable them to recruit cheaper foreign crew and also take advantage of liberal tax laws in existence in these countries, usually in the developing world (Anam, 1997,27).

A comparison between the costs of a traditional flag vessel and an open register vessel reveals that the operational costs of a vessel could be reduced by about 33% depending on vessel type and size as illustrated by the table below.

Table 4.1 Comparative Manning Costs (in USD) for vessels of Differing Sizes on Open or Traditional Registers

Vessel size (dwt)	Cost/1000dwt/ day of O R	Cost/1000dwt/ day of T R	Savings	Cost/Day O R	Cost/day T R	Daily Savings	Annual Savings	Savings in %
5000	292	445	153	1460	2225	765	270810	34%
10000	157	237	80	1570	2370	800	283200	34%
20000	85	126	41	1700	2520	820	290280	33%
25000	70	103	33	1750	2575	825	292050	32%
35000	52	76	24	1820	2660	840	297360	32%
40000	46	67	21	1840	2680	840	297360	31%
50000	38	55	17	1900	2750	850	300900	31%
60000	32	47	15	1920	2820	900	318600	32%
80000	25	36	11	2000	2880	880	311520	31%
100000	20	29	9	2000	2900	900	318600	31%
120000	17	25	8	2040	3000	960	339840	32%
140000	15	22	7	2100	3080	980	346920	32%
150000	14	20	6	2100	3000	900	318600	30%

Source: Tolofari, 1989

4.2.2 Bilateral Agreements

In addition to the major reason of costs, the employment of foreign crew could also stem from agreements between two states, one as a carrier and the other as the shipper. Such understanding is common among certain developing nations who cannot own and operate their own fleet or do not have an adequate and efficient fleet to carry their key trading commodities. Such nations allow certain lines to carry their trade based on the understanding that a specified percentage of crew on these vessels are nationals. Often these carriers are registered by trading partners of such nations.

There exists a similar understanding between the government of Guinea and..., a Norwegian shipping company which has been trading from Guinea since 19... The company consistently offers a specified number of employments to Guinea seafarers whom they train and retain in their shore offices even after their seafaring careers are over.

4.2.3 Crew Availability

Maintaining a constant source of competitive crew is another concern that has influenced the growth of international crewing. Availability of crew does not only imply numbers but also training, skill and experience. So far three categories of sources of crew have been identified (Francou, 1999: Lecture notes). These are:

Category A: This source of crew are low-income countries, but with a good training tradition. Such countries are a source of mates, deck officers, engineers etc. Crews in this category are available and cheap. The problem of oversupply is dealt with through employment abroad, which is also a good source of foreign exchange earnings for the country. Examples are some eastern European countries such as Russia, Poland and Romania and some parts of Africa, particularly Ghana, Côte d'Ivoire and Nigeria.

Category B: This category of crew source includes low-income countries with emerging training schools. They usually produce ratings, sometimes mates, but no masters or engineers. They are also cheap and available and are a good source of foreign exchange earnings through employment abroad. Examples are the Philippines and China.

Category C: Countries in this category are high-income countries with highly trained personnel mainly in Europe and North America. They are usually well trained, skilled and experienced in handling specialised vessels. The high salaries they receive make it uncompetitive to employ large numbers. Though available, there are not enough fleet to cope with the supply. Often only deck officers and engineers are able to get employment on foreign ships.

The Asian region, due to the high population has for the past decade been a very reliable source of cheap labour for most industries and it is not surprising that that the maritime industry has also turned its focus from the employment of nationals to this source.

Initially most of these seafarers were employed as deckhands and ratings. They rarely held officer positions because of lack of training and experience. Shipowners would rather draw from the superior maritime training and experience of their nationals. Today, with so many years of experience, Asian crews have acquired enough skill and experience to make them competitive. There is now such growing confidence among shipowners for Asian crew, which is the result of years of mutual interdependence and trust. Long service and proven competence are all these crew need today to compete with their European counterparts for responsible positions on board.

4.3 Demand and Supply of Maritime Labour

Table 4.2 Balance of Seafarer Markets 1995 (by region of supply and category of seafarers)

	OECD Countries		Eastern Europe		Africa & L. America		S-East Asia & Far East		Arabic & Indian Sub-continent	
% of Vessels	57%		16%		1%		22%		4%	
S. Deck officer	55%	(2)*	15%	(1)	3%	2	22%	0	6%	2
J. Deck officer	33%	(24)	14%	(2)	5%	4	41%	19	6%	2
S. Eng. Officer	52%	(5)	15%	(1)	6%	5	21%	(1)	6%	2
J. Eng. officer	32%	(25)	16%	0	9%	8	36%	24	7%	3
Other officers	37%	(20)	22%	6	13%	12	23%	1	6%	2
Officer cadets	27%	(30)	10%	(6)	15%	14	36%	24	12%	8
Special ratings	45%	(12)	24%	8	7%	6	22%	0	2%	(2)
Ratings	23%	(34)	8%	(8)	10%	9	49%	27	10%	6
Rat. trainees	16%	(41)	6%	(10)	7%	6	56%	34	16%	12
Total	32%	(25)	13%	(3)	9%	7	39%	17	8.0%	4

Source: Ma, 1998 (based on BIMCO/ISF 1995 Survey and UN shipping statistics).

* - Number in parenthesis shows deficit

4.3.1 Disequilibrium in the maritime labour market

In a perfect market situation wages and employment are the result of the interaction of supply and demand for labour. Supply of labour increases as wages go up and demand for labour decreases as its cost rises. It is also true that non-wage employment condition and work content may have an important independent influence on supply. Improvements in non-wage factors can cause increases in the supply of individuals to the market, while deteriorations may have the opposite effect (ISF/BIMCO, 1990).

The maritime labour market may exhibit the above statements in its own way, yet this market has certain features that distinguish it from other labour markets and create certain unusual market trends, some of which contribute to the development of shortages.

First is the worldwide nature of the labour market. Although most labour markets are becoming increasingly international, the labour market for seafarers has exhibited this characteristic for many years. The nature of the industry encourages a global labour search, which has become even more so due to the commercial pressure for more competitive crew. As pointed out earlier, this situation has been encouraged further by the development of open registers that permit shipowners to diversify their sources of labour supply.

This has effectively enabled shipping companies to move away from the manning requirements of their original flags and pay rates relating to ships flagged in developing economies and adopt the more flexible regimes associated with other flags. Such alternative registries provide more cost-effective manning arrangements by allowing the employment of mixed crew, which lead to more economic labour costs. The result, in the more developed economies, has been a reduction in the numbers willing to undertake such jobs at the 'going rate' from developed economies. On the other hand there has been a large increase in the availability of those willing to undertake such jobs from lesser-developed economies. There is, therefore, a dramatic shift in the workforce away from the developed economies towards crew from developing economies, particularly the Far East.

The widespread geographical nature of the labour market prevents effective market clearing. It is only those regions with wide publicity and a systematic policy to export their human resources that really get jobs. It is therefore likely that there will be shortages and surpluses simultaneously in different parts of the world even if there is, overall, a situation of balance. As labour supply in the more developed economies will only rise at a higher rate, there seems to be more opportunities for seafarers from the less developed economies. As a consequence, faced by identical demand schedules,

the situation in a developed country is quite likely to be one of shortage while that in a developing country may be one of surplus as illustrated by the figure below.

