

Build Back Fairer

What 'building back better'
really means for our industry



If we are to Build Back Fairer

1. **Seafarers recognised as key workers – now and forever**
2. **Fair workplaces with decent working conditions**
3. **A new era of accountability and transparency**
4. **A fair transition to green technology and automation**
5. **Fair access to quality jobs and training opportunities**

Foreword

As the UK begins to plan for a future beyond Covid-19 and continues to define its place in the world following Brexit, the time has come for a fundamental reappraisal of our maritime sector.

The government's plan to Build Back Better presents us with an opportunity to be at the heart of the conversation in defining what the future of the UK maritime industry should look like. For Nautilus, the answer is clear, any plan to tackle the enduring issues that the industry faces must be built on a foundation of fairness.

The pandemic provided a stark reminder of the vital role that seafarers and the maritime sector play, but it also exposed and intensified longstanding issues in the industry that can no longer be ignored.

While many of us are now seeking a return to normality, we cannot allow a return to the 'business as usual' of a declining UK maritime sector and a race to the bottom on workers' rights. If we are to retain the key workers that keep the world moving, there is desperate need for reform.

That is why we have set out a clear template for how the UK government and the maritime industry can Build Back Fairer, not just better. Our five asks contain a mixture of domestic measures that should be implemented and global changes that the government should spearhead.

This plan will form the centrepiece of our ongoing campaigning and lobbying work, building upon our existing fairness campaign.

Just as we ensured that seafarers remained at the forefront of the government's thinking during the pandemic, we will keep driving forward more change and ensure that fairness remains at the heart of discussions about the future of our industry.

Mark Dickinson
General Secretary
Nautilus International





Introduction

As much of the world ground to a halt during the Coronavirus pandemic, the maritime industry kept on working. From keeping shelves stocked to transporting medicines including the vital vaccines, seafarers played a critical role in the response to Covid-19.

Despite their efforts in keeping global trade moving through the most difficult period in recent history, maritime professionals were left brutally exposed by the international response to the Coronavirus.

Hundreds of thousands of seafarers worldwide were impacted by the crew change crisis. As borders closed, they were trapped onboard their ships, away from loved ones, sometimes for many months beyond the end of their contracts. Many more were left at home, unable to work, often without support.

UK seafarers have not been immune. A survey of UK members of Nautilus has revealed that up to 11,000 maritime professionals were left without financial support afforded to other workers (e.g. the Job Retention Scheme and the Self-Employed Income Support Scheme).

Overnight, the roles of thousands of offshore energy, cruise, ferry, and superyacht workers were put on hold and many jobs have been lost. When they looked to the government for financial support, too many seafarers found that the door was closed because of the hidden nature of maritime employment contracts.

And when the world began to move again, seafarers were not given priority access to vaccines and faced unacceptable levels of confusion over measures like hotel quarantine.

Many seafarers are now questioning whether they want to continue to work in a career which has taken such a profound toll on their financial security and wellbeing.

The truth is that the pandemic did not create many of the problems that seafarers faced – it exacerbated longstanding issues in an industry that needs reform.

When politicians talk about the need to ‘build back better’ as we recover from the pandemic, maritime professionals will rightly ask: ‘better for who?’

The stability of the UK maritime industry and its ability to respond to new challenges is at stake if it is unable to recruit and retain the next generation of seafarers. That will only happen if a better future can be offered, a future based on fairness.

Maritime 2050 offers a bold and ambitious blueprint for the future of the British maritime sector, and envisages the UK playing a key role in driving international change. The delivery of the many pledges made in Maritime 2050 now need to be actioned without any further delay.

Seafarers as key workers – now and forever

As countries began to respond to the outbreak of the pandemic, ships were refused entry and seafarers were denied shore leave and medical attention. Repatriation of seafarers was blocked, and others were unable to join their vessels.

As a result of this unacceptable set of circumstances, which was at odds with a plethora of international regulations, not least the ILO's Maritime Labour Convention, 2006 as amended (MLC), Nautilus joined with partners in calling for seafarers to be designated as key workers.

