



EMPLOYMENT OF INDONESIA SEAFARERS: CHALLENGES AND OPPORTUNITIES DURING NORMAL AND PANDEMIC

Ayub Dwi Pranata Junus, School of Strategic and Global Studies Universitas Indonesia, Jakarta, Indonesia

Adis Imam Munandar, School of Strategic and Global Studies Universitas Indonesia, Jakarta, Indonesia

Abstract- Despite being the largest archipelagic state and having a vast number of qualified seafarers, Indonesia is still not considered a key supplying nation of seafarers - by the global merchant ship community. This study aims to describe Indonesia's capabilities as a supplying country (opportunities) and the perceptions of international ship-owners/ managers toward employing Indonesian seafarers (challenges), generally and specifically during the COVID-19 pandemic. Methods deployed in this study were qualitative exploratory descriptive using observational primary and secondary data collected from an Indonesian ship crew agency. The study concludes that Indonesia as a country and its infrastructure is ready to become a key supplying country of seafarers from the SE Asia region and the event of a COVID-19 pandemic has shown an increasing demand for the employment of Indonesian seafarers, which also confirms the acceptance by the international merchant ship-owners of the competence equality of Indonesian seafarers to their Filipino counterparts. This paper recommends a coordinated effort at the national level involving key stakeholders - that highlights the importance of promoting Indonesian seafarers to the international merchant ship community.

Keywords: largest archipelagic state, seafarers, COVID-19 pandemic

I. INTRODUCTION

UNCTAD reported that the total global merchant ships registered in 2019 were 51,684 ships with a size of over 1000 GT, and Indonesia ranked 6th with 2,145 ships [1]. However, the Indonesian Ministry of Transportation reported 31,331 merchant ships registered under Indonesian flags as per December 2019. It is worth noting that Indonesia's total merchant ships have increased quintuple or 5 times since 2005 due to the introduction of cabotage [2].

If all these 51,684 global merchant ships were to be operated, it would all require 1,679,730 seafarers to operate them (this includes the reserve for seafarers of 30% who are on leave). During the past three decades, many researchers have studied the shortage of global seafarers, despite the number of graduates (outputs) from merchant shipping academies globally continuing to increase to replace those who retire or being reduced in number due to advances in technology (machine automation & system computerization). This shortage is unavoidable and will remain to be the circumstance faced by the international merchant ship-owners which are due to its working environment onboard the ship (high stress, confined spaces, living dangerous and separation from family) would make seafaring as the least preferred career choice, and this is the main challenge facing the shipping industry [3].

This epidemic has caused the merchant shipping and maritime industry to face the worst circumstances as the supply of seafaring workforce has been shut down for the safety and prevention of the escalation of COVID-19. This setback has particularly impacted the movement of seafarers for crew-change when seafarers finish their contract of employment onboard; it has also led to restriction in travel between countries due to borders closing or non-issuance of entry permits such as visas. Around the world, 300,000 seafarers are reported to be stuck onboard merchant ships and unable to return home to their families at any one time. The non-availability or severe reduction in flights or destination services by international airlines and covid-19 testing and quarantine requirements have also delayed the movements when permitted.

There are many studies about recruitment and employment of seafarers from different countries such as Singapore [4], Australia [5], Philippines [6], Greece [7], China [8], Kiribati [9] and regionally such as ASEAN [10] and EU[11] but not many studies have been done on the recruitment and employment of Indonesian seafarers or to specifically describe the underlying reasons why Indonesia, despite being the largest archipelagic state with a vast number of qualified seafarers, still is unable to position itself to become a key supplying nation of seafarers to the global merchant ship community.

This study investigated the challenges and opportunities relating to the employment of Indonesian seafarers, including the effect of the COVID-19 pandemic on Indonesian seafarers' employment prospects and the acceptance by the international merchant ship-owners of the competence equality of Indonesian with Filipino seafarers.

II. METHODS

This study adopted a qualitative exploratory descriptive approach using observational primary and secondary data collected from a large and reputable Indonesian ship crew agency (ISO 9001-2015 and MLC 2016 certified) and as the appointed agent for a leading world-class ship management company group who manages around 600 merchant ships and employ over 10,000 seafarers, 2,000 shore-based staff with offices in 21 countries.

As this study relied on qualitative research methodology, two methods of research techniques, including literature review and secondary data review, were utilized for data collection, focusing on the challenges and opportunities with the employment of Indonesian seafarers and Indonesia's attempt to become a global leading supplying nation of its seafarers during normal and pandemic situations and as well exploration on the success of the Philippines and its seafarers.

III. RESULT AND FINDINGS

The total global supply of qualified seafarers registered in 2019 was at 1,647,500 [12] with a reported shortage of 2% from the total requirement (demand) to operate all registered merchant ships in the same year. A total of 774,000 (47%) were officers, and 873,500 (53%) were ratings from this total supply. China, the Philippines, India, the Russian Federation, Ukraine, Latvia, Romania, Croatia, Poland, and Myanmar were the top ten supply countries for all officers rank while the Philippines, India, China, Myanmar, Indonesia are key supplying countries of rating rank from Asia.