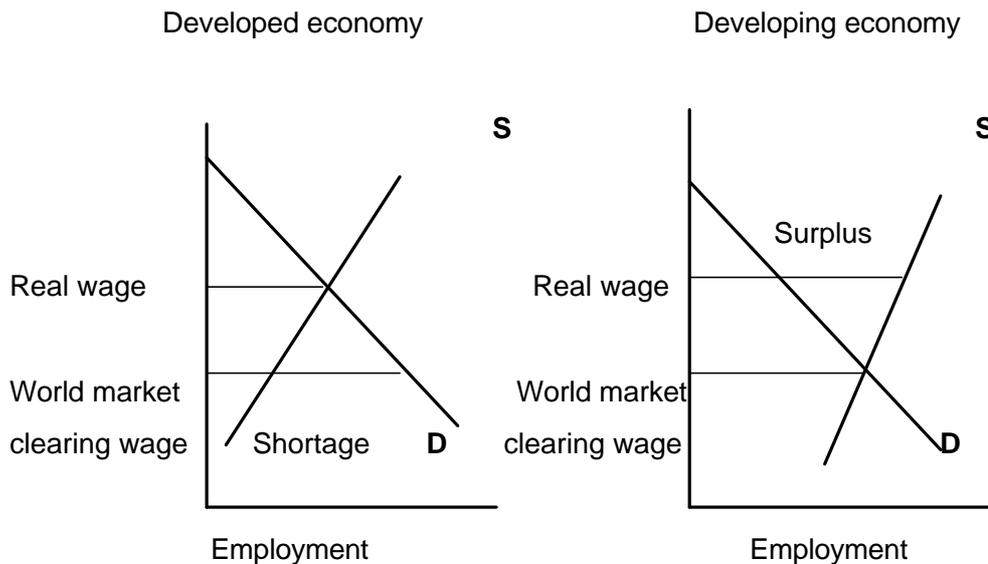


Figure 4.1 Shortage and surplus in Worldwide Labour Market for Seafarers

Source: ISF/BIMCO 'Final Report on Worldwide Demand for and Supply of Seafarers.

4.3.2 Shortages

In most Western European countries there are reports of shortage of seafarers, especially of officers. A general shortage of maritime workforce in Europe is not a major problem to European ship owners because they can always look elsewhere for cheaper substitutes. But if the industry faces a shortage of skilled personnel, then there is reason to be concerned.

Most of the shortages reported today in these countries are actually skill shortages as ship owners are not able to find the needed expertise to man specialised vessels. Although skill shortage is difficult to define and even measure an ISF and BIMCO study associates it with "an insufficient number of suitably qualified individuals or an

inadequate quality of labour". There are either too few individuals available; too few are being produced to make up current shortfalls; those currently available are not of sufficient quality or the quality of individuals taking relevant courses is too low.

4.3.3 Demand for Seafarers: Country, Representing Broad Regional Group

4.3.3.1 United Kingdom and Europe

The total number of UK seafarers, according to the UK Chamber of Shipping inquiry in 1980, stood at 57,923 of which 28,158 were officers. By 1993 there had been a contraction with the total number standing at 20,535 of which 8,607 were officers. In percentage terms there was a decline of 64% of the total number of seafarers and 69% decline of officers. Thus the seafaring labour force had fallen by two-thirds in the thirteen-year period (Meconville, 1995).

Current reports indicate that the number of seafarers has now shrunk from over 100,000 in the 1970s to around 29,000 coupled with a serious demographic problem of a preponderance of older officers and ratings. The report indicates that about 66% of deck officers hold Class 1 (foreign going master's) certificates. Although this shows an extraordinarily highly qualified work force, the age profile reveals that most of them are old and will soon be leaving the service (Lloyd's List, Feb. 1998).

Such steep declines have a significant impact on the manning of UK owned vessels. Although the table below shows that UK officers maintain a dominant position with a 98% share of employment opportunities on UK registered vessels, what is not revealed here is the decline in the number of vessels in the fleet. Non-UK officers have a share of more than 36% on UK vessels under foreign flags, a steady rise from a share of 19.85 in 1988.

Year	<u>UK Register</u>		<u>Non-UK Register</u>		<u>Totals</u>		<u>Total Officers</u>
	<u>UK Officers</u>	<u>Others</u>	<u>UK Officers</u>	<u>Others</u>	<u>UK Officers</u>	<u>Others</u>	
1988	7,294	93	2,357	579	9,651	672	10,523
%	98.7	1.3	80.2	19.8	93.5	6.5	—
1990	5,732	62	1,965	839	7,697	901	8,598
%	98.9	1.1	70.1	29.9	89.5	10.5	
1992	5,470	112	3,110	1,564	8,580	1676	10,256
%	97.9	2	66.5	33.5	83.6	16.3	—
1994	5,014	153	3,266	1,654	8,313	1,807	10,120
%	97	3	66.4	33.6	82.1	17.9	—
1996	5,140	148	3,124	1,750	8,264	1,898	10,162
%	97.2	2.8	64.1	35.9	81.3	18.7	—
1998	5,023	127	3,110	1,785	8,133	1,912	10,045
%	97.6	2.4	63.5	36.4	80.96	19	—

Table 4.3 Manning of UK Vessels

Source: UK Chamber of Shipping - Fleet and Manpower Inquiry

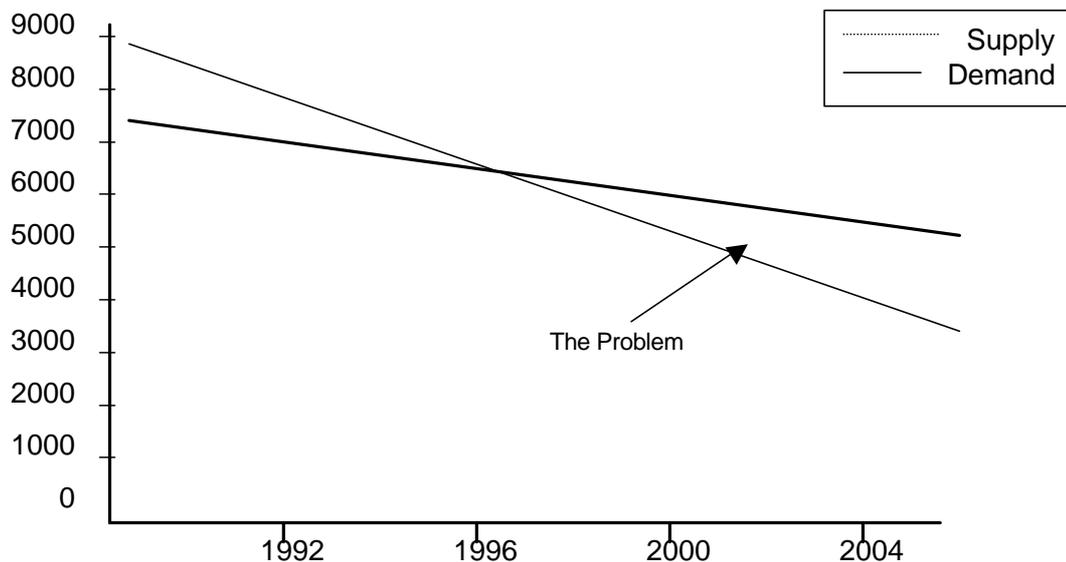


Fig. 4.3 Officer/Cadet Recruitment and Training-Supply and Demand

Source: House of Commons. Employment Committee Third Report 1992-93. The Future of Maritime Skills and Employment in the UK, 1993.

The structure of the current UK labour force reveals that although there is a decline in the number of officers they still dominate senior positions. Yet a direct result of the decline in numbers and prospects of seafaring as a viable career is reflected in the age profile of the UK officer labour force and recruitment.

