

## DETERMINING INTERNAL SOLUTIONS TO BRING MORE VIETNAMESE SEAFARERS TO THE GLOBAL WORLD OF SHIPPING

*Nguyen Thanh Thuy,*

Dr. Sc., Vietnam Maritime University

Email: ngthanhthuydhhh@vnn.vn; ngthanhthuy@gmail.com

**Abstract.** Today ship owners are facing a shortage of well-trained seafarers who would like to work at sea in permanent jobs as ratings or officers. In Europe, America and some countries in Asia like Japan, South Korea and Taiwan, hiring foreign seafarers is a long standing solution for ship owners. This has created a huge number of jobs for people from developing countries like the Philippines, India, Indonesia, China and Vietnam. Vietnam has a young population eager to increase their standard of living and therefore there is a potential pool of labour for the maritime world to tap into. However, the number of Vietnamese seafarers who are working on foreign ships is still very limited. This paper deals with two main sets of reasons explaining the above situation: (1) issues dealing with management and policies; and (2) issues dealing with working qualifications. The first issues are related to the government's labour manning strategic planning policies, the policies of crew manning, the quality and training process of training organisations, the relationship between the trainers and the employers, and so on. The later one relates to the working habits and working skills of Vietnamese seafarers, their health condition and language abilities, etc. Subsequently, the author suggests solutions which can help solve these problems in order to increase the amount of Vietnamese seafarers working on foreign ships. Needless to say the impact of the current financial crisis is hard to foresee. It remains to be seen if the crisis will solve the shortage problem or actually exaggerate the problem as current seafarers may find other jobs while 'their' ships are being laid up.

### 1. INTRODUCTION

Nowadays, ship owners worldwide are facing the shortage of well-trained seafarers who would like to work at sea permanently. There are many reasons causing this shortage of seafarers globally. First of all, as estimated by BIMCO/ISF (2005), the current total global demand for seafaring officers is 476,000 and for ratings 586,000 in the same year. However, the worldwide supply of seafarers in 2005 is estimated to be 466,000 officers and 721,000 ratings, which indicates a modest theoretical worldwide shortfall of 10,000 officers or 2 % of the total workforce, as being shown in Table 1. Secondly, another statistic of BIMCO/ISF (2005) announced that the world fleet continues to rely heavily on officers from Europe, North America, Japan and other OECD countries (OECD means "Organization for Economic Cooperation and Development"). Nevertheless, over 25 % of these are over 50 years old, and well over 50% are over 40. Most are in senior positions such as Masters or Chief Engineers. The impact of their retirement, without adequate numbers of well trained and experienced replacements, could be severe. The next reason comes from seafarers themselves, as a good part of the talented seafarers do not want to work at sea through out of their lives because working on board is a hard and potentially dangerous job while onshore-jobs are equally rewarding with a lot of accompanied advantages such as time for family, more social activities and even more chances for social positions. The last two reasons relate to the fact that the number of well-trained seafarers may decrease beyond the data estimated by BIMCO/ISF in the future. In addition, the crisis is making the maritime officers from the developed countries seriously look for other shore based jobs and this situation open up more opportunities for seafarers from developing countries.

Under those circumstances, in Europe, North America, Japan and other OECD countries as well as some countries in Asia as South of Korea and Taiwan, hiring foreign seafarers is a solution for the ship owners. And this has created a huge number of jobs for labour from the Far East, the Indian sub-continent, Eastern Europe and East Asia. In Asia, among developing countries like the Philippines, India, Indonesia, China and Vietnam, the Philippines have become the biggest seafarer exporting country in the world. The total

number of Filipino seafarers makes up from 19 % to 20 % of the total number of seafarers in the world, which brings almost 7 million US dollars to the Philippines annually. Nevertheless, from the year 2003 to the year 2008, the number of Filipino seafarers has not increased but stayed around 230,000 seafarers and even decreased in the year of 2007 and 2008, which raises the question if the Philippines have reached their limitation as a maritime labour pool? China is going to take after the Philippines, which has seen a significant increase in maritime labour supply, although most of the additional workforce is currently used by the Chinese owned fleets to meet the expansion of Chinese domestic requirements. Most Chinese crews still experience English language difficulties. As a result, ship owners and ship managers are now looking for diversification to other sources of seafarers which may bring chances to other countries including Vietnam.