Indonesian seafarers are known to be reliable, hard workers, obedient, non-alcoholic, and their ability to adapt to the marine environment differentiates them from seafarers from countries that do not have access to the sea. According to the Indonesian Ministry of Transportation, the total registered Indonesian seafarers as of 25 October 2020 was 1,187,412 consisting of 1,162,749 male and 24,663 female seafarers [13].

Of this total of 1,187,412, there are 485,861 Indonesian seafarers who have Certificate of Competency (CoC) certified under IMO STCW 2010 and qualified to work on all merchant ships globally (Indonesian and foreign flags). After taking out 68,640 who work on domestic Indonesian vessels, there remains an ample number of 417,221 Indonesian seafarers (CoC holders) who are qualified and able to work onboard global merchant ships or fulfilling 25% of the total demand of seafarers for operating all merchant ships globally. Indonesian stakeholders, which include seafarers, maritime training centers, ship crew agencies, and government (as integral supply side), should be aware of this potential and see it as 'opportunities'.

3.1 *Capabilities of Indonesia as a supplying country*

Currently, there are a total of 94 higher and vocational institutions and training centers for seafarers registered at the Indonesian Ministry of Transportation (Kemenhub RI) with the programs leading to CoC and Certificate of Proficiencies (CoP). There are currently 485,861 Indonesian seafarers holding CoC, that is internationally recognized under IMO STCW 2010 to work onboard global merchant ships. Taking out those 68,640 Indonesian seafarers who work onboard Indonesian flag vessel domestically from the equation gives a balance of 417,221 Indonesian seafarers (CoC holders) qualified and ready to join international merchant ships to fulfil 25% of global market share. As it stands, the Consortium of Indonesian Manning Agencies (CIMA) estimated that Indonesia's current market share is only 1.1%, with 20,000 reported seafarers who work onboard international merchant ships.

The enormous number of young Indonesians to potentially join seafarer training institutions and combined with the existing number of under-deployment certified seafarers, and supported with a joint effort by its stakeholder, would eventually make Indonesia be a leading and largest supplying nation of seafarers to the global merchant ship community surpassing the Philippines.

3.2 *International merchant ship-owners as employers*

The total demand of seafarers by international merchant ship-owners to operate and man all 51,684 global merchant ships was 1,679,730 seafarers in 2019. This requirement is enormous and can be met by

countries ready with the supporting training infrastructures and the workforce's willingness to adapt to merchant ships' working environment. Indonesia rightfully qualifies for this requirement but cannot compete with its neighbor country, the Philippines, which gains the highest popularity and market share. Data analysis from observation collected from an Indonesian ship crew agency that works exclusively with a leading world-class ship management group who manages around 600 merchant ships and employs around 10,000 seafarers shows the current number of Indonesian seafarers supplied by this agency to their ship-manager is only 660 or 6.42%. In contrast, the same ship-manager employs a total of 3,939 or 38.31% of Filipino seafarers from its total seafarers employed.

Most of the international merchant ship-owners are not fully aware of the availability and competency of Indonesian seafarers hence are not willing to explore employing Indonesian seafarers and for those who are well aware, seem to have a cloud of doubts about choosing Indonesian seafarers for employment onboard their vessels, despite the scarcity of Filipino seafarers whose pool is now exhausted.

3.3 Pandemic COVID-19 has impacted of Indonesia seafarers

The COVID-19 pandemic has not impacted international merchant ship-owners, especially for ships and seafarers during sea passage. The serious risks toward the merchant ships are during the vessel's visit to port for cargo operation when shore staff visits the ships and might unintentionally bring the infection with them to the seafarers onboard. There are minimal COVID-19 cases reported among crew on merchant ships, but some cases are reported on cruise ships. The recent COVID-19 cases linked to merchant ships involved seafarers joining merchant ships from shore (home/ country origins). During their travel to ships, once discovered as COVID-19 positive, they were stopped from joining their ships to prevent spreading the disease to those onboard.

To reduce the spread of COVID-19 worldwide, most countries have closed their borders by not issuing entry permits (visa) to foreigners, including seafarers. As a result, an estimated total of 300,000 seafarers have been stuck onboard globally, unable to return home although their contracts of employment had expired; their replacements were unable to join the merchant ships either [14].

The COVID-19 pandemic has presented another crisis. A rather lasting crisis, which is already showing an impact on seafarers' mental health, not only during their time onboard the vessel, but also after their signoff [15,16]. Efforts to convince international ship-owners to foreign-national seafarers with Indonesian seafarers were initially hampered due to ship-owners' low perceptions of Indonesian seafarers and blindly favoring Filipino seafarers. Due to continuing efforts, however, employment acceptance by international ship-owners is now broadening as ship-owners are advised of the quality of Indonesia's seafarers training program and the competency of proposed Indonesian seafarers.