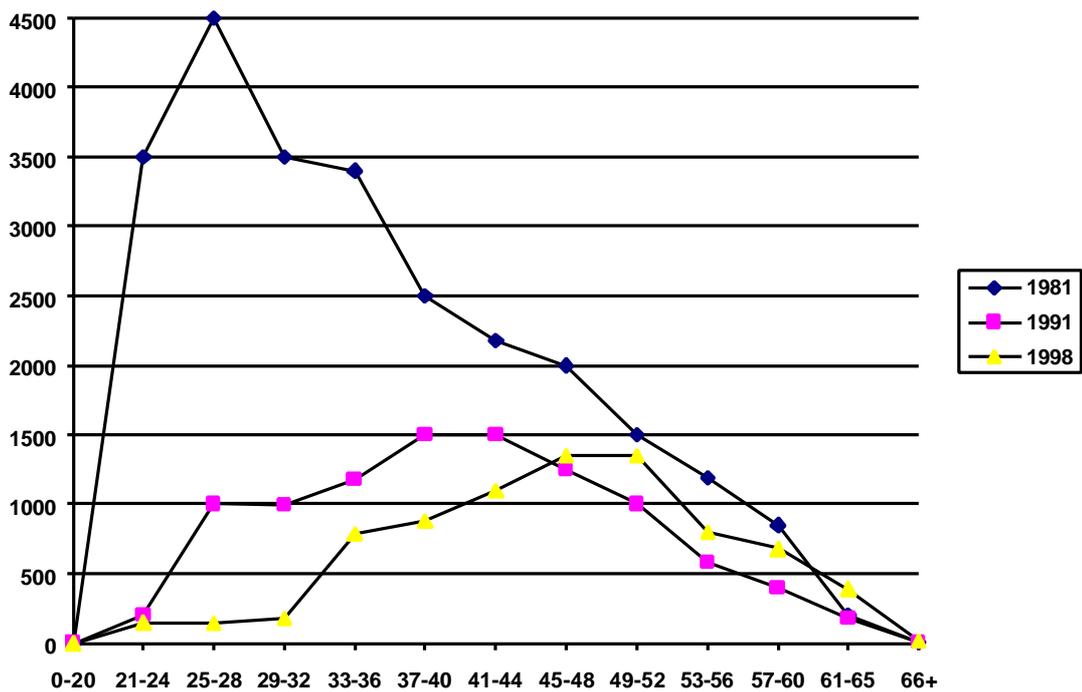


Fig. 4.4 Age Profile of UK Officers - 1981 to 1998

Source: UK Chamber of Shipping -Statistical Brief, 1998

The changing age profile of UK officers reflects not only the lack of recruitment but also the trend of young officers leaving the sea to take up shore positions or retrain for jobs in other industries. According to the National Union of Marine Aviation and Shipping Transport Officers (NUMAST), the average age of officers has risen from 27 in 1980 to over 40 now and there is growing concern that it would be well over 50 by the year 2000. This, they observe, will have serious repercussions for the availability of skilled British officers in the future.

This situation is representative of other European countries. In situations where there are opportunities to go to sea employment remains casual. Seafarers enter and leave the industry at will, with unrecorded movements between vessels, companies, flags and trades.

4.3.3.2 Japan and the Far East: Trends in the Number of Japanese Seamen

In Japan, similar concerns have been raised by several maritime labour agencies which is representative of the situation in certain Far Eastern countries like Singapore and Hong Kong as illustrated in tale 4.3 below. Commenting on the narrowing trend of the labour market for Japanese Ocean -going seamen, the Japan Maritime Research Institute observes:

As of October 1, 1989, the total number of seamen on the register of two major ocean-going ship owners Labour Relations Agencies stood at 8,536 persons, reflecting a decrease of 1,834 persons from the level at the corresponding term of the previous year. Since they had a total enrolment of 37,088 seamen back in 1979, this means that the number of seamen dwindled away to nearly one-fourth of the 1979 level over the past ten years, indicating a year-on-year declining ratio of 13.7 percent.

The institute points out that this sharp decline creates an awful imbalance of staff composition in terms of age structure. Had it not been for measures adopted by the Japanese government to introduce regulations on mixed manning to help cut costs, this trend would have continued over the past ten years leaving Japanese seafarers on these registers in 1999 at barely 2,000 persons

Table 4.3 Changes in the Number of Japanese Seamen from 1978-1990

Year	No.of Firms	No.of Ships	1,000 DWT	NO: of Seamen	No. Of crew	Reserve	Av.crew per/Ship	Tonnage/ Crew
1978	70	762	62,340	38,227	21,758	13,693	28.55	2,865
1979	69	776	64,473	37,088	21,216	10,851	27.34	3,039
1980	69	775	64,983	35,208	20,667	10,109	26.76	3,144
1981	68	749	62,945	33,796	19,608	10,252	26.18	3,210
1982	68	731	62,439	32,674	18,870	10,270	25.60	3,309
1983	55	671	59,595	29,183	17,008	9,079	25.35	3,504
1984	55	642	56,075	27,147	16,034	8,135	24.98	3,497
1985	55	621	53,767	25,250	14,860	7,463	23.93	3,618
1986	52	485	41,582	20,120	11,189	6,328	23.07	3,716
1987	48	401	35,270	14,984	8,353	4,398	20.83	4,222
1988	47	278	27,140	10,370	5,138	2,797	18.48	5,282
1989	39	223	21,931	8,536	3,945	2,193	17.69	5,559
1990	35	187	21, 983	5,956	3,272	2,684	17.49	6,718

Notes: 1. Data from two ocean-going Shipowners' groups - The Shipowners Labour Relations Agency (Major and Minor).

Source: *Present State of Japanese Shipping*, Japanese Shipowners' Association.

Unit: Person

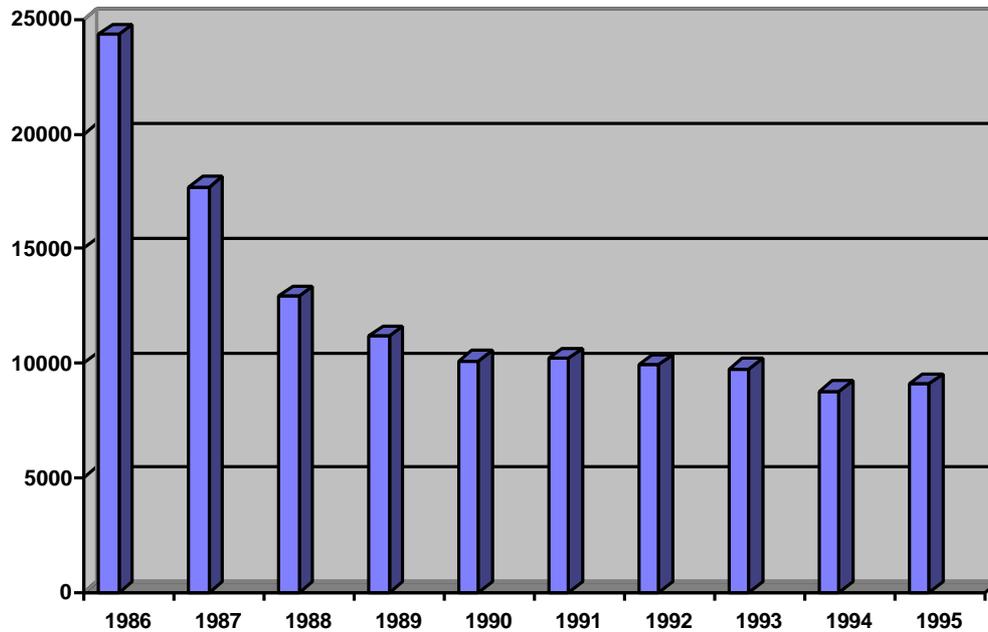


Fig. 4.5 Number of Japanese Ocean-going Seamen (1986 - 1995)

Source: Japan Ministry of Transport

Scandinavia

The situation in Scandinavia is no exception. There has been a downward trend in the employment of Scandinavian crew due to the high costs involved. The relaxed manning regulations introduction through international registers in Denmark and Norway have paved the way for more foreigners, especially Filipinos to work on Danish and Norwegian ships. Companies in these countries invest huge sums of money to train these foreign crews to acceptable standards and therefore ensure that they are retained in the company.

Table 4.4 Demand Patterns of Danish Shipowners (1988-1998)

Development of Danish Shipboard Jobs				
	Danish	Non-Danish	Total	%
1988	7200	750	7950	9%
1989	8500	1500	10000	15%
1990	9800	1700	11500	15%
1991	10500	2000	12500	16%
1992	10800	1950	12750	15%
1993	10300	2100	12400	17%
1994	10100	2200	12300	18%
1995	9600	2500	12100	21%
1996	9050	2700	11750	23%
1997	11400	2800	14200	20%
1998	10800	3100	13900	22%

Source: Danish Maritime Authority, 1999

The above table shows that more and more non-Danish crews are being employed on Danish Vessels since 1988. There is a more than twice increase in percentage terms whilst the number has almost quadrupled.