Table 1

**Demand and supply of seafarers worldwide**

	2005				2015 (Estimated)	
	Demand	Supply	Balances	%	Balances	%
Officers	476,000	466,000	-10,000	-2.1	-27	-5.9
Ratings	586,000	721,000	135,000	18.8	167	21.6

Source: BIMCO/ISF (2005) estimates

**2. ADVANTAGES OF VIETNAM IN IMPROVING ITS SEAFARER SOURCE**

**2.1. Geography**

With a long maritime tradition with more than 3,260 km of coastline creating the S-shape and about 10,000,000 sq. km area of economical privileges, it is obvious to improve Vietnam’s maritime potential. Besides, Vietnamese inhabitants have a long tradition of living along the coast and working at sea as fishermen.

**2.2. Population**

Vietnam has a young population, with 75 % of the population being under 30 years of age, eager to increase their standard of living. This is a potential pool of labour for the maritime world. In contrast to the developed countries, working at sea is still a desire harboured by many young Vietnamese men. This situation is another reason for improving and promoting the pool of seafarers in Vietnam.

**2.3. Maritime education and training system**

Vietnam’s good basic maritime training system has been recognised by the International Maritime Organisation (IMO) from the year of 2001. Maritime schools and maritime universities in Vietnam have provided a good basis for educating seafarers in different working levels with an annual intake of students of more than 5,000. To this point Vietnam has been listed in IMO's initial STCW White List, meaning the maritime education and training system of Vietnam has reached the international standard required by IMO.

The characteristics of the MET system of Vietnam are illustrated as follows: Even though the MET organisations are managed by different ministries, the MET curriculum and programs are controlled by the Ministry of Education and Training. In order to guarantee the professional quality of the MET curriculum, all MET organisations have to meet the requirements of the following bylaws:

- (1) All MET organisations must hold the entrance examination under the regulations of the Ministry of Education and Training of Vietnam.

(2) All MET organisations must train seafarers under the requirement of International convention on standard of training, certification and watch keeping for seafarers (STCW 95 CODE), unless some education and training schools and colleges belonged to other ministries than the Ministry of Transport which simply train domestic seafarers.

(3) All rating candidates and officer candidates must have obtained their high-school diplomas.

(4) The studying and training time is 4.5 year for universities, 3.5 years for colleges, and 2.0 years for intermediate schools (secondary schools).

(5) The training curriculum consists of basic subjects, professional subjects, English and training courses.

Fig. 1 presents the MET system of Vietnam in which there are many ministries involved in the MET system. Fig. 2 illustrates the links among all levels of MET in Vietnam.

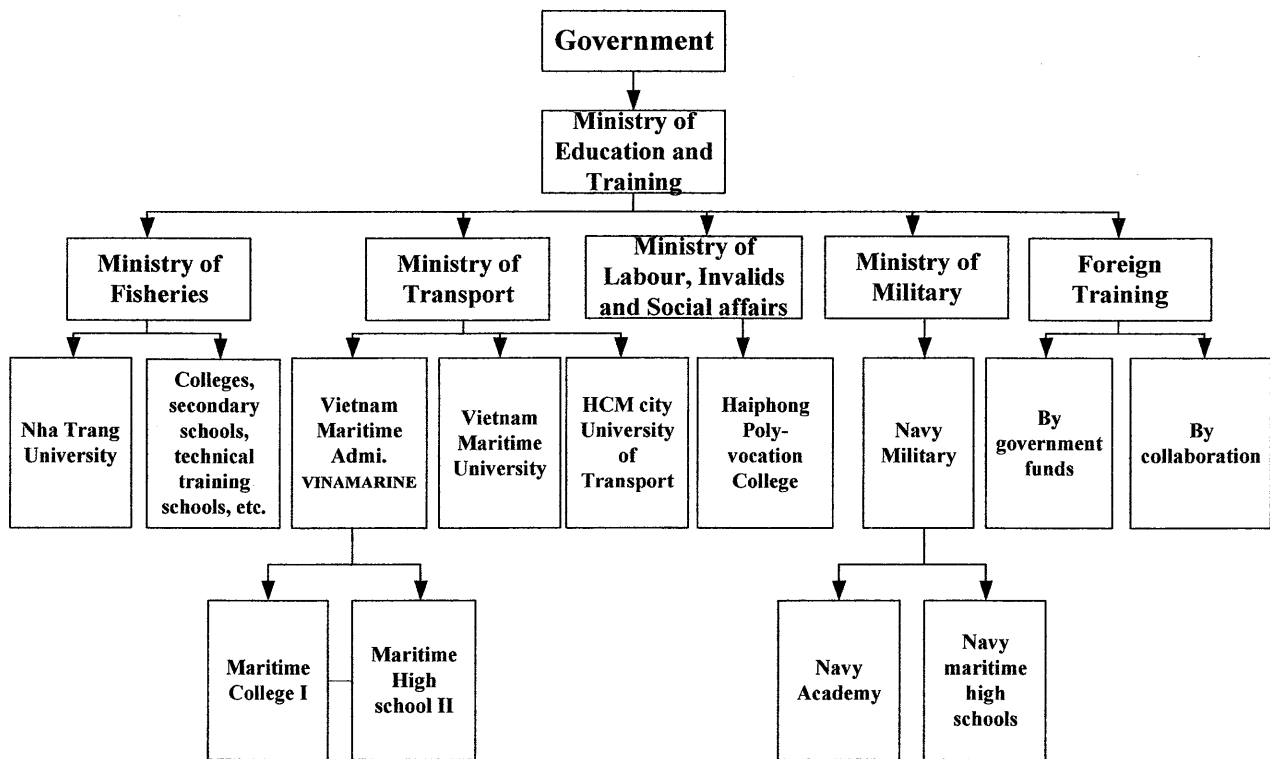


Fig 1. The MET system in Vietnam [4]

In Fig. 2, first class is for officers of ships of 3,000 GT and over, engineers of ships with a main engine output of 3,000 KW and over. Second class is for officers of ships of 500 GT and less than 3,000 GT, engineers of ships with a main engine output of 750 KW and less than 3,000 KW. Third class is for officers of ships of 100 GT and less than 500 GT, engineers of ships with a main engine output of 150 KW and less than 750 KW. Fourth class is for officers of ships of less than 100GT, engineers of ship with a main engine output of less than 150 KW.

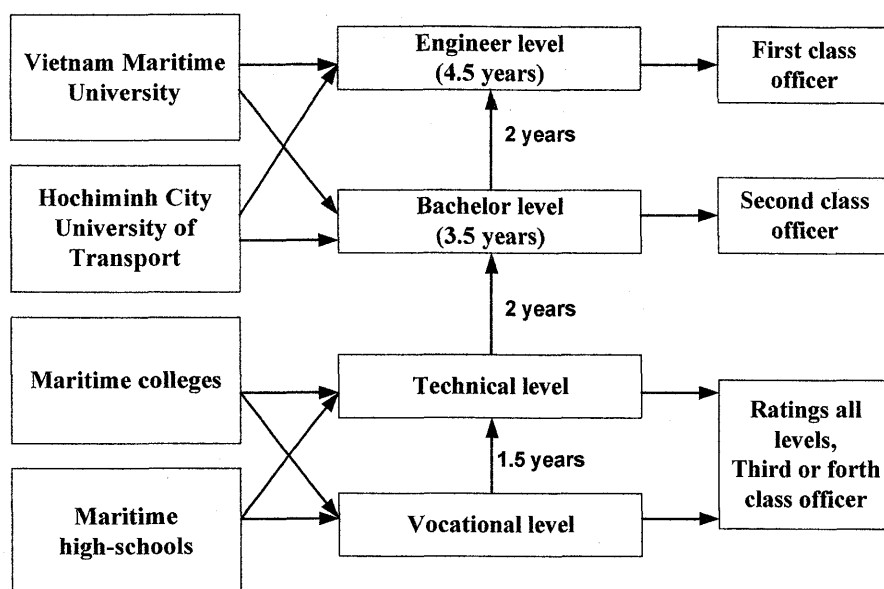


Fig. 2. Links among all levels of MET in Vietnam <sup>[3]</sup>

## 2.4. Maritime sector

Developing the maritime sector in Vietnam has high priority for the government. Vietnam has been the chairman of the ASEAN Maritime Transport Working Group from 2008 – 2009, where meeting number 15th was held on April 23 – 25, 2008 by the Vietnam Maritime Administration. The Ministry of Transport has required that all of its MET organisations follow the requirements of the International convention on standard of training, certification and watch keeping for seafarers (STCW 95 CODE). Until now Vietnam has joined 15 conventions and circular letters of IMO and is considering of joining more. At the same time, the Vietnamese government is working on a strategic plan in order to improve the maritime sector of Vietnam nationally and internationally.

## 2.5. Vietnam's seafarer competitive waging scale

Until now most Vietnamese seafarers are working for ship owners in Japan, South Korea and Taiwan while only few work for European ship owners. It can be said that generally the Vietnamese seafarers have accepted the much lower wages than those of European, Chinese, Filipino seafarers and even lower than the wages defined by international regulation. There is only one exception for the seafarers working for VINIC (Centre for Training and Improvement of Maritime Professions) – an exporting seafarer centre which belongs to Vietnam Maritime University, which grants almost the same wage levels as the international levels. Despite the fact that Vietnam's seafarers usually work in smaller ships, the Vietnamese wages are lower than those of other nationalities even in the same position in the same size ship. Table 2 shows the competitiveness of Vietnamese seafarer waging scale.

## 3. PRESENT PROBLEM OF VIETNAM CONCERNING TO THE SOURCE OF SEAFARERS

### 3.1. Lack of policies in crew manning and weak government control

Vietnamese seafarers are managed mainly by crewing agents or shipping companies while the Vietnam Maritime Administration issues Seaman Passports or Working Certificates for seafarers only. It can be said that the seafarer market tends to be out of control of the government. The pool of seafarers tends to

be separate from the shipping companies themselves and thus they have become “a source of free labour”. This trend means that the government cannot control the actual number of seafarers.

Another set of circumstances has occurred when some seafarers could not complete their work tasks or broke the principles of a ship; they were then signed off by the master. The other side of the coin, however, is that these seafarers can easily quit the job in their present company and move to another company to continue working without any serious punishment.

The Vietnamese government does not have a proficient tracking system to follow the situation of seafarers as well as protect Vietnamese seafarers after they signed on to foreign ships. Therefore, some Vietnamese seafarers have been treated unfairly by other nationalities working on the same ships. Some others illegal immigrated into other countries when their ship was in port.

### 3.2. Limitation of number of high quality maritime training centres

Presently, there are a number of MET organisations located in the North and South of Vietnam. Each MET organisation has its own maritime training centre but only the ones belonging to the Ministry of Transport have been able to maintain the high quality of training. As for training seafarers for the domestic market only, some MET organisations belonging to other ministries have lowered their training requirements but lengthened the education time instead. The main explanation is that they do not have enough necessary training equipment such as training ships or simulation systems.

Table 2

**Worldwide seafarer’s waging scale**

Nationality	Master	Nationality	AB Rating
Denmark, France, Japan, Norway	> USD 9180	Denmark, France, Norway, Sweden	> USD 2925
Germany, UK	USD 8161 - 9180	Germany, the Netherland, Spain	USD 2601 - 2925
Italy, the Netherlands	USD 7141 - 8160	Greece, Italy	USD 2276 - 2600
Greece, Polan, Spain	USD 6121 - 7140	South Korea	USD 1301 -1625
South Korea, Croatia	USD 5101 - 6120	Croatia, India, Philippine, Poland,	USD 1185 - 1300
India, Philippine, Russia, Ukraine	USD 4081 - 5100	Russia, Ukraine	USD 560 - 1300
Vietnam	USD 2025 - 3150	Vietnam	USD 560 - 1300
<i>in which VINIC</i>	USD 3500 - 6100	<i>in which VINIC</i>	USD 880 - 1300

Source: <sup>[1]</sup> and data from Vietnam Maritime Administration, Center for Training and Improvement of Maritime Professions (VIMARU).

### 3.3. Long educating time at MET organisations

In the current MET system, students have to spend a total 5.5 to 7.5 years in order to become a maritime officer. This time includes: 4.5 years in university plus 12 months as a training officer on board with a Training Record Book or 36 months working on board with the aim of achieving the Certificate of Competency (COC). This long time of education is a big disadvantage for increasing the number of seafarers.

### 3.4. Shortage of seafarers even for domestic market

Though maritime schools, maritime universities and other MET organisations in Vietnam have an annual intake of more than 5,000 students and trainees, the number of Vietnamese seafarers who are working on foreign ships is still limited, barely more than 3,000 persons until the year of 2008. The shortage of seafarers is evident even for domestic ship owners while there is a large number of young males who wish to work on board but do not have the opportunity to be trained. However, many seafarers have to be kept waiting in line as “crews on vacation” before being signed on board. In addition, many well-trained seafarers have decided to move ashore to work after a short time working at sea which also causes the lack of seafarers to become more serious. Despite the struggle of MET organisations to take more

students annually, many seafaring students have changed to other careers after their graduation due to the global economics crises which has brought a lot of ships into mothballs.

Fig. 3 illustrates the supply and the demand of officers in the domestic market of Vietnam presently and estimated until 2010.

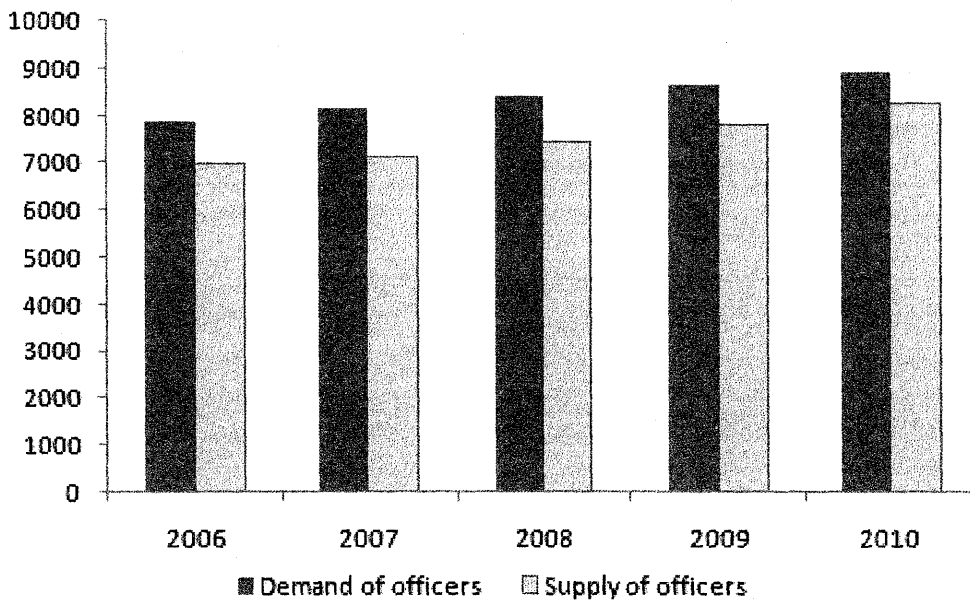


Fig. 3. Demand and supply of officers in domestic market of Vietnam presently and estimated until 2010

### 3.5. Weak connection between the trainers and the employers

One of the reasons contributing to the shortage of seafarers is the weak connection between the MET centres and the employers or ship owners or their agents. Many MET centres in Vietnam do not have any relationship with the foreign ship owners. Therefore, after training the seafarers only have certificates for their work but they do not know where and how to apply for a job. To apply for a new job at a crewing agent or in a shipping company, may take at least some months. This time is “wasted time” for seafarers. Assuming that each new seafarer takes 6 months to find a job, if we multi 6 months with a number of new seafarers annually, the number collected will be a great amount of “wasted time”. Additionally, the well-trained seafarers hardly find a chance to work for European ship owners because there is no European shipping agent present in Vietnam. The weak connection between the trainers and the employers also affects to the quality of the training process when the trainers do not understand the demand of the maritime labour market.

### 3.6. Disadvantages of Vietnamese seafarers’ working qualification

Foreign ship owners have complained about Vietnamese seafarers’ working skills and working principles. They said that Vietnamese seafarers not only have trouble obeying to the working principles but also have inferior working skills even though they usually work hard. This may be due to the fact that many Vietnamese seafarers originally are from the countryside and the MET centres disregard training them for the principles of hard work required internationally. Furthermore, many Vietnamese seafarers have considered their seafaring career as a temporary job for a certain period in order to gain money for living. Thus they do not wish to spend more time and money to improve their working skills.

Another complaint is the Vietnamese seafarers’ poor English ability which is considered another disadvantage of Vietnamese seafarers. Furthermore, Vietnamese seafarers’ weak health condition has

brought them a lot of problems when some of them get sea-sick and cannot work on board during stormy times or find it hard to do some tough tasks.

#### 4. DETERMINING INTERNAL SOLUTIONS FOR IMPROVING THE NUMBER OF VIETNAM'S SEAFARERS WORKING FOR FOREIGN SHIP OWNERS

##### 4.1. Cluster of issues concerning governmental management and policies to be enhanced by Vietnamese government

At the outset, it is necessary to establish an independent department of seafarer management which is in charge of all of activities to manage and support seafarers in order to improve the governmental management in this sector, as shown in Fig. 4. With the intention of managing the actual number of working seafarers, all shipping companies and crewing agents as well as seafarers themselves should register with this department in order to have crew working certificates for seafarers. This department also has the right to apply some penalties for the seafarers who break the contract or cannot accomplish their jobs as undertaken in the working contract. In order to export more seafarers worldwide, the Vietnamese government should consider of lifting barriers for foreign crewing agents so that they can work in Vietnam and thus facilitate the connections with international ship owners. These agents will bring Vietnamese seafarers to European ship owners faster and more efficiently.

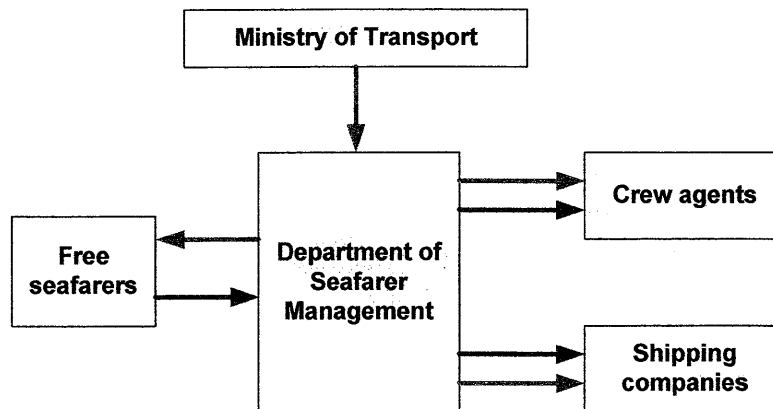


Fig. 4. Establishing the Department of Seafarers Management

The next issues may help to attract more people interested in the seafarer's career, it is to enact preferential policies such as applying a special low rate of income tax for seafarers. In addition, the Vietnamese government should pay attention to policies protecting Vietnamese seafarers as well as policies assuring their working conditions while working on foreign ships.

The government may allow a loan for people who wish to work at sea but do not have finance to follow the MET curriculum and training courses in MET organisations. In order to guarantee that the finance will be paid back, those people should sign working contracts with certain ship owners, which last for a certain period, after their graduation.

As presented previously, the demand for seafarers has been larger than the supply even for the domestic seafarer market, especially the shortage of officers is evident. Therefore, the most important duty of MET organisations is to increase the number of officers annually. Some MET organisations have solved this problem by enlarging the student intake, for instance the case of Vietnam Maritime University (VIMARU). Previously, the annual student intake for seafarer's career at VIMARU was about 250 before

2005, but after 2005 this number has increased to 500 students in 2005 and 800 students in 2008 in the regular system. It means that all of those students have the potential to become officers after graduating from university and finished their sea training periods. This is a future source for seafarer's which step by step will increase the supply of officers.

Another method to solve the balance between demand and supply is to shorten the education time while lifting the quality of the training time and lengthening the training time, as shown in Uy (2009). Currently, students of universities still have to study many side-subjects which do not support the maritime career. This studying process extends the educating time and therefore lengthens the time it takes to become a maritime officer. Fig. 5 shows the shortening process of the education time until the year of 2015 applied in Vietnam Maritime University.

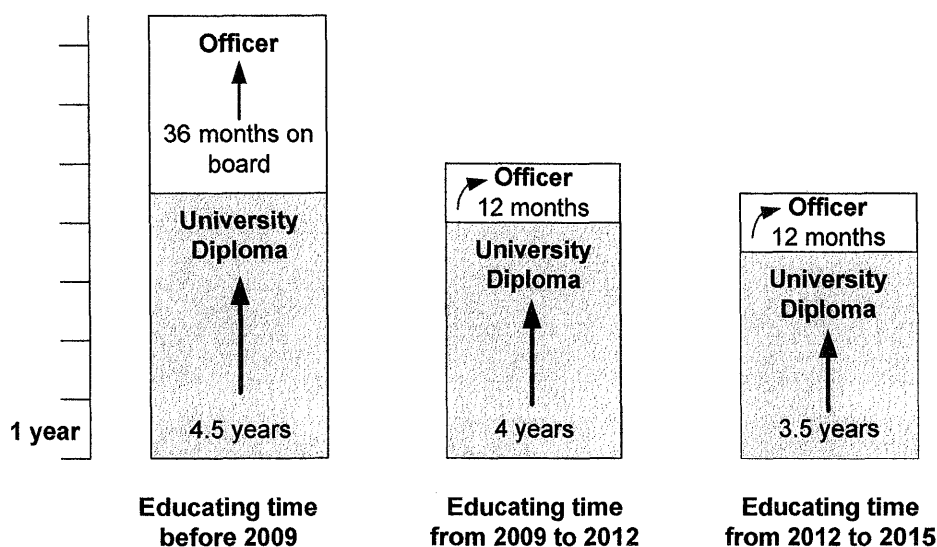


Fig. 5. Educating time applied for Vietnam Maritime University until the year of 2015 [4]

As for the training quality of MET organisation, Vietnamese government requires all MET organisations to apply the Qualification Management System of ISO 9001:2000 (International standard organisation 9001:2000). Besides, each MET organisation is requested to build its own qualification standard requirements. On the other hand, the government should consider of establishing a Department of Ombudsman to undertake the inspecting activities for all MET organisations in any ministry, in which all of ministries involved with MET organisations should. Another solution is that MET organisations need to attract more funds from government, other finance organisations and shipping companies to invest in more modern training equipment because seafarers cannot have good working skills if they are not trained by a modern training process and equipment.

All MET organisations in Vietnam should be strongly encouraged to cooperate with other MET organisations in other developed countries in order to improve the qualifications of MET courses so that Vietnam will take a major step into supplying quality seafarers and not just low cost seafarers as is presently the case.

Because the MET system is only in the North and in the South of Vietnam while there is a large number of potential seafarers in the central area, it is necessary to extend the MET system network to the central part of Vietnam. Building some more training centres for seafarers in the central part of Vietnam is an urgent task. Fig. 6 suggests the positions of the new training centres.



#### 4.2. Cluster of issues on improving the working qualifications of Vietnamese seafarers determined by MET organisations

First of all, MET organisations should lecture and educate seafarers according to international basic working principles and working skills. In the training process, it is important to set up an evaluating system to limit the unnecessary activities when during on training ships. Moreover, through many standard examinations, seafarers will fully understand the importance of why the working principles should be followed exactly.

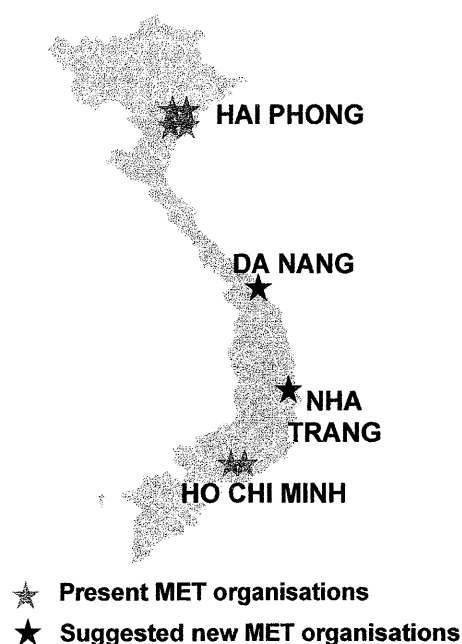


Fig. 6. Present and suggested new MET organisations

With the intention of improving the international working ethics for seafarers, each MET organisation should educate seafarers in how to work with other nationalities and focus on cross cultural communication and understanding. Besides the theories, MET organisation should invite experienced masters or officers, who have been working for foreign ship owners, to lecture about the necessity of good working manners for seafarers.

Vietnamese seafarers' English ability and communication skills are a problem while working on foreign ships with other nationalities. The question is if the English curriculum which focuses much on writing and grammar while speaking is mostly the working English on board only is good enough. Therefore, it is necessary to revolutionize the English curriculum and the duration of study. This new curriculum should concentrate on professional working English and is taught continuously every semester throughout their studies. On the subject of improving seafarers' speaking and listening skills, native English teachers should be invited to tutor seafarers in the last period of the training process.

The training process of the MET system has to pay more attention to improving the health of Vietnamese seafarers by adding more physical exercises as a mandatory subject into the training. Each MET organisation should invest in a fully equipped physical training centre.

## 5. CONCLUSIONS

In order to figure out how to bring more Vietnamese seafarers to the global world of shipping, first of all this paper presents the advantages of Vietnam in improving its pool of seafarers. Subsequently, the problem for Vietnamese seafarers has been reviewed and evaluated as six disadvantage points. To solve these disadvantages, two main clusters of issues are classified as internal solutions for increasing the number of Vietnamese seafarers working for foreign ship owners, they are: Cluster of issues concerning governmental management and policies to be enhanced by the Vietnamese government, and clusters of issues on improving the working qualifications of Vietnamese seafarers determined by the MET organisations. These internal solutions bring draft suggestions of how to solve the problem of Vietnamese seafarers and bring more Vietnamese seafarers to the global world of shipping.

## References

- [1] BIMCO/ISF (2005): BIMCO/ISF Manpower 2005 Update - Summary. The Worldwide Demand for and Supply of Seafarers. BIMCO/ISF/Warwick Institute for Employment Research.
- [2] Solanki, I. & Nakazawa, T. (2007): Empowering Seafarer – Role of Maritime Universities. World Maritime Excellent. Proceedings of the 2007 IAMU Assembly, Odessa, Russia, pp. 387 – 399.
- [3]. Uy, D. V & Duong, P. X (2007): The improvement of Higher MET at Vietnam Maritime University by enhancement of the linkage with industries and international relations, E-proceedings of TransNav 7th International Symposium on Navigation, Gdynia Maritime University, Poland, pp. 679 – 684.
- [4] Uy, D.V (2009): Research on Improving the Maritime Training Capacity of Vietnam's MET system in order to enhance the maritime labour source from 2010 to 2020 (In Vietnamese). A prioritised scientific project of Ministry of Transport of Vietnam.
- [5] Winchester, N., H. Sampson & T. Shelly (2006): An Analysis of Crewing Levels. SIRC Global Labour Market Survey. Seafarers International Research Centre. ISBN:1-900174-27-8.
- [6] Wu, Bin, G. Shen, G. & L. Li (2007): The Transformation of the Chinese Labour Market for Seafarers, SIRC: Cardiff University, ISBN 1-900174-33-2.
- [7] Data provided by Vietnam Maritime Administration, Vietnam.