THE SIRC COLUMN

Global wages for global workers

The new global pay settlement for seafarers puts the shipping industry at the forefront of modern industrial relations says, Helen Sampson, director of the Seafarers' International Research Centre,

On the front page of this issue of The Sea there is news of a global wage settlement for seafarers agreed by the ITF and the Joint Negotiating Group (JNG) which comprises the International Maritime Employers' Committee (IMEC) and the International Mariners Management Committee of Japan (IMMAJ). This is a historic moment for more than the shipping industry. The ITF is one of only ten global union federations (GUFs) worldwide and is the first to have attempted to reach a negotiated settlement with a global group of employers. Workers from other sectors look on with interest as the ITF moves towards achieving what many people in other industries only dream of. Why? Why is it that a global wage is so important in the context of industries with high levels of mobility, operating on a global scale, and specifically, why is it so important for shipping?

At one level, the answer is a straightforward one. If some parity within international wage settlements is not achieved, then in free, and relatively unregulated labour markets, employers will chase down the price of labour, playing one source off against another, in order to gain the edge over their competitors. There is nothing malicious or malign in this; it is simply the nature of business in a capitalist economy. Competition is key and labour costs are critical.

In shipping we have already seen such forces at work as traditional labour supply nations have been superceded by newer ones, which have in turn come under threat themselves from new areas of competition. Whilst a few employers might continue to buck the trend of constantly scouting for newer and cheaper labour sources in favour of quality, workforce stability, and training standards, in many trades such actions can threaten market share, as competitors drive down prices and head for the cheapest labour available. Therefore, many employers have little choice but to follow the trend set by their rivals, even where they are reluctant to do so.

The consequences of these shifts in employment are potentially serious. Not only are seafarers and their families threatened but economies are likely to suffer too. A drop in remittances caused by lower wages driven down as a result of external competition is as significant to an economy as a drop in remittances caused by a decline in numbers of workers, arguably more so. The consequences can be wider than this however, not only for seafarers and their families, but for the industry, the environment, and society as a whole. This is because seafarers require certain levels of experience, and training, to develop the competence required for the safe operation of ships.

In order to develop such skills and competence they require a combination of sea-time, and quality training in their countries of domicile. The establishment of such quality training centres and colleges takes time, it takes investment in terms of physical and human resources, and it simply cannot be established over night. Shifting rapidly in and out of labour supply countries undermines the provision of such quality education and training and ultimately poses a risk for all concerned. As the GUFs look on at the ITF/JNG negotiations with curiosity, therefore, it would be as well for those of us with the interests of maritime safety at heart to be thankful for the progress made in the historic quest of the ITF and JNG. A negotiated global settlement in this context doesn't represent a victory for any one set of interests but constitutes a win-win situation for employers, for unions, for seafarers, and for their families. Indeed, it puts the industry at the forefront of modern industrial relations and creates a model for others to follow.