4.4 Supply of International Crew

The decline in numbers of European seafarers has been to the benefit of several developing countries, particularly those in Asia. The opportunities these developments provide are tremendous. In manning literature today one comes across expressions like 'labour supply countries' which clearly indicate that the business of training expatriate seafarers has come to stay. One country that has gained international recognition for the large number of seafarers working on foreign ships is

the Philippines. Others are China and India, and more recently certain Eastern European countries such as Poland, Yugoslavia, Bulgaria and countries in the former Soviet Union. All these countries have certain advantages, the most important being costs and numbers.

4.4.1 Eastern European Crew

These new sources of labour supply are countries with a strong maritime history linked to the Black Sea. Wage costs of seafarers from this region are so competitive that they can under-cut those of the established Far East labour supplying countries.

Bulgaria: Precise figures on the numbers, ranks and ratings of seafarers available for employment are not available, but there is an indication that several hundred officers and ratings are currently employed on foreign vessels. Bulgaria has an advantage of having a highly regarded merchant marine training college.

Poland: Poland has a relatively large shipping industry and good training facilities. Since the 1980s the government has exploited the growing demand for well-trained, cost effective maritime labour for open registry fleets. There are over 10,000 Polish seafarers working on foreign ships in addition to the several hundreds employed on domestic fleets. Polish crews are generally competent and reliable.

4.4.2 Far Eastern Crew

This region has, by far, been a source of very competitive labour and several industries have tapped its rich human resources since the 1950s. Although most Asian crew are not highly trained, they are generally hard working and dependable. This attitude towards work has undoubtedly earned them enough security even in a profession that guarantees no security. Most developed countries are turning more and more to this source as the supply of domestic officers decline. Certain shipping companies in these countries are now committed to raising the standards of competence of Asians on board their vessels to take care of the recent skill shortages.

The Philippines: Seen internationally as a major labour market. The name is almost synonymous with seafaring. It is believed that the practice of supplying seafarers to other nations go as far back as the sixteenth century, especially on Spanish ships. As a leading supplier of maritime labour, the Philippines has long standing agreements with ship owners associations in several countries prominent among them being a collective bargaining agreement between the Norwegian Shipping and Offshore Federation and the Danish Ship owners' Association on their international registers.

It is estimated that there are over 200,000 Filipino seafarers employed on vessels from all over the world, with a growing rate of over 25% every year. The high demand on Filipino seafarers has led to skill shortage and as a consequence many inexperienced officers and ratings are offering themselves for employment. Most training facilities are not up to international standards hence are not recognised by the IMO.

Foreign employment is, however, given such priority that there is an Overseas Employment Administration overseeing the employment of Filipino seafarers on foreign ships.

Bangladesh: In spite of the fact that Bangladesh, as a nation, came into being only 28 years ago, the tradition of supplying seafarers, mainly to British flags have been in place for many years. Before 1971 most Bangladeshi ratings secured foreign employment through the Seamen's Employment Office in Calcutta.

Today, there are over 11,000 Bangladesh registered seafarers of which about 10% are officers. Almost 50% of the remaining ratings are available for employment.

Burma (now Myanmar): Myanmar has a post independence maritime experience with a steady growing fleet of coastal and foreign-going vessels. Crews from this country serve on many foreign flags including Liberia, Panama, Cyprus, Singapore and Greece.

There are currently over 20,000 registered seafarers out of which about 9,800 are officers and about 50% serve on foreign flags.

China: China, with its large population of over one billion has of late emerged as a potential source of maritime personnel. Although the China's entry into the field of crew supply to foreign ships is barely over a decade old there is a ready market for Chinese seafarers in Japan and Hong Kong. Today, several Japanese ship owners systematically train and employ large numbers of Chinese crew.

Seafarers from China have a major limitation with English and so reduce their international competitiveness. Most owners, however, fell comfortable with their integrity and are increasingly using them. Training of Chinese seafarers have been relatively low and almost all the over 30,000 seafarers who have served on foreign vessels are ratings.

Korea: Has been a major supplier of maritime labour for the past 40 years. This status has however changed in recent years because the cost of Korean seafarers is not as competitive as the other far eastern sources.

Seafarers from Korea have a high level of training and serve on all types of vessels including specialised vessels. In spite of the declining prominence of Korean seafarers there are about 35,000 Korean officers and ratings working on both foreign and national flag vessels.

Indonesia: Although the largest archipelago in the world with a large population, Indonesia has not really been recognised as a supplier of maritime labour until recently. There has been growing interest in Indonesia as a potential source of maritime labour but it is still doubtful whether there would be sufficient desire and training to give Indonesia a place among suppliers of maritime labour.

India: Seafaring in India is over two hundred years old and since 1900 Indian seafarers have always had a place as ratings on British ships. Over 100,000 Indians

have been employed in the British Merchant Navy alone. This relationship afforded Indian seafarers training opportunities which most of their other Asian counterparts did not have. The recent shortage of British officers and the expansion of the Norwegian and Danish International Registers has led to a substantial demand for Indian officers in Europe.

A large number of Indian seafarers come from Calcutta in the east and Bombay on the west coast and have the advantage of high education and a proficiency in English language. Recent shortages in India have, however, led to a restriction on the employment of Indians on foreign ships.

Table 4. 5 Comparison of Labour Costs

	Average Basic Wage In US\$						
	Master	Ch. Officer	Ch. Engineer	2nd.Eng.	Bosun	AB/Motorman	OS/Cleaner
Poland							
Bulgaria	3,085	1,980	2,770	1,980		826	616
Bangladesh	TK					*4482	*4119
Burma (Myanmar)	1,900	1,300	1,900	1,300	450	350	220
China	–	–	–	–	400	340	280
Korea							
Philippines	1,600	1,200	1,300	1,200	330	286	230
India	2,610	2,010	2,570	2,010	*2400	*2200	*2100
Indonesia	2,200	1,870	2,035	1,760	436	294	264
Ghana	2,450	1,950	2,350	1,950	400	350	270

Source: ISF, 1990

It can be observed that though there is enough supply of seafarers from Africa, the number employed on foreign ships is negligible. Latin American crews may have access to Spanish and United States' ships, but most African seafarers, though well trained, have no specific ready market. This situation calls for support from governments of states with a substantial number of seafarers to put in the necessary infrastructure to facilitate their employment.

CHAPTER 5

GHANAIAN SEAFARERS ON THE INTERNATIONAL MARKET: NATIONAL SUPPORT

The boys love to sail and the lack of employment opportunities here will not deter them. They will do anything to gain employment on all kinds of vessels, and you cannot stop them. This situation creates lots of problems and exposes them to several dangers. What is needed is a safe environment in which they can be engaged and discharged properly.

Executive Secretary-GSEWB

In as much as Ghanaian seafarers have been able to find their way around on the international maritime labour market, there is no guarantee of a lasting survival of this practice in the absence of the kind of governmental support crew from other countries have received. The lack of shipboard training and orderly recruitment, and the absence promotional measures are elements which will certainly lead to the dwindling of the seafaring profession in the country. An appreciation of this situation must prompt all involved - seafarers, policy makers, trainers and manning agents - to take a positive step towards the revival of the profession.

The opening statement aptly sums up the situation of the Ghanaian seafarer. A careful look at the market situation and an evaluation of the strengths and weaknesses of the Ghanaian seafarer will be a basis for determining the need of any meaningful government intervention to ensure their survival in an internationally competitive environment. As every effort at working on such weaknesses would also involve improvements in their academic and professional training, investment in equipment, market evaluation and promotion, the costs involved could be enormous.

How attractive would the Ghanaian seafarer be to ship owners as compared to the other available sources and what are the costs and benefits implications associated with such projects? Problems associated with mixed manning, especially on foreign vessels, such as discrimination, abuses, unreported deaths and abandoning of seafarers are must be examined to underline the importance of governmental involvement.

5.1 Ghanaian Seafarers on the International Market

Ghanaian seafarers have for years, even before the collapse of Black Star Line, sought employment on foreign vessels. In the first place the company was the only one with foreign-going vessels and could employ only a small percentage of seafarers available. Its presence, nevertheless, facilitated the shipboard aspects of their training and made it possible for them to get jobs overseas. Added to this has been the Ghanaian spirit of independence and adventure, which happens to be more pronounced in seafarers.

This explains why in the absence government involvement, seafarers have, on their own, dared to go out and taken the responsibility for their own employment. Most seafarers who have been in foreign employment, when interviewed, indicate that they prefer not to have any governmental involvement. This is probably because governments are associated with bureaucracy and taxation with which the average seafarer would not want to have anything to do.

5.1.1 Shipboard Training

In accordance with the provisions of the Revised STCW Convention, the professional component of the training of seafarers is as important as the pre-sea training without which the pre-sea cadet is never regarded as a qualified seafarer. One thing most Ghanaian seafarers do not seem to realise is that even though the Regional Academy has been providing adequate pre-sea training, there is a lack of resources for the

development of their skill and competence which can only be gained through experience in regular employment. As such, the absence of ship board training for pre-sea cadets limits their opportunities to gain employment outside the country. This situation poses a danger of decreasing experience and skill in the Ghanaian maritime industry.

There are currently two main shipping companies that offer pre-sea cadets in Ghana any meaningful opportunity for training on board. These are OT Africa Lines and Torm Lines (a Norwegian company that trades between West Africa and the east coast of America). These two companies employ about 90% and 50% respectively of their crew from Ghana. OT Africa whose crew are mainly Ghanaian attaches much importance to the training of cadets and trains an average of about 40 cadets each year.

The Norwegian company, Torm Lines however, has for many years retained its Norwegian and Filipino officers who form about 50% of the crew. The rest are engaged in Ghana. Since this company employs mainly ratings, much importance is not attached to the training of cadets unless they are entreated to do so. This is not so much in their business interest unless the company is made to see the competence of these seafarers and their potential as a substitute for the Filipinos. Apart from these two companies one does not see much effort being put into encouraging other lines that call regularly at the ports to be committed to train and employ some of their crew from Ghana.

5.1.2 Strengths and Weaknesses of Ghanaian Crew (SWOT Analysis)

A study on making Ghanaian seafarers available to the international shipping community would be incomplete without a closer look at the areas of strengths and weaknesses inherent in them and also assessing the opportunities and threats they have to face out there. The objective here is not to prove that the Ghanaian

seafarer is by any means better than their counterparts from other countries, but to assess the viability of the whole proposal.

Strengths

- High level of academic and professional training in accordance with STCW '95 requirements
- Proficient in English Language
- Hard working and confident
- Experienced in foreign employment
- Mix well with other nationals on board
- Backing of most international conventions on manning.

Weaknesses

- Most lack experience on specialised vessels
- Have no governmental support.

Opportunities

- Ready markets in the Middle East, and some Far Eastern countries such as Hong Kong, Singapore and Malaysia.
- Sought after by most previous employers.

Threats

- Overwhelmed by large numbers from Asia
- Sometimes discriminated against on the grounds of religion.

5.1.3 Availability of Ghanaian Seafarers

There are currently about 22,000 Ghanaian seafarers out of which approximately 14%, about 3,250, are officers of all categories. Pre-sea cadets who are about 0.8% of the total are not included because they are not ready for employment. Of the total

number of officers 1,117 (34%) are employed and the rest are available for employment (GMNOA).

Though there are no accurate figures for the employment of trained ratings who make up 85.2% of the total number of seafarers registered in Ghana, a similar percentage as the officers are employed on ocean-going vessels. Most of the remaining either resort to employment on fishing vessels registered locally or in neighbouring countries. In all, there is currently about 66% of Ghanaian seafarers who are without employment though they are well trained and available.

5.1.4 Market Access

Under normal market conditions, seafarers are supposed to be recruited from homeports and discharged at back there, or repatriated if discharge takes place in a foreign port. This has not been so with many seafarers from Ghana. This is because any such arrangement would limit the opportunities they otherwise would have had. Seafarers who are bent on working on foreign vessels have to travel outside on their own, but the difficulty here is that most cannot afford the cost of air travel.

Yet, for those who are able to secure foreign contacts there is not much difficulty to gain access to employment opportunities generally available to seafarers. In 1990 it was reported that the main markets for Ghanaian seafarers were Iran - 500, Hong Kong and Singapore - 2,500 and a negligible number in Ethiopia, Malaysia, Namibia and South Africa. This market has expanded over the years and the number of seafarers working outside has been rising steadily, although current statistical data is not available (Ghana Merchant Navy Officers Association).

Over the past few years, agents of several Malaysian shipping companies have sought to establish links with local manning agents to ensure a steady supply of Ghanaian seafarers to man their vessels. An arrangement like this ensures that seafarers travel expenses are borne by the company. This effort has been success

to a certain extent but the absence of regulation on the activities of manning agents makes it difficult to monitor progress made in this respect.

At the beginning of national shipping, recruitment and engagement of seafarers in Ghana, whether to serve on national or foreign vessels was done through the Ghana Seamen's Employment and Welfare Board (GSEWB) and the Shipping Master's Office. Both under the Ministry of Transport, these bodies were responsible for promoting and protecting the interests of seafarers both at home and abroad.

It was the responsibility of the GSEWB to register all seafarers and maintain a roster for the allocation of vessels. Manning agents were also required to register with the Board and obtain an operating licence from the Ministry through the Board. One major condition manning agents were required to fulfil was to lodge a copy of agreement between him and the principal with the Ministry to ensure that principals agree to bear all expenses incurred in processing applications, travel and medical expenses of seafarers. The recruitment of officers, however, did not require such procedures but was co-ordinated through the (GMNOA).

5.1.5 Market Share

Statistical information on the number of seafarers working on foreign ships has not been updated due to the absence of registration procedures. Thus any attempt at evaluating this situation would not yield any accurate results. Nevertheless, it is obvious that in spite of the extensive opportunities available for foreign employment, the position of Ghanaian seafarers remain negligible. It is easy to note the hundreds of Asian seafarers who have captured the markets, both in their home region and in Europe, beside whom the number of Ghanaians is nothing to write home about.

In spite of these setbacks, it is easy to observe that almost all Ghanaian seafarers who have the means to venture out are not denied employment. This has been due to the established confidence most companies have developed over the years in the competence and commitment of Ghanaian seafarers. The fact that most Ghanaian

seafarers are well trained and confident is something that always distinguishes them from their counterparts

5.1.6 A comparative study with the Philippines in terms of size, qualification, certification, and legislation.

The purpose of this study, as pointed out earlier, is not to prove that Ghanaian seafarers could take the place of Filipinos. The objective is to compare the strengths of the Ghanaian seafarer with those of the Filipinos and find out what advantages might have paved the way for the Filipinos. Lessons drawn would enable policy makers to determine what areas need to be strengthened to expand the share of Ghanaians on the international market. It would also help in pinpointing niches Ghanaian seafarers could possibly fill.

The Philippines has a rich maritime tradition and has since the sixteenth century manned Spanish vessels carrying gold and spices from Manila to Acapulco. This unrivalled tradition has been the root of Filipino seafarers' proven confidence and experience. Such a tradition is not available to the Ghanaian seafarer. Real maritime experience, like the Filipinos, came through contact with the colonial masters but about two centuries behind the Philippines. Ghanaian seafarers, however, benefited from the British training and certification which has become the basis of the educational system in Ghana. Most officers in the old age brackets have sailed on British Certificates.

Another area of comparative advantage of the Filipino seafarer is their numbers. This has proven to be a sustainable source and most European ship owners are not afraid to invest in training facilities. As a leading supplier of maritime labour today there are about hundreds of thousands of Filipino seafarers all over the world. The ratio of the Ghanaian seafarer to the Filipino is about 1:10. This is a cause for uncertainty for any ship owner who would want the assurance that his vessels would have a consistent supply of labour.

An important advantage of the Philippines has been the presence of a systematic governmental support through the Philippine Overseas Employment Administration (POEA). This body under the Department of Labour and Employment do a good job at promoting and protecting seafarers interests both at home and abroad. Employment, training and certification are so co-ordinated with foreign shipowners' interests in mind. Cost of training is even spread government, manning agent and seafarer. Such favourable conditions are only matched by recent developments in the People's Republic of China.

These have resulted in employers showing a high degree of commitment in the shipboard training of their crew together with employment security. Regardless of the large number of maritime institutions in the Philippines only a few were initially awarded the IMO approval for training.

5.2 International Conventions Regarding Seafarers Training and Employment

The international employment of Ghanaian seafarers require that, among other things, immediate steps are taken to update international conventions regarding their training and employment. Ghana has for many years been very active in the implementation of maritime conventions including those on seafarers' issues.

5.2.1 Conventions Currently in Force in Ghana

International Maritime Organisation

1. International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, as amended in 1995 (STCW Convention). Ghana has ratified this convention and ensures that training and certification of Ghanaian seafarers are in conformity to the specified provisions. National certificates issued are therefore acceptable internationally.
2. Seafarers Training, Certification and Watchkeeping Code (STCW Code) is also in force in Ghana. This code clarifies mandatory provisions regarding

the minimum standards required to give full and complete effect to the provisions of the STCW Convention. It also outlines recommended guidance for the uniform implementation of the convention.

3. International Safety Management Code

The revised convention covers a wide range of other issues including:

- Seafarers' hours of work and rest periods;
- Improved basic training for seafarers;
- Mandatory radar and ARPA simulator training;
- Safe and efficient bridge procedures;
- Safety awareness and emergency training;
- Standards for personnel responsible for repair and maintenance of on-board electrical installations.

International Labour Organisation

The following maritime labour conventions are in force in Ghana:

- i. C16 Medical Examination of Young Persons (Sea), 1921
- ii. C22 Seamen's Articles of Agreement, 1926
- iii. C23 Repatriation of Seamen, 1926
- iv. C53 officers' competency Certificates, 1936
- v. C58 Minimum Age (Sea) (Revised), 1936
- vi. C69 Certification of Ships' Cooks, 1946
- vii. C74 Certification of Able Seamen, 1946
- viii. C92 Accommodation of Crews (revised), 1949
- ix. C108 Seafarers' identity Documents, 1958

In addition to the above, Ghana has ratified other general labour conventions that apply to all workers including seafarers.

5.2.2 Current Conventions

Notwithstanding the large number of labour conventions already in force in Ghana, it is clear that most current conventions of the ILO have not been ratified. It is worth noting that several changes have taken place in the maritime industry and as such seafarers conditions have also changed. The revised maritime labour conventions, therefore, reflect the current international standards under which seafarers are to be employed.

These underscore the need for government and policy makers to keep abreast with developments regarding all maritime issues, including labour. Maritime sessions of the ILO at which maritime labour issues are discussed usually takes place once in every 10 years. The last (84th Maritime) session was held in October 1996 at which several maritime conventions were revised. These, which will come into force in the year 2000, include:

- i. C178 Labour Inspection (Seafarers) Convention, 1996
- ii. C179 Recruitment and Placement of Seafarers Convention, 1996
- iii. C180 Seafarers' Hours of work and the Manning of Ships Convention, 1996

Other conventions and recommendations that need to be ratified together with the above are:

- i. C111 Discrimination (Employment and Occupation) Convention, 1958
- ii. C145 Continuity of Employment (Seafarers) Convention and Recommendation, 1976
- iii. C166 Repatriation of Seafarers Convention (Revised), 1987
- iv. R107 Seafarers' Engagement (Foreign vessels) Recommendation, 1958
- v. R139 Employment of Seafarers (Technical Developments) Recommendations, 1970

5.3 National Legislation

Due to the international nature of the shipping industry, most national shipping legislation are built into the framework of international conventions. These legislation, however, are adapted to suit the national situation.

5.3.1 Legislation on Seafarers' Training

The scope of legislation in this regard must cover entry requirements, provisions on cost of training and certification, and the roles of various bodies in the training, examination and certification of seafarers. Although there are some regulations already in place, they need to be properly implemented to meet provisions of the Revised STCW Convention. Legislation reflecting the following impact of the various bodies under Regulation 1/9 of the convention must be made:

Impact on Administrations

- New record system for the issue and endorsement of certificates. This system must ensure prompt and easy provision of information requested by other parties to the convention.
- Revision of education and training curriculum to incorporate simulator training and competency based training.
- Administrations must be enabled to approve education and training programmes as well as simulators' performance standards.
- Mechanisms for monitoring performance standards and for reporting to the IMO.

Impact on the Regional Maritime Academy

- Specification of mandatory minimum safety training for all seafarers and redevelopment of curricula where required.
- Making of detailed syllabus.

- Monitoring of quality assurance system together with processes and procedures by other parties.
- Qualification of instructors and assessors.
- Sea-service requirements for candidates for certification.

Impact on Manning Agents (as Representatives of Shipping Companies)

- Make crew documents accessible.
- Orientation and familiarisation with ships and duties.

5.3.2 Registration of Seafarers

The need for adequate legislation, requiring and making easy the registration of Ghanaian seafarers cannot be overemphasised. This will ensure that decision makers have adequate information on seafarers and their movements. Such information will help in the planning, marketing and promotion to organisations of ship owners and ship management companies who may require their services. It will also serve as a tool for any bilateral or regional efforts on their employment.

Registration of Ghanaian seafarers can be achieved through records of certification or issuing of discharge books. The body to be responsible for this will be discussed below.

5.3.3 Registration and Licensing of Manning Agencies

Under existing laws on maritime labour, manning agencies in Ghana are required to obtain permission from the Ministry of Mobilisation and Social Welfare, now Employment and Social Welfare. Applications to operate are channelled through the GSEWB, which operates under the Ministry of Transport and Communications, now Roads and Transport.

Several things have changed since these laws were made, and it is important that they are reviewed to ensure that they meet the employment needs of Ghanaian

seafarers today. Regulations regarding their recruitment procedures and seafarers' pre-departure orientation must be put in place.

5.3.4 Seafarers' Unions and Associations

For many years Ghanaian seafarers have benefited from unions under the umbrella of the Trade Union Congress (TUC) in Ghana. However, there has been a tradition of association among the seafaring community in Ghana that separates ratings from officers. This system has hindered the promotion of ratings interests and welfare as their union is not strong enough to handle the challenges of the changing environment in which they work. The two seafarers organisations recognised by the TUC are the National Union of Ghanaian Seamen (NUGS) which is the union of ratings, and the Ghana Merchant Navy Officers Association which represent ship officers.

Both bodies are well organised and do not require any extensive regulation. It is, however, important that their activities are linked with all other bodies responsible for maritime labour issues for easy co-ordination and facilitation of information flow.

5.3.5 The International Transport Workers' Federation (ITF) and Maritime Labour Issues

The ITF plays a very crucial role in promoting the interests of transport workers world-wide. In the maritime sector the ITF has led several campaigns towards the improvement of seafarers working conditions. The federation today is the most powerful voice for seafarers and represents their interests at all international forum. It is ironic to note that the ITF supports seafarers over issues with their own governments. In June this year, the federation put pressure on the government of the Philippines to stop blacklisting seafarers who had taken action against their employers for wages due or better living conditions.

Efforts by the ITF to raise seafarers' working conditions have been driven home by its recent unrelenting campaign against Flags of Convenience vessels. Its campaign

vessel, *Global Mariner* clearly demonstrates how conditions on board should be. With 10 offices evenly spread across the globe there is no doubt as to the resources at its disposal to deal with seafarers' issues all over the world.

Membership of the federation is made up of transport workers' unions all over the world. It does not accept individual membership. It is important that provisions are made in maritime labour legislation to enable unions of seafarers in Ghana to gain membership to this body so that Ghanaian seafarers can benefit from their activities.

5.4 Employment Co-ordinating structures

This aspect of reviewing the administration of seafarers issues is the single most important of all issues raised in this chapter. The study of this aspect of seafarers employment is based on models from two major maritime countries, Japan and the Philippines.

5.4.1 The Philippines

It is an obvious fact that the success of the Filipino crew on the international maritime labour market stems from the presence of the Philippines Overseas Employment Administration (POEA). In the Philippines this body, established under the Ministry of Employment is responsible for the following:

1. General regulation of the recruitment and engagement of Filipino seafarers;
2. Promoting the use of Filipino Maritime Labour;
3. Protecting the interests of seafarers both at home and abroad.

Functions include of the administration include:

1. Registration of seafarers seeking employment and issuing of registration cards, renewable at three yearly intervals;
2. Licensing of manning agents who recruit and supply seafarers to both national and foreign flag vessels. Licenses are renewable bi-annually provided agent meets all requirements.

3. Collection of licensing fees and cash for bonding agents for the two year period.
4. Regulating procedures for recruitment; and
5. Ensuring that seafarers receive adequate pre-departure orientation.

5.4.2 Seafarers Administration in Japan

The administration of seafarers' affairs in Japan is the responsibility of the Seafarers Bureau, which is integrated with the Ship Bureau under the Maritime Technology and Safety Bureau. The responsibilities of the administration include:

1. Regulating seamen's working conditions;
2. Ensuring maritime labour safety;
3. Planning for education, training and certification of Japanese seafarers;
4. Ensuring employment security of seafarers;
5. Promoting health and welfare issues.

The functions of the Bureau include:

1. Labour conditions relations.
2. Making laws regarding seafarers minimum wages and general working conditions.
3. Occasional review of labour agreements.
4. Promoting labour safety.
5. Overseeing the training needs of Japanese seafarers.
6. Conducting Examination and certification of seafarers.

5.4.3 Reviewing Employment Co-ordinating Structures in Ghana

The success of Ghanaian seafarers on the international scene, in addition to adequate legislation, will depend on the presence of efficient structures capable of ensuring that avenues for employment are open. Such structures will also boost the confidence of employers who would want to be assured that there is enough backing for the supply of seafarers.

To the seafarers such structures will assure them of their safety and security and would be a means of settling disputes arising from wages and other employment conditions. It will also be an effective machinery for monitoring the movements of seafarers and calling manning agents and ship owners who connive in perpetrating malpractices against seafarers to book.

These co-ordinating structures which under the new maritime administration should be a section of the General Maritime Administration under the Registrar of Ships and Seamen must have sections that deal with domestic as well as foreign issues.

Functions of the seafarers' administration will include:

1. Co-ordinating information on seafarers, manning agents and ship owners.
2. General regulation of seafarers employment.
3. Registration and licensing of manning agents.
4. Bilateral and regional co-operation on seafarers issues.
5. Safety of seafarers employment.

Other important functions of seafarers' administration in Ghana should include the promotion of seafarers' employment. The administration must make use of the resources of manning agents who have employment connections with foreign shipowners abroad.

CHAPTER 6

SUPPLY OF MARITIME LABOUR: PROSPECTS AND CONSTRAINTS

Looking at the Far Eastern countries that have succeeded in supplying maritime labour for many years, the benefits of their efforts are there for all to see. China, today, is undergoing major developments in training infrastructure through assistance from Japanese shipowners. This would not have been possible without the recognition as the main supplier of crews for Japanese vessels. These benefits, however, do not exclude risks and dangers that are inherent in the seafaring profession. Any attempt at supplying seafarers abroad must seek to overcome such risks.

6.1 Constraints of International Crewing

There are several obstacles to the smooth supply of Ghanaian crew that have to be assessed and cleared. These constraints may be internal or external and overcoming them are crucial to the success of the project. **Internal constraints** are problems that are wholly Ghanaian and have nothing to do with the international shipping community. These include work culture of Ghanaian seafarers, government bureaucracy and training limitations.

Such problems have to be overcome to ensure that the working habits of Ghanaian seafarers are acceptable to their employees and the communities in which they are employed. Like the Filipino crews, Ghanaian seafarers need to be given pre-departure orientation seminars to enlighten them on the expectations of their

employers, relationships with crew from other cultures and their general conduct on board. They also have to be informed about the general developments in the maritime industry and the impact of their conduct on all other Ghanaian seafarers.

Official bureaucracy is another major constraint to efforts at intervening in the supply of maritime labour. This arises when there is a lack of information about the benefits about the whole process of seafarers' employment abroad, ignorance of current trends in the industry and sheer apathy. Such challenges have to be overcome through direct communication and other information mechanisms to enlighten policy makers about such issues.

In addition to these, there exist other **external challenges** to the success of the project. These include attitudes of employers and colleagues. It is not uncommon to see seafarers discriminated against by their employers or would be employers on the grounds of race or religion. It is reported, though without verification, that certain Malaysian companies who had been employing Ghanaians for several years replaced them with Nigerian crews due to the number of Moslem Malaysian crew members. In order not to expose seafarers to such challenges, manning agents must supply the administration with information about company policies of would be employers and how these relate to religion and race.

6.1.2 Risks in Seafaring

The issue of distressed seafarers has gained prominence among several international bodies and government agencies, unfortunately most ship owners, due to their own distressed situations simply ignore it.

6.1.2.1 Abandoned Seafarers

At the last maritime session of the ILO the issue of distress occasioned by abandonment was discussed extensively. It was pointed out that thousands of seafarers are abandoned in ports far from their native countries every year.

Between July 1995 and June 1996 the ITF came across 65 different cases of abandonment involving many hundreds of individual seafarers. Most cases of abandoned seafarers are occasioned by accidents such as shipwreck, grounding or sinking. Other circumstances are when ships are placed under legal arrest due to certain financial claims brought against it. Very often, ship owners ignore their responsibilities towards the crew who often remain unpaid for long periods.

The burden of the upkeep of abandoned seafarers usually falls on local port authorities, and in ports where there is no provision for such situations they are left to their own devices for survival. The case of the Angolan cargo ship Kifangondo, which has been abandoned in the port of LE Havre since 1994. This is one of the several cases that happen every month. It is reported that the last three of the crew left for home in July this year with the help of the French authorities. Their tickets were paid for by local collection whilst their salary arrears of US\$ 73,000 was paid by the government.

6.1.2.2 Deaths and Injuries

Seafarers, due to the nature of their profession are prone to several job related risks which could result from accidents on board or over board, and piracy attacks. These risks are even higher among officers who serve on foreign flagged ships. A study by the National Union of Marine Aviation and Shipping Transport Officers (NUMAST) reveals that officers serving on foreign flags are almost twice as likely to suffer a work related death than those on national flags (NUMAST, 1998, vol. 31 no.6).

Often manning agents connive with shipowners on the reporting of such cases and most of them go unreported. In situations where governments of crews' home countries have no records on their employment there is no way of dealing with them. This underscores the need for careful regulation that makes manning agents responsible to the government for the crew they recruit for shipowners whether at home or abroad.

6.1.3 Financial Constraints

As mentioned in the preceding chapter, efforts at improving the academic and professional training of Ghanaian seafarers would include reviewing the training and certification system, providing training equipment such as simulators and expanding other training facilities. Other areas of investment would be in promotion and marketing and the establishment of co-ordinating structures. These costs as compared to capital costs in investing in actual shipping may together be much lower, government funds provided under budget allocation may not be enough to cover all cost components. As will be discussed later, most maritime labour supply countries receive extensive support from shipowners Associations who employ them. Government should handle domestic expenditure and seek support for foreign expenditures. Such assistance must be sought to cover the investments discussed below.

6.1.3.1 Investment in Training

Even though the current capacity of training facilities at the RMA are not fully utilised, producing skilled seafarers would require acquisition of modern training equipment such as training simulators, training ships and proper arrangements for shipboard training. This investment will include

- Cost of training simulators,
- Cost of training ship and
- Cost of shipboard training.

Cash from national funds need not finance these as they involve foreign spending.

6.1.3.2 Investment in Employment Promotion and Marketing

As has been discussed in chapter 4 of this study, the widespread geographical nature of the labour market prevents effective market clearing. Due to this, no amount of

investment in training would be enough if it is not backed by aggressive market promotion. Establishing structures for promoting seafarers' employment both at home and abroad would require some investments, but as these would be part of the administration in Ghana, costs can be budgeted for within government's domestic spending.

The marketing aspect however would involve much more. Locally marketing could be done effectively by the administration using the Shipowners' and Agents' Association in Ghana as a link between the administration and foreign Shipowners. Investment in external marketing would involve market research and product promotion to shipowners especially in high wage countries.

The Ministry of Roads and Transport must initiate further studies to assess the feasibility of the project, market situation, and product orientation to meet demands of employers. Such studies can be financed through the Technical Committee of the IMO and of the donors.

6.2 Benefits of International Crewing

The foreign employment of Ghanaian seafarers, undoubtedly, has several benefits, some of which are quantifiable. First to the individual seafarers, it serves as a source of employment opportunities and means of earning income to improve their living standards. The most important benefits, however, would be to the state. It would be an opportunity for employment generation at a lower cost and an avenue for foreign exchange earnings. Other qualitative benefits would be the retention of maritime skills.

6.2.1 Employment and Added Value

There are currently about 22,000 trained Ghanaian seafarers, out of which about 5,000 have regular employment of foreign ships. About 50% of the rest have an on and off employment and have to be on waiting lists of manning agents for months and

sometimes years for their turn. The rest have either given up any hope of going to sea or have sought employment on locally registered fishing vessels. It must be pointed out that most of these seafarers are highly trained and have invested huge sums for their academic and professional training.

A government backed systematic foreign employment programme would therefore ensure that such resources are not wasted. Young school leavers would be given the option of seafaring when considering career options. All these could be achieved at a lower cost than a direct investment in tonnage to provide employment. The creation of administrative and employment co-ordinating structures will also expand the scope of the activities of the maritime administration and provide more job opportunities.

6.2.2 Foreign Exchange Earnings

The overall impact of foreign employment cannot be directly assessed but rough estimates could be made based on the number of Ghanaian seafarers available and their earning capacity. If it could be assumed that all seafarers available for employment are given placements on foreign ships their earnings together become a basis for calculating the general impact on national wealth.

6.2.3 Retention of Maritime Skills.

The training of seafarers has been one of the legacies of national shipping in the maritime industry in Ghana. The RMA, as pointed out in the preceding chapters, is an invaluable asset in the training of seafarers in the sub-region. If seafaring and the training of seafarers is to continue in Ghana, there should be a constant source of skilled deck officers and engineers. This would serve as a store of maritime expertise to be employed in the continued training of seafarers.

Ex -seafarers play a very important role in the training, examination and certification of seafarers. They are employed at the RMA as lecturers in the nautical and engineering departments of the Academy. Others who have acquired masters

degrees in various areas of maritime transport are appointed as lecturers at the department of Maritime Transport which offer postgraduate courses. Others are employed as surveyors, examiners and inspectors of ships and play a very important role in day to day maritime safety administration in Ghana.

The importance of retaining maritime expertise for the continuity of the ashore activities can therefore, not be overemphasised. The only imaginable way is to keep the seafaring profession vibrant and ensure that the interest in seafaring is sustained through reliable avenues of employment.

CHAPTER 7

CONCLUSION AND RECOMMENDATIONS

7.1 Conclusion

Looking at the international labour supply scenario today, the conclusion that could be drawn is that in spite of the increasing opportunities for crews from developing countries, the number of African seafarers on the international shipping scene remains negligible. The demise of shipping lines in Africa, particularly in the West and Central sub-region, has left scores of seafarers who were trained to man these lines without employment. Although policy makers in most of these countries are aware of this situation, very little effort has been put in improving employment opportunities for the affected seafarers.

In the maritime industry today, things do not just happen. Success and achievements are the result of deliberate decisions and strategies. Those who have been able to rise up above average are those who have studied market trends and taken advantage of them. Some had natural advantages, such as the Philippines, in terms of its population, but others had to start with nothing, but a vision. If Ghana is to benefit from the opportunities that globalisation offers, especially those offered in the area of maritime transport, it is not just going happen. It will depend on the willingness of decision-makers to take responsibility to see to it that the necessary measures are taken.

Unlike most of these countries which lack adequate training facilities, Ghana has over 30 years had at its disposal a good training facility and has been the centre of training for seafarers from neighbouring countries. The statement of the General Secretary of

the Sierra Leone National Seamen's Union, Mr. Parker Kamara emphasises this point. To the question why there are relatively so few jobs for African seafarers, his answer is the lack of a maritime infrastructure.

In general in West Africa there is no effective legislation covering ship's crews, few training facilities and only private crewing agencies. All this leaves seafarers at the mercy of flag of convenience operators, so seafarers are forced to accept inferior conditions (ITF News, July-August, 1998).

He points out that what the ITF can do to help is to provide assistance to meet their training needs since most Sierra Leonians have to go to Ghana to receive STCW (Standards in Training, Certification and Watchkeeping) training.

As would be expected, Ghanaian seafarers are trained in accordance with provisions of the IMO's STCW '95 Convention and have a ready market all over the world. An ISF study (ISF, 1990) observes that Ghanaian seamen are hardworking, with a good sense of humour and a cheerful disposition. Ghanaian seafarers may not be known on the international scene as a major labour source, but those who have had an opportunity to work with them admire them. This is an advantage which must not be allowed to go unexplored.

7.2 The Need for Technical Support

As has been observed throughout this study, the growth of the Philippines as a major source of seafarers has been sustained by investments from their employers' countries, especially from Norway and Denmark. These shipowners, usually through their associations have established institutions for seafarers, not only for training in general seamanship, but also in the handling of specialist ships and, ship repair and maintenance and the making of certain engine parts.

Under the Norwegian Maritime Foundation of the Philippines, The Norwegian Training Centre in Manila (NTC-M) has trained over 10,600 students in various areas of shipping including maintenance and full operation of live equipment(BIMCO, 1997). There exists a similar arrangement between the government of China Japanese Shipowners associations, which includes English Language study programmes. Such support is needed for improving the training infrastructure in Ghana.

7.3 Recommendations on Measures for Follow up

The following recommendations are given to aid any follow up to this study:

- The restoration of the prominence the maritime Sector had at the attainment of independence;
- Must be given adequate attention in the general transport planning process in the country;
- The benefits of being members of the Ministerial Conference of West and Central African States on Maritime Transport must be explored fully through technical co-operation with member states;
- The necessary steps must be taken to review and assess the needs of the Academy and obtain the necessary technical and financial assistance for its development;
- Any effort at expanding foreign employment opportunities of Ghanaian seafarers must make use of the resources of Ghanaian Missions and Embassies abroad;
- Manning agents and agents of foreign shipowners must be encouraged to use their resources abroad to promote Ghanaian seafarers;
- Seafarers' unions in Ghana must be encouraged to join the International Transport Workers' Federation to ensure that they are protected by their efforts;
- The Ministry of Roads and Transport, together with the Ministry of Employment and Social Welfare must co-operate on ensuring that Ghana is fully represented at the maritime sessions of the ILO;

- Most important of all, maritime legislation in Ghana must be responsive to the needs and changing trends of the industry.

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