This employment acceptance by international ship-owners also confirms the competency equality of Indonesian seafarers toward Filipino seafarers. As a result, during the COVID-19 pandemic, the Indonesian ship agency has registered Indonesian seafarers' increased employment by 50% from ship-owners through ship-managers located in Cyprus, from only 57 in the year 2019 to 113 in the year 2020.

IV. CONCLUSIONS

The study revealed that the decision to select nationalities of seafarers rested with international ship-owners, with most typically preferring Filipino seafarers over Indonesian seafarers. Key factors affecting their decisions included low perceptions of Indonesian seafarers' competence and lack of awareness of the quality of Indonesian seafarer training.

While the COVID-19 pandemic has presented another crisis to the global merchant ships with seafarers stuck onboard unable to return home or to join merchant ships from shore, it has become a significant employment opportunity for Indonesia. By allowing crew departures from Indonesia but not crew entry into Indonesia, the Indonesian Government has given international merchant ship-owners the opportunity to employ Indonesian seafarers to replace outgoing foreign-national seafarers when vessels transit or visit Indonesian seaports. According to an Indonesian ship agency, this has increased their employment of Indonesian seafarers by 50%. This employment acceptance by international ship-owners has also given them the opportunity to see Indonesian seafarers' competence, which will go a long way at establishing competency equality between Indonesian and Filipino seafarers.

REFERENCES

1. UNCTAD. 2020 Handbook of Statistics [Internet]. New York; 2020 [cited 2021 Jan 18]. Available from: https://unctad.org/system/files/official-document/tdstat45_en.pdf
2. Dirjen Hubla. Perkembangan Armada Nasional Tahun 2017-2019 [Internet]. 2019. 2019. Available from: <https://hubla.dephub.go.id/storage/ppid-informasi/7891/fcGbz1gYlfBEql2nrG7CoUIt9WAcXEwa3NZpq62L.pdf>
3. Jeevan J, Chen S-L, Cahoon S. Determining the influential factors of dry port operations: worldwide experiences and empirical evidence from Malaysia. *Marit Econ Logist.* 2018;20(3):476–94.
4. Thai V V, Balasubramanyam L, Yeoh KKL, Norsofiana S. Revisiting the seafarer shortage problem: the case of Singapore. *Marit Policy Manag.* 2013;40(1):80–94.
5. Eadie EN. Employment of Foreign Seafarers on Australian Controlled Ships–Domestic Industrial Legislation and Maritime Awards, International Conventions of the International Labour Organisation and the International Maritime Organisation, and the International Trans. *Marit Stud.* 2000;2000(112):1–20.
6. Magramo M, Ramos W, Gellada L. Hiring Practices of Shipping Companies and Manning Agencies in the Philippines. *Mar Navig Saf Sea Transp STCW, Marit Educ Train (MET), Hum Resour Crew Manning, Marit Policy, Logist Econ Matters.* 2013;149.
7. Sambracos E, Tsiaparikou J. Sea-going labour and Greek owned fleet: a major aspect of fleet competitiveness. *Marit Policy Manag.* 2001;28(1):55–69.
8. Wu B, Shen G, Li L. The transformation of the Chinese labour market for seafarers. *Cardiff Seafar Int Res Cent.* 2007;
9. Borovnik M. Working overseas: Seafarers' remittances and their distribution in Kiribati. *Asia Pac Viewp.* 2006;47(1):151–61.
10. Ezeoke C. The ASEAN Single Shipping Market: Towards a Regional Cabotage Regime. *JE Asia Int'l L.* 2017;10:91.
11. Mitroussi DK. Third party ship management: the case of separation of ownership and management in the shipping context. *Marit Policy Manag.* 2003;30(1):77–90.
12. International Chamber of Shipping. Shipping and World Trade: Global Supply and Demand for Seafarers [Internet]. ICS. 2020 [cited 2021 Jan 18]. Available from: <https://www.ics-shipping.org/shipping-fact/shipping-and-world-trade-global-supply-and-demand-for-seafarers/>
13. Direktorat Perhubungan Laut. Pelaut di Indonesia [Internet]. dephub. 2006 [cited 2021 Jan 18]. Available from: <https://pelaut.dephub.go.id/>
14. Ministere De Leurope Et Des Affaires Etrangeres. Due to the COVID-19 pandemic, 300,000 seafarers are stranded onboard their ships [Internet]. delegfrance. 2020 [cited 2021 Jan 18]. Available from: <https://onu.delegfrance.org/Due-to-the-COVID-19-pandemic-300-000-seafarers-are-stranded-onboard-their-ships>
15. Slišković A. Seafarers' well-being in the context of the COVID-19 pandemic: A qualitative study. *Work.* 2020;(Preprint):1–11.
16. Tzivakou A. The COVID-19 pandemic outbreak and the impact on the seafarers lives.