This key worker status was vital to ensure that seafarers could be provided with appropriate exemptions from national travel restrictions, when joining or leaving their ships, to keep the world's maritime supply chains functioning.

The UK Government can be proud of the role that it played in leading early calls for seafarers to be designated as key workers.

However, despite a welcome United Nations General Assembly resolution in December 2020, only 58 states have so far informed the IMO that they have designated seafarers as key workers. In others, the key worker status was granted in name only and barriers have continued to be placed in the way of seafarers being able to exercise their fundamental rights. In many states there was a lack of coordination between government departments with the needs of transport and maritime often being side lined in preference for those dealing with border security and public health. State obligations to seafarers, stemming from international conventions, were ignored.

As we look to a future beyond the immediate impact of the pandemic, it is likely that Covid-19 will remain in circulation for years to come in some form.

It is also clear that other issues will arise – from infectious diseases to natural disasters – that may require some restriction in the global movement of people.

The Maritime 2050 strategy recognises seafarers and maritime professionals as the 'lifeblood of the maritime industry'. If the People Route Map is to be delivered, it is vital that we continue to recruit and retain the next generation of maritime workers.

Therefore, we need an enduring agreement that seafarers will continue to be designated as key workers.

Coupled with this, the UK government should formally endorse the joint statement made by the European Transport Workers' Federation (ETF) and European Community Shipowners' Association (ECSA) on the specific rights and entitlements that seafarers should enjoy everywhere as key workers. Providing these rights and entitlements universally is critical if a future crew change crisis is to be avoided.

If we are to Build Back Fairer:

- **The UK should lead an urgent international conversation to secure global recognition for seafarers as key workers.**
- **The UK government should formally endorse the ETF/ECSA statement on the recognition of seafarers as key workers and encourage its adoption at international fora.**
- **The UK should show leadership by ensuring that all government departments understand the importance of seafarers as key workers and the need to maintain their obligations to them even in times of emergency.**

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Fair workplaces with decent conditions

The pandemic both exposed and exacerbated longstanding issues with employment practices in the maritime industry.

The shipping industry largely operates out of sight, with a convoluted network of owners, charterers, managers, as well as flag, port and labour supply states ensuring that the lines of accountability remain blurred and complex.

Competition between flag States and shipping companies at every stage in the process has conspired to create a race to the bottom on workers' rights, environmental and safety standards.

A raft of international agreements, including the MLC, were set aside in the face of coronavirus restrictions. But even in normal circumstances, in the cutthroat shipping business where a race to bottom is driven by flags of convenience, what were intended as minimum standards rapidly become maximum standards.

The impact of the pandemic has led to seafarers asking themselves whether they really want to work in an industry where their fundamental rights could be so freely disregarded. Where the commitments contained in the MLC to continuously improve and so contribute to decent work are ignored.

A recent report by the World Maritime University (WМУ) found widespread malpractices in the recording of work and rest hours with a culture of adjustment – both on and off ship – normalising fatigue among seafarers that could lead to serious casualties, loss of life and environmental damage. The UK should lead the way in ensuring that the report's crucial recommendations are implemented in full.

The MLC was intended to be a living document, so as we look to retain trained seafarers and attract the workers of the future, we need to create a race to the top in international regulations.

Maritime 2050 recognises that having the right social framework in place in the UK and internationally, is vital if the aims of the strategy are to be achieved.

This includes medium term aims to work with the International Maritime Organization (IMO) and International Labour Organization (ILO) to address issues including fatigue, seafarer welfare and modern slavery.

If we are to Build Back Fairer:

- **The Maritime 2050 aim to combat seafarer fatigue should be accelerated. This should include:**
 - **The eradication of six-on/six-off shift patterns.**
 - **Ensuring that legal limits on maximum hours of work and minimum hours of rest are enhanced and enforced, along with maximum tour lengths and paid leave.**
- **The UK government should use its influence to push for the recommendations of the WМУ report, 'a culture of adjustment' to be adopted in full.**
- **The UK government should continue to work towards ending social dumping in UK waters – the employment of foreign labour in the UK waters on the rates of pay of their country of origin – building on the extension of the UK National Minimum Wage to establish bi-lateral agreements with neighbouring countries to regulate shipping services trading between the UK and Europe.**
- **Additionally, the UK government should work with international partners to deliver:**
 - **Changes to ensure that the ILO minimum wage rates for a seafarers are enforced internationally alongside the existing and fundamental right of seafarers to exercise their right to freedom of association and to engage in collective bargaining. This should not undercut higher minimum wage rates set out in national laws or collective agreements.**
 - **The enforcement of the MLC financial security system to assist seafarers in cases of abandonment. The MLC provides that if the flag state fails to repatriate seafarers, the port state should arrange for their repatriation and recover the cost from the flag state as required under the MLC.**

A new era of accountability

If we are genuine about building a better and fairer maritime industry, a frank and open appraisal of the governance and structure of the shipping industry and the corrosive effect of flags of convenience is more necessary now than it has ever been.

This presents an opportunity for the UK to show leadership in driving global efforts for reform. A new era of accountability and transparency would help to end the race to the bottom on seafarers' rights and enable the UK shipping industry to compete on a fair footing with the rest of the world.

The pandemic has shone a spotlight on deep-rooted structural problems in the practice of registering vessels with 'flags of convenience' (FOCs).

These flag states have shown how the abuse of the ship registration system undermines the governance and regulation of the industry. Their utter inability to fulfil their obligations to seafarers on their vessels under international law has been brutally exposed by the pandemic.

In this time of international crisis, FOCs were found lacking. With FOCs unable to support shipowners facing immense problems to facilitate crew changes these same shipowners then sought succour from the state in which they are ultimately based or controlled, with the cruise industry coming under particular focus in this regard.

This should concern the UK not only as a bona fide national ship register but also as the guarantor of the Red Ensign Group (REG).

It should trouble the UK that shipowners who register their ships on other Red Ensign Group registers still expect support from the UK government in times of crisis. Several ship registers in the REG have been declared as FOCs by the International Transport Workers' Federation (ITF) i.e. Cayman Islands, Bermuda, and Gibraltar. Several of these jurisdictions are of interest to the OECD relating to tax evasion,

specifically the issue of Base Erosion and Profit Shifting (BEPS).

In response, the OECD is proposing rules that would provide jurisdictions with a right to "tax back" where other jurisdictions have not exercised their primary taxing rights, or the payment is otherwise subject to low levels of effective taxation.

Maritime 2050 re-emphasises the commitment of the UK government to supporting the UK Ship Register and describes the UK flag as a 'byword for quality'. If the aspiration to attract more ships to the UK flag and more shipping company to the UK is to be met, the government must lead the charge internationally to restore confidence in the ship registration system by insisting on a genuine link between the shipowner and the country of registration and exercise obligation to ensure effective control as required under as defined in Articles 91 and 94 of the UN Convention on the Law of the Sea (UNCLOS).

If we are to Build Back Fairer:

- **The UK should instigate a global review of ship registration practices to tighten up ship registration and reinforce UNCLOS Article 91 that requires a genuine link between the shipowner and the country of registration.**
- **That review should include defining the requirement for a genuine link with the aim of ensuring that States effectively exercise jurisdiction and control in matters administrative, technical, and social over ships flying its flag in accordance with Article 94 of UNCLOS.**
- **The UK government should review its policy of supporting the Red Ensign Group and develop a coherent flag registration policy which is consistent with its obligations under UNCLOS, and which supports its aim of growing the UK Ship Registry.**
- **The UK government should ensure that shipping is not excluded from the OECD consideration of a global minimum tax for multinational corporations.**



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A fair transition to green technology and automation

Through Maritime 2050 and a raft of other policy measures, the UK government has proposed ambitious and necessary plans to improve the environmental impact of the maritime industry. These measures are being introduced at the same time as the ongoing decarbonisation of the energy industry, which includes phasing out of the use of oil and gas.

The transition from fossil fuels to renewable energy and towards the net-zero maritime sector envisaged in Maritime 2050 must be fair and just. The focus of the UK government and the maritime industry should be to create high value work, in a way which does not negatively affect the current workforce. This should include ensuring that British seafarers and maritime professionals are able to benefit from new job opportunities created in decommissioning.

Alongside the transition to a greener future, new technology is accelerating the pace of automation within the maritime sector.

The UK government needs to act to ensure that the debate about automation is human-centred. Rather than considering whether new technology can be used to replace seafarers, the focus should be on looking at how technology can be used to enhance safety and working and living conditions. In a hugely competitive industry technology could be used to reduce costs but in doing so also address the long hours of work that seafarers typically endure (over 90 hours per week).

Existing so called 'safe' manning levels have been demonstrated to be woefully inadequate in preventing fatigue which has a detrimental impact on the safety and mental health of seafarers. Therefore, any attempt to use new technology to justify further reduction in onboard crew levels should be resisted. Automation should instead act as a key driver in reducing seafarer fatigue and improving the safety of vessels across the maritime sector.

If we are to Build Back Fairer:

- **The UK government should reaffirm its commitment to a just transition to ensure that opportunities presented by the green agenda work for the benefit of seafarers and maritime professionals.**
- **The government should assess how market-based approaches can support the just transition to zero emission shipping.**
- **The government should deliver on the aim in Maritime 2050 to increase the registration of domestic vessels operating in the UK, to improve our ability to regulate emissions from this sector.**
- **The employment of British seafarers should be enhanced within the offshore renewables sector and in decommissioning.**
- **The government should work with industry and unions to develop a human centred maritime automation strategy, focussed on the role that new technology can play in enhancing seafarers' welfare, living, and working conditions.**

Fair access to quality jobs and training opportunities

The maritime industry upon which this island nation relies for 95% of everything, is dependent on the experience and dedication of its seafarers. The decades-long decline in the number of UK seafarers is therefore a significant concern.

There is a unique opportunity to refocus support for the maritime industry to enable the UK to be competitive in international maritime markets.

The number of British seafarers has declined by almost two-thirds since the 1980s, and the current gap between numbers due to retire and numbers of new entrants means a further 30% decline can be expected within the next decade.

There is no shortage of young people wishing to embark on a maritime career, with applications for cadetships and ratings apprenticeships far outstripping the number of vacancies. The problem is the lack of opportunity and commitment from shipping companies and the commoditisation of seafarer training and employment.

Therefore, the government must do more to develop the sector, support the creation of new training and employment opportunities and provide incentives to ensure that shipowners commit to provide opportunities for employment for UK seafarers.

The Maritime 2050 Technology and Innovation Route Map sets out four key themes for a people-centred maritime policy:

- The need to attract new talent into the maritime sector.
- To ensure that the existing maritime workforce is adequately prepared for an increasingly technological and automated future.

- To understand the skills a future maritime workforce will need.
- To introduce new technology in a way that is sensitive to societal concerns and attitudes.

Therefore, the government must develop proactive policies to maximise the employment of British seafarers in the UK and to equip them with the skills required to take advantage of future opportunities.

If we are to Build Back Fairer:

- **Increase investment in the Support for Maritime Training (SMarT) scheme to cover 100% of the cost of training UK-resident seafarers and require a commitment from employers to guarantee a period of employment on completion of a cadetship.**
- **Improve the UK Tonnage Tax scheme so that it helps grow the UK flag by establishing a mandatory flag link, increases employment and training of UK seafarers and contributes to the government's environmental objectives.**
- **Examine the scope for 'cabotage' protection of domestic shipping and intra-EU ferry trades to increase economic resilience and create UK seafarer jobs.**
- **Promote access to careers and training for people from all backgrounds equal opportunities to career progression for all maritime professionals.**
- **Support networks which provide safe spaces for women seafarers and other under-represented groups, and discuss how to increase diversity in the maritime sector.**



ABOUT NAUTILUS INTERNATIONAL

Nautilus International is the trade union and professional organisation for maritime professionals at sea and ashore. We represent 20,000 maritime professionals including ship masters (captains), officers, officer trainees (cadets) and shipping industry personnel, such as ship pilots, inland navigation workers, vessel traffic services operators (similar to air traffic control), harbourmasters, seafarers in the oil and gas industry, and shore-based staff